

TCL Electronics Grew Exports by 16.5% in Q1 amid Negative Trends, Claiming Top Spot among China's Peers

(HONG KONG, May 14, 2020) AVC Revo, a well-recognized display-industry consulting institute in China, recently released the *Data Report on Exports from Mainland China's TV Manufacturers*. According to the report, Mainland China's TV manufacturers saw overall export by volume drop 2% year-on-year in the first quarter of 2020. TCL Electronics Holdings Limited ("TCL Electronics" or "the Company", stock code: 01070.HK) defied the negative trend and posted a 16.5% year-on-year increase in export volume in the first quarter of 2020, ranking on top of all Chinese peers with export volume almost twice of that the No.2 player made in the same period. It pulled off a stellar sales performance in the U.S. and quite some other countries or regions.

As shown by the AVC Revo's report, although it was better than expectation, China's TV exports still went down 2% year-on-year to 25.7 million sets in Q1 2020 because of the COVID-19 pandemic and an extended Spring Festival vacation. TCL Electronics' exports from which swelled 16.5% to 5 million sets. The Company accounted for nearly 20%, the largest share, of total TV exports from mainland China. The firm that was right behind it exported just a little more than half as many as TCL Electronics did.

In the first quarter of 2020, China's TV export to North America, where mid-to-high end products are popular, plunged 34.8% year-on-year because of two things: (1) the COVID-19 pandemic caused disruptions; (2) inventories for this region were beefed up in Q1 2019 in response to China-U.S. trade disputes, pushing export figures to an excessively high level. However, sales volume of TVs in the U.S. retail market in the first quarter of 2020 increased by 2%* year-on-year. The Company's TCL brand TV maintained a strong momentum in the U.S. retail market and continued to gain its market share. In the first quarter of 2020, sales volume of TCL brand TVs in the U.S. retail market increased by 6%* year-on-year, with an increase of 45%* in March sequentially. TCL brand TVs maintained their No.2* position with 15.4%* market share in the first quarter in the U.S. retail market. Furthermore, the Company's market share in terms of retail sales volume has shown an upward trend week-on-week, and climbed to 18.4%* during the week from April 5 to April 11.

In the Philippines, Thailand, Vietnam, India, Pakistan, Hong Kong, and Australia, TCL Electronics also made great achievement in the first quarter of 2020, with its sales volume growth outpacing the local markets and gaining more market shares than one year ago. On the rankings of market share by sales volume in key markets in the first quarter, the Company was No.1 in Pakistan, No.2 in the Philippines and Myanmar, No.3 in Canada, France, Saudi Arabia, and Australia, No.4 in Hong Kong, Thailand, Vietnam, Mexico, Brazil, and Argentina, and No.5 in Italy. It is noteworthy that the Company was the monthly champion of March in Australia and claimed just 10th place in Italy during Q1 2019. (Data source: GfK)

According to AVC Revo's *Data Report on Monthly Shipments from TV OEMs Worldwide*, 14 major TV OEMs around the world shipped a total of 13.8 million sets in Q1 2020, during which TCL Electronics jumped to the second place on the global shipment rankings, up by one notch from the previous ranking in the same period of last year, and narrowed its gap with the top player to a mere 30 thousand sets.

Despite AVC Revo's forecast that TV exports from China will drop 15.3% year-on-year during the second quarter, TCL Electronics is confident that it can achieve its goal of beating last year's overall sales volume, benefitting from its globally leading position in market development, integrated industry chain, and its cutting-edge display technologies like quantum dot and Mini LED. In addition, the Company's Internet business grew rapidly during the COVID-19 pandemic. In the first four months of 2020, Falcon Network Technology recorded HK\$270 million of revenue, up by noticeably 67.6% year-on-year and generated HK\$103 million of net profits, growing by 103.0% year-on-year and indicating of a higher net profit margin of 38.1%, up by 6.6 percentage points than one year ago. With stronger profitability, the Company expects to remain continuously growing momentum in its core operating results.

**Source: The NPD Group, Inc., US Retail Tracking Service, LCD TV, Based on unit sales, Jan.- Mar. 2020 combined, March 2020, and April 5-11, 2020*

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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 players in the global TV industry, and is engaged in the research and development, manufacturing and distribution of consumer electronic products. Through a new product-and-user-oriented business model that focuses primarily on a "double +" strategy which includes "smart + internet" and "products + services" as the main direction, TCL Electronics strives to build a comprehensive ecosystem for smart TVs that provides users with smart and healthy living products and services, and is dedicated to becoming a global leading smart technology company. According to the latest Sigmaintell report, the market share of the Company in terms of sales volume ranked No.2 in the global TV markets in 2019. TCL Electronics is included in the eligible shares 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 information, please visit its website: <http://electronics.tcl.com>.

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