

For Immediate Release



Tonly Electronics Holdings Limited
(Stock Code : 01249)

Tonly Announces Sales Revenue from Major Products for Fourth Quarter and Full Year in 2018 (Unaudited)

(11 January 2019, Hong Kong) **Tonly Electronics Holdings Limited** (“Tonly Electronics” or “the Group”; SEHK stock code: 01249) announced its unaudited sales revenue ended 31 December 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.**

Due to the decline of traditional business, sales revenue of the major products of the Group was HK\$2,108 million for the fourth quarter in 2018, decreased by 5.9% compared with the same period of last year. Sales revenue of the major products of the Group for the full year in 2018 was HK\$7,248 million, representing a 23.6% 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 fourth quarter in 2018 decreased by 7.83% YoY to HK\$1,515 million, while its sales revenue increased by 16.6% YoY to HK\$5,062 million for the full year in 2018. 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 66.8% YoY to HK\$49 million for the fourth quarter in 2018, and it recorded a decrease of 44.2% to HK\$382 million for the full year in 2018. 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, the smart products business for the full year in 2018 recorded a high growth. Its sales revenue increased by 20.3% YoY to approximately HK\$404 million for the fourth quarter in 2018. Sales revenue of the said products for the full year in 2018 rose by 1.6 times YoY to HK\$1,361 million. 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 24.5% YoY to approximately HK\$140 million for the fourth quarter in 2018. Sales revenue of

the said products for the full year in 2018 rose by 37.4% YoY to HK\$442 million. The Group will keep on expanding the investment on the components related to the smart products to expand its business scale.

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Unaudited Sales Revenue (HK\$'000)	2018 Q4	2017 Q4	Change YoY (%)	2018 Full year	2017 Full Year	Change YoY (%)
Audio Products⁽¹⁾						
– Traditional audio products	122,056	265,966	-54.11%	514,898	820,156	-37.22%
– New audio products	1,393,053	1,377,833	1.10%	4,547,508	3,519,889	29.19%
Subtotal	1,515,109	1,643,798	-7.83%	5,062,406	4,340,045	16.64%
Video products⁽²⁾	49,307	148,411	-66.78%	382,102	684,965	-44.22%
Smart products⁽³⁾	404,288	335,968	20.34%	1,361,090	517,794	162.86%
Components products⁽⁴⁾	139,758	112,238	24.52%	441,937	321,654	37.40%
Total	2,108,461	2,240,416	-5.89%	7,247,535	5,864,458	23.58%

(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, smart module and optical component

*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 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.

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