

TCL Electronics' Overall Sales Volume of TV Sets Reaches 28.61 Million in 2018 Outperforms Full-year Sales Target and Hits a Historic High

* * * * *

Annual Sales Volume Surges by Approximately 30% YoY in Overseas Markets Number of Users of the Internet Business Exceeds 30 Million

(Hong Kong, January 15, 2019) **TCL Electronics Holdings Limited** (“**TCL Electronics**” or “**the Company**”; 01070.HK) announced the sales volumes of its TV products in the Fourth Quarter (October to December) and in 2018 (January to December) today. The sales volume in 2018 rose by 23.1% year-on-year to 28.61 million sets, exceeding the full-year target of 28.30 million sets which had been adjusted upward, and hitting a historic high.

Benefiting from the continuous improvement in its product competitiveness and brand power, TCL Electronics' LCD TV sales volume grew by 5.2% year-on-year to 7.48 million sets in the Fourth Quarter of 2018, among which 5.97 million were smart TVs and 3.07 million were 4K TVs, up by 22.1% and 48.4% year-on-year, respectively. The overall LCD TV sales volume in 2018 increased to 28.61 million sets, with a growth of 23.1% year-on-year. The overall sales volume of smart TVs and 4K TVs for the year increased significantly to 21.18 million sets and 9.18 million sets, rising by 40.3% and 58.2% year-on-year, respectively. This demonstrates continuous optimization of product mix and sales channels.

In overseas markets, the Company's LCD TV sales volume grew by 16.9% year-on-year to 4.68 million sets in the Fourth Quarter. The LCD TV sales volume in 2018 rose by 29.5% year-on-year to 18.21 million sets for the year. Overseas markets contributed over 60% to the overall sales volume. During 2018, the Company fully implemented its globalization strategy by actively expanding into new markets with great growth potential while cultivating current overseas sales channels. It accelerated its brand internationalization and continued to reinforce its brand influence. Sales volumes in the North American market continued to consolidate its leading position and climbed to 2nd place in terms of sales volume in the Third Quarter and November in 2018, according to the latest NPD market research report. In the European markets and the emerging markets, the Company further expanded its sales channels and maintained on a fast-growing track.

In the PRC market, the Company's LCD TV sales volume increased to 2.81 million sets in the Fourth Quarter, within which sales volume of smart TVs and 4K TVs accounted for 83.7% and 58.9%, respectively (excluding ODM business in both categories). The LCD TV sales volume in 2018 reached 10.39 million sets and rose by 13.4% year-on-year, within which sales volume of smart TVs and 4K TVs represented 82.0% and 54.1%, respectively (excluding ODM business in both categories). The Company will continue to optimize 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 8.37 million in 2018, up by 34.0% year-on-year. The number of accumulated users exceeded 30 million and soared to 31.91 million, rising by 35.6% year-on-year, and the daily average number of active users jumped by 41.4% year-on-year to 15.28 million (Source: Huan Technology Co., Ltd. "Huan").

TCL Electronics deepened its globalization strategy in 2018. In the future, the Company will continue to cultivate North American market, European markets and emerging markets with huge potential, such as India, Russia and South America, to continuously expand its global market share. In December 2018, TCL Electronics announced to establish the integrated manufacturing bases in India with Shenzhen China Star Optoelectronics Technology Co., Ltd, and enter the huge potential Indian market in full swing, which demonstrates the Company's strategic layout and determination of sustainable growth in the overseas markets. In addition, the Company won the "Listed Company Awards of Excellence 2018" from the Hong Kong Economic Journal (*HKEJ*) recently, one of the most authoritative financial media in Hong Kong, and was listed on "Best Performance in Investment Return Stock under Stock Connect" at the "2018 Golden Wing Awards" organized by Securities Times, a renowned financial media in mainland China, symbolizing recognition from capital markets in both mainland China and Hong Kong for TCL Electronics' comprehensive strength, results performance, and development prospects. In the future, the Company will continue to take advantage of its first-mover globalization strategy, deepen implementation of its diversified business layout and development strategy, empower itself to become an international conglomerate in the electronics industry, and create greater value for shareholders.

~More~

From January to December 2018 (Unaudited)

	Accumulated Total (As at December 2018)	January-December 2018	January-December 2017	Y-o-Y Change (%)	October-December 2018	October-December 2017	Y-o-Y Change (%)
LCD TV sales volume	N/A	28,606,271	23,231,141	23.1%	7,483,597	7,116,623	5.2%
Of which: Smart TVs	N/A	21,181,963	15,094,106	40.3%	5,972,789	4,892,273	22.1%
– PRC Market	N/A	10,392,367	9,163,578	13.4%	2,807,600	3,117,103	-9.9%
– Overseas Markets	N/A	18,213,904	14,067,563	29.5%	4,675,997	3,999,520	16.9%
Proportion of Smart TV in the PRC Market (excluding ODM business) (%)	N/A	82.0%	76.3%	N/A	83.7%	79.9%	N/A
Proportion of 4K TV in the PRC Market (excluding ODM business) (%)	N/A	54.1%	42.7%	N/A	58.9%	47.6%	N/A
Number of TCL Activated Smart TV Users ⁽¹⁾	31,907,420	8,370,898	6,247,088	34.0%	2,597,239	1,771,703	46.6%
Daily Average Number of Active Users ^{(2) (3)}	N/A	15,282,347	10,809,751	41.4%	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 more than once

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

(3) December 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. According to the latest Sigaintell report, the Company ranked No.3 in the global TV market with a market share of 11.8% in terms of sales volume in the first half of 2018. According to CMM omni-channel data, the Company ranked No.1 in the PRC TV market with brand price index of 113. 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>

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. Athena Fu	Tel: (852) 2864 4860
Ms. Yoyo Lai	Tel: (852) 2864 4850

Email: sprg-tcl@sprg.com.hk