

## **TCL Electronics' Overall TV Sales Volume Reaches 13.41 Million Sets From January to May 2019, Significantly Increased by 24.2% YoY**

\* \* \* \* \*

### **Overseas Markets Were Not Impacted by Trade Dispute with Sales Volume Surging by Over 40% YoY Number of Users of the Internet Business Exceeds 36 Million**

(Hong Kong, June 13, 2019) **TCL Electronics Holdings Limited** (“**TCL Electronics**” or “**the Company**”; 01070.HK) today announced its sales volumes of TV products from January to May 2019. With sustainable and strong sales growth, TV sales volume of the Company reached 13.41 million sets from January to May, with a year-on-year increase of 24.2%, completing 42% of its full year target. Among which, TV sales volume of its overseas markets rose remarkably by 43.1% to 9.54 million sets, accounting for over 70% of the overall sales volume.

Benefiting from its global layout and continuous enhancement in product competitiveness and brand power, TCL Electronics' LCD TV sales volume from January to May 2019 increased to 13.41 million sets, growing by 24.2% year-on-year (Note: World Cup effect in the corresponding period last year). The overall sales volume of smart TVs and 4K TVs from January to May increased significantly to 10.79 million and 5.07 million sets, rising by 36.1% and 62.1% year-on-year, respectively, with the Company's persistent effort to optimize its product mix and sales channels.

In overseas markets, the Company's sales remained strong growth momentum. The LCD TV sales volume of the Company from January to May 2019 surged by 43.1% year-on-year to 9.54 million sets, accounting for over 70% of the overall sales volume. All the major overseas markets continuously recorded remarkable performance. Specifically, benefiting from the Company's global layout of production capacity and supply chain including overseas manufacturing bases in Mexico, Poland, South America, Southeast Asia and India, etc., and the Company has continued to optimize its production capacity and supply chain layout, sales volume in North American markets has not been affected by the China-US trade dispute and nearly doubled in the first five months of this year, equivalent to 96.8% year-on-year growth. In the European markets and the Emerging markets, the Company further expanded its sales channels and maintained on a fast-growing track. Sales volume from January to May in European markets recorded growth of 19.4% year-on-year, with Germany and Italy showing remarkable growth. The Emerging markets increased by 30.6%, mainly driven by robust growth in India, Indonesia and Argentina.

In the PRC market, the Company's LCD TV sales volume from January to May 2019 reached 3.87 million sets and self-branded TV sales volume rose by 5.0% year-on-year, within which sales volume of smart TVs and 4K TVs represented 83.9% and 58.3%, respectively (excluding ODM business in both categories), which has continuously increased. Meanwhile, the proportion of online sales has

further increased to 40.4% (excluding ODM business). The Company has adhered to its premium product strategy as well as consistently optimized its product mix and sales channels, boosting its competitiveness in the PRC market.

The user base of internet business continued to expand. The number of newly-activated users operated by Huan reached 4.12 million from January to May 2019, up by 30.1% year-on-year. The number of accumulated users exceeded 36 million and reached 36.03 million, rising by 34.9% year-on-year, and the average daily number of active users surged by 40.9% year-on-year to 17.80 million (Source: Huan Technology Co., Ltd. "Huan").

In 2019, the Company will continue to further develop North American markets and European markets and deepen strategic partnerships with Google and Roku, while actively expanding in such promising emerging markets as India, Russia and South America. It will also optimize its product mix and sales channel structure in the PRC market, as well as accelerate its global brand awareness and strengthen brand influence, and continue to optimize its global layout of production capacity in order to further increase its global market share. At the same time, the Company will strive to implement the strategy of "A.I. x IoT", devoting to achieving the interconnection of hardware + software + all devices with various IoT scenarios, providing users with smart and healthy living related products and services, aiming to become a global leading smart technology company and create greater value for shareholders.

*~More~*

## From January to May 2019 (Unaudited)

|   | Accumulated Total<br>(As at May 2019) | January- May<br>2019 | January- May<br>2018 | Y-o-Y<br>Change<br>(%) |
|---|---------------------------------------|----------------------|----------------------|------------------------|
| LCD TV sales volume   | N/A                                   | 13,413,843           | 10,798,328           | 24.2%                  |
| Of which: Smart TVs   | N/A                                   | 10,789,365           | 7,925,554            | 36.1%                  |
| — PRC Market  | N/A                                   | 3,869,348            | 4,130,801            | -6.3% <sup>(4)</sup>   |
| — Overseas Markets  | N/A                                   | 9,544,495            | 6,667,527            | 43.1%                  |
| Proportion of Smart TV in the PRC Market (excluding ODM business) (%) | N/A                                   | 83.9%                | 82.4%                | N/A                    |
| Proportion of 4K TV in the PRC Market (excluding ODM business) (%)    | N/A                                   | 58.3%                | 53.8%                | N/A                    |
| Number of TCL Activated Internet TV Users <sup>(1)</sup>              | 36,029,229                            | 4,121,809            | 3,168,872            | 30.1%                  |
| Average Daily Number of Active Users <sup>(2) (3)</sup>               | N/A                                   | 17,801,782           | 12,630,766           | 40.9%                  |

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

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

<sup>(3)</sup> May 2019 data

<sup>(4)</sup> Sales volume of self-branded products in the PRC markets increased by 5% year-on-year

- End -

### About TCL Electronics

Headquartered in China, TCL Electronics Holdings Limited (HKSE stock code: 01070) 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 a superior experience with its smart products and services. According to the latest Sigmaintell report, the Company ranked No. 2 in the global TV market with a market share of 11.6% in terms of sales volume in 2018. TCL Electronics is included in the eligible shares list of the Shenzhen-Hong Kong Stock Connect Scheme and Hang Seng Stock Connect Hong Kong Index. For more information, please visit its website: <http://electronics.tcl.com>