

[For immediate Release]

TCL Electronics' Sales Volume of TV sets Exceeds 13.17 Million for 1H 2018

* * * * *

Sales Volume Surged by 37.2% YoY Hit a Five-Year New High Again

(Hong Kong, 10 July 2018) **TCL Electronics Holdings Limited** (“**TCL Electronics**” or “**the Company**”; 01070.HK) today announced excellent results in sales volume of its TV products in the Second Quarter (April to June) and for the first half (January to June) of the year 2018. The sales volume for the Second Quarter and the first half of the year both beat the same period last year, with the latter result achieving more than half of its full-year sales target.

TCL Electronics' LCD TV sales volume growth for the Second Quarter of 2018 hit a record high again, increasing by 38.7% year-on-year to 6,798,884 sets, within which sales volume of smart TVs and 4K TVs grew to 4,742,524 sets and 1,956,273 sets, rocketing by 56.5% and 73.5% year-on-year, respectively. The overall LCD TV sales volume for the first half of the year broke the ten million mark to 13,173,307 sets, surging by 37.2% year-on-year. The sales volume of smart TVs and 4K TVs in the first half of the year was recorded 9,382,903 sets and 3,773,486 sets, soaring by 53.3% and 69.4% year-on-year respectively.

Boosted by the substantial improvement of product competitiveness, continuous optimization of product mix, and the advantages of vertical integration across its entire industrial chain, the Company has achieved outstanding sales results in the Second Quarter and the first half of the year, successfully completing 51.5% of the full-year sales target of 25.6 million sets at the end of June 2018. Sales volume in the PRC and overseas markets maintained steady growth momentum.

In the PRC market, the Company's LCD TV sales volume increased by 48.9% year-on-year to 2,458,580 sets in the Second Quarter, within which sales volume of smart TVs and 4K TVs accounted for 79.5% and 53.0%, respectively (excluding ODM business in both categories). The LCD TV sales volume for the first half of the year reached 4,888,636 sets and rose by 26.4% year-on-year, within which sales volume of smart TVs and 4K TVs represented 81.5% and 53.2%, respectively (excluding ODM business in both categories). TCL Electronics has been persistently pursuing premium quality and optimal product offering, enabling its products with increasing competitive edge in the PRC market.

In overseas markets, the Company's LCD TV sales volume grew by 33.5% year-on-year to

4,340,304 sets in the Second Quarter. Sales volume mounted up by 44.4% year-on-year to 8,284,671 sets in the first half of the year. Sales volume in various overseas regions continued to increase significantly. The North American market maintained steady growth; the emerging markets developed rapidly; and the European market grew significantly year-on-year, with regions such as France, Spain and Poland. With the benefit of years of in-depth penetration in overseas markets and a continuous strategic focus on key overseas markets, and achievement from global strategic development of TCL Electronics, overseas markets have become an important engine for the Company's development.

The number of newly-activated smart TV users has been rising significantly, of which the user base operated by Huan reached 3,817,734 for the first half of the year. The number of accumulated users climbed to 27,354,256; and the daily average number of active users jumped to 12,814,096 (Source: Huan Technology Co., Ltd. ("Huan")).

Following the official renaming of TCL Electronics, the Company will continue to consolidate and enhance its existing businesses. At the same time, the Company is actively advancing its strategic transformation, further optimizing its product structure, cultivating new growth drivers, continuously improving product quality and proactively exploring the smart internet TV, smart AV, smart home and commercial display businesses. While continuously strengthening its competitiveness in the PRC, the Company has been dedicated to adhering to its globalization strategy and further penetration in the overseas markets. In the future, the Company will further implement its diversified business development strategy, strengthen the influence of the brand globally, focus on increasing its profitability, empower itself to become an international conglomerate in the electronics industry, creating greater value for shareholders.

More~

From January to June 2018 (Unaudited)

	Accumulated Total (As at June 2018)	January- June 2018	January- June 2017	Y-o-Y Change (%)	April-June 2018	April-June 2017	Y-o-Y Change (%)
LCD TV sales volume	N/A	13,173,307	9,603,392	37.2%	6,798,884	4,901,223	38.7%
Of which: Smart TVs	N/A	9,382,903	6,119,663	53.3%	4,742,524	3,030,897	56.5%
— PRC Market	N/A	4,888,636	3,866,883	26.4%	2,458,580	1,650,628	48.9%
— Overseas Markets	N/A	8,284,671	5,736,509	44.4%	4,340,304	3,250,595	33.5%
Proportion of Smart TV in the PRC Market (excluding ODM business) (%)	N/A	81.5%	75.1%	N/A	79.5%	74.3%	N/A
Proportion of 4K TV in the PRC Market (excluding ODM business) (%)	N/A	53.2%	40.6%	N/A	53.0%	40.8%	N/A
Number of TCL Activated Smart TV Users ⁽¹⁾	27,354,256	3,817,734	3,013,953	26.7%	1,766,144	1,216,200	45.2%
Daily Average Number of Active Users ^{(2) (3)}	N/A	12,814,096	9,169,637	39.7%	N/A	N/A	N/A

⁽¹⁾ Number of TCL Activated Smart TV Users refers to the number of users who use the internet TV web service for more than once

⁽²⁾ Daily Average Number of Active Users refers to the number of non-repeat individual users who visit within 7 days

⁽³⁾ June 2018 data

- 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. TCL Electronics ranked No.3 in the global LCD TV market with a market share of 10.9% for the year 2017 according to the latest IHS Technology and the Company’s shipment data, and ranked No.3 in the LCD TV market in the PRC with a market share of 12.1% in the first quarter of 2018 according to CMM’s omni-channel data. TCL Electronics is included in the eligible shares list of the Shenzhen-Hong Kong Stock Connect Scheme. For more information, please visit its website: <http://electronics.tcl.com>

For Enquiries:

Strategic Financial Relations (China) Limited

Ms. Serine Li Tel: (852) 2864 4835

Ms. Winnie Lau Tel: (852) 2864 4876

Ms. Karen Li Tel: (852) 2864 4837

Ms. Gloria Huang Tel: (852) 2864 4839

Ms. Sherry Liu Tel: (852) 2114 4907

Ms. Yoki Zhao Tel: (852) 2114 4949

Ms. Michelle Ma Tel: (852) 2114 4954

Email: sprg-tcl@sprg.com.hk