

## **TCL Electronics Takes Active Measures against Novel Coronavirus Pneumonia**

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### **Global Production Capacity Layout Guarantees Supplies**

(Hong Kong, 3 February 2020) **TCL Electronics Holdings Limited** (“**TCL Electronics**” or “the **Company**”, HKSE stock code: 01070.HK) has taken several active measures against the outbreak of Novel Coronavirus (the “Epidemic”). Meanwhile, the Company assures that the global supplies and the business operations remain normal during the Epidemic.

On 26 January, TCL Electronics donated LCD displays to Huoshenshan Hospital and Leishenshan Hospital in Wuhan, Hubei Province for their need in the process of construction, and the Company sent off a special team for the installation. At the same time, the Company’s subsidiary company Shenzhen Falcon Network Technology (Falcon Network Technology), which is the Company’s internet TV operating platform, sets up a coronavirus-themed channel on the homepage of the TCL TV and provides some popular paid contents to the public for free.

In addition, the Company puts the life safety and health of employees as the top priority and promptly carries out a series of measures, including: 1) implementing effective prevention and control, such as daily disinfection in factories, offices and dormitories, provision of sanitary supplies and isolated observation areas, strengthening health protection and monitoring of on-duty employees, and keeping a daily updated health record of homecoming employees; 2) establishing a multi-level working group to implement various prevention and provide necessary services; 3) strict control and checking on access and exit of personnel and vehicles; 4) the employees in Guangdong start working from home, remotely or online to ensure global business operations since 3 February. Most of the employees will resume work in office from 10 February; 5) postponing the resumption of work of employees from Hubei Province.

In response to the Epidemic, the Company spares no efforts to ensure its business developing smoothly. Overseas markets have become the engine of the Company’s TV business. In 2019, sales volume of TCL brand TV in overseas markets accounted for more than 65% of the overall TCL brand TV sales volume. At present, the Company’s overseas sales business are moving on as usual. Meanwhile, with factories in Mexico, Brazil, Vietnam, Poland, India, etc., the Company’s total production capacity layout in overseas exceeds 15 million sets per year, which is sufficient to meet its shipment demand in the overseas markets.

For the PRC market, the Company has prepared inventory prior to the Chinese Lunar New Year, which can guarantee the supplies in the domestic market in the near future. In recent years, the Company keeps strengthening its online sales channels and increasing its e-commerce sales proportion of the total sales. Efforts have also been made to clearly define customer segments

and develop new online customers. At present, its e-commerce business channels are rather mature, covering the official online mall, Suning, JD, and Tmall, and enough to meet customer demands. As for after-sales service, the Company has rolled out online self-service in response to the Epidemic, which provides customers with shopping guide services, such as upgrading discounts, purchasing large-screen products, etc.

For the Internet business, during the Chinese Lunar New Year, Falcon Network Technology particularly has launched a featured channel for the Spring Festival Gala, and more than 20 featured categories across movies, TV series, variety shows, cartoons for children, and documentaries, providing users with more high-quality films and television contents and continuously enhancing user experience. In addition, aligned with Tencent, Falcon Network Technology specially has provided 56 free-for-limited-time high-quality contents, to meet users' demands during the Chinese Lunar New Year, which further enhances user loyalty and extends TV screen time. Meanwhile, such many activities as Warm-up for New Year Purchases, sending blessing cards, lucky draw, special designed programs are provided. These activities will be extended to the Lantern Festival to accommodate extension of the holiday. As of 31<sup>st</sup> January 2020, the number of existing subscribers grew by 177.3% <sup>(1)</sup> compared to the same period in 2019.

<sup>(1)</sup> User data as of 31/1/2020 vs. 31/1/2019

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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>.

**For Enquiries:**

**Hong Kong Zhixin Financial News Agency Limited**

Ms.Rachel Lei	Tel: (86-755) 8254 5361
Ms.Lilian Lam	Tel: (86-755) 8255 0643
Ms.Jules Zhu	Tel: (86-755) 8277 0579
Ms.Fancy Wang	Tel: (86-755) 2589 3557
Mr.Jason Wang	Tel: (86-755) 2394 1306
Mr.Alex Xiao	Tel: (86-755) 8323 6296

Email: [info@zhixincaijing.com](mailto:info@zhixincaijing.com)