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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)

(Stock Code: 01070)

**(1) REVISION OF ANNUAL CAPS FOR EXISTING
CONTINUING CONNECTED TRANSACTIONS
(2) RENEWAL OF EXISTING
CONTINUING CONNECTED TRANSACTIONS
AND
(3) MAJOR TRANSACTION – ADVANCES TO AN ENTITY
AND PROVISION OF FINANCIAL ASSISTANCE
UNDER MASTER FINANCIAL (2025-2027) AGREEMENT**

INTRODUCTION

Revision of Annual Caps of Existing Continuing Connected Transactions

The Company anticipates that the 2024 Annual Caps under the Master Sale and Purchase (2022-2024) Agreement and the Master Photovoltaic Power Construction Services (2022-2024) Agreement will not be sufficient to meet the business demand of the Group and therefore proposes to revise the 2024 Annual Caps. Save for the Revised 2024 Annual Caps, all terms and conditions of the Master Sale and Purchase (2022-2024) Agreement and Master Photovoltaic Power Construction Services (2022-2024) Agreement shall remain unchanged.

Renewal of Existing Continuing Connected Transactions

On 26 September 2024 (after trading hours), the Company entered into the following Agreements with TCL Industries Holdings and/or Finance Company (HK) and the transactions contemplated thereunder constitute continuing connected transactions of the Company:

1. Master Sale and Purchase (2025-2027) Agreement;
2. Master Services (2025-2027) Agreement;
3. Master Financial (2025-2027) Agreement;
4. Master Brand Promotion (2025-2027) Agreement;
5. Master Rental (2025-2027) Agreement; and
6. Master Photovoltaic (2025-2027) Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 1,374,856,288 Shares, representing approximately 54.54% of the total number of issued Shares, are held by T.C.L. Industries (H.K.), which in turn is held as to 100% by TCL Industries Holdings. As such, T.C.L. Industries (H.K.) is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. As TCL Industries Holdings is the holding company of T.C.L. Industries (H.K.) and Finance Company (HK) is a direct subsidiary of T.C.L. Industries (H.K.), each of them is an associate of T.C.L. Industries (H.K.) and therefore also a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Revised 2024 Annual Caps and each of the Agreements therefore constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised 2024 Sale Annual Cap exceed 5%, the Revised 2024 Sale Annual Cap is subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised 2024 Operation and Maintenance Annual Cap exceed 0.1% but all are less than 5%, the Revised 2024 Operation and Maintenance Annual Cap is exempted from the circular (including independent financial advice) and Shareholders' approval under Rule 14A.76(2)(a) of the Listing Rules but is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the Master Sale and Purchase (2025-2027) Agreement, Master Services (2025-2027) Agreement, Master Financial (2025-2027) Agreement, Master Brand Promotion (2025-2027) Agreement and Master Photovoltaic (2025-2027) Agreement (i.e. agreements for the Non-exempt Transactions) exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the Deposit Services and Credit Services under the Master Financial (2025-2027) Agreement exceed 25%, the aforementioned transactions constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

Further, as the assets ratios of the Deposit Services and Credit Services under the Master Financial (2025-2027) Agreement exceed 8%, the aforementioned transactions also constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the Master Rental (2025-2027) Agreement exceed 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempted from the circular (including independent financial advice) and Shareholders' approval under Rule 14A.76(2)(a) of the Listing Rules but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

Revision of Annual Caps of Existing Continuing Connected Transactions

Reference is made to the (i) announcement and circular of the Company dated 11 November 2021 and 22 November 2021 respectively in relation to, among others, the Master Sale and Purchase (2022-2024) Agreement, pursuant to which, among others, each member of TCL Industries Holdings Group may, at its absolute discretion, request to purchase Electronics Products from members of the Group; and (ii) the announcement and circular of the Company dated 26 August 2022 and 8 September 2022 respectively in relation to, among others, the Master Photovoltaic Power Construction Services (2022-2024) Agreement, pursuant to which, among others, each member of TCL Industries Holdings Group may from time to time at its absolute discretion request members of the Group to provide Existing Operation and Maintenance Services in its ordinary and usual course of business.

The Company anticipates that the 2024 Annual Caps under the Master Sale and Purchase (2022-2024) Agreement and Master Photovoltaic Power Construction Services (2022-2024) Agreement will not be sufficient to meet the business demand of the Group and therefore proposes to revise the 2024 Annual Caps. Save for the Revised 2024 Annual Caps, all terms and conditions of the Master Sale and Purchase (2022-2024) Agreement and Master Photovoltaic Power Construction Services (2022-2024) Agreement shall remain unchanged.

Renewal of Existing Continuing Connected Transactions

On 26 September 2024 (after trading hours), the Company entered into the following Agreements with TCL Industries Holdings and/or Finance Company (HK) and the transactions contemplated thereunder constitute continuing connected transactions of the Company:

1. Master Sale and Purchase (2025-2027) Agreement;
2. Master Services (2025-2027) Agreement;
3. Master Financial (2025-2027) Agreement;
4. Master Brand Promotion (2025-2027) Agreement;

5. Master Rental (2025-2027) Agreement; and
6. Master Photovoltaic (2025-2027) Agreement.

The above Agreements are in substance renewal of the existing agreements and the terms of the renewal agreements are substantially the same as the Existing Agreements, save and except that in respect of the Master Photovoltaic (2025-2027) Agreement, the scopes of Operation and Maintenance Services and Construction Services are expanded and guarantee arrangement is added.

REVISION OF ANNUAL CAPS IN RESPECT OF THE MASTER SALE AND PURCHASE (2022-2024) AGREEMENT AND MASTER PHOTOVOLTAIC POWER CONSTRUCTION SERVICES (2022-2024) AGREEMENT

Master Sale and Purchase (2022-2024) Agreement

The Company has entered into the Master Sale and Purchase (2022-2024) Agreement with TCL Industries Holdings on 11 November 2021, pursuant to which, among others, each member of TCL Industries Holdings Group may, at its absolute discretion, request to purchase Electronics Products from members of the Group. The Master Sale and Purchase (2022-2024) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2024 were subsequently approved, confirmed and ratified by the Shareholders during an extraordinary general meeting held on 10 December 2021.

Based on the actual amounts of Electronics Products sold to members of the TCL Industries Holdings Group under the Master Sale and Purchase (2022-2024) Agreement and TCL Industries Holdings Group's projected demand for Electronics Products, the Company anticipates that the 2024 Sale Annual Cap under the Master Sale and Purchase (2022-2024) Agreement will not be sufficient to meet the business demand of the Group. Accordingly, the Company proposes to revise the 2024 Sale Annual Cap.

Master Photovoltaic Power Construction Services (2022-2024) Agreement

The Company has also entered into the Master Photovoltaic Power Construction Services (2022-2024) Agreement on 26 August 2022, pursuant to which, among others, each member of TCL Industries Holdings Group may from time to time at its absolute discretion request members of the Group to provide Existing Operation and Maintenance Services in its ordinary and usual course of business. The Master Photovoltaic Power Construction Services (2022-2024) Agreement and the transactions contemplated thereunder together with the relevant annual caps for the three years ending 31 December 2024 were subsequently approved, confirmed and ratified by the Shareholders during an extraordinary general meeting held on 29 September 2022.

Based on the actual amounts of services fees received by the Group from Existing Operation and Maintenance Services pursuant to the Master Photovoltaic Power Construction Services (2022-2024) Agreement and TCL Industries Holdings Group's projected demand for Existing Operation and Maintenance Services, the Company anticipates that the 2024 Operation and Maintenance Annual Cap under the Master Photovoltaic Power Construction Services (2022-2024) Agreement will not be sufficient to meet the business demand of the Group. Accordingly, the Company proposes to revise the 2024 Operation and Maintenance Annual Cap.

Save for the Revised 2024 Annual Caps, all terms and conditions of the Master Sale and Purchase (2022-2024) Agreement and Master Photovoltaic Power Construction Services (2022-2024) Agreement shall remain unchanged.

Principal terms and details of the Master Sale and Purchase (2022-2024) Agreement are set out in the announcement and circular of the Company dated 11 November 2021 and 22 November 2021 respectively and the principal terms and details of the Master Photovoltaic Power Construction Services (2022-2024) Agreement are set out in the announcement and circular of the Company dated 26 August 2022 and 8 September 2022 respectively.

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS

Set out below are details of the continuing connected transactions:

(1) Master Sale and Purchase (2025-2027) Agreement

As stated above, on 11 November 2021, the Company entered into the Master Sale and Purchase (2022-2024) Agreement with TCL Industries Holdings, which will expire on 31 December 2024. For details, please refer to the November 2021 Circular. As the Company and TCL Industries Holdings wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Sale and Purchase (2025-2027) Agreement with TCL Industries Holdings, subject to Shareholders' approval.

The Master Sale and Purchase (2025-2027) Agreement is on substantially similar terms as the Master Sale and Purchase (2022-2024) Agreement.

The material terms of the Master Sale and Purchase (2025-2027) Agreement are summarised below:

Date:	26 September 2024 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) TCL Industries Holdings (for itself and on behalf of TCL Industries Holdings Group).
Duration:	From 1 January 2025 or the Shareholders' Approval Date (whichever is later) to 31 December 2027 (both days inclusive).
Condition precedent:	The Master Sale and Purchase (2025-2027) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Sale and Purchase (2025-2027) Agreement, including but not limited to obtaining Shareholders' approval at the EGM.

Major terms:

Sourcing of TCL Associates Products

Each member of the Group may, at its absolute discretion, request to purchase its required TCL Associates Products from members of TCL Industries Holdings Group. Upon receiving purchase request from members of the Group, TCL Industries Holdings may, at its absolute discretion, procure the relevant member of TCL Industries Holdings Group to sell to the relevant member of the Group the required TCL Associates Products.

Sale of Electronics Products

Each member of TCL Industries Holdings Group may, at its absolute discretion, request to purchase Electronics Products from members of the Group. If any member of TCL Industries Holdings Group so requests or makes a written offer to any member of the Group to purchase from the Group any Electronics Products, the Company may, at its absolute discretion, procure the relevant member of the Group to supply such Electronics Products to the relevant member of TCL Industries Holdings Group.

General terms

The terms and conditions (including price and payment terms) of any sale and purchase conducted pursuant to the Master Sale and Purchase (2025-2027) Agreement shall be agreed between relevant member(s) of the Group and TCL Industries Holdings Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Sale and Purchase (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Subject to mutual agreement, the relevant member of the Group has the right to sell, resell or otherwise distribute TCL Associates Products which it has acquired from the relevant member of TCL Industries Holdings Group to any person at such price as such member of the Group may in its absolute discretion determine, and vice versa.

Pricing policy and basis of price determination:

The overall terms and conditions (including but not limited to price, payment terms and credit terms) as a whole offered by the relevant member of TCL Industries Holdings Group to the relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties and shall be on normal commercial terms or better. Each individual agreement shall be negotiated on an arm's length basis.

In determining whether the overall terms and conditions are no less favourable to the relevant member of the Group than those offered by Independent Third Parties, the Group will take into account all relevant factors including the fair market price ranges and pricing terms of products of identical, or (if that is not available) of comparable or similar quality, specifications, quantities, required time of delivery, etc. offered by Independent Third Parties in the market as at the time when the individual agreement is entered into.

(2) Master Services (2025-2027) Agreement

On 11 November 2021, the Company entered into the Master Services (2022-2024) Agreement with TCL Industries Holdings, which will expire on 31 December 2024. For details, please refer to the November 2021 Circular. As the Company and TCL Industries Holdings wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Services (2025-2027) Agreement with TCL Industries Holdings, subject to Shareholders' approval.

The Master Services (2025-2027) Agreement is on substantially similar terms as the Master Services (2022-2024) Agreement.

The material terms of the Master Services (2025-2027) Agreement are summarised below:

Date:	26 September 2024 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) TCL Industries Holdings (for itself and on behalf of TCL Industries Holdings Group).
Duration:	From 1 January 2025 or the Shareholders' Approval Date (whichever is later) to 31 December 2027 (both days inclusive).
Condition precedent:	The Master Services (2025-2027) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Services (2025-2027) Agreement, including but not limited to obtaining Shareholders' approval at the EGM.
Major terms:	<p>Each member of TCL Industries Holdings Group may from time to time at its absolute discretion request members of the Group to provide the Services in its ordinary and usual course of business, and the relevant member of the Group may at its absolute discretion decide whether to provide the Services to the relevant member of TCL Industries Holdings Group.</p> <p>Each member of the Group may from time to time, in its ordinary and usual course of business and at its absolute discretion, request members of TCL Industries Holdings Group to provide the Services, and the relevant member of TCL Industries Holdings Group may at its absolute discretion decide whether to provide the Services to the relevant member of the Group.</p>

The terms and conditions (including Service Fees and payment terms) of any Services provided pursuant to the Master Services (2025-2027) Agreement shall be agreed between relevant member(s) of the Group and TCL Industries Holdings Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Services (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

The Service Fees shall be payable in accordance with the payment terms and time as specified in the individual agreements.

Pricing policy and
basis of price
determination:

The overall terms and conditions (including but not limited to Service Fees) as a whole offered by the relevant member of TCL Industries Holdings Group to the relevant member of the Group shall be no less favourable to the relevant member of the Group than those offered by Independent Third Parties and shall be on normal commercial terms. Each individual agreement shall be negotiated on an arm's length basis.

In determining whether the overall terms and conditions are no less favourable to the relevant member of the Group than those offered by Independent Third Parties, the Group will take into account all relevant factors including the fair market price ranges and pricing terms of service of identical, or (if that is not available) of comparable or similar quality, type, specifications, required time, etc. offered by Independent Third Parties in the market as at the time when the individual agreement is entered into.

(3) Master Financial (2025-2027) Agreement

On 11 November 2021, the Company entered into the Master Financial (2022-2024) Agreement with TCL Industries Holdings and Finance Company (HK), which will expire on 31 December 2024. For details, please refer to the November 2021 Circular. As the Company, TCL Industries Holdings and Finance Company (HK) wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Financial (2025-2027) Agreement with TCL Industries Holdings and Finance Company (HK), subject to Shareholders' approval.

The transactions contemplated under the Master Financial (2025-2027) Agreement are on substantially similar terms as those contemplated under the Master Financial (2022-2024) Agreement.

The material terms of the Master Financial (2025-2027) Agreement are summarised below:

Date:	26 September 2024 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); (ii) TCL Industries Holdings (for itself and on behalf of Qualified Holdings Group); and (iii) Finance Company (HK).
Duration:	From 1 January 2025 or the Shareholders' Approval Date (whichever is later) to 31 December 2027 (both days inclusive).
Condition precedent:	The Master Financial (2025-2027) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Financial (2025-2027) Agreement, including but not limited to obtaining Shareholders' approval at the EGM.

Major terms:

Deposit Services – General

Any TCL Electronics Qualified Member may from time to time and at its absolute discretion request to deposit money with members of Qualified Holdings Group and/or Finance Company (HK), and the relevant member of Qualified Holdings Group and/or Finance Company (HK) may at its absolute discretion decide whether to accept the deposit from the relevant TCL Electronics Qualified Member.

The terms and conditions of Deposit Services conducted pursuant to the Master Financial (2025-2027) Agreement shall be agreed between the relevant TCL Electronics Qualified Member on the one part and the relevant member of Qualified Holdings Group and/or Finance Company (HK) on the other part in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Financial (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

TCL Electronics Qualified Members shall be entitled to withdraw the deposit upon notice to the relevant member of Qualified Holdings Group and/or Finance Company (HK), which shall transfer the withdrawn amount to the designated account of the TCL Electronics Qualified Member accordingly.

Deposit Services – Repayment and TCL Industries Holdings’ obligations

If any TCL Electronics Qualified Member demands repayment of any money deposited by it with the relevant member of Qualified Holdings Group and/or Finance Company (HK) in accordance with the relevant terms and procedure and the relevant member of Qualified Holdings Group and/or Finance Company (HK) fails to follow the repayment demand, TCL Industries Holdings undertakes (and the relevant TCL Electronics Qualified Member shall then have the right to request TCL Industries Holdings) to repay the outstanding deposit amount on behalf of the relevant member of Qualified Holdings Group and/or Finance Company (HK) in full.

Provided that there is no violation of relevant laws and regulations, TCL Industries Holdings undertakes to, within 1 business day or such other period as may be agreed by both parties upon receipt of a written notice from any TCL Electronics Qualified Member requesting TCL Industries Holdings to repay the outstanding deposit amount on behalf of the relevant member of Qualified Holdings Group and/or Finance Company (HK) in part or in full, pay an amount equivalent to the relevant outstanding deposit amount to the relevant TCL Electronics Qualified Member or its designated bank account according to the written notice. The payment arrangement among TCL Industries Holdings and the relevant member of Qualified Holdings Group and/or Finance Company (HK) shall be settled among themselves through negotiation.

Deposit Services – Purposes and usages of the deposits

In respect of the deposits placed by the Group through the Deposit Services, Qualified Holdings Group and Finance Company (HK) shall use their best endeavours and take all reasonable steps to ensure that such deposits will primarily be used for the purpose of facilitating fund transfer among members of the Group on the request of the members of the Group.

Credit Services – General

Any member of Qualified Holdings Group and/or Finance Company (HK) may from time to time and at its absolute discretion request members of the Group to advance loans, and the relevant member of the Group may at its absolute discretion decide whether to advance loans to the relevant member of Qualified Holdings Group and/or Finance Company (HK).

Credit Services – Repayment and TCL Industries Holdings' obligations

If any member of the Group demands repayment of any loan (including the interest) advanced to any member of the Qualified Holdings Group and/or Finance Company (HK) in accordance with the relevant terms and procedure and the relevant member of the Qualified Holdings Group and/or Finance Company (HK) fails to follow the repayment demand, TCL Industries Holdings undertakes (and the relevant member of the Group shall then have the right to request TCL Industries Holdings) to repay the outstanding loan (including the interest) on behalf of the relevant member of the Qualified Holdings Group and/or Finance Company (HK) in full.

The terms and conditions of Credit Services conducted pursuant to the Master Financial (2025-2027) Agreement shall be agreed between the relevant member of Qualified Holdings Group, Finance Company (HK) and the relevant member of the Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Financial (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Financing Services

Any TCL Electronics Qualified Member may from time to time and at its absolute discretion request Financing Services from members of Qualified Holdings Group and/or Finance Company (HK), and the relevant member of Qualified Holdings Group and/or Finance Company (HK) may at its absolute discretion decide whether to provide Financing Services to the relevant TCL Electronics Qualified Member.

The relevant member of Qualified Holdings Group and/or Finance Company (HK) may request TCL Electronics Qualified Members to provide security (including but not limited to cash deposits, financial instruments, receivables, machinery or equipment etc.) to the relevant member of Qualified Holdings Group and/or Finance Company (HK) in respect of the Financing Services provided by the relevant member of Qualified Holdings Group and/or Finance Company (HK), subject to compliance of relevant Listing Rules requirements.

The terms and conditions of Financing Services conducted pursuant to the Master Financial (2025-2027) Agreement shall be agreed between the relevant TCL Electronics Qualified Member and the relevant member of Qualified Holdings Group and/or Finance Company (HK) in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Financial (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Foreign Exchange Transactions

Any member of the Group may from time to time and at its absolute discretion request to enter into Foreign Exchange Transactions with members of Qualified Holdings Group and/or Finance Company (HK), and the relevant member of Qualified Holdings Group and/or Finance Company (HK) may at its absolute discretion decide whether to enter into the Foreign Exchange Transactions with the relevant member of the Group.

TCL Industries Holdings undertakes with the Company, among others, that in case the relevant member of Qualified Holdings Group and/or Finance Company (HK) fails to pay the sum under the Foreign Exchange Transactions to the relevant member of the Group pursuant to the relevant terms and conditions, the relevant member of the Group shall then have the right to request TCL Industries Holdings to immediately repay the relevant sum to the relevant member of the Group.

The terms and conditions of Foreign Exchange Transactions conducted pursuant to the Master Financial (2025-2027) Agreement shall be agreed between the relevant member of the Group and the relevant member of Qualified Holdings Group and/or Finance Company (HK) in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Financial (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

Pricing policy and
basis of price
determination:

Deposit Services

If the relevant member of Qualified Holdings Group and/or Finance Company (HK) decides to accept any amount of cash deposits from a TCL Electronics Qualified Member (including current deposits, fixed deposits or any other forms of deposits), the interest rates offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK), as the case may be, shall:

- (a) for deposits made within the PRC, be within the range of or higher than:
 - (i) the minimum interest rate promulgated by the PBOC for the same type of deposit services from time to time;
 - (ii) the interest rates for the same type of deposits offered by major commercial banks of the PRC to the relevant TCL Electronics Qualified Member; and

- (iii) the interest rates for the same type of deposits offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group); and

other terms and conditions offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) as a whole shall also not be less favourable than those offered by major commercial banks of the PRC to the relevant TCL Electronics Qualified Member, and those offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group), and shall be on normal commercial terms; and

- (b) for deposits made outside the PRC, be within the range of or higher than:

- (i) the interest rates for the same type of deposits offered by major commercial banks located in the place where the relevant TCL Electronics Qualified Member is located to the relevant TCL Electronics Qualified Member; and

- (ii) the interest rates for the same type of deposits offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group); and

other terms and conditions offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) as a whole shall also not be less favourable than those offered by major commercial banks located in the place where the relevant TCL Electronics Qualified Member is located to the relevant TCL Electronics Qualified Member, and those offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group), and shall be on normal commercial terms.

Credit Services

Subject to compliance with all applicable laws, the interest rates offered by the Group in respect of Credit Services shall:

- (a) for loans made within the PRC, be within the range of or higher than:
 - (i) the interest rates for loans of the same type offered by major commercial banks of the PRC to the relevant member of Qualified Holdings Group and/or Finance Company (HK); and
 - (ii) the interest rates for loans of the same type offered by the Group to any Independent Third Party; and

other terms and conditions offered by the Group as a whole shall also not be less favourable to the Group than those offered by the Group to any Independent Third Party and shall be on normal commercial terms; and

(b) for loans made outside the PRC, be within the range of or higher than:

(i) the interest rates for loans of the same type offered by major commercial banks located in the place where the relevant member of Qualified Holdings Group and/or Finance Company (HK) is located to the relevant member of Qualified Holdings Group and/or Finance Company (HK); and

(ii) the interest rates for loans of the same type offered by the Group to any Independent Third Party; and

other terms and conditions offered by the Group as a whole shall also not be less favourable to the Group than those offered by the Group to any Independent Third Party and shall be on normal commercial terms.

Financing Services

If the relevant member of Qualified Holdings Group and/or Finance Company (HK) decides to provide any Financing Services to a TCL Electronics Qualified Member, the interest rates charged by the relevant member of Qualified Holdings Group and/or Finance Company (HK) shall be within the range of prevailing market rates for the same type of financing services, and the overall terms and conditions (including but not limited to the timeliness and processing efficiency of financing as well as the interest rates) under the same credit rating condition offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) as a whole in respect of the Financing Services shall not be less favourable than those offered by other major commercial banks and/or relevant financial institutions located in the place where the relevant TCL Electronics Qualified Member is located in respect of the same type of financing services and by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group) with the same credit rating in respect of same type of financing services, and shall be on normal commercial terms.

Foreign Exchange Transactions

If the relevant member of Qualified Holdings Group and/or Finance Company (HK) and the relevant member of the Group decide to enter into Foreign Exchange Transactions, the service fee charged by and/or the exchange rate adopted by the relevant member of Qualified Holdings Group and/or Finance Company (HK), if any, shall be within the range of prevailing market rates, and the overall terms and conditions (including but not limited to the timeliness and processing efficiency of Foreign Exchange Transactions) offered by the relevant member of Qualified Holdings Group and/or Finance Company (HK) as a whole in respect of the Foreign Exchange Transactions shall not be less favourable than those offered by other major commercial banks and/or relevant foreign exchange service providers located in the place where the relevant member of the Group is located in respect of the same type of foreign exchange transactions and by the relevant member of Qualified Holdings Group and/or Finance Company (HK) to any other members of the TCL Industries Holdings Group (including the Group) with the same credit rating in respect of same type of foreign exchange transactions, and shall be on normal commercial terms.

Undertakings by TCL Industries Holdings

TCL Industries Holdings undertakes to the Group that, during the term of the Master Financial (2025-2027) Agreement:

- (a) TCL Industries Holdings will maintain effective control over members of Qualified Holdings Group and Finance Company (HK) and ensure the proper and orderly operation of members of Qualified Holdings Group and Finance Company (HK);

- (b) TCL Industries Holdings will use its best endeavours and take all reasonable steps to ensure that members of Qualified Holdings Group and Finance Company (HK) will fully and timely perform their obligations in respect of the Deposit Services, Credit Services, Financing Services and Foreign Exchange Transactions contemplated under the Master Financial (2025-2027) Agreement;
- (c) TCL Industries Holdings will ensure that the deposits placed by the Group through the Deposit Services will primarily be used for the purpose of facilitating fund transfer among members of the Group on the requests of the members of the Group; and
- (d) TCL Industries Holdings will bear all losses incurred due to the failure of members of Qualified Holdings Group and Finance Company (HK) to perform its obligations under the Master Financial (2025-2027) Agreement, including but not limited to all the transaction amounts, interest and relevant expenses incurred thereunder, within ten days after the occurrence of such failure.

(4) Master Brand Promotion (2025-2027) Agreement

On 11 November 2021, the Company entered into the Master Brand Promotion (2022-2024) Agreement with TCL Industries Holdings, which will expire on 31 December 2024. For details, please refer to the November 2021 Circular. As the Company and TCL Industries Holdings wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Brand Promotion (2025-2027) Agreement with TCL Industries Holdings, subject to Shareholders' approval. The Master Brand Promotion (2025-2027) Agreement is on substantially similar terms as the Master Brand Promotion (2022-2024) Agreement.

The material terms of the Master Brand Promotion (2025-2027) Agreement are summarised below:

- Date: 26 September 2024 (after trading hours)
- Parties: (i) the Company (for itself and on behalf of the Group);
and
(ii) TCL Industries Holdings (for itself and on behalf of TCL Industries Holdings Group).
- Duration: From 1 January 2025 or the Shareholders' Approval Date (whichever is later) to 31 December 2027 (both days inclusive).
- Condition precedent: The Master Brand Promotion (2025-2027) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Brand Promotion (2025-2027) Agreement, including but not limited to obtaining Shareholders' approval at the EGM.
- Major terms: The Company shall pay a brand promotion fee to TCL Industries Holdings on a monthly basis during the term of the Master Brand Promotion (2025-2027) Agreement, which shall be determined with reference to the pricing policy and basis of price determination as set out below, and TCL Industries Holdings shall use the brand promotion fee to set up and/or maintain promotion fund(s) for advertisement, promotion, management and maintenance of TCL Brand and/or TCL Industries Holdings Brand.
- TCL Brand Management Centre is authorised to conduct planning, implementation and consulting work in relation to the use of the fund and promotion activities of TCL Brand.

The relevant member(s) of TCL Industries Holdings Group shall, and TCL Industries Holdings shall procure that the relevant member(s) of TCL Industries Holdings Group shall, use the promotion fund(s) in accordance with the Master Brand Promotion (2025-2027) Agreement, provide brand promotion services and allow members of the Group to benefit therefrom.

Pricing policy and basis of price determination:

Under the Master Brand Promotion (2025-2027) Agreement, the annual amount of the brand promotion fee in relation to TCL Brand payable by the Group to TCL Industries Holdings during each financial year shall range from 0.25% to 2.00% of the projected annual sales revenue of the Group from the particular type of products for that financial year (subject to adjustments as stated below), depending on the types of products as set out below:

Type of products	Brand promotion fee rate (% of projected annual sales revenue of the Group in respect of the particular type of products)
TCL Brand products sold within the PRC (including sub-brand)	2.00%
TCL Brand products sold outside of the PRC (including sub-brand)	0.75%
Processing of OEM and ODM products	0.25%

The parties may determine a fixed annual amount of brand fee payable by the Group to TCL Industries Holdings for particular type(s) of products, which shall not exceed the brand promotion fee rate for the corresponding type of product as specified in the above table.

The said projected sales revenue of each financial year shall be determined by the Company prior to the commencement of that financial year. The parties shall review the brand promotion fee rates in every financial year according to the status of utilisation of brand promotion fee within the financial year, and may adjust the brand promotion fee rates for that financial year and/or the next financial year accordingly, provided that such adjustment must be mutually agreed by the Company and TCL Industries Holdings and subject to the relevant annual caps and other applicable requirements under the Listing Rules.

The above pricing policy shall also apply *mutatis mutandis* to brand promotion fee in relation to TCL Industries Holdings Brand, unless otherwise agreed between the parties, provided that in any event the respective promotion fee rate in relation to TCL Industries Holdings Brand shall not be higher than the above promotion fee rates.

(5) Master Rental (2025-2027) Agreement

Reference is made to the announcement of the Company dated 11 November 2021. As stated therein, on 11 November 2021, the Company entered into the Master Rental (2022-2024) Agreement with TCL Industries Holdings, which will expire on 31 December 2024. As the Company and TCL Industries Holdings wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Rental (2025-2027) Agreement with TCL Industries Holdings. The Master Rental (2025-2027) Agreement is on substantially similar terms as the Master Rental (2022-2024) Agreement.

The material terms of the Master Rental (2025-2027) Agreement are summarised below:

- Date: 26 September 2024 (after trading hours)
- Parties: (i) the Company (for itself and on behalf of the Group);
and
(ii) TCL Industries Holdings (for itself and on behalf of TCL Industries Holdings Group).
- Duration: From 1 January 2025 to 31 December 2027 (both days inclusive).
- Major terms: Each member of the Group (as lessor/licensor) may from time to time rent, lease and/or license (including share and/or make available the use thereof) certain Assets to member(s) of TCL Industries Holdings Group (as lessee/licensee) at certain fee (including but not limited to rental fee, license fee, management fee, electricity fee, water fee, air conditioner fee, equipment maintenance fee and/or repair fee as agreed by the parties) to be paid subject to the payment terms as agreed by the parties and other terms of the individual agreement(s) to be entered into between the parties in conformity with the Master Rental (2025-2027) Agreement (save and except for the clauses regarding applicable law and dispute resolution).
- Each member of TCL Industries Holdings Group (as lessor/licensor) may from time to time rent, lease and/or license (including share and/or make available the use thereof) certain Assets to member(s) of the Group (as lessee/licensee) at certain fee (including but not limited to rental fee, license fee, management fee, electricity fee, water fee, air conditioner fee, equipment maintenance fee and/or repair fee as agreed by the parties) to be paid and subject to the terms of the individual agreement(s) to be entered into between the parties in conformity with the Master Rental (2025-2027) Agreement (save and except for the clauses regarding applicable law and dispute resolution).

Unless otherwise agreed in the individual agreements to be entered into between the relevant lessor/licensor and the relevant lessee/licensee, the relevant lessor/licensor shall pay all the taxes, management fees and other charges payable to the local or central government arising out of or in connection with the lease of Assets, and the routine repair and maintenance fees.

In the event the relevant lessor/licensor desires to sell the Assets and/or relevant land use rights under the Master Rental (2025-2027) Agreement, the relevant lessee/licensee shall have the right of first refusal to purchase such Assets and/or the relevant land use rights.

Pricing policy and basis of price determination:

The overall terms and conditions (including but not limited to rental or licensing fees) of all leases and licenses of Assets contemplated under the Master Rental (2025-2027) Agreement shall be on normal commercial terms (or on terms more favourable to the relevant member of the Group), negotiated on arms' length basis and no less favourable to the relevant member of the Group than those offered by Independent Third Parties.

In determining whether the overall terms and conditions are no less favourable to the relevant member of the Group than those offered by Independent Third Parties, the Group will take into account all relevant factors including the rental or licensing fees and payment terms of assets that are of identical, or (if that is not available) of comparable or similar lot, location, user, size, quality, type and scale, and in general, (i) where the Group is the lessor/licensor, the fees payable to the Group shall not be lower than fees that may be paid by Independent Third Parties to the Group in respect of the lease or license of the Assets; and (ii) where the Group is the lessee/licensee, the fees payable by the Group shall not be higher than fees that may be paid by the Group to Independent Third Parties in respect of the lease or license of the Assets.

(6) Master Photovoltaic (2025-2027) Agreement

Reference is made to the September 2022 Circular. As stated therein, on 26 August 2022, the Company entered into the Master Photovoltaic Power Construction Services (2022-2024) Agreement with TCL Industries Holdings, which will expire on 31 December 2024. As the Company and TCL Industries Holdings wish to continue the continuing connected transactions contemplated thereunder, the Company has on 26 September 2024 (after trading hours) entered into the Master Photovoltaic (2025-2027) Agreement with TCL Industries Holdings.

The Master Photovoltaic (2025-2027) Agreement is on substantially similar terms as the Master Photovoltaic Power Construction Services (2022-2024) Agreement, save and except that the scopes of Operation and Maintenance Services and Construction Services are expanded and guarantee arrangement is added.

The material terms of the Master Photovoltaic (2025-2027) Agreement are summarised below:

Date:	26 September 2024 (after trading hours)
Parties:	(i) the Company (for itself and on behalf of the Group); and (ii) TCL Industries Holdings (for itself and on behalf of TCL Industries Holdings Group).
Duration:	From 1 January 2025 or the Shareholders' Approval Date (whichever is later) to 31 December 2027 (both days inclusive).

The term of any individual agreement to be entered into under the Master Photovoltaic (2025-2027) Agreement shall not exceed the term of the Master Photovoltaic (2025-2027) Agreement, save that any such individual agreement involving finance lease or other long-term financing arrangement, or involving the Deficiency Replenishment Guarantee Obligation (as defined below) or Deposit (as defined below) arrangements relating thereto shall be for a term no longer than 25 years from the date of entering into of such individual agreement or the financing maturity. For the avoidance of doubt, no further individual agreements pursuant to the Master Photovoltaic (2025-2027) Agreement shall be entered into after the expiry or termination of the Master Photovoltaic (2025-2027) Agreement, provided that notwithstanding the termination or expiry of the Master Photovoltaic (2025-2027) Agreement, (i) any such individual agreements entered into during the term of the Master Photovoltaic (2025-2027) Agreement shall remain in full force and effect; and (ii) the terms and conditions of the Master Photovoltaic (2025-2027) Agreement shall continue to apply to such individual agreements and for and only for such purpose and to such extent continue to be effective and binding.

Condition precedent:

The Master Photovoltaic (2025-2027) Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Master Photovoltaic (2025-2027) Agreement, including but not limited to obtaining the Shareholders' approval at the EGM.

Major terms:

Construction Services

In view of the business need of TCL Industries Holdings Group, members of the Group may at its absolute discretion decide whether to provide Construction Services to the relevant member of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group.

Subject to the consent of the relevant member of TCL Industries Holdings Group (and if the third party directly engages members of the Group to provide Construction Services for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group, it shall also be subject to the consent of the relevant third party, where applicable), the relevant member of the Group may sub-contract work under the Construction Services in accordance with the relevant terms of the individual agreements under the Master Photovoltaic (2025-2027) Agreement, provided that the Company shall ensure that all applicable requirements under the Listing Rules (if any) have been complied with before sub-contracting any work.

The terms and conditions (including service fees, payment terms, scope of work, materials required, insurance, quality warranty, standard of completion inspection, etc.) of any Construction Services conducted pursuant to the Master Photovoltaic (2025-2027) Agreement shall be determined upon negotiation between the relevant member of the Group on the one part, and the relevant member of TCL Industries Holdings Group and/or the relevant third party on the other part; thereafter, the relevant members of the Group and TCL Industries Holdings Group shall, based on transaction mode and with reference to arrangements of similar transactions in the market, arrange individual agreement(s) be entered into among (A) (in case of provision of Construction Services by members of the Group to members of TCL Industries Holdings Group) between relevant member(s) of the Group and TCL Industries Holdings Group or (B) (in case of provision of Construction Services by members of the Group to third parties for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group) (i) relevant member(s) of the Group and relevant third party(ies) or (ii) relevant member(s) of the Group and relevant member(s) of TCL Industries Holdings Group, jointly or singly, on the one part, with relevant third party(ies) on the other part. The terms of such individual agreements shall be consistent with the Master Photovoltaic (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution. The service fees for Construction Services shall be payable in accordance with the payment terms and time as specified in the individual agreements.

Operation and Maintenance Services

In view of the business need of TCL Industries Holdings Group, members of the Group may at its discretion decide whether to provide Operation and Maintenance Services to the relevant member of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group. The members of the Group shall provide appropriate Operation and Maintenance Services based on the characteristics of the photovoltaic facilities/equipment (including factors such as geographical environment and lighting environment).

The terms and conditions (including service fees, payment terms and scope of work, etc.) of any Operation and Maintenance Services conducted pursuant to the Master Photovoltaic (2025-2027) Agreement shall be determined upon negotiation between the relevant member of the Group on the one part, and the relevant member of TCL Industries Holdings Group and/or the relevant third party on the other part; thereafter, relevant members of the Group and TCL Industries Holdings Group shall, based on transaction mode and with reference to arrangements of similar transactions in the market, arrange individual agreement(s) be entered into among (A) (in case of provision of Operation and Maintenance Services by members of the Group to members of TCL Industries Holdings Group) between relevant member(s) of the Group and TCL Industries Holdings Group or (B) (in case of provision of Operation and Maintenance Services by members of the Group to third parties for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group) (i) relevant member(s) of the Group and relevant third party(ies) or (ii) relevant member(s) of the Group and relevant member(s) of TCL Industries Holdings Group, jointly or singly, on the one part, with relevant third party(ies) on the other part. The terms of such individual agreements shall be consistent with the Master Photovoltaic (2025-2027) Agreement save and except for the clauses regarding applicable law and dispute resolution.

The fees for Operation and Maintenance Services shall be payable in accordance with the payment terms and time as specified in the individual agreements.

Quality Guarantee

If requested by the counterparty, and if the relevant member of the Group considers it appropriate at its absolute discretion after considering the relevant transaction mode and taking into account the arrangements for similar transactions in the market (for example, but not limited to, where members of TCL Industries Holdings Group obtain financing from third-party financial institutions in the form of finance lease or other kind of financing to engage members of the Group to provide Construction Services and/or Operation and Maintenance Services, whereas the income from relevant photovoltaic power generation facilities/equipment is to be used to cover relevant lease payments or repay financing indebtedness), members of the Group, as the seller, person in charge of construction and/or operation and maintenance as well as guarantor in respect of the relevant photovoltaic power generation facilities/equipment, may provide guarantee and warranty in respect of the quality of the relevant photovoltaic power generation facilities/equipment (including but not limited to quality guarantee on the components and inverters, and guarantee/warranty on the quality of operation and maintenance and power generation capacity of the relevant photovoltaic power generation facilities/equipment) (“**Quality Guarantee(s)**”). Members of the Group may take into account all relevant factors (including geographical environment, lighting environment and duration, scale and specifications of photovoltaic power generation facilities/equipment, etc.) to determine the appropriate Quality Guarantee(s). In this case, (i) members of the Group may be required to bear Deficiency Replenishment Guarantee Obligation and/or (ii) the fees charged by members of the Group in respect of Operation and Maintenance Service may be determined or adjusted based on the fulfilment of the Quality Guarantee(s) (please refer to the paragraph “Pricing policy and basis of price determination” below). The relevant details should be set out in the individual agreements.

Guarantee Arrangements

From time to time, members of TCL Industries Holdings Group may obtain financing from third-party financial institutions (“**Financial Institutions**”) through financial leases or other kind of financing to engage members of the Group to provide Construction Services and/or Operation and Maintenance Services whereas the income from relevant photovoltaic power generation facilities/equipment is to be used to cover relevant financial lease payments or repay financing indebtedness. In this case, members of TCL Industries Holdings Group and/or the relevant Financial Institutions may estimate the income that could be generated by the relevant photovoltaic power generation facilities/equipment with reference to and based on the Quality Guarantee(s) provided by members of the Group. In this case, the members of the Group (as the seller, person in charge of construction and/or operation and maintenance as well as guarantor in respect of the relevant photovoltaic power generation facilities/equipment) shall comply with the Quality Guarantee(s) to ensure that the quality of operation and maintenance and actual power generation capacity of the relevant photovoltaic power generation facilities/equipment shall not be less than the guaranteed quality of operation and maintenance and power generation capacity of the relevant photovoltaic power generation facilities/equipment as agreed in the individual agreements, thereby ensuring that the income from the relevant photovoltaic power generation facilities/equipment is sufficient to cover the relevant financial lease payments or repay financing indebtedness.

If requested by the relevant member of TCL Industries Holdings Group, and if the relevant member of the Group considers it appropriate at its absolute discretion after considering the relevant transaction mode and taking into account similar transactions in the market (for example, but not limited to, where members of TCL Industries Holdings Group obtain financing from Financial Institutions in the form of finance lease or other kind of financing to engage members of the Group to provide Construction Services and/or Operation and Maintenance Services whereas the income from relevant photovoltaic power generation facilities/equipment is to be used to cover relevant lease payments or repay financing indebtedness), the relevant member of the Group may, in order to secure the payment/repayment obligations on the part of the relevant member of TCL Industries Holdings Group, (a) assume guarantee liability in respect of such payment/repayment obligation owed by the relevant member of TCL Industries Holdings Group to the Financial Institutions (“**Deficiency Replenishment Guarantee Obligation**”) and/or (b) pay to the Financial Institutions a specified percentage of the finance amount as lease deposit or financing deposit (“**Deposit**”). The form, terms and conditions of the Deficiency Replenishment Guarantee Obligation and the payment, offset and discharge of Deposits (as the case may be), and other relevant terms and conditions such as but not limited to the specific events which trigger Deficiency Replenishment Guarantee Obligation, the term of guarantee, the priority of repayment shall be set out in the individual agreements before the commencement of the transactions contemplated under the Master Photovoltaic (2025-2027) Agreement, provided that:

- (i) if the income generated by the relevant photovoltaic power generation facilities/equipment (“**Photovoltaic Power Income**”) is insufficient to pay (and if the relevant member of TCL Industries Holdings Group is also unable to pay) the relevant lease payment or financing indebtedness due and payable in any period (“**Payment Due**”), the relevant Financial Institution shall have the right to elect to either (a) transfer and apply all or part of the relevant Deposits (if any) for payment of the remaining balance of relevant Payment Due (“**Payment Due Balance**”) (the relevant Financial Institution may request the relevant member of the Group to replenish Deposits pursuant to the terms of the individual agreement); or (b) request the relevant member of the Group as guarantor to pay the Payment Due Balance; and

- (ii) if there is any event which adversely affects the due and punctual performance of the obligation of the relevant member of the Group and/or the relevant member of TCL Industries Holdings Group under the individual agreement, and/or otherwise in the reasonable opinion of the relevant Financial Institution, the relevant member of TCL Industries Holdings Group and/or the relevant member of the Group, adversely affects in the long term the relevant Photovoltaic Power Income (details of such events shall be agreed among the relevant member of the Group, the relevant Financial Institution and the relevant member of TCL Industries Holdings Group and set out in the individual agreement), then the relevant Financial Institution shall be entitled to require the relevant member of TCL Industries Holdings Group to pay forthwith all outstanding lease payment or financing indebtedness (whether due and payable or not) (“**Aggregate Arrears**”) within the period agreed in the individual agreement, and if the relevant member of TCL Industries Holdings Group fails to repay the Aggregate Arrears in full and on time as required by the relevant Financial Institution, the relevant member of the Group shall be liable to make up the balance of Aggregate Arrears; for the avoidance of doubt, the aforesaid arrangement does not prejudice the rights and entitlements of the relevant member of the Group against the relevant member of TCL Industries Holdings Group in respect of the performance of Deficiency Replenishment Guarantee Obligation.

Pricing policy and basis
of price determination:

The terms and conditions (including but not limited to service fees) of the Construction Services and Operation and Maintenance Services offered to the relevant member of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group by the relevant member of the Group shall be no more favourable than those offered to Independent Third Parties by the relevant member of the Group and shall be on normal commercial terms. Each individual agreement shall be negotiated on an arm's length basis.

In determining whether the overall terms and conditions offered to the relevant member of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group by the relevant member of the Group are no more favourable than those offered to Independent Third Parties by the relevant member of the Group, the Group will take into account all relevant factors including the service fees, prices of raw materials and equipment for the relevant projects, staff cost, business development plans of the Group and the fair market price ranges and pricing terms of service of identical, or (if that is not available) of comparable or similar type, scale, quality, specifications, required time, etc. offered to Independent Third Parties in the market by the relevant members of the Group as at the time when the individual agreement is entered into.

If the Group does not offer identical, comparable or similar services to Independent Third Parties, the Group will consider the impact of the transactions on the profitability of the Group, and in any event the Group shall only offer the Construction Services and the Operation and Maintenance Services to TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group if it is in the interest of the Group and the Shareholders as a whole to do so.

If members of the Group provide Quality Guarantee, and if the counterparty requests, and if the relevant members of the Group consider it appropriate at its absolute discretion after considering the relevant transaction mode and taking into account the arrangements for similar transactions in the market (see the example of situation set out in the paragraph Quality Guarantee above), relevant members of the Group may further agree with relevant members of TCL Industries Holdings Group and/or relevant third party (as the case may be) that the fees for the Operation and Maintenance Services may be determined or adjusted with reference to the Quality Guarantee, with details to be set out in the individual agreements, for instance (but not limited to):

- (i) If in a power generation capacity assessment period, the relevant member of the Group fails to fully perform the Quality Guarantee (including but not limited to where the actual power generation capacity is lower than the guaranteed power generation capacity, and the loss and destruction of the relevant photovoltaic power generation facilities/equipment), and the relevant member of the Group fails to perform Deficiency Replenishment Guarantee Obligation punctually as agreed, the counterparty may be entitled to directly offset such unpaid sum from the subsequent fees payable to the relevant member of the Group in respect of Operation and Maintenance Services in accordance with the relevant individual agreement; and

- (ii) If in a power generation capacity assessment period, the actual power generation capacity is higher than the guaranteed power generation capacity, the counterparty may share the benefit derived from the surplus of power generation capacity with the relevant member of the Group in accordance with the relevant individual agreement, provided that if at the same time the relevant member of the Group also fails to fully perform the Quality Guarantee, and the relevant member of the Group fails to perform Deficiency Replenishment Guarantee Obligation punctually as agreed, the counterparty may be entitled to directly offset such unpaid sum from the surplus shared to the relevant member of the Group in accordance with the relevant individual agreement.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

Revision of Annual Caps of Existing Continuing Connected Transactions

The Group will continue to follow the internal control procedure and pricing policies as stated in the announcement and circular of the Company dated 11 November 2021 and 22 November 2021 respectively when conducting the transactions contemplated under the Revised 2024 Sale Annual Cap and the Master Sale and Purchase (2022-2024) Agreement, and the internal control procedure and pricing policies as stated in the announcement and circular of the Company dated 26 August 2022 and 8 September 2022 respectively when conducting the transactions contemplated under the Revised 2024 Operation and Maintenance Annual Cap and the Master Photovoltaic Power Construction Services (2022-2024) Agreement.

The internal control procedures and pricing policies in respect of the Master Sale and Purchase (2022-2024) Agreement and Master Photovoltaic Power Construction Services (2022-2024) Agreement are the same as those in respect of the Master Sale and Purchase (2025-2027) Agreement and the Master Photovoltaic (2025-2027) Agreement. For details, please refer to the paragraphs headed “General internal control procedures and pricing policies” and “Specific internal control procedures and pricing policies” in the section headed “Renewal of Existing Continuing Connected Transactions” below.

Renewal of Existing Continuing Connected Transactions

In order to safeguard the interests of the Company and the Shareholders, and to ensure that the Agreements are on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties, in addition to those disclosed above, the Company has also adopted the following general and specific internal control procedures and pricing policies:

General internal control procedures and pricing policies

- (i) The Group will periodically collect market information from connected persons and Independent Third Parties and enter such information into its internal database. Before each continuing connected transaction is to be carried out, the Group will compare the terms offered by the relevant connected person with the market data in its internal database to ensure the overall terms offered by such connected person are on normal commercial terms and no less favourable to the Group than those offered by Independent Third Parties.

- (ii) The finance department of the Group will maintain a database to record and monitor the aggregate transaction amounts under the continuing connected transactions from time to time and prepare a monthly report on the status of the aggregate transaction amounts which will be submitted to the finance director of the Group for review.
- (iii) Before conducting any transactions with connected persons, the finance department would confirm the utilisation status of the annual caps to ensure that the Group still has sufficient room under the annual caps for carrying out the relevant continuing connected transactions. The finance department would on a regular basis review the continuing connected transactions carried out during the period under review. If it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions, the Company would take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules, including but not limited to revising the relevant annual caps before entering into the proposed transactions.
- (iv) Every time before conducting any continuing connected transactions, the relevant department of the Group would first prepare the relevant individual agreement for the continuing connected transactions and submit it to the internal control unit and legal department of the Group for review and approval. The transactions could only be carried out after the internal control unit and the legal department have separately given their approval therefor.

Specific internal control procedures and pricing policies

Regarding Master Sale and Purchase (2022-2024) Agreement and Master Sale and Purchase (2025-2027) Agreement

- (i) The Group will set up periodic targets for Sourcing of TCL Associates Products and Sale of Electronics Products respectively, from which it could project the approximate amount of sales and purchase with TCL Industries Holdings Group, which will be subject to review from time to time depending on the circumstances such as the Group's performance and overall market conditions. The relevant sales unit and purchase unit of the Group will from time to time compare the actual figures against the sales target and purchase targets in general and will make necessary adjustment for the sales and purchase from TCL Industries Holdings Group for the remaining period.

- (ii) Upon receiving purchase request for TCL Associates Products from the relevant department of the Group, the procurement department of the Group will compare the price offered for the TCL Associates Products from at least two Independent Third Party suppliers (if available) and make an overall assessment of the terms of supply by such suppliers, to ensure that the transactions would be conducted in accordance with the terms of the Master Sale and Purchase (2022-2024) Agreement and the Master Sale and Purchase (2025-2027) Agreement. To the extent where there are no similar or comparable products from Independent Third Party suppliers, the procurement department will obtain quotation information from TCL Industries Holdings Group to ensure that the prices of TCL Associates Products offered by TCL Industries Holdings Group to the Group shall be not higher than those offered by TCL Industries Holdings Group to Independent Third Parties. The Group will also consider whether to purchase TCL Associates Products from TCL Industries Holdings Group based on a basket of factors and the Group shall only purchase TCL Associates Products from TCL Industries Holdings Group if it is in the interest of the Shareholders and the Group to do so.

- (iii) Under the Group's pricing model, the per unit selling price of the Electronics Products is determined with reference to the target price offered by individual customers together with the raw material cost, direct labour cost, manufacturing overhead and the gross profit margin for the Group, and the weight of each factor will vary from order to order based on negotiations with its customers. The Group will also consider whether to sell Electronics Products to TCL Industries Holdings Group based on a basket of factors, and the Group shall only sell Electronics Products to TCL Industries Holdings Group if it is in the interest of the Shareholders and the Group to do so.

Upon receiving proposed orders and offering pricing for Electronics Products from TCL Industries Holdings Group, the relevant sales and marketing team of the Group will review the orders, check with relevant units for production capacity, production cost, pricing, production lead time and confirm or negotiate the terms. The price will then be submitted to management for approval. The Group would only accept orders from TCL Industries Holdings Group for Sale of Electronics Products when, in accordance with the results of the overall assessment of a basket of factors, TCL Industries Holdings Group can offer terms of purchase for the Electronics Products which are no less favourable to the Group than those offered by Independent Third Parties for identical, comparable or similar products (as the case may be).

Regarding Master Services (2025-2027) Agreement

- (i) In order to maintain a fair assessment of the overall terms, when a member of the Group requires Services from or is requested to provide Services to TCL Industries Holdings Group, the Group will obtain quotations from at least two Independent Third Parties (whom the Group considers are able to provide the required Services of satisfactory quality and at satisfactory standard) (if available). To the extent where there are no similar or comparable services from Independent Third Parties, the Group will obtain quotation information from TCL Industries Holdings Group to ensure that the prices offered by TCL Industries Holdings Group to the Group shall be no less favourable than those offered by TCL Industries Holdings Group to Independent Third Parties.
- (ii) The Group would also from time to time identify further Independent Third Parties whom it considers are capable of providing the required Services of satisfactory quality and at satisfactory standard, and obtain quotations for the required Services from them upon identification.

Regarding Master Financial (2025-2027) Agreement

General

- (i) The Group has adopted a sound and independent audit system. The Group will record and monitor the transactions under the Master Financial (2025-2027) Agreement through a comprehensive treasury management system to ensure that the transaction amounts do not exceed the applicable annual caps.
- (ii) Before entering into individual transactions under the Master Financial (2025-2027) Agreement, the Company's treasury department will, in addition to monitoring the pricing terms as aforementioned, also examine other terms of the transactions to ensure that the terms conform with the Master Financial (2025-2027) Agreement.
- (iii) The management of the Group will regularly assess the risk of (i) the funds deposited with the relevant member of Qualified Holdings Group and/or Finance Company (HK); (ii) the loans advanced to the relevant member of Qualified Holdings Group and/or Finance Company (HK); (iii) the Financing Services obtained and the value of security provided by the Group; and (iv) the aggregate amount of Foreign Exchange Transactions entered into by the Group, and report such risks and utilisation rate of annual caps to the Board every year.

- (iv) In particular, the Company's audit committee will scrutinise the implementation and enforcement of the transactions under the Master Financial (2025-2027) Agreement. If the Company's audit committee is of the view and decides that it would be in the Company's interests, the Group will take appropriate steps to implement its decision, and in such case, any material findings in the risk assessment reports, the views of the Company's audit committee on the transactions under the Master Financial (2025-2027) Agreement (including its views on how its terms have been complied with) and its decisions on matters in relation thereto will be disclosed in the Company's annual reports.
- (v) Pursuant to the Master Financial (2025-2027) Agreement, TCL Industries Holdings has undertaken that if any member of Qualified Holdings Group and/or Finance Company (HK) (as the case may be) fails to make repayment in accordance with the relevant terms and procedures under the Deposit Services, Credit Services and Foreign Exchange Transactions, TCL Industries Holdings shall repay any outstanding deposits, loans or transaction amounts (as the case may be) on behalf of the relevant member of Qualified Holdings Group and/or Finance Company (HK) (as the case may be) in full.
- (vi) The Company will obtain benchmarks periodically during the term of the Master Financial (2025-2027) Agreement. All the benchmarks obtained by the Company will be kept in a database maintained by the Company, which will be used internally for, in addition to determining the interest rates and services fees etc. under the Master Financial (2025-2027) Agreement, monitoring the market trend and allowing the Group to better formulate its fund management strategy. With all the benchmarks mentioned above collected, the Company's treasury department will negotiate with members of Qualified Holdings Group and/or Finance Company (HK) on the best interest rates/exchange rates/fees most favourable to the relevant member of the Group that can be obtained. The head of the treasury department of the Company would have the right to make decision as to whether to enter into transactions with the relevant member of Qualified Holdings Group and/or Finance Company (HK) at the negotiated interest rates/exchange rates/fees provided that such interest rates/exchange rates/fees comply with the terms of the Master Financial (2025-2027) Agreement.

Deposit Services

- (i) The Group's treasury department will maintain an internal system and monitor the maximum daily balance of the deposits on a daily basis to ensure that the aggregate deposits do not exceed the applicable annual caps.
- (ii) To manage the risks arising from Deposit Services, the Group will request the relevant member of Qualified Holdings Group and/or Finance Company (HK) to provide the Group with sufficient information. Each of the relevant member of Qualified Holdings Group and/or Finance Company (HK) shall notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of the relevant member of Qualified Holdings Group and/or Finance Company (HK), the Group will take appropriate measures (including early uplift of deposits and a moratorium on further deposits) to protect the Group's financial position.
- (iii) The Company will, from time to time and at its sole discretion, request the deposits with the relevant member of Qualified Holdings Group and/or Finance Company (HK) to be withdrawn (either in full or in part) to assess and ensure the liquidity and safety of the Group's deposits.
- (iv) Should the balance of deposits at the end of any day reaches 90% of the annual cap, the treasury management system would issue a warning to the relevant department head. Upon receiving the warning, the Group would withdraw the deposits from the relevant member of Qualified Holdings Group and/or Finance Company (HK) until the balance of deposits falls below 90%.
- (v) The relevant member of Qualified Holdings Group and Finance Company (HK) will maintain segregated accounts for holding funds received from the Group under Deposit Services to ensure that such funds will be segregated from fund received from the Group under Credit Services and from such party's own fund.

Credit Services

- (i) The Group's treasury department will monitor the maximum daily balance of the loans on a daily basis to ensure that the aggregate loans do not exceed the applicable annual caps.
- (ii) The Group will request the relevant member of Qualified Holdings Group and/or Finance Company (HK) to provide the Group with sufficient information to enable the Group to monitor and review its financial condition. The relevant member of Qualified Holdings Group and/or Finance Company (HK) shall also notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of the relevant member of Qualified Holdings Group and/or Finance Company (HK), the Group will take appropriate measures (including ceasing to advance further loans) to protect the Group's financial position.
- (iii) Should the balance of loans at the end of any day reaches 90% of the annual cap, the treasury management system would issue a warning to the relevant department head. Upon receiving the warning, the Group would cease advancing further loans to members of Qualified Holdings Group and/or Finance Company (HK) until the balance of loans falls below 90%.
- (iv) TCL Industries Holdings will conduct internal credit risk evaluations of its subsidiaries and associates (including the Group) taking into account financial conditions and non-financial conditions. Such evaluations are conducted on an annual basis and valid for one year. If members of Qualified Holdings Group have capital needs, the Group will require the counterparty to provide information on the capital needs, intended use of fund, trade background, repayment factors, etc., and conduct evaluation with reference to the intended borrower's internal credit risk rating. After confirming the terms of the transaction, the Group's financial risk and services department would review and approve the transaction.
- (v) The relevant members of Qualified Holdings Group and Finance Company (HK) will maintain segregated accounts for holding funds received from the Group under Credit Services to ensure that such funds will be segregated from fund received by the Group under Deposit Services and from such party's own fund.

Financing Services

- (i) The Group will receive Financing Services from members of Qualified Holdings Group and/or Finance Company (HK) only on a non-exclusive basis and subject always to the aforementioned pricing policies.
- (ii) The Group's treasury department will monitor the maximum daily balance of value of security on a daily basis to ensure that the aggregate value of security do not exceed the applicable annual caps.

Foreign Exchange Transactions

- (i) The Group will enter into Foreign Exchange Transactions with members of Qualified Holdings Group and/or Finance Company (HK) only on a non-exclusive basis and subject always to the aforementioned pricing policies.

Regarding Master Brand Promotion (2025-2027) Agreement

- (i) The rates of brand promotion fee as disclosed in the "Pricing policy and basis of price determination" section above in the major terms were determined with reference to a basket of factors, including:
 - (a) the significance of the TCL Brand and/or TCL Industries Holdings Brand to the particular type of products;
 - (b) the difference in terms of promotion scale within and outside the PRC;
 - (c) the proportion of the revenue of the Group to that of TCL Industries Holdings from the sales of products covered by the Master Brand Promotion (2025-2027) Agreement;
 - (d) the anticipated amount of branding expenses to be incurred by TCL Industries Holdings;

- (e) the expected positive impact in sales of the Group derived from the brand promotion activities carried out by TCL Industries Holdings Group; and
 - (f) whether the rate of brand promotion fee is reasonable as a reimbursement of the branding expenses of TCL Industries Holdings Group and as an investment of the Group with reference to the value and benefits brought by such promotion activities.
- (ii) Any variation of the brand promotion fee rates must be approved by the management of the Group, which would consider the effect of such variation based on the projected financial performance of the Group and the proposed annual caps for the remaining term of the Master Brand Promotion (2025-2027) Agreement and the reasons for the variation. Once there is a likelihood that the variation will render the relevant annual cap being exceeded, the relevant department will report to the management immediately. The Group will take all appropriate steps in advance to comply with the relevant requirements under the Listing Rules and seek to revise the relevant annual cap in accordance with the relevant requirements of the Listing Rules.

Regarding Master Rental (2025-2027) Agreement

- (i) The business department(s) of the Group will consider the overall terms (including but not limited to the location, size and scale of the subject matter and payment terms) from comprehensive perspectives and endeavour to obtain quotations of rental/license and the relevant fees payable/receivable to/from Independent Third Parties for comparable tenancies/licenses and make comparisons (if applicable). If there are no comparable terms offered to the Group by other Independent Third Parties for comparable tenancies/licenses, the overall terms of the individual agreements shall then be determined after negotiations at arms' length between the parties and shall be on normal commercial terms. The transactions could only be carried out after the relevant departments of the Group have separately given their approval therefor.

Regarding Master Photovoltaic Power Construction Services (2022-2024) Agreement and Master Photovoltaic (2025-2027) Agreement

- (i) To the extent where there are no similar or comparable services from Independent Third Parties, the Group will obtain quotation information from TCL Industries Holdings Group to ensure that the prices payable by TCL Industries Holdings Group to the Group shall be no less favourable than those payable by TCL Industries Holdings Group to Independent Third Parties. The Group may also make reference to the open bidding information of similar services or projects to ensure that the pricing of the Construction Services and/or Operation and Maintenance Services and/or Existing Operation and Maintenance Services is within market range.
- (ii) Under the Quality Guarantee of the Master Photovoltaic (2025-2027) Agreement, the Group is required to provide guarantee in favour of the relevant members of TCL Industries Holdings Group to secure the due performance of the photovoltaic power generation facilities/equipment constructed by the Group, which links up to the relevant payment obligation of the relevant members of TCL Industries Holdings Group. The Group will conduct a series of assessments before the Group enters into individual agreements with the lessor to ensure that sufficient income can be generated from the relevant photovoltaic power generation facilities/equipment. The Group will also purchase insurance against the relevant liability. The Group will only enter into individual agreements after the Group has been satisfied about the title to, ownership of and suitability of the properties for installing photovoltaic power generation facilities/equipment.

Annual review of the continuing connected transactions

- (i) The independent non-executive Directors shall review annually the Master Sale and Purchase (2022-2024) Agreement, the Master Photovoltaic Power Construction Services (2022-2024) Agreement, the Agreements and the transactions thereunder and confirm in the Company's corresponding annual report that the Master Sale and Purchase (2022-2024) Agreement, the Master Photovoltaic Power Construction Services (2022-2024) Agreement, the Agreements and the transactions thereunder have been entered into:
 - (a) in the ordinary and usual course of business of the Group;
 - (b) on normal commercial terms or better; and

- (c) according to the respective agreements governing them and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.
- (ii) The auditors of the Company shall review annually the Master Sale and Purchase (2022-2024) Agreement, the Master Photovoltaic Power Construction Services (2022-2024) Agreement, the Agreements and the transactions thereunder and confirm in a letter to the Board that the Master Sale and Purchase (2022-2024) Agreement, the Master Photovoltaic Power Construction Services (2022-2024) Agreement, the Agreements and the transactions contemplated thereunder:
 - (a) have received the approval of the Board;
 - (b) have been, in all material respects, in accordance with the pricing policies of the Group (for these Agreements involving the provision of goods and services by the Group);
 - (c) have been entered into, in all material respects, in accordance with the relevant agreements governing the transactions; and
 - (d) have not exceeded the caps.
- (iii) The Directors shall state in the Company's annual report whether its auditors have confirmed the matters stated in Rule 14A.56 of the Listing Rules.
- (iv) The Company shall promptly notify the Stock Exchange and publish an announcement if it knows or has reason to believe that the independent non-executive Directors and/or auditors of the Company will not be able to confirm the matters under Rules 14A.55 and 14A.56 of the Listing Rules.
- (v) The Company shall allow, and shall ensure that the counterparties to the continuing connected transactions shall allow the Company's auditors sufficient access to the relevant records for the purpose of the auditors' review of the continuing connected transactions in accordance with the Listing Rules.

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The following table sets out the respective historical figures of the continuing connected transactions as described above for the two years ended 31 December 2023 and the 8 months ended 31 August 2024, the proposed Revised 2024 Annual Caps and the respective proposed annual caps of the Agreements for the three years ending 31 December 2027:

	For the year ended 31 December 2022 (audited) (for actual amount only) HK\$'000	For the year ended 31 December 2023 (audited) (for actual amount only) HK\$'000	For the 8 months ended 31 August 2024 (unaudited) (for actual amount only)/ For the year ending 31 December 2024 (for historical annual cap only) HK\$'000	For the year ending 31 December 2025 HK\$'000	For the year ending 31 December 2026 HK\$'000	For the year ending 31 December 2027 HK\$'000
Continuing Connected Transactions (Note 1)						
Master Sale and Purchase (2025-2027) Agreement						
Sourcing of TCL Associates Products						
– Historical annual cap (Note 2a)	13,508,055	18,335,883	23,242,820			
– Actual (Note 2a)	6,374,601	8,124,109	8,604,613			
– Proposed annual cap				23,098,017	29,200,177	38,332,862
Sale of Electronics Products						
– Historical annual cap (Note 2a)	9,002,689	9,756,534	10,666,695			
– Proposed Revised 2024 Sale Annual Cap (Note 2b)			13,180,165			
– Actual (Note 2a)	8,265,125	9,307,561	6,361,539			
– Proposed annual cap				18,851,163	22,179,084	26,332,107
Master Services (2025-2027) Agreement						
Service Fees to be paid by the Group						
– Historical annual cap (Note 3)	1,885,609	2,164,064	2,456,792			
– Actual (Note 3)	1,052,036	1,624,092	1,168,226			
– Proposed annual cap				3,835,830	4,396,304	5,009,433
Service Fees to be received by the Group						
– Historical annual cap (Note 3)	410,985	505,104	625,617			
– Actual (Note 3)	162,374	108,796	186,116			
– Proposed annual cap				547,766	628,872	752,826

	For the year ended 31 December 2022 (audited) (for actual amount only) HK\$'000	For the year ended 31 December 2023 (audited) (for actual amount only) HK\$'000	For the 8 months ended 31 August 2024 (unaudited) (for actual amount only)/ For the year ending 31 December 2024 (for historical annual cap only) HK\$'000	For the year ending 31 December 2025 HK\$'000	For the year ending 31 December 2026 HK\$'000	For the year ending 31 December 2027 HK\$'000
Continuing Connected Transactions (Note 1)						
Master Financial (2025-2027) Agreement						
Deposit Services						
Maximum outstanding daily balances of deposits (including interest receivables in respect of these deposits and deposits as security)						
– Historical annual cap (Note 4)	2,328,300	3,026,790	3,934,827			
– Actual (Note 4)	2,252,750	2,448,562	3,534,020			
– Proposed annual cap				4,328,310	4,761,141	5,237,255
Credit Services						
Maximum daily balances of outstanding loans (including interest receivables in respect of these loans)						
– Historical annual cap (Note 4)	4,550,000	5,915,000	7,689,500			
– Actual (Note 4)	4,120,737	4,420,153	3,171,125			
– Proposed annual cap				4,439,575	4,661,554	4,894,631
Financing Services						
Facility limit (including interest and handling fees) (Note 5 and 6)						
– Historical annual cap (Note 4)	765,565	956,956	1,196,196			
– Actual (Note 4)	178,291	551,871	582,261			
– Proposed annual cap				1,142,624	1,209,753	1,213,209
Foreign Exchange Transactions						
Aggregate transaction amount						
– Historical annual cap (Note 4)	11,666,700	15,555,600	23,333,400			
– Actual (Note 4)	5,559,207	8,081,507	796,398			
– Proposed annual cap				9,899,846	10,394,839	10,914,581

	For the year ended 31 December 2022 (audited) (for actual amount only) HK\$'000	For the year ended 31 December 2023 (audited) (for actual amount only) HK\$'000	For the 8 months ended 31 August 2024 (unaudited) (for actual amount only)/ For the year ending 31 December 2024 (for historical annual cap only) HK\$'000	For the year ending 31 December 2025 HK\$'000	For the year ending 31 December 2026 HK\$'000	For the year ending 31 December 2027 HK\$'000
Continuing Connected Transactions (Note 1)						
Master Brand Promotion (2025-2027) Agreement						
Brand Promotion Fee						
– Historical annual cap (Note 7)	755,376	854,741	998,174			
– Actual (Note 7)	387,433	529,935	355,645			
– Proposed annual cap				933,831	1,133,724	1,357,934
Master Rental (2025-2027) Agreement						
– Historical annual cap (Note 8)	290,179	354,904	442,415			
– Actual (Note 8)	135,235	159,234	147,659			
– Proposed annual cap (Note 9)				273,835	306,070	321,553
Master Photovoltaic (2025-2027) Agreement						
Construction Services – Services fees to be received by the Group						
– Historical annual cap (Note 10a)	426,000	1,256,000	1,883,000			
– Actual (Note 10a)	105,465	805,446	515,838			
– Proposed annual cap				19,896,973	24,380,509	29,000,137
Operation and Maintenance Services – Services fees to be received by the Group						
– Historical annual cap (Note 10a)	10,000	25,000	38,000			
– Proposed Revised 2024 Operation and Maintenance Annual Cap (Note 10b)			84,310			
– Actual (Note 10a)	331	1,082	18,136			
– Proposed annual cap				307,483	375,569	421,691
Aggregate actual amount paid under the guarantee arrangement						
– Proposed annual cap (Note 11)				383,490	466,136	558,870

Notes:

1. For easy comparison of the historical figures and the proposed annual caps, transactions are categorised with reference to the Agreements and hence names of the Agreements are used for categorisation in this table.
2. (a) The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Sale and Purchase (2022-2024) Agreement.

(b) Subject to Shareholders' approval to increase the cap amount in respect of Sale of Electronics Products under the Master Sale and Purchase (2022-2024) Agreement for the year ending 31 December 2024 to HK\$13,180,165,000.
3. The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Services (2022-2024) Agreement.
4. The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Financial (2022-2024) Agreement.
5. The facility limit represents facility amount secured by assets of the Group (including but not limited to facility amount from factoring facility (with recourse, without-recourse and other forms (if applicable)) and bill discounting facility, facility with cash deposits or other assets as collaterals). For factoring with recourse, once the factoring financing contract takes effect, the quota will be occupied, however, with the collection or repurchase of accounts receivable, the amount previously due to factoring financing will then be released, and the corresponding quota can be applied on a revolving basis; for factoring without recourse, once a factoring financing transaction occurs, the quota will be occupied within that year. For the avoidance of doubt, the facility limit excludes the facility amount without security provided by members of Qualified Holdings Group and/or Finance Company (HK) to the TCL Electronics Qualified Members which, if conducted on normal commercial terms or better, are fully exempt connected transactions pursuant to Rule 14A.90 of the Listing Rules.
6. The annual caps for maximum daily balance of value of security provided for Financing Services (including cash deposits, financial instruments, receivables, machinery or equipment etc.) were separately set for the Master Financial (2022-2024) Agreement, but not for the Master Financial (2025-2027) Agreement, because as illustrated by way of the historical annual caps and historical actual transaction amounts under the Master Financial (2022-2024) Agreement, the maximum daily balance of value of security provided for Financing Services would not exceed the facility limit (including interest and handling fees). For the avoidance of doubt, whilst such annual caps were separately set for the Master Financial (2022-2024) Agreement to facilitate understanding by investors and Shareholders, it refers to the same transaction, and represents the cap on the facility amount secured by assets of the Group.
7. The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Brand Promotion (2022-2024) Agreement.

8. The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Rental (2022-2024) Agreement.
9. The proposed annual cap for each year is the aggregate of (i) rental/license income to be received from TCL Industries Holdings Group; (ii) rental/license cost to be paid to TCL Industries Holdings Group; and (iii) the total annual maximum value of the right-of-use assets for TCL Industries Holdings Group to be leased by the Group under the Master Rental (2025-2027) Agreement.
10. (a) The respective historical caps and transaction amounts refer to the annual caps and transaction amounts under the Master Photovoltaic Power Construction Services (2022-2024) Agreement.

(b) Subject to Shareholders' approval to increase the annual cap amount in respect of service fees to be received by the Group from Existing Operation and Maintenance Services under the Master Photovoltaic Power Construction Services (2022-2024) Agreement for the year ending 31 December 2024 to HK\$84,310,000.
11. As mentioned in the section headed "(6) Master Photovoltaic (2025-2027) Agreement", the term of any individual agreement to be entered into under the Master Photovoltaic (2025-2027) Agreement shall not exceed the term of the Master Photovoltaic (2025-2027) Agreement, save that any such individual agreement involving finance lease or other long-term financing arrangement, or involving the Deficiency Replenishment Guarantee Obligation or Deposit arrangements relating thereto shall be for a term no longer than 25 years from the date of entering into of such individual agreement or the financing maturity, provided that no further individual agreements pursuant to the Master Photovoltaic (2025-2027) Agreement shall be entered into after the expiry or termination of the Master Photovoltaic (2025-2027) Agreement. Yet, notwithstanding such termination or expiry, (i) any such individual agreements entered into during the term of the Master Photovoltaic (2025-2027) Agreement shall remain in full force and effect; and (ii) the terms and conditions of the Master Photovoltaic (2025-2027) Agreement shall continue to apply to such individual agreements and for and only for such purpose and to such extent continue to be effective and binding. Accordingly, the annual caps of the aggregate actual amount paid under the guarantee arrangement will continue to apply to the individual agreements entered into during the corresponding year notwithstanding the termination or expiry of the Master Photovoltaic (2025-2027) Agreement.

For illustration, in respect of such individual agreement involving finance lease or other long-term financing arrangement, or involving the Deficiency Replenishment Guarantee Obligation or Deposit arrangements relating thereto under the Master Photovoltaic (2025-2027) Agreement entered into during the year ending 31 December 2025, during the period from 1 January 2025 until the expiry or termination of all individual agreements under the Master Photovoltaic (2025-2027) Agreement entered into during the year ending 31 December 2025 (which shall be no later than 31 December 2050, being 25 years after 31 December 2025) (collectively "**2025 Individual Agreements**"), the aggregate actual amount paid under the guarantee arrangement arising from all transactions under such 2025 Individual Agreements shall not exceed the annual cap for the year ending 31 December 2025 stated above (i.e. HK\$383,490,000), and for the avoidance of doubt, where members of the Group are required to make payment under the guarantee arrangement pursuant to the 2025 Individual Agreements (whether by paying/replenishing deposits or otherwise) to Financial Institutions after 31 December 2025, such transaction amount shall still be regarded as utilising the annual cap of aggregate actual amount paid under the guarantee arrangement for the year ending 31 December 2025 notwithstanding that such event takes place after 31 December 2025.

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

Revision of Annual Caps of Existing Continuing Connected Transactions

The major bases and assumptions for determining the Revised 2024 Annual Caps are set out below:

1. Proposed Revised 2024 Sale Annual Cap under the Master Sale and Purchase (2022-2024) Agreement

The proposed Revised 2024 Sale Annual Cap under the Master Sale and Purchase (2022-2024) Agreement is determined by reference to, among other things,

- (i) the historical amounts of Sale of Electronics Products under the Master Sale and Purchase (2022-2024) Agreement;
- (ii) the trade-in national policy for consumer goods rolled out by the PRC, and as household appliances are among important consumer goods, the sales volume of TVs, air conditioners, refrigerators and washing machines is expected to strongly increase from 2024;
- (iii) the continuous increase in sales volume of TCL TVs across the world and larger market shares of TCL TVs;
- (iv) the expected increase in the prices of the products of the Group resulting from the increase of TV average size and the technological advancement after the active implementation of mid-to-high-end strategy by the Group and the improvement in product mix; and
- (v) the expected transaction amount of Sale of Electronics Products in the fourth quarter of 2024 in preparation for sales during New Year's Day and Lunar New Year in 2025.

2. *Proposed Revised 2024 Operation and Maintenance Annual Cap under the Master Photovoltaic Power Construction Services (2022-2024) Agreement*

The proposed Revised 2024 Operation and Maintenance Annual Cap under the Master Photovoltaic Power Construction Services (2022-2024) Agreement is determined by reference to, among other things,

- (i) the historical amounts of the service fees received by the Group for Existing Operation and Maintenance Services under the Master Photovoltaic Power Construction Services (2022-2024) Agreement;
- (ii) the scale of the completed photovoltaic power facilities built in the past years as the Group expects that TCL Industries Holdings Group would engage the Group for providing Operation and Maintenance Services for the photovoltaic power facilities built under the Construction Services;
- (iii) the fact that the photovoltaic industry has been developing very rapidly in China; and
- (iv) the exponential growth of the Group's photovoltaic business since its official operation in the second quarter of 2022.

Renewal of Existing Continuing Connected Transactions

The major bases and assumptions for determining the proposed annual caps for the continuing connected transactions contemplated under the Agreements are set out below:

1. *Proposed annual caps for the Master Sale and Purchase (2025-2027) Agreement*

The proposed annual caps for the transactions under the Master Sale and Purchase (2025-2027) Agreement are determined by reference to, among other things,

- (i) the factors referred to under the paragraph headed "1. Proposed Revised 2024 Sale Annual Cap under the Master Sale and Purchase (2022-2024) Agreement" above;

- (ii) in respect of Sale of Electronics Products:
 - (a) the projection of demand for Electronics Products, which is expected to increase gradually from 2025 to 2027, in view of the structural upgrade of the global TV market, display technology innovation and the expansion of online sales channel through TCL Industries Holdings Group, together with the prevailing market rate for similar products;
 - (b) the possible increase in price of panels (being a major component of Electronics Products) from 2025 to 2027; and
- (iii) in respect of Sourcing of TCL Associates Products:
 - (a) the potential market demand of TCL Associates Products with respect to the projected business scale and the estimated growth rates of the relevant business lines of the Group (which in turn are estimated by reference to, among other things, the relevant industry demand and the target market share of the Group), together with the prevailing market rate for similar products;
 - (b) the development of all-category marketing business by the Group by proactively sourcing products under TCL Brand such as air conditioners, refrigerators and washing machines from TCL Industries Holdings Group and leveraging the global brand power and channel layout accumulated through the display business of the Group over the years, taking into account of which it is expected that the scale of sourcing products from TCL Industries Holdings Group will increase significantly in the following three years;
 - (c) the relatively abundant global market space of air conditioners, refrigerators and washing machines and the expected increase in sales volume of air conditioners, refrigerators and washing machines especially in the untapped markets such as the less developed countries and regions; and

- (iv) the estimated fluctuation in exchange rate between RMB and HK\$ during the term of the Master Sale and Purchase (2025-2027) Agreement, projected with reference to the exchange rates between RMB and HK\$ during the period from 1 January 2020 to 30 June 2024, during which the highest and lowest exchange rate recorded was 0.92 and 0.81 respectively, representing a difference of approximately 15%, and the PRC's economy is projected to grow by 5% in 2024 and 4.5% in 2025 according to the International Monetary Fund.

2. *Proposed annual caps for the Master Services (2025-2027) Agreement*

The proposed annual caps for the transactions under the Master Services (2025-2027) Agreement are determined by reference to, among other things,

- (i) the historical amounts of the relevant transactions under the Master Services (2022-2024) Agreement;
- (ii) the projection of the number and scale of relevant projects and operations which may require Services from TCL Industries Holdings Group in the upcoming three years, in particular, the demand for Services in relation to logistics and after-sale required by the Group is expected to increase significantly due to the expected increase in sales volume of the products of the Group, and the demand for IT-related Services to be provided by TCL Industries Holdings Group, which are fundamental to the implementation of the digital transformation policy of the Group, is also expected to increase substantially;
- (iii) the projection of the number and scale of relevant projects which TCL Industries Holdings Group may require Services to be provided by the Group in the upcoming three years, with reference to the Group's projected capability in providing the relevant Services;
- (iv) the expected organic growth of around 10% per year in respect of the amount of Service Fees to be paid and received by the Group to/from TCL Industries Holdings Group during the three years ending 31 December 2027; and
- (v) the estimated fluctuation in exchange rate between RMB and HK\$ during the term of the Master Services (2025-2027) Agreement.

3. *Proposed annual caps for the Master Financial (2025-2027) Agreement*

The proposed annual caps for the transactions under the Master Financial (2025-2027) Agreement are determined by reference to, among other things,

- (i) the historical amounts of the Deposit Services, Credit Services, Financing Services and Foreign Exchange Transactions under the Master Financial (2022-2024) Agreement;
- (ii) in respect of Deposit Services:
 - (a) the expected continuing growth of the Group's business in the coming years; accordingly, the capital available for deposit with members of Qualified Holdings Group and/or Finance Company (HK) would increase and it is expected that the cash flow of the Group at peak season of sales of the upcoming years would be strong and hence the Group's demand for Deposit Services from members of Qualified Holdings Group and/or Finance Company (HK) may increase up to the proposed annual cap at the peak season;
 - (b) the expected growth in the Group's cash and cash equivalents: given that net cash inflow is expected to generate from the business operation of the Group following the previous trend without significant cash outflow and that the business of the Company would experience a gradual growth, it is expected that the Group's cash and cash equivalents would have a stable increase over the three financial years ending 31 December 2027; and
 - (c) the actual amount of maximum outstanding daily balances of deposits (including interest receivables in respect of these deposits and deposits as security) under the Master Financial (2022-2024) Agreement;

(iii) in respect of Credit Services:

- (a) the expected cashflow surplus of the Group: the Group's audited consolidated revenue for the year ended 31 December 2023 and consolidated cash and cash equivalents as at 31 December 2023; given that net cash inflow is expected to generate from the business operation of the Group following the previous trend without significant cash outflow and that the business of the Group would experience a gradual growth; therefore it is expected that the Group would have a stable cash flow surplus over the three financial years ending 31 December 2027 for lending in return for favourable interest income;
- (b) the business needs of the Group, the maximum amount of exposure at any time which the Group is prepared to assume under the Credit Services in the context of the cash flow of the Group as well as the credit and financial position of the members of Qualified Holdings Group and/or Finance Company (HK), considering which the possible interest income arising from the idle fund may net off the interest cost from financing;
- (c) the actual amount of maximum daily balances of outstanding loans (including interest receivables in respect of these loans) for the credit services under the Master Financial (2022-2024) Agreement; and
- (d) the repayment ability of Qualified Holdings Group and/or Finance Company (HK), for illustration, the audited net asset and cash and cash equivalent of Qualified Holdings Group as of 31 December 2023 amounted to RMB21.01 billion and RMB14.58 billion respectively;

(iv) in respect of Financing Services:

- (a) the strong business capacity of members of Qualified Holdings Group and Finance Company (HK) with a sound internal control and risk management system;
- (b) the number of days of capital turnover and the financing ratio of the Group, the increase in accounts receivables with the expanding scale of the Group's business, resulting in higher factoring amount;
- (c) the flexibility of financing of the certain subsidiaries of the Company which may be suffering less favourable financial position at the relevant time (e.g. newly set up subsidiaries or subsidiaries engaging in business which requires substantial investment) and the availability of the facility limit granted by third-party banks;
- (d) the prevailing market conditions of the interests and/or fees charged for comparable Financing Services;
- (e) the estimated fluctuation in exchange rate between RMB and HK\$ during the term of the Master Financial (2025-2027) Agreement; and

(v) in respect of Foreign Exchange Transactions:

- (a) the projected aggregate amount of Spot Contracts, Forward Contracts and Swap Contracts to be entered into with members of Qualified Holdings Group and/or Finance Company (HK) in view of the fluctuation of various currencies and possible volatile global economic and political environment in the coming years;
- (b) the growing business size of the Group and the increase in proportion of overseas business of the Group, which result in higher demand for foreign exchange; and
- (c) fluctuation in the RMB exchange rate amid global trade uncertainty and other external factors.

4. *Proposed annual caps for the Master Brand Promotion (2025-2027) Agreement*

The proposed annual caps for the transactions under the Master Brand Promotion (2025-2027) Agreement are determined by reference to, among other things,

- (i) the historical amounts of the relevant transactions under the Master Brand Promotion (2022-2024) Agreement;
- (ii) the historical sales amount together with the expected growth in sales amount in the next three years based on the expected growth in market shares of the Group's TCL Brand and/or TCL Industries Holdings Brand products in the PRC and other regions around the world;
- (iii) the Group's mid-to-high-end and globalisation strategy and commitment to strengthening its brand power globally; and
- (iv) the promotion fee rates which are determined based on the factors set out in the paragraph headed "Pricing policy and basis of price determination" in the section "Renewal of existing continuing connected transactions – (4) Master Brand Promotion (2025-2027) Agreement" above.

5. Proposed annual caps for the Master Rental (2025-2027) Agreement

Pursuant to HKFRS 16, subject to certain exceptions, leases with a term of more than 12 months will be recognised as right-of-use assets, and the transactions contemplated thereunder will be recognised as an acquisition of right-of-use assets. The right-of-use asset represents the right to use the underlying leased asset over the lease term and the lease liability represents the obligation to make lease payments (i.e. the rent). The asset and the liability arising from the lease are initially measured on present value basis and calculated by discounting the non-cancellable lease payments under the relevant agreement, using the incremental borrowing rate as the discount rate. Under HKFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the shorter of the useful life of the asset and the lease term, and (ii) interest expenses amortised from the lease liability over the lease term.

In addition to the effect of HKFRS 16, the proposed annual caps of the Master Rental (2025-2027) Agreement are also determined with reference to the following factors:

- (i) the historical amount of relevant transactions under the Master Rental (2022-2024) Agreement;
- (ii) the demand of the Group for leasing/licensing of certain Assets from/to TCL Industries Holdings Group, which is expected to continue to increase in the future in light of the continuous expansion and organic growth in respect of the business of the Group;
- (iii) the rental/license fee payable by the Group to TCL Industries Holdings Group and/or by TCL Industries Holdings Group to the Group (as the case may be), which is expected to slightly grow in accordance with the trend of market condition during the term of the Master Rental (2025-2027) Agreement; and
- (iv) the value of rental/license fees and right-of-use assets calculated by discounting the estimated total annual rental using the incremental borrowing rate of the Group as the discount rate, which may change as the market interest rate changes.

6. Proposed annual caps for the Master Photovoltaic (2025-2027) Agreement

The proposed annual caps for the transactions under the Master Photovoltaic (2025-2027) Agreement are determined by reference to, among other things,

- (i) the factors referred to under the paragraph headed “2. Proposed Revised 2024 Operation and Maintenance Annual Cap under the Master Photovoltaic Power Construction Services (2022-2024) Agreement” above;
- (ii) the projection that the revenue scale of photovoltaic business will maintain a rapid growth momentum from 2025 to 2027;
- (iii) in respect of Construction Services:
 - (a) the historical amounts of the relevant transactions under the Master Photovoltaic Power Construction Services (2022-2024) Agreement;
 - (b) the photovoltaic capacity of potential projects in the PRC to which the Group may provide Construction Services during the term of the Master Photovoltaic (2025-2027) Agreement;
 - (c) the expansion of scope of Construction Services to also include the photovoltaic power generation facilities/equipment construction services which may be provided by members of the Group for the benefit of members of TCL Industries Holdings Group (including but not limited to providing the relevant services to third parties in order for the members of TCL Industries Holdings Group to enter into finance lease arrangement in respect of enjoyment of such services) or at the request of members of TCL Industries Holdings Group; and
 - (d) the projected demand for Construction Services for the three years ending 31 December 2027, which is arrived at with reference to the year-on-year growth of approximately newly installed photovoltaic capacity in the PRC, the conversion rate of the potential projects and the business scale target of the Group, in particular, the policies of central government of the PRC of reducing carbon emission and achieving carbon neutrality, as well as the policies of encouraging building of photovoltaic power stations by providing subsidies;

- (iv) the projected demand for Operation and Maintenance Services, which is largely proportional to the demand for Construction Services for the three years ending 31 December 2027 and the scale of the completed photovoltaic power facilities built in the past years as the Group expects that TCL Industries Holdings Group would engage the Group for providing Operation and Maintenance Services for the photovoltaic power facilities built under the Construction Services;
- (v) the anticipated increase in price of raw materials, machinery and labour costs during the term of the Master Photovoltaic (2025-2027) Agreement due to inflation;
- (vi) in respect of aggregate actual amount paid under the guarantee arrangement:
 - (a) the aggregate actual amount paid under the guarantee arrangement is determined based on the income arising from the construction of the photovoltaic power generation facilities/equipment and the probability of the destruction to photovoltaic power generation facilities/equipment, insufficient power generation or inability to connect power to the grid;
 - (b) the projected amount paid under the guarantee arrangement, which is largely proportional to the demand for Construction Services for the three years ending 31 December 2027 and the scale of the completed photovoltaic power facilities built in the past years;
 - (c) the probability of the destruction to photovoltaic power generation facilities/equipment, insufficient power generation or inability to connect power to the grid, which is determined after considering all relevant factors including the geographical location, the latitude of the site, the duration of daylight hours, the area available for instalment of photovoltaic array, the solar irradiance, the interrelationship of the change of seasons with the daylight duration, and the insurance coverage, etc.; and
- (vii) the estimated fluctuation in exchange rate between RMB and HK\$ during the term of the Master Photovoltaic (2025-2027) Agreement.

REASONS FOR AND BENEFITS OF REVISING THE 2024 ANNUAL CAPS

When determining, among others, the 2024 Annual Caps in 2021, the Company's development scale could not be fully and accurately predicted, especially regarding the development of the photovoltaic industry and the increase in transaction volume brought about by changes in the Company's product portfolio.

Specifically, with reference to the current actual amounts of Sale of Electronics Products, the 2024 Sale Annual Cap is insufficient to cover the transaction amount at the end of 2024 in preparation for New Year's Day and Lunar New Year in 2025.

As for Existing Operation and Maintenance Services, the number of power stations providing Existing Operation and Maintenance Services has increased significantly, and it is expected that the 2024 Operation and Maintenance Annual Cap will be insufficient to cover the actual amount of service fees to be received by the Group thereunder.

The revision of the 2024 Annual Caps enables the Company to expand its business, increase its market share and thereby increase its revenue.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that the Revised 2024 Annual Caps and the transactions contemplated thereunder are fair and reasonable; on normal commercial terms or better and in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole.

REASONS FOR AND BENEFITS OF RENEWING THE EXISTING CONTINUING CONNECTED TRANSACTIONS

1. Master Sale and Purchase (2025-2027) Agreement

The market of electronic consumer products is dynamic and ever-changing. A holistic customer experience is of growing importance and there is an increasing number of customers who may look for multiple types of electronic products at the same time. The Group has increased its research and development investment and seized the opportunity of industry changes by firmly taking smart display as its core business, and vigorously implementing the "AI x IoT" all-scenario smart and healthy-living strategy.

Thus, in order to swiftly cope with market changes, to strengthen the synergy within the Group and TCL Industries Holdings Group and the operating capability of the Group both in terms of overseas and PRC markets, the Group and TCL Industries Holdings Group share the operation and sales channels so that customers may be able to purchase products produced or manufactured by the Group and TCL Industries Holdings Group at the same time. As a result, some of the products of TCL Industries Holdings Group may first be sold to the Group, and subsequently the Group would re-sell such products to Independent Third Party customers, while at the same time the Group may first sell some of its products to members of the TCL Industries Holdings Group for them to re-sell such products to Independent Third Party customers. Such arrangement would be carried out under the Master Sale and Purchase (2025-2027) Agreement and would account for a large portion of the Group's business, enhance customer experience, achieve reduction of sales expenses and thus enhance the overall profitability of the Group.

2. Master Services (2025-2027) Agreement

The Company has been accelerating the implementation of a diversified development strategy since 2018. The business scope and the scale of the Group have been continuing to expand. Coupled with the economies of scale, the Group gains know-how and expertise in various Services in relation to such business areas. Meanwhile, TCL Industries Holdings Group has solid experience in the provision of various Services such as (but not limited to) logistics, after-sale and technology-related services covering computer hardware and software, cloud platform facility services, information technology consultancy services and manpower resource. Better service quality and lower costs can be achieved if the Group and TCL Industries Holdings Group make effective use of their respective expertise and economies of scale and provide Services to each other. Moreover, in view of the close relationship between the Group and TCL Industries Holdings Group, TCL Industries Holdings Group has a relatively good understanding of the business and operations of the Group and hence is able to provide timely and customised Services to satisfy the needs of the Group.

Hence, the relevant transactions are beneficial to expanding the business scope of the Group, increasing sources of revenue and enhancing the competitiveness and profitability of the Group through utilising the expertise, experience and economies of scale of both the Group and TCL Industries Holdings Group.

3. Master Financial (2025-2027) Agreement

General

The Group can use Qualified Holdings Group and/or Financial Company (HK) as intermediaries which provide flexible and comprehensive financial and treasury services to all TCL Electronics Qualified Members and allocate funds among members of the Group in a more efficient manner, thereby enhancing the Group's liquidity and overall solvency. Moreover, the Group is able to increase the efficiency of the use of idle funds and maximise returns while keeping risks under control through the provision of Credit Services to Qualified Holdings Group and/or Financial Company (HK). Qualified Holdings Group and/or Financial Company (HK) are familiar with the Group's operations and needs, so they can provide more efficient, tailor-made and cost-effective financial services than commercial banks, from which the Group is expected to enjoy benefits.

In addition to Qualified Holdings Group and/or Financial Company (HK), the Group also has business cooperation with certain financial institutions, which can offer timely financial services to the Group when in need. As such, the Group is not subject to any restrictions imposed by Qualified Holdings Group and/or Financial Company (HK).

Deposit Services

The Company believes that Qualified Holdings Group and/or Finance Company (HK) may take advantage of their economies of scale and therefore provide TCL Electronics Qualified Members with deposit interest rates more favourable or at least no less favourable than those offered by other financial institutions in or outside the PRC. Specifically, members of Qualified Holdings Group and/or Finance Company (HK) may obtain better financing options from the financial institutions outside by making use of their advantages in scale of the capital, and in turn members of Qualified Holdings Group and/or Finance Company (HK) may offer favourable deposit interest rates to TCL Electronics Qualified Members.

According to current practice, the deposit interest rates provided to the Group by Qualified Holdings Group and/or Financial Company (HK) are benchmarked against the agreed deposit interest rates announced by PBOC from time to time, and are subject to upward adjustments. Qualified Holdings Group and/or Financial Company (HK) will review the deposit interest rates on a regular basis and make adjustments if necessary. Therefore, the Group's total interest income is expected to increase.

TCL Industries Holdings undertakes that it will ensure that the deposits placed by the Group through the Deposit Services will primarily be used for the purpose of facilitating fund transfer among members of the Group on the requests of the members of the Group. Therefore, the Group believes that the risk of depositing money with Qualified Holdings Group and/or Financial Company (HK) will be no greater than depositing with external commercial banks.

Credit Services

In view of the expected idle cash flow of the Group over the three financial years ending 31 December 2027, the Credit Services would provide the Group with greater flexibility in the management of its idle cash flow by enabling it to lend a portion of its idle cash resources to members of Qualified Holdings Group and/or Finance Company (HK) and obtaining favourable interest income in return, thereby efficiently utilising and maximising the return of its idle cash flow.

In view of the close relationship between the Group, Qualified Holdings Group and Finance Company (HK), and the financial needs of members of Qualified Holdings Group and Finance Company (HK) from time to time, the Group would be able to provide more efficient processing of loan requests from members of Qualified Holdings Group and/or Finance Company (HK) and accordingly has greater competitive advantages over other lending institutions, thereby attracting members of Qualified Holdings Group and/or Finance Company (HK) to obtain financing from the Group. Besides, the Group would benefit from efficiently utilising its idle cash flow and receiving higher interest income by advancing loans to members of Qualified Holdings Group and/or Finance Company (HK).

Moreover, the Group will request the relevant member of Qualified Holdings Group and/or Finance Company (HK) to provide the Group with the details of companies to which the Group lends loans and sufficient information of them including various financial indicators, such as its asset size, liquidity ratios, level of bad assets and its risk rating assessed by PBOC (if and when available) as well as annual and interim financial statements to enable the Group to monitor and review its financial condition. The relevant member of Qualified Holdings Group and/or Finance Company (HK) shall also notify the Group, subject to compliance with applicable laws and regulations, should it be subject to any judicial, legal or regulatory proceedings or investigations which are reasonably likely to have a material impact on the financial condition of any of them. If the Group considers that there is any material adverse change in the financial condition of the relevant member of Qualified Holdings Group and/or Finance Company (HK), the Group will take appropriate measures (including ceasing to advance further loans) to protect the Group's financial position.

TCL Industries Holdings undertakes that it will bear all losses incurred due to the failure of members of Qualified Holdings Group and/or Finance Company (HK) to perform its obligations under the Master Financial (2025-2027) Agreement, including but not limited to all transaction amounts (under Credit Services included), interest and relevant expenses incurred thereunder, within ten days after the occurrence of such failure.

Financing Services

The Master Financial (2025-2027) Agreement allows the Group to expand its financial channels, accelerate the efficiency of asset turnover and optimise its financial structure, as well as improve the efficiency of its capital usage. TCL Electronics Qualified Members may continue to obtain financing from members of Qualified Holdings Group and/or Finance Company (HK) as an alternative source when the commercial banks or financial institutions are unable to provide sufficient financing resources to satisfy the business needs of the Group, especially for such members of the Group with which may be suffering less favourable financial position at the relevant time.

The Company also believes that members of Qualified Holdings Group and Finance Company (HK) may also be able to obtain cost-efficient financing from other financial institutions at lower interest rates by taking advantage of their economies of scale which TCL Electronics Qualified Members may not be able to enjoy if the latter directly borrow from such other financial institutions. It is expected that TCL Electronics Qualified Members may in turn obtain financing from members of Qualified Holdings Group and/or Finance Company (HK) at lower interest rates and/or more favourable terms than those of corporate commercial loans offered by other financial institutions.

Foreign Exchange Transactions

Due to its international presence and operation, the Group is facing foreign exchange exposure including transaction exposure and translation exposure. The Group therefore has the need to enter into spot contracts for its business and operations and to enter into, among others, forward contracts to manage its foreign exchange exposure from time to time.

Members of Qualified Holdings Group and/or Finance Company (HK) are able to provide diversified foreign exchange transaction options in support of the Group's business and treasury activities. Further, as members of Qualified Holdings Group and Finance Company (HK) are familiar with the business and operation of members of the Group, it is expected that members of Qualified Holdings Group and Finance Company (HK) will be more efficient than other financial institutions in terms of processing transactions for members of the Group given their close relationships and hence will be able to satisfy the needs of members of the Group in a more timely manner. Accordingly, it would be in the interest of the Group to enter into the Foreign Exchange Transactions with members of Qualified Holdings Group and/or Finance Company (HK) on a non-exclusive basis in accordance with the Master Financial (2025-2027) Agreement.

4. Master Brand Promotion (2025-2027) Agreement

The Group adhered to its branding strategy of localisation and precision marketing, effectively enhancing its global brand influence. The global brand index of TCL Brand TV increased by 11.1% year-on-year to 92 in the first half of 2024, and the TCL Brand was recognised in the prestigious “Google x Kantar BrandZ Top 50 Chinese Global Brand Builders” for the eighth consecutive year.

The Company has been using TCL Brand and/or TCL Industries Holdings Brand for the marketing and distribution of its products. The continuous development of the goodwill and brand image of such trademarks is considered to be important to the successful long-term operation of the business of the Group. The Master Brand Promotion (2025-2027) Agreement allows the Group to enjoy the benefits brought by the developing goodwill and brand image associated with the promotion of such trademarks at attractive rates.

5. Master Rental (2025-2027) Agreement

The Group has been leasing/licensing certain vehicles and landed properties in a variety of locations from the relevant members of TCL Industries Holdings Group as its offices, factory, warehouse and dormitory in respect of the Group’s various business segments as well as renting/licensing out certain vehicles and premises to the relevant members of TCL Industries Holdings Group so as to better utilise its unused assets. Accordingly, substantial time and costs can be saved if the Group continues the existing lease/license arrangement with members of TCL Industries Holdings Group instead of identifying and leasing/licensing other suitable and comparable vehicles and landed properties. Furthermore, the Group would generate maximum value and additional income by leasing/licensing out vehicles and landed properties that are idle from time to time to relevant members of TCL Industries Holdings Group in a flexible and efficient manner.

Further, in view of the Group’s continuous expansion of business, the Company considers it is in the interests of the Company and the Shareholders as a whole to enter into the Master Rental (2025-2027) Agreement to continue the continuing connected transactions contemplated under the Master Rental (2022-2024) Agreement in order to meet the increasing demand and accommodate the business needs of the Group.

6. Master Photovoltaic (2025-2027) Agreement

Given the close relationship between the Group and TCL Industries Holdings Group, it is more prudent and beneficial for the Group to co-operate with TCL Industries Holdings Group to share risk and extend the reach to a wider clientele network. Accordingly, the co-operation with TCL Industries Holdings Group under the Master Photovoltaic (2025-2027) Agreement is expected to help consolidate the foundation of the Group's photovoltaic business and facilitate its future development.

Via the Master Photovoltaic (2025-2027) Agreement, the Group will provide Construction Services and Operation and Maintenance Services to TCL Industries Holdings Group which could in turn transfer the projects to relevant ultimate business clients after operation for a period of time (if required), and the Group will be able to receive service fees from TCL Industries Holdings Group without having to bear the financing of construction expenditures of the entire project on its own. Such complementary business model is in line with the Group's asset-light strategy, which can effectively minimise the capital investment burden of the Group and enable the Group to respond quickly to fast-changing market environment and to grasp potential business opportunities and lead the high-quality growth of the business scale of the Group.

Although the Group is required to provide Quality Guarantee and Deficiency Replenishment Guarantee Obligation in favour of the relevant members of TCL Industries Holdings Group, such payment obligations will generally be satisfied from the income generated by photovoltaic power generation facilities/equipment and save for unforeseen exceptional circumstances which affect the power generating capacity of such facilities/equipment, it is expected that the Group will not be required to fulfil the payment obligations with its own financial resources. Before entering into any agreements with potential clients for construction of photovoltaic systems, the Group will make an overall assessment of the suitability of the site and the expected efficiency and performance of the photovoltaic systems to be constructed, taking into account all relevant factors. The aforesaid assessment will in turn form the basis for the Group to assess the relevant income and whether it could satisfy the payment obligations under the lease arrangement. In addition, the insurance policy (if purchased and maintained by the Group upon request of the relevant Financial Institutions), which can provide appropriate coverage on the relevant photovoltaic power generation facilities/equipment with the relevant lessor as the beneficiary, may relieve the burden of the Group from the guarantee arrangement. Accordingly, the Group is of the view that the risk that it will be required to meet its guarantee obligations with its own financial resources is under reasonable control of the Group.

In light of the above, the Directors (excluding the independent non-executive Directors whose views will be set out in the letter from the Independent Board Committee) consider that the Revised 2024 Sale Annual Cap and the Non-exempt Transactions are fair and reasonable; on normal commercial terms or better, entered into in the ordinary and usual course of business of the Group; and in the interests of the Company and the Shareholders as a whole. The Directors (including the independent non-executive Directors) are also of the view that the Revised 2024 Operation and Maintenance Annual Cap and the terms of the Master Rental (2025-2027) Agreement, the transactions contemplated thereunder and the proposed annual cap are fair and reasonable, on normal commercial terms or better, entered into in the ordinary and usual course of business of the Group, and in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 1,374,856,288 Shares, representing approximately 54.54% of the total number of issued Shares, are held by T.C.L. Industries (H.K.), which in turn is held as to 100% by TCL Industries Holdings. As such, T.C.L. Industries (H.K.) is a substantial shareholder of the Company and a connected person of the Company under Chapter 14A of the Listing Rules. As TCL Industries Holdings is the holding company of T.C.L. Industries (H.K.), whereas Finance Company (HK) is a direct subsidiary thereof, each of them is an associate of T.C.L. Industries (H.K.) and therefore also a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Revised 2024 Annual Caps and each of the Agreements therefore constitute continuing connected transactions of the Company.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised 2024 Sale Annual Cap exceed 5%, the Revised 2024 Sale Annual Cap is subject to the reporting, announcement, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised 2024 Operation and Maintenance Annual Cap exceed 0.1% but all are less than 5%, the Revised 2024 Operation and Maintenance Annual Cap is exempted from the circular (including independent financial advice) and Shareholders' approval under Rule 14A.76(2) (a) of the Listing Rules but is subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the Master Sale and Purchase (2025-2027) Agreement, Master Services (2025-2027) Agreement, Master Financial (2025-2027) Agreement, Master Brand Promotion (2025-2027) Agreement and Master Photovoltaic (2025-2027) Agreement (i.e. agreements for the Non-exempt Transactions) exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, circular, Shareholders' approval and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in relation to the Deposit Services and Credit Services under the Master Financial (2025-2027) Agreement exceed 25%, the aforementioned transactions constitute major transactions of the Company and are subject to the relevant major transaction requirements under Chapter 14 of the Listing Rules.

Further, as the assets ratios of the Deposit Services and Credit Services under the Master Financial (2025-2027) Agreement exceed 8%, the aforementioned transactions also constitute advances to an entity and are subject to the relevant disclosure requirements under Chapter 13 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the Master Rental (2025-2027) Agreement exceed 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempted from the circular (including independent financial advice) and Shareholders' approval under Rule 14A.76(2)(a) of the Listing Rules but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee has been established to advise the Shareholders on the Revised 2024 Sale Annual Cap and the terms and the proposed annual caps of the Non-exempt Transactions. The Company has appointed Pelican Financial Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Shareholders in this regard. A circular containing, among other things, further details of the Revised 2024 Sale Annual Cap and the Non-exempt Transactions, letters from Independent Board Committee and the Independent Financial Adviser, a notice convening the EGM and other information as required under the Listing Rules, will be disseminated to the Shareholders on or before 31 October 2024 as additional time is required to prepare and finalise the information to be contained in the circular.

Ms. DU Juan is also a director and the chief executive officer of TCL Industries Holdings and holds position as directors or senior management in certain subsidiaries and/or associates of TCL Industries Holdings. For good corporate governance, she has abstained from voting on the Board resolutions for considering and approving the Revised 2024 Annual Caps, the Agreements and the transactions contemplated thereunder.

Notwithstanding the respective interest and/or roles of certain other Directors in TCL Industries Holdings Group, in particular, (i) Mr. ZHANG Shaoyong is also a senior vice president of TCL Industries Holdings; (ii) Mr. PENG Pan is also the chief financial officer of TCL Industries Holdings, (iii) Mr. SUN Li is also the chief technology officer of TCL Industries Holdings, and (iv) each of Mr. PENG Pan and Mr. SUN Li also holds positions as directors or senior management in certain subsidiaries and/or associates of TCL Industries Holdings, as their respective direct or indirect interests in TCL Industries Holdings Group are insignificant and that none of the TCL Associates are associates of any of the Directors, none of them is considered as having a material interest in the Revised 2024 Annual Caps, the Agreements and the transactions contemplated thereunder, therefore save for Ms. DU Juan who has for good corporate governance abstained from voting, all other Directors are entitled to vote on the Board resolutions for considering and approving the Revised 2024 Annual Caps, the Agreements and the transactions contemplated thereunder pursuant to the Articles.

GENERAL INFORMATION OF THE PARTIES

The Group is principally engaged in display business, innovative business and internet business. The Group actively transforms and innovates under the strategy of “Lead with Brand Value, Excel in Global Efficiency, Drive with Technology, Thrive on Global Vitality”. Focusing on the mid-to-high-end markets around the world, the Group strives to consolidate the “intelligent IoT ecosystem” strategy with all-category layout and is committed to providing users with an all scenario smart and healthy life while developing into a world-leading smart technology company. For more information on the Group, please visit its official website at <http://electronics.tcl.com> (the information that appears in this website does not form part of this announcement).

TCL Industries Holdings is an investment holding company with a diverse investment portfolio. Its investments are principally in the business of development, manufacturing and distribution of audio/video products, electronic products, communication equipment, home appliances, provision of cloud video conferencing services, intelligent manufacturing solutions, solid waste dismantling and disposal, development and leasing of building and industrial park, supply chain finance, etc. As at the date of this announcement, TCL Industries Holdings, through its wholly-owned subsidiary T.C.L. Industries (H.K.), held approximately 54.54% of the issued Shares and is the ultimate controlling shareholder of the Company. As at the date of this announcement, the shareholding structure of TCL Industries Holdings is as follows:

Shareholders	Approximate Shareholding
Ningbo Lida Zhihui Enterprise Management Partnership (Limited Partnership)* (寧波礪達致輝企業管理合夥企業(有限合夥))	32.34%
Ningbo Lida Zhiyu Enterprise Management Co., Ltd.* (寧波礪達致宇企業管理有限公司)	24.25%
Pan Mao (Shanghai) Investment Center (L.P.)* (磐茂(上海)投資中心(有限合夥))	18.60%
Huizhou State-owned Asset Management Co., Ltd.* (惠州市國有資產管理有限公司)	9.30%
Xiaomi Technology Co., Ltd.* (小米科技有限責任公司)	9.30%
Beijing Xinrunheng Equity Investment Partnership (L.P.)* (北京信潤恒股權投資合夥企業(有限合夥))	4.65%
Shenzhen Qifu Guolong Small and Medium Micro-Enterprise Equity Investment Fund Partnership (L.P.)* (深圳市啟賦國隆中小微企業股權投資基金合夥企業(有限合夥))	1.55%
Total (Note)	<u>100.00%</u>

Note:

The figures shown in the above table were subject to rounding adjustment, accordingly the total figure may not be an arithmetic aggregation of the figures proceeding it.

As at the date of this announcement, Finance Company (HK) is a direct subsidiary of T.C.L. Industries (H.K.) and is principally engaged in obtaining and utilising funds required for operation of TCL Industries Holdings Group, the main functions of which include but are not limited to financing of funds inside TCL Industries Holdings Group, the management of cash pool and liquidity of funds, and supporting of TCL Industries Holdings Group in procuring funds and managing foreign currency exchange and risk.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

“2024 Annual Caps”	collectively, the 2024 Operation and Maintenance Annual Cap and the 2024 Sale Annual Cap;
“2024 Operation and Maintenance Annual Cap”	the existing annual cap of the fees to be received by the Group from Existing Operation and Maintenance Services pursuant to the Master Photovoltaic Power Construction Services (2022-2024) Agreement for the year ending 31 December 2024;
“2024 Sale Annual Cap”	the existing annual cap of the Sale of Electronics Products by the Group to TCL Industries Holdings Group pursuant to the Master Sale and Purchase (2022-2024) Agreement for the year ending 31 December 2024;
“Agreements”	collectively the Master Sale and Purchase (2025-2027) Agreement, the Master Services (2025-2027) Agreement, the Master Financial (2025-2027) Agreement, the Master Brand Promotion (2025-2027) Agreement, the Master Rental (2025-2027) Agreement and the Master Photovoltaic (2025-2027) Agreement and each an “Agreement”;
“Articles”	the articles of association of the Company as amended from time to time;

“Asset(s)”	landed properties, Vehicles and Equipment, as well as the auxiliary and/or subordinate facilities and intangible assets (such as software, skills, qualification, etc.) (if applicable) thereto, which the relevant lessor under the Master Rental (2025-2027) Agreement legally owns or has the right to rent, lease and/or license (including share and/or make available the use thereof);
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	TCL Electronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01070);
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;

“Construction Services”

the photovoltaic power generation facilities/equipment construction services which may be provided by members of the Group to members of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group from time to time pursuant to the Master Photovoltaic (2025-2027) Agreement, whether or not the relevant member of TCL Industries Holdings Group is the actual owner, lessee, actual user or rightful user or otherwise, which includes but is not limited to circumstances where under specific arrangements (e.g. finance lease or other kind of financing) between members of TCL Industries Holdings Group and third parties (e.g. financial institutions), members of the Group are engaged by such third parties to provide Construction Services, but members of TCL Industries Holdings Group or their designated persons have the right to use and/or buy the relevant photovoltaic power generation facilities/equipment, and the scope of work of Construction Services includes all services related to the construction of photovoltaic power generation facilities/equipment, including but not limited to procurement and provision of all equipment and materials required for the construction projects, conducting construction work (including but not limited to construction design, component installation, construction of temporary facilities at the construction site, commissioning and conducting trial-runs), project management and provision of relevant personnel training, etc.;

“Credit Services”	advance of loan(s) by member(s) of the Group to member(s) of Qualified Holdings Group and/or Finance Company (HK) pursuant to the Master Financial (2025-2027) Agreement;
“Deposit Services”	deposit of money by the TCL Electronics Qualified Members with members of Qualified Holdings Group and/or Finance Company (HK) pursuant to the Master Financial (2025-2027) Agreement;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve (i) the Revised 2024 Sale Annual Cap; and (ii) the Non-exempt Transactions;
“Electronics Products”	(i) products (including but not limited to TVs, telecommunication, mobile and connective devices, smart home products, information technology products, commercial use display products, tooling, electrical resources, photovoltaic components and inverters) manufactured, produced or otherwise sold or distributed by the Group; (ii) the article, things, components or materials required for manufacturing or production of any TCL Associates Products; and (iii) waste products arising from manufacturing or production process of the Group;
“Equipment”	machineries, equipment, tools and articles (including but not limited to machineries, equipment, tools and articles for the purposes of manufacturing, communication, research and development, testing, engineering and office use) which the relevant lessor legally owns or has the right to rent, lease and/or license (including share and/or make available the use thereof);

“Existing Agreements”	collectively the Master Sale and Purchase (2022-2024) Agreement, the Master Services (2022-2024) Agreement, the Master Financial (2022-2024) Agreement, the Master Brand Promotion (2022-2024) Agreement, the Master Rental (2022-2024) Agreement and the Master Photovoltaic Power Construction Services (2022-2024) Agreement;
“Existing Operation and Maintenance Services”	the photovoltaic power generation facilities/equipment operation and maintenance services which may be provided by members of the Group to members of TCL Industries Holdings Group from time to time pursuant to the Master Photovoltaic Power Construction Services (2022-2024) Agreement, including but not limited to the provision of relevant services on management, repair, maintenance, personnel training, component replacement, material procurement, etc.;
“Finance Company (HK)”	TCL Finance (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability and a direct subsidiary of T.C.L. Industries (H.K.);
“Financing Services”	the financing services to be provided by members of Qualified Holdings Group and/or Finance Company (HK) from time to time in accordance with the Master Financial (2025-2027) Agreement, which include but are not limited to guarantees (such as shipping guarantees), receivables factoring (recourse and without-recourse), bill discounting, inbound guarantee (offshore guarantees for onshore loans) and outbound guarantee (onshore guarantee for offshore loans);
“Foreign Exchange Transactions”	Spot Contracts and/or Forward Contracts and/or Swap Contracts (as the case may be);

“Forward Contract(s)”	the forward contract(s) entered or to be entered into between members of the Group and members of Qualified Holdings Group and/or Finance Company (HK) in relation to the purchase of one currency with another currency between members of the Group and members of Qualified Holdings Group and/or Finance Company (HK) to be completed at a designated future date on terms (such as currency type, principal amount, exchange rate, etc.) agreed in advance, for the purpose of hedging the exposure of the relevant member of the Group to currency exchange risks in connection with the business of the relevant member of the Group, pursuant and subject to the terms and conditions of the Master Financial (2025-2027) Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	an independent committee of the Board established for the purpose of reviewing the Revised 2024 Sale Annual Cap and the Non-exempt Transactions comprising all independent non-executive Directors;
“Independent Financial Adviser” or “Pelican”	Pelican Financial Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Board to advise the Independent Board Committee and the Shareholders in respect of the Revised 2024 Sale Annual Cap and the Non-exempt Transactions;

“Independent Third Party(ies)”	person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries and their respective associates;
“IoT”	internet of things;
“IT”	information technology;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Master Brand Promotion (2022-2024) Agreement”	the master brand promotion (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings;
“Master Brand Promotion (2025-2027) Agreement”	the master brand promotion (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings;
“Master Financial (2022-2024) Agreement”	the master financial (2022-2024) agreement dated 11 November 2021 entered into among the Company, TCL Industries Holdings and Finance Company (HK);
“Master Financial (2025-2027) Agreement”	the master financial (2025-2027) agreement dated 26 September 2024 entered into among the Company, TCL Industries Holdings and Finance Company (HK);
“Master Photovoltaic (2025-2027) Agreement”	the master photovoltaic (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings;
“Master Photovoltaic Power Construction Services (2022-2024) Agreement”	the master photovoltaic power construction services (2022-2024) agreement dated 26 August 2022 entered into between the Company and TCL Industries Holdings;

“Master Rental (2022-2024) Agreement”	the master rental (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings;
“Master Rental (2025-2027) Agreement”	the master rental (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings;
“Master Sale and Purchase (2022-2024) Agreement”	the master sale and purchase (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings;
“Master Sale and Purchase (2025-2027) Agreement”	the master sale and purchase (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings;
“Master Services (2022-2024) Agreement”	the master services (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings;
“Master Services (2025-2027) Agreement”	the master services (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings;
“Non-exempt Transactions”	the transactions contemplated under the Master Sale and Purchase (2025-2027) Agreement, Master Services (2025-2027) Agreement, Master Financial (2025-2027) Agreement, Master Brand Promotion (2025-2027) Agreement and Master Photovoltaic (2025-2027) Agreement, together with their respective proposed annual caps;
“November 2021 Circular”	the circular of the Company dated 22 November 2021;
“ODM”	original design manufacturing;
“OEM”	original equipment manufacturing;

“Operation and Maintenance Services”

the photovoltaic power generation facilities/equipment operation and maintenance services which may be provided by members of the Group to members of TCL Industries Holdings Group, for the benefit of members of TCL Industries Holdings Group or at the request of members of TCL Industries Holdings Group from time to time pursuant to the Master Photovoltaic (2025-2027) Agreement, whether or not the relevant member of TCL Industries Holdings Group is the actual owner, lessee, actual user or rightful user or otherwise, which includes but is not limited to circumstances where under specific arrangements (e.g. finance lease or other kind of financing) between members of TCL Industries Holdings Group and third parties (e.g. financial institutions), members of the Group are engaged by such third parties to provide Operation and Maintenance Services, but members of TCL Industries Holdings Group or their designated persons have the right to use and/or buy the relevant photovoltaic power generation facilities/equipment, and the scope of work of Operation and Maintenance Services includes all services related to the operation and maintenance of photovoltaic power generation facilities/equipment, including but not limited to the provision of relevant services on management, repair, maintenance, personnel training, component replacement, material procurement, etc.;

“PBOC”

the People’s Bank of China, the central bank of the PRC;

“PRC” or “China”

the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China for the purposes of this announcement;

“Qualified Holdings Group”	TCL Industries Holdings and its subsidiaries and any entity that may become subsidiary of TCL Industries Holdings from time to time, and for the purposes of the Master Financial (2025-2027) Agreement and the transactions contemplated thereunder and this announcement excludes the Group;
“Revised 2024 Annual Caps”	collectively, the Revised 2024 Operation and Maintenance Annual Cap and the Revised 2024 Sale Annual Cap;
“Revised 2024 Operation and Maintenance Annual Cap”	the proposed revised annual cap of the fees to be received by the Group from Existing Operation and Maintenance Services pursuant to the Master Photovoltaic Power Construction Services (2022-2024) Agreement for the year ending 31 December 2024;
“Revised 2024 Sale Annual Cap”	the proposed revised annual cap of the Sale of Electronics Products by the Group to TCL Industries Holdings Group pursuant to the Master Sale and Purchase (2022-2024) Agreement for the year ending 31 December 2024;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale of Electronics Products”	the sale of the Electronics Products by the Group to TCL Industries Holdings Group pursuant to the Master Sale and Purchase (2022-2024) Agreement or the Master Sale and Purchase (2025-2027) Agreement (as the case may be);
“September 2022 Circular”	the circular of the Company dated 8 September 2022;

“Services”	<p>services which may be provided by members of the Group to members of TCL Industries Holdings Group, or by members of TCL Industries Holdings Group to members of the Group, as the case may be, including but not limited to (i) business support services, being operational and management services relating to the ordinary and usual course of business and/or goods, including but not limited to logistics services, warehousing services, waste management services, processing services, planning and operation management services, sales optimisation services, customer or channel recommendation services, after-sale and repair services, industry solution services and support services in relation to intelligence system and software provision services, etc.; (ii) operation support services, being services relating to the day-to-day operation, including but not limited to administrative services, tax and financial management and supporting services, legal services, research and development services, natural resources management services, human resources services, business consultation and management services, market promotion services, IT and internet support services and other relevant IT-related services, etc.; and (iii) other services which the members of the Group or members of TCL Industries Holdings Group (as the case may be) are capable of providing;</p>
“Service Fees”	<p>the fees to be paid by relevant member(s) of the Group or TCL Industries Holdings Group for the provision of the relevant Services pursuant to the Master Services (2025-2027) Agreement;</p>
“SFO”	<p>Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);</p>

“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Shareholders’ Approval Date”	the date on which the Shareholders approve each of the Non-exempt Transactions;
“Sourcing of TCL Associates Products”	the purchase of the TCL Associates Products by the Group from the relevant members of TCL Industries Holdings Group pursuant to the Master Sale and Purchase (2025-2027) Agreement;
“Spot Contract(s)”	the spot contract(s) entered or to be entered into between members of the Group and members of Qualified Holdings Group and/or Finance Company (HK) in relation to the purchase of one currency with another currency between members of the Group and members of Qualified Holdings Group and/or Finance Company (HK) at spot rate pursuant to and subject to the terms and conditions of the Master Financial (2025-2027) Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;

“Swap Contract(s)”	<p>the swap contract(s) entered or to be entered into between members of the Group and members of Qualified Holdings Group and/or Finance Company (HK), which combines (i) a spot contract or a forward contract; and (ii) another forward contract, in relation to the exchange of a certain amount of currency on a date at spot or an agreed exchange rate, and exchange back the same amount of currency at an agreed exchange rate (i.e. forward exchange rate) on a future date between relevant members of the Group and members of Qualified Holdings Group and/or Finance Company (HK), for the purpose of hedging the exposure of the relevant members of the Group to currency exchange risks in connection with the business of the relevant members of the Group, pursuant to and subject to the terms and conditions of the Master Financial (2025-2027) Agreement;</p>
“TCL Associates”	<p>the associate(s) of TCL Industries Holdings;</p>
“TCL Associates Products”	<p>(i) any goods or appliances (including but not limited to electronic, IT or electrical goods (such as but not limited to refrigerators, washing machines, dishwashers, air conditioners, other household appliances, electrical accessories and their components)) designed, developed, manufactured, produced or otherwise sold, marketed or supplied by any member of TCL Industries Holdings Group; (ii) the article, things, components or materials required for manufacturing or production of any Electronics Products; and (iii) waste products arising from manufacturing or production process of TCL Industries Holdings Group;</p>

“TCL Brand”	“TCL” trademarks and tradenames owned by TCL Technology and its subsidiaries (including but not limited to major trademarks and famous trademarks owned by TCL Technology);
“TCL Brand Management Centre”	a department specialised in maintaining, promoting and upholding the image of “TCL” brand;
“TCL Electronics Qualified Member(s)”	such member(s) of the Group to which members of Qualified Holdings Group and/or Finance Company (HK) will be allowed to provide relevant financial services;
“TCL Industries Holdings”	TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司), formerly known as TCL Industries Holdings (Guangdong) Inc.* (TCL實業控股(廣東)股份有限公司), a joint stock limited company established under the laws of the PRC;
“TCL Industries Holdings Brand”	brands, trademarks, tradenames, copyrights and other intellectual property rights owned by TCL Industries Holdings Group except TCL Brand;
“TCL Industries Holdings Group”	TCL Industries Holdings and its subsidiaries and any entity that may become subsidiary of TCL Industries Holdings from time to time, and for the purpose of this announcement excludes the Group and for the purpose of the Agreements and the transactions contemplated thereunder includes TCL Associates;
“T.C.L. Industries (H.K.)”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, an immediate controlling Shareholder, and a wholly-owned subsidiary of TCL Industries Holdings;

“TCL Technology”	TCL Technology Group Corporation (formerly known as TCL Corporation), a joint stock limited company established in the PRC, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000100.SZ);
“TV(s)”	television(s);
“USD”	United States dollars, the lawful currency of the United States of America;
“Vehicle(s)”	any vehicles, whether manned or unmanned, including but not limited to mobility devices, drones, ships and other transports; and
“%”	per cent.

On behalf of the Board
DU Juan
Chairperson

Hong Kong, 26 September 2024

The English translation of Chinese names or words in this announcement, where indicated by “”, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the Board comprises Ms. DU Juan, Mr. ZHANG Shaoyong, Mr. PENG Pan and Mr. SUN Li as executive Directors and Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.