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TCL ELECTRONICS HOLDINGS LIMITED

TCL 電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(formerly known as TCL Multimedia Technology Holdings Limited

(TCL 多媒體科技控股有限公司))

(Stock Code: 01070)

(the “**Company**” and together with its subsidiaries, the “**Group**”)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

Based on the preliminary review of the unaudited management accounts of the Group for the Relevant Period by the management of the Company, the Group is expected to record a significant increase in its consolidated profit for the first half of 2018 as compared to that of the corresponding period in 2017.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited management accounts of the Group by the management of the Company, the Group is expected to record a significant increase in its consolidated profit for the six months ended 30 June 2018 (the “**Relevant Period**”), as compared to that of the corresponding period in 2017.

The aforesaid expected significant increase in the consolidated profit was mainly attributable to:

- (i) the significant increase in both the sales volume and revenue of LCD TV in the first half of 2018, amongst which the sales volume growth rate once again hit a five-year new high. The PRC market and the overseas markets maintained a steady increase. Particularly, the overseas markets performed extremely well, among which the North American market kept a stable growth, the emerging markets developed rapidly, and the European market grew significantly, as compared to that of the corresponding period in 2017;
- (ii) the substantial improvement of the Group's product competitiveness, and continuous optimization of the Group's product mix;
- (iii) the steady growth in the overall gross profit margin, and the significant increase in the gross profit margin in both the PRC market (excluding ODM business) and the overseas markets (excluding ODM business) with the benefits from the continuous decline in the price of the panels in the first half of 2018;
- (iv) the significant drop in the overall expense ratio as a result of the Group's continuous effort on cost reduction and efficiency enhancement, as well as the apparent advantages of the economies of scale; and
- (v) the one-off gain recorded after the asset transfer (including club membership) by the Group which was completed on 28 June 2018 (for details, please refer to the Company's announcements dated 10 May 2018 and 3 July 2018).

The Company is still in the process of finalising its results for the Relevant Period. The information as contained in this announcement is only based on the Company assessment on the unaudited management accounts of the Group for the Relevant Period by the management of the Group, and is not based on any figures or information audited or reviewed by the Company's auditors or audit committee. Shareholders and potential investors are advised to read carefully the results announcement of the Group for the Relevant Period which is expected to be published in August 2018.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 12 July 2018

As at the date of this announcement, the Board comprises Mr. LI Dongsheng, Mr. WANG Cheng Kevin, Mr. YAN Xiaolin and Mr. WANG Yi Michael as executive directors, Mr. Albert Thomas DA ROSA, Junior, Mr. HUANG Xubin, Mr. ZHANG Zhiwei and Mr. LIU Hong as non-executive directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter and Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive directors.