

TV Sales Volume of TCL Electronics in 2020 Reached 23.93 Million Overshoots Its Sales Target and Hits a New High

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Sales Volume in 2020 up 15.9% YoY Sales in Overseas Markets Increase 27.2% YoY

Hong Kong, 14 January 2021 -- TCL Electronics Holdings Limited ("TCL Electronics" or "the Company", HKSE stock code: 01070.HK) announced that its sales volumes of TCL brand TV in the fourth quarter of 2020 (from October to December) increased by 20.2% year on year to 6.61 million sets. The sales volumes in the whole year of 2020 (from January to December) reached 23.93 million sets with a year-on-year growth of 15.9%, overshooting its sales target and hitting a new high.

In spite of COVID-19 pandemic in 2020, the Company leveraged its globally deployed production capacity and advantages in vertical integration for the industry chain to seize sales opportunities as markets rebounded. The sales volume of TCL brand TVs in 2020 kept strong growth momentum. Meanwhile, the Company kept enhancing its product competitiveness and brand power and improving its product mix. The sales volume of its smart TVs and 4K TVs increased by 24.1% and 26.3% year-on-year, respectively. The proportions of smart TVs and 4K TVs increased by 6.0 percentage points and 4.5 percentage points year-on-year, which accounted for 91.3% and 55.6% of the overall sales volume, respectively. With a year-on-year growth of 2.8 percentage points, the proportion of Quantum Dot TVs, which were mostly sold to overseas markets, reached 3.4%. With best-in-class Mini LED backlight technology, the Company was the first in the industry to achieve mass production for Mini LED TVs, and its sales volume of Mini LED TVs led the pack.

In overseas markets, the annual sales volume of TCL brand TV of the Company reached 17.13 million sets, up by 27.2% year-on-year and recorded strong sales growth in most regional markets. In North America, its annual sales volume rose by 25.4% year-on-year. In Europe, sales volume in 2020 rose 66.0% year-on-year. Especially, sales volume of France, Italy and Nordic notably increased by 20.7%, 24.2% and 85.6%, respectively. In the emerging markets, the Company further expanded its distribution channels and sales volume in 2020 surged by 19.4%. Specifically, sales volume in Japan, Brazil, Australia, Indonesia and Russia notably increased by 181.3%, 67.9%, 45.9%, 40.8% and 31.4%, respectively.

Sales in the PRC market continued on a streak of growth in the fourth quarter in 2020, which witnessed a year-on-year growth of 7.5% and a quarter-on-quarter growth of 34.4%. The sales volume in 2020 slightly declined to 6.8 million sets, which was mainly due to the shut-down of most offline stores in February and March last year because of COVID-19 pandemic, creating a slack season during the first quarter. Smart TVs and 4K TVs accounted for 92.0% and 63.7% of the fourth quarter's sales volume and 89.8% and 64.2% of the sales volume in 2020, up by 6.9 percentage points year-on-year and 4.3 percentage points year-on-year, respectively. The

Company kept optimizing its product mix and channel structure in the PRC market to further enhance stronger competitiveness.

Smart mobile and connective device business was consolidated for the first time in September 2020. The sales volume of smart mobile and connective device from September to December of 2020 reached 11.7 million sets, up by 14.1% year-on-year compared with the same period of 2019.

In 2020, the Company further expanded the user base for its Internet business. As of 31 Dec 2020, the number of monthly active users reached 17.91 million, up by 15.5% year-on-year.

TCL Electronics is committed to developing the smart display industry and striving to serve global users. Its global market share keep rising over the past three years. In the first three quarters of 2020, the Company ranked among global top 3 in terms of sales volume of branded TVs. As a Chinese leading player in the smart display industry, the Company made concerted efforts to fight against COVID-19 pandemic and successfully overshot its sales target in 2020. In 2021, it will further ramp up R&D and product innovation, focusing on AI as well as advanced display technologies like Mini LED, 8K, and Quantum Dot. Meanwhile, it keeps broadening its global market share and thereby consolidate its leading position. In addition, as continuing focuses on Internet business, the Company will insist on its “AI x IoT” strategy to become a world-leading smart technology company and create more value for its shareholders.

The whole year of 2020 and the fourth quarter of 2020 (Unaudited)

	January to December 2020	January to December 2019	Y-o-Y Change (%)	October to December 2020	October to December 2019	Y-o-Y Change (%)
TCL Brand TV sales volume	23,927,464	20,641,617	15.9%	6,606,898	5,495,654	20.2%
— PRC Market (TCL Brand)	6,799,548	7,179,202	-5.3%	2,312,870	2,151,303	7.5%
— Overseas Markets (TCL Brand)	17,127,916	13,462,415	27.2%	4,294,028	3,344,351	28.4%
Proportion of TCL Brand Smart TV (%)	91.3%	85.3%	+6.0p.p.	93.4%	86.5%	+6.9p.p.
Proportion of TCL Brand 4K TV (%)	55.6%	51.1%	+4.5p.p.	59.6%	57.0%	+2.6p.p.

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About TCL Electronics

Headquartered in Shenzhen, China, TCL Electronics Holdings Limited (stock code: 01070.HK, incorporated in the Cayman Islands with limited liability) is engaged in the research and development, manufacturing and distribution of consumer electronic products such as smart TVs and mobile communication devices and independently developed home Internet services. TCL Electronics has emerged as a world-leading and China's only diversified consumer electronics platform with advantages of vertically integrated industrial chain. With smart display as the core of the strategy and 5G and "AI x IoT" as technology drivers, TCL Electronics provides users with a smart and healthy life with household, mobile and commercial scenarios and is devoted to becoming a world-leading smart technology company. According to the latest report from Sigmaintell, the market share of global brand smart TV of TCL Electronics in the third quarter of 2020 ranked Top 3 in the world. With leading positions in the domestic and overseas markets, the MAU and ARPU of TCL Electronics' home Internet operation platform ("Falcon Network Technology") both ranked among the top in the PRC market. TCL Electronics has also emerged as the industry's only Chinese company with sustainable and large-scale revenue in the overseas Internet services. 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 the website of investor relations of TCL Electronics: <http://electronics.tcl.com>.

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