

For Immediate Release



**Tonly Electronics Holdings Limited**  
**(Stock Code : 01249)**

**Tonly Announces Sales Revenue from Major Products for Second Quarter  
and First Half in 2018 (Unaudited)**

(10 July 2018, Hong Kong) **Tonly Electronics Holdings Limited** (“Tonly Electronics” or “the Group”; SEHK stock code: 01249) announced its unaudited sales revenue ended 30 June 2018 for its major products. **The following products do not encompass all of the Group’s business and the information below does not completely reflect the Group’s performance during the period under review.**

Sales revenue of the major products of the Group was approximately HK\$1,593 million for the second quarter in 2018, increased by 42% compared with the same period of last year. Sales revenue of the major products of the Group in the first half of the year was HK\$2,787 million, representing a 37% rise year-on-year (YoY). The growth was mainly attributable to the Group’s ‘new audio’, ‘smart products’ and ‘components’ business.

Sales revenue for audio products for the second quarter in 2018 rose by 23% YoY to approximately HK\$1,008million. While its sales revenue increased by 23% YoY to HK\$1,787 million in the first half of the year. The increase was mainly attributable to the overall growth of new audio products such as wireless bluetooth speakers, soundbar and headphones, but the traditional audio business declined because of the shrinking market

Sales revenue of video products fell by 37% YoY to approximately HK\$118 million for the second quarter in 2018, and it recorded a decrease of 38% YoY to HK\$247 million in the first half of the year. The fall was mainly due to the general downturn of the video disc players market.

Due to the rapid growth of the smart audio products business and the lower sales basis in the same period last year, the smart products business recorded a high growth and its sales revenue surged by approximately 5.1 times YoY to approximately HK\$363 million for the second quarter in 2018. Sales revenue of the said products in the first half rose by 6.1 times YoY to HK\$567million. The Group will continue to capture the market opportunity as well as to break through on smart business.

Since the beginning of this year, the Group has vigorously developed the components business due to the rapid growth of the global market for smart products. Sales revenue of components products rose by 83% YoY to approximately HK\$104 million for the second quarter in 2018. Sales revenue of the said products in the first half of the year rose by 82% YoY to HK\$186 million. The Group will keep on expanding the investment on the components to expand its business scale.

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Unaudited Sales Revenue (HK\$'000)	2018 Q2	2017 Q2	Change YoY (%)	2018 H1	2017 H1	Change YoY (%)
<b>Audio Products<sup>(1)</sup></b>						
— Traditional audio products	116,517	171,987	-32%	206,643	297,543	-31%
— New audio products	891,882	649,519	37%	1,580,505	1,158,683	36%
<b>Subtotal</b>	<b>1,008,399</b>	<b>821,506</b>	<b>23%</b>	<b>1,787,148</b>	<b>1,456,226</b>	<b>23%</b>
<b>Video products<sup>(2)</sup></b>	<b>118,071</b>	<b>186,833</b>	<b>-37%</b>	<b>246,897</b>	<b>397,408</b>	<b>-38%</b>
<b>Smart products<sup>(3)</sup></b>	<b>363,180</b>	<b>59,013</b>	<b>515%</b>	<b>566,854</b>	<b>79,376</b>	<b>614%</b>
<b>Components products<sup>(4)</sup></b>	<b>103,676</b>	<b>56,538</b>	<b>83%</b>	<b>186,315</b>	<b>102,293</b>	<b>82%</b>
<b>Total</b>	<b>1,593,326</b>	<b>1,123,890</b>	<b>42%</b>	<b>2,787,214</b>	<b>2,035,303</b>	<b>37%</b>

(1) Mainly include home theatre, mini speakers, wireless speakers, soundbar, and headphones

(2) Mainly include DVD player and BD player, OTT set top box (STB)

(3) Mainly include smart voice speakers and I.O.T products.

(4) Mainly include new form surface structural parts, speakers and smart module

\*Partial smart products sales in 2017 were reclassified to components products for the reason of product form adjustment.

Note: The above products do not encompass all of the Group's business and the information above does not completely reflect the performance of the Group during the period under review. The above information is unaudited.

### **About Tonly Electronics**

Tonly Electronics Holdings Limited (SEHK stock code: 01249), a high-tech smart products ODM manufacturer with competitive industrial advantages, is principally engaged in the research and development, manufacturing and sales of audio and video products as well as wireless smart interconnectivity products. It is also developing into smart business. The Group is committed to becoming a one-stop smart IoT solutions provider based on the electroacoustic and wireless technologies. Its ultimate controlling shareholder is TCL Corporation (a company listed on the Shenzhen Stock Exchange, Stock code 000100.SZ).

For more information, please visit its website at [www.tonlyele.com](http://www.tonlyele.com).

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