

**TCL Electronics Sells 17 Million Smart
Screens in First Nine Months of 2021,
Global Market Share Stands Among Top Three**

Significant Increase in High-end Product Sales

(October 26, 2021, Hong Kong) **TCL Electronics Holdings Limited** (“TCL Electronics” or “the Company”, HKSE stock code: 01070.HK) today announced the sales volume of its TCL smart screens during the first nine months (January to September) of 2021. Although the global sales volume of TCL smart screens recorded a slight year-on-year drop at 17.06 million units, the global market share by shipment marginally went up, remaining ranking among top three¹. During the period, sales volume of high-end display products, namely quantum dot smart screen and Mini LED smart screen, showed a 76.5% and 116.0% year-on-year increase, respectively, indicating that consumer demand for high-end products is still rising.

Due to the rapid development of the display industry, new display technologies such as Mini LED have delivered better visual enjoyment to consumers, as well as unprecedented opportunities to the TV industry. In August, a research report by Omdia predicted that global Mini LED backlight TV shipments are likely to increase in 2021, reaching 25 million units by 2025. TCL Electronics seized the opportunity to lead in the rollout of Mini LED products, focusing on technological breakthroughs while continuing to optimize product structure, and thereby, increased the proportion of high-end product sales. The Company's proportion of smart TV by sales volume increased in the first nine months of 2021 by 1.7 percentage points year-on-year, accounting for 92.3% of total volume, while the proportion of quantum dot smart screen by sales volume rose by 2.3 percentage points year-on-year to 5.2%, and the proportion of Mini LED smart screen by sales volume rose by 0.3 percentage points.

In 2021, TCL Electronics successively released new products including TCL C12 Quantum Dot Mini LED Smart Screen and Mini LED 98-inch IMAX Enhanced Smart Screen. Mini LED 98-inch IMAX Enhanced Smart Screen is the first bezel-less large screen in the world, equipped with contrast control zones with optical engine, quantum dot (QLED) display technology, 2.1 ONKYO sound solution, AI full-scene interconnection control, as well as one-touch screen projection and

other functions. At the same time, in August, TCL Mini LED 4K Smart Screen 65C825 won the "Premium LCD TV 2021-2022" awarded by the European Audiovisual Association ("EISA"). In the future, the Company will continue to raise its market competitiveness by enhancing its application of the Mini LED technology.

The shortage of raw materials, such as chips and panels, in the upstream segment experienced during the first half of 2021 has caused increasing cost. While the situation eased slightly in the third quarter, the TV industry is still facing strong operational constraints. According to a report by Sigmaintell, shipments during the first half of 2021 were likely to remain strong, but demand in the second half is expected to fall with global TV shipments decreasing by more than 10% year-on-year during the second half year. Despite the downward pressure on the market, the company is still actively responding to market changes. It is worth noting that overseas markets sales of TCL smart screens have grown steadily. In the first nine months of 2021, sales volume of TCL smart screens in overseas increased by 6.0% year-on-year. In sub-regional markets like Europe, growth momentum was strong with sales volume in the first nine months rising by 41.7% year-on-year, of which Italy, Spain and Benelux increased year-on-year by 83.9%, 68.3%, and 53.0%, respectively. During the same period, sales volume in emerging markets² rose by 10.3% on year-on-year, of which Japan, Argentina and Brazil showed year-on-year increases of 115.9%, 32.2% and 18.7%, respectively. Since the beginning of this year, the pandemic's impact has gradually eased in North America, following higher-than-expected surge in demand during 2020 when more people stayed home and demanded smart screens in Europe and American markets. The Company's sales volume in the first nine months of 2021 fell by 6.6% year-on-year when compared to a record last year, but was still 16.6% ahead of sales when compared to those in the same period of 2019.

In the PRC market, prices of screens fell during the third quarter compared with the first half of the year, however, the impact on the overall color TV retail market remained. Sales volume of TCL smart screens in the PRC market fell by 23.0% year-on year during the first nine months of 2021 owing to overall industry conditions and increasing product prices. Although overall sales volume fell, consumer demand for high-end products showed an upward trend. The proportion of TCL QLED smart screens and TCL Mini LED smart screens by sales volume in the PRC market rose by 2.6 percentage points and 0.5 percentage points, respectively. According to the latest

omni-channel data provided by China Market Monitor, the market share of TCL QLED smart screens by sales volume ranked No.2 and the market share of TCL Mini LED smart screens by sales volume ranked No.1 in the PRC market during the first nine months of 2021.

Sales of smart mobile, connective devices and services continued to grow steadily. In the first nine months of 2021, total sales volume reached 22.28 million units, up by 21.1% year-on-year.

Culminating the best of advanced smart display technologies, TCL strives to bring more comfortable consumer experiences through smart and technological applications. Pandemic challenges and fluctuations in the supply chain may continue to affect the industry in the second half of 2021. As a result, the Company is working proactively to tackle these challenges and will continue to increase investment in R&D and product innovation, with a focus on artificial intelligence and high-end display technologies such as Mini LEDs, 8K and quantum dots. In addition, the Company will continue to grow its global market share of TCL brand smart screens and develop its global internet business, while further propelling its “AI x IoT” strategy to become a leading global intelligent technology company and create greater value for shareholders.

First Nine Months of 2021 (Unaudited)

	2021 Q1-Q3	2020 Q1-Q3	Y-o-Change
TCL Smart Screen sales volume	17,056,095	17,320,566	-1.5%
— PRC Market	—	—	-23.0%
— Overseas Market	—	—	+6.0%
Proportion of TCL Smart TV (%)	92.3%	90.6%	+1.7 percentage points
Proportion of QLED (%)	5.2%	2.9%	+2.3 percentage points

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¹Data Source: Sigmaintell;

²Emerging market includes Asia Pacific, Latin America, Middle-East Asia etc.

About TCL Electronics

TCL Electronics Holdings Limited (“TCL Electronics” or “the Company”, stock code: 01070.HK, incorporated in the Cayman Islands with limited liability) was listed on the mainboard of the Hong Kong Stock Exchange in November 1999. The Company is mainly engaged in R&D, manufacturing and sales of smart screen, smart mobile and connected device, smart commercial display, smart home product and other diversified IoT products, as well as independently developed home Internet services. TCL Electronics is the only diversified consumer electronics company within the industry in China with vertically integrated supply chain. Focusing on the smart display business, supported by 5G technology and "AI x IoT" strategy, TCL Electronics is committed to providing a smart and healthy life in household, mobile and commercial scenarios, and dedicated to becoming a global leading smart technology company. TCL Electronics is part of the Shenzhen-Hong Kong Stock Connect program, and is included in the Hang Seng Stock Connect Hong Kong Index, the Hang Seng Composite MidCap & SmallCap Index and the Hang Seng Corporate Sustainability Benchmark Index, and received Hang Seng Indexes Company Limited's ESG rating of A for four consecutive years from 2018.

For more information, please visit the website of investor relations of TCL Electronics: <http://electronics.tcl.com>, or TCL Electronics Investor Relations WeChat Page.

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