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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)

CONTINUING CONNECTED TRANSACTIONS

MASTER SERVICES (2019) AGREEMENT

MASTER RENTAL (2019) AGREEMENT

MASTER SALE AND PURCHASE (2019) AGREEMENT

INTRODUCTION

On 10 April 2019 the Company had entered into the following agreements with TCL Industries and TCL Associates and the transactions contemplated thereunder constitute continuing connected transactions of the Company:

1. Master Services (2019) Agreement;
2. Master Rental (2019) Agreement; and
3. Master Sale and Purchase (2019) Agreement.

The terms of the Agreements are all in substance substantially incorporated from or similar to those of the respective existing continuing connected transaction agreements.

LISTING RULES IMPLICATIONS

The counter parties to all of the above mentioned agreements are the controlling shareholder of the Company and/or its associates, thus they are all connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the aforesaid 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 respective annual caps of the Agreements exceeds 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempted from the Independent Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Company received a disclosure of interest notice filed by TCL Industries (the immediate controlling shareholder of the Company holding approximately 52.36% of the Company) after trading hours on 8 April 2019, showing that Mr. LI Dongsheng was a controller of TCL Industries. The Company has made enquiries with TCL Industries on 9 April 2019 and was provided with a list of associates and subsidiaries of TCL Industries, on the basis that there is a change in certain connected persons which the company is conducting transactions with, therefore it is necessary to amend and supplement the existing continuing connected transactions of the Company.

As such, in order to allow the Company to continue such continuing connected transactions so as to meet the Company's business needs in its daily operation, as a short-term temporary arrangement, on 10 April 2019 the Company had entered into the following agreements with TCL Industries and TCL Associates and the transactions contemplated thereunder constitute continuing connected transactions of the Company:

1. Master Services (2019) Agreement;
2. Master Rental (2019) Agreement; and
3. Master Sale and Purchase (2019) Agreement.

The terms of the Agreements are all in substance substantially incorporated from or similar to those of the respective existing continuing connected transaction agreements.

Set out below are details of the continuing connected transactions.

CONTINUING CONNECTED TRANSACTIONS

1. Master Services (2019) Agreement

On 10 April 2019, the Company, TCL Industries and the various TCL Associates as identified below had entered into the Master Services (2019) Agreement.

The terms of the Master Services (2019) Agreement are substantially incorporated from the Master After Sale Service (2017) Agreement, Master Logistics Service Supply (2017 Renewal) Agreement, Master Subcontracting (2017 Renewal) Agreement and 2018 Master Services Agreement.

Set out below are the major terms of the Master Services (2019) Agreement and the pricing policy and price determination thereunder or otherwise adopted by the Group in respect of the transactions contemplated thereunder:

Date: 10 April 2019

Parties:

- (i) the Company (for itself and on behalf of its Associates)
- (ii) TCL Industries (for itself and on behalf of its Associates)
- (iii) Huizhou Kuyu (for itself and on behalf of its Associates)
- (iv) Huizhou TCL Home Appliance (for itself and on behalf of its Associates)
- (v) TCL Home Appliance (Hefei) (for itself and on behalf of its Associates)
- (vi) TCL Intelligence Industry (for itself and on behalf of its Associates)
- (vii) Gechuang Dongzhi Technology Co., Ltd. (for itself and on behalf of its Associates)
- (viii) Huizhou Keyin (for itself and on behalf of its Associates)

Duration:	From 10 April 2019 to 30 September 2019
Major terms:	<p>Relevant member(s) of the TCL Associates may from time to time engage relevant member(s) of the Group for the provision of Services according to its business needs.</p> <p>Relevant member(s) of the Group may from time to time engage TCL Associates for the provision of Services according to its business needs.</p> <p>The terms of such engagement would be based on the Master Services (2019) Agreement and subject to the individual agreement(s) to be entered into by the relevant parties.</p>
Price determination:	<p>In respect of Services provided by TCL Associates to the Group, the Services Fees under any individual agreement must be determined with reference to the prevailing market rate and in any event be no less favourable than those market rates offered to the Group by Independent Third Parties of the Company for the provision of similar Services.</p> <p>In respect of Services provided by the Group to TCL Associates, the relevant Services Fees under any individual agreement must be determined with reference to the prevailing market rate and in any event be not less than the rate that may be charged by the Group to Independent Third Parties of the Company for the provision of similar Services.</p> <p>The relevant Services Fees may be adjusted from time to time by agreement of the relevant parties in writing subject to compliance with the Listing Rules.</p>

2. Master Rental (2019) Agreement

On 10 April 2019, the Company, TCL Industries and the various TCL Associates as identified below had entered into the Master Rental (2019) Agreement.

The terms of the Master Rental (2019) Agreement are substantially similar to those of the Master Rental (2017) Agreement.

Set out below are the major terms of the Master Rental (2019) Agreement and the pricing policy and price determination thereunder or otherwise adopted by the Group in respect of the transactions contemplated thereunder:

- Date: 10 April 2019
- Parties:
- (i) The Company (for itself and on behalf of its Associates)
 - (ii) TCL Industries (for itself and on behalf of its Associates)
 - (iii) TCL Intelligence Industry (for itself and on behalf of its Associates)
 - (iv) TCL Technology Industrial Park Co., Ltd. (for itself and on behalf of its Associates)
 - (v) Huizhou Keyin (for itself and on behalf of its Associates)
 - (vi) Huizhou Kuyu (for itself and on behalf of its Associates)
- Duration: From 10 April 2019 to 30 September 2019
- Major terms: Member(s) of each Rental Group may from time to time rent, lease and/or license, share and/or make available the use of certain properties and vehicles which the lessor owns or otherwise has the right to rent, lease and/or license, share and/or make available the use to the other party at a monthly rent/license fee, payable to member(s) of another Rental Group.
- In addition to the monthly rent, unless otherwise agreed, the relevant lessor/licensor shall pay all the (i) taxes, (ii) management fees, (iii) other charges payable to the central and local government of the PRC or the government of Hong Kong and (iv) the routine repair and maintenance fees.

The usage of the leased/licensed properties and vehicles shall be limited to those stipulated in rental/license agreements to be entered into between the parties in conformity with the Master Rental (2019) Agreement.

Further, the parties may in writing add, delete, revise and/or adjust the location and the area leased/licensed provided that it is agreed with the relevant lessor/licensor(s) and lessee/licensee(s) and such variation(s) complies with the Master Rental (2019) Agreement and Listing Rules.

Pricing policy and
price determination:

In respect of such fees to be paid or received by members of the Group:

- (i) the rental, license fee, and/or management fee and maintenance fee to be paid shall be determined with reference to the prevailing market rate which shall be no less than the rental/license fee payable by an Independent Third Party of the Company to the Group and/or a member of the Rental Group for comparable tenancies/licenses; and
- (ii) to ensure the rental/license fee receivables to be received are on normal commercial terms, the relevant lessor/licensor shall compare the market data for rental/license fee receivables from Independent Third Parties of the Company for comparable tenancies/licenses.

3. Master Sale and Purchase (2019) Agreement

On 10 April 2019, the Company, TCL Industries and the various TCL Associates as identified below had entered into the Master Sale and Purchase (2019) Agreement.

The terms of the Master Sale and Purchase (2019) Agreement are substantially similar to Master Sale and Purchase (2017) Agreement.

Set out below are the major terms of the Master Sale and Purchase (2019) Agreement and the pricing policy and price determination thereunder or otherwise adopted by the Group in respect of the transactions contemplated thereunder:

- Date: 10 April 2019
- Parties:
- (i) the Company (for itself and on behalf of its Associates)
 - (ii) TCL Industries (for itself and on behalf of its Associates)
 - (iii) Huizhou TCL Home Appliance (for itself and on behalf of its Associates)
 - (iv) TCL Home Appliance (Hefei) (for itself and on behalf of its Associates)
 - (v) Huizhou Kuyu (for itself and on behalf of its Associates)
 - (vi) TCL Intelligence Industry (for itself and on behalf of its Associates)
- Duration: From 10 April 2019 to 30 September 2019
- Major terms:
- The Company may from time to time sell and the relevant Suppliers may from time to time purchase and procure members of the Group to purchase the Goods.
- The Company may from time to time purchase and the relevant Suppliers may from time to time sell and procure members of the Group to sell the Goods.
- Such sale and purchase shall be in accordance with individual sale and purchase contracts to be entered into with the relevant member of Supplier Group on the one hand, and the relevant member of the Group on the other hand, provided that the terms of such sale and purchase contracts are consistent with the Master Sale and Purchase (2019) Agreement.

Sourcing of Goods

The Company may purchase part of the Group's required Goods from the relevant members of the Supplier Group provided that they can offer terms (including price and payment terms) no less favourable than terms available from Independent Third Parties of the Company and the relevant Supplier Group is capable of meeting the timeline, quality and quantity of the relevant order placed.

Sale of Goods

If the relevant member of the Supplier Group requests or makes a written offer to any member of the Group to purchase any Goods from the Group for its business including distribution, resale or otherwise, the member of the Group is entitled to offer to supply to or accept such offer to purchase made by relevant member of the Supplier Group provided that the terms (including price and payment terms) of the offer by the relevant member of the said Supplier Group are no less favourable than terms available to the Group from Independent Third Parties of the Group.

Pricing policy and
price determination:

1. The terms (including price and payment terms) shall be agreed between the parties based on normal commercial terms after arm's length negotiations and with reference to the fair market price ranges of products comparable to Goods offered in the market as at the time when the relevant sale and purchase are performed.
2. The prices charged for the Goods are under regular review and may be adjusted from time to time on mutual agreement. In determining if the prices charged are on normal commercial terms, the Group shall obtain quotations from the relevant members of the Supplier Groups and Independent Third Parties of the Company for comparable goods on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said price quotations in determining the final prices charged.

3. If at any time during the term of the Master Sale and Purchase (2019) Agreement, the relevant member of the Supplier Group provides Goods to other Independent Third Parties at more favourable terms, the relevant member of a Supplier Group shall immediately offer to provide Goods to the Group at equivalent terms accorded to such other Independent Third Parties starting from the next applicable period.
4. If no comparable transactions are available for references, the Group shall obtain quotations from Independent Third Parties of the Company for provision of products similar to the Goods and the terms (including price and payment terms) shall be no less favourable than those available to or from the Independent Third Parties of the Company for provision of products similar to the Goods.
5. The relevant member of the Group has the absolute discretion to decide whether to accept an offer from the relevant member of a Supplier Group.
6. The relevant member of the Group has the right to sell or resell the Goods which it has acquired from the relevant member of a Supplier Group at such price as it may in its absolute discretion determine.
7. The relevant member of the Group may demand the relevant member of a Supplier Group to purchase back the Goods at the original selling price offered to the Group if they remain unsold to third parties for six months.

Notwithstanding the absence of specific pricing terms for certain continuing connected transactions above, the Directors are of the view that given the methods and procedures adopted allow comprehensive comparison between these pricing terms with market standards, they can ensure the fairness and reasonableness of these pricing terms and that the continuing connected transactions are conducted on normal commercial terms, hence the interests of the Company as a whole and its minority shareholders are not prejudiced.

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The following table sets out the respective actual amounts and original annual caps of the continuing connected transactions as described above for the two years ended 31 December 2017 and 31 December 2018 and the two months ended 28 February 2019, and the respective proposed annual caps for the period from 10 April 2019 to 30 September 2019:

	For the year ended 31 December 2017 (audited) HK\$'000 (Note 2)	For the year ended 31 December 2018 (audited) HK\$'000	For the 2 months ended 28 February 2019 (unaudited) (for actual amount only)/ for the year ending 31 December 2019 (for original cap only) HK\$'000	For the period from 10 April 2019 to 30 September 2019 HK\$'000
Continuing Connected Transactions (Note 1)				
<i>Master Services (2019) Agreement</i>				
<i>Master After Sale Service (2017) Agreement</i>				
– Actual	298,550	311,034	63,745	
– Original annual cap	499,622	425,035	563,141	
<i>Master Logistics Service Supply (2017 Renewal) Agreement</i>				
– Actual	352,789	404,708	44,600	
– Original annual cap	733,229	514,484	611,722	
<i>Master Subcontracting (2017 Renewal) Agreement</i>				
Subcontracting by TCL Corporation Group				
– Actual	4,960	–	–	
– Original annual cap	27,390	95,829	94,809	
Subcontracting by the Group				
– Actual	651	3,874	6	
– Original annual cap	2,933	6,895 (Note 3)	7,661 (Note 3)	

	For the year ended 31 December 2017 (audited) <i>HK\$'000</i> (Note 2)	For the year ended 31 December 2018 (audited) <i>HK\$'000</i>	For the 2 months ended 28 February 2019 (unaudited) (for actual amount only)/ for the year ending 31 December 2019 (for original annual cap only) <i>HK\$'000</i>	For the period from 10 April 2019 to 30 September 2019 <i>HK\$'000</i>
Continuing Connected Transactions <i>(Note 1)</i>				
<i>2018 Master Services Agreement</i>				
Service fees paid by the Group				
Platform services				
– Actual	N/A	5,358	230	
– Original annual cap	N/A	11,237	16,559	
IT and other services				
– Actual	N/A	2,430	1,339	
– Original annual cap	N/A	11,363	270,377	
Service fees paid by TCL Corporation Group				
Platform services				
– Actual	N/A	8,047	1,105	
– Original annual cap	N/A	12,500	18,750	
Other services				
– Actual	N/A	28,050	15,948	
– Original annual cap	N/A	119,572	179,843	
Proposed annual cap				
– After sale service				165,563
– Logistics service				289,805
– Operations & sales enhancement service				54,740

	For the year ended 31 December 2017 (audited) HK\$'000 (Note 2)	For the year ended 31 December 2018 (audited) HK\$'000	For the 2 months ended 28 February 2019 (unaudited) (for actual amount only)/ for the year ending 31 December 2019 (for original annual cap only) HK\$'000	For the period from 10 April 2019 to 30 September 2019 HK\$'000
Continuing Connected Transactions (Note 1)				

**Master Sale and Purchase (2019)
Agreement**

Sourcing of Goods				
– Actual	12,497,141	12,892,395	1,653,551	
– Original annual cap	25,714,019	13,153,107	15,021,622	
Proposed annual cap				533,373
Sale of Goods				
– Actual	4,501,508	5,566,381	821,076	
– Original annual cap	18,201,831	5,739,212	7,148,383	
Proposed annual cap				533,373

Master Rental (2019) Agreement

– Actual	21,397	38,209	8,841	
– Original annual cap	42,829	159,272	164,092	
Proposed annual cap				34,071

Note 1: For easy comparison of the historical figures and the proposed annual caps, names of the new master agreements are used herein.

Note 2: Certain historical figures for the year ended 31 December 2017 were from the corresponding predecessor agreements or the aggregation of the relevant predecessor annual caps of the same agreement.

Note 3: The original annual cap for the year ended 31 December 2018 for subcontracting fee received from TCL Corporation Group under the Master Subcontracting (2017 Renewal) Agreement was HK\$0, while the Company subsequently on 31 January 2018 revised such annual cap to HK\$6,895,000 for the year ended 31 December 2018 and HK\$7,661,000 for the year ending 31 December 2019. Under the Listing Rules, the Company has to re-comply with all the relevant disclosure requirements in relation to such revised annual cap, however, since all the applicable percentage ratios of such revised annual cap is less than 0.1%, the transaction contemplated under Master Subcontracting (2017 Renewal) Agreement remains fully exempt after revision of annual cap pursuant to Rule 14A.76(1)(a) of the Listing Rules.

REASONS FOR THE PROPOSED ANNUAL CAPS

The major bases and assumptions for determining the proposed annual caps for the various continuing connected transactions are set out below.

1. Proposed annual caps for the Master Services (2019) Agreement

The annual caps for the transactions under the Master Services (2019) Agreement are determined by reference to, among other things, the historical amounts of the relevant transactions under the Master After Sale Service (2017) Agreement, Master Subcontracting (2017 Renewal) Agreement, Master Logistics Service Supply (2017 Renewal) Agreement and 2018 Master Services Agreement;

In respect of the annual cap for the transactions under after sales services, the following factors have been considered:

- (i) the historical transaction amounts under the Master After Sale Service (2017 Renewal) Agreement;
- (ii) the estimated gradual increase in the sales amount and volume of the TCL Associates Products and the budgeted warranty cost incurred by the relevant service provider, thus leading to an estimated increasing demand for the After Sale Service during the term of the Master After Sale Service (2019) Agreement; and
- (iii) the historical gross domestic product growth and anticipated inflation in the PRC, thus leading to an increase in the sales revenue of the TCL Associates Products and in turn the After Sale Service fees.

In respect of the annual cap for the transactions under logistics services, the following factors have been considered:

- (i) the historical cost and expenses incurred by the Group in respect of the logistics services in the PRC; and
- (ii) the projected sales volume in the coming year determined with reference to, among other factors, future growth rates in sales volume, the increasing quantity of products sold in the PRC in particular having regard to the growth in the Group's business in the PRC.

In respect of the annual cap for the transactions under operations and sales enhancement services, the following factors have been considered:

- (i) The Group's usage of and costs spent for operations and sales enhancements services similar nature in previous years;
- (ii) The Group's plan on current and future information transformation and capacity enhancement, which specifically, includes the expected demand of Services with reference to the projected number of relevant projects of the Group (including but not limited to IT projects) in the coming year;
- (iii) The Group's projection of the number and scale of projects which the relevant TCL Associates may require operations and sales enhancements services in the upcoming year, with reference to the Group's projected capability; and
- (iv) the prevailing market rate of operations and sales enhancements services of similar nature.

2. Proposed annual caps for the Master Rental (2019) Agreement

The proposed annual caps for the leases/licenses as contemplated under the Master Rental (2019) Agreement have been calculated with reference to the estimated aggregate annual rental/license fee payable by the Group to TCL Associates or by TCL Associates to the Group (as the case maybe) under the existing leases/licenses and potential new leases/licenses. Factors including the possible increase in the area of the properties to be leased/licensed and potential new leases/licenses and the potential increase in market rentals/license fees during the term of the said Master Rental (2019) Agreement have also been taken into account when determining the proposed annual caps.

3. Proposed annual caps for the Master Sale and Purchase (2019) Agreement

The annual caps for the aggregated transactions under the Master Sale and Purchase (2019) Agreement are determined by reference to, among other things,

- (i) the historical amounts of the relevant transactions under the Master Sale and Purchase (2017) Agreement;
- (ii) in respect of Sourcing of Goods, the possible requirement of raw materials, semi-finished materials and finished goods with respect to the projected business volumes 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 raw materials, semi-finished materials and finished goods; and

- (iii) in respect of Sale of Goods, the relevant TCL Associates' projected requirement of raw materials, semi-finished materials and finished goods for its operations, which is expected to increase substantially, together with the prevailing market rate for similar raw materials, semi-finished materials and finished goods.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Directors consider that the terms of the aforesaid continuing connected transactions are fair and reasonable, on normal commercial terms or better, and it is in the interests of the Company and the Shareholders as a whole to enter the aforesaid continuing connected transactions for the following reasons:

1. Master Services (2019) Agreement

After the change of the Company name, the Company has accelerated the implementation of a diversified development strategy. Apart from consolidating and enhancing its existing TV business, the Group also focuses on developing smart AV, commercial displays and smart home businesses in order to lay down a strong foundation for the new image and new businesses of the Group.

Following the acquisition of CI Tech which was completed on 31 July 2018, the Group could share and integrate CI Tech's various achievements in, among others, intelligent commercial information technology and industry solutions. In this regard, the Group is able to leverage on the installation expertise and the rich experience in providing one-stop services encompassing overall business solutions and smart products of CI Tech and the professional technology and business network of other Subsidiaries of the Company to the relevant TCL Associates. 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 providing tailor-made services to clients.

On the other hand, relevant TCL Associates have experience in the provision of, among others, after sales services, logistics services, IT and platform services, and the Group can reduce costs and enhance efficiency in various business units through taking advantage of TCL Associates' existing resources in related services and centralising IT platforms and application systems, professionalising basic services and smart management so that the Group can focus and centralise its resources in developing its own core business. In addition, the Group through the business network of the relevant TCL Associates can avoid the unnecessary risk and cost arising from the establishment of new sales network and also can develop new markets and make profit thereof.

2. Master Rental (2019) Agreement

The Group has been leasing/licencing certain properties from the relevant TCL Associates as its offices, factory, warehouse and dormitory in respect of the Group's various business segments as well as renting/licensing out certain premises to the relevant TCL Associates so as to better utilize its unused assets. The Company considers it is in the interests of the Company and the Shareholders as a whole to enter into the Master Rental (2019) Agreement in order to regulate the existing and new leases/licenses entered into between the Group and the relevant TCL Associates.

3. Master Sale and Purchase (2019) Agreement

The Directors consider that the transactions under the Sourcing of Goods will continue to facilitate the smooth operation of the Group's business by providing a stable and reliable source of supply of the necessary materials for the Group's manufacture of the Electronics Products and the necessary finished goods for the Group's operations. The Sale of Goods will also allow the Group to better manage its level of raw materials by providing additional flexibility to the Group for managing its surplus materials/Goods (if any) and will allow the Group to widen its revenue base by supplying Goods to the relevant TCL Associates.

The Master Sale and Purchase (2019) Agreement would also enable the Group to source TCL products from the relevant TCL Associates on normal commercial terms or better with a view to distributing such TCL products for profits. It will continuously provide the Group with an additional source of revenue and margin by capitalising upon its established distribution network of the Group of TCL products without incurring significant additional overheads; the Group will also benefit by securing a reliable source of high quality TCL products for re-sale to customers and an additional income will be derived from re-selling the TCL products to customers by utilising the Group's existing distribution network in the territories concerned.

The Directors (including the independent non-executive Directors) consider that the terms of each of the Agreements are (i) fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

The counter parties to all of the above mentioned agreements are the controlling shareholder of the Company and/or its associates, thus they are all connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the aforesaid agreements therefore constitute continuing connected transactions of the Company.

Notwithstanding the respective interest and/or role of certain Directors in TCL Associates, none of them is considered as having a material interest in the transactions contemplated under the various agreements on continuing connected transactions to be renewed or entered into, therefore all Directors are entitled to vote pursuant to the Company's articles of association.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the respective annual caps of the Agreements exceeds 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempted from the Independent Shareholders' approval requirement under Rule 14A.76(2)(a) but are subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

GENERAL INFORMATION OF THE PARTIES

The Group is principally engaged in the manufacture and sale of a wide range of consumer electronics products including television sets. The Group has factories in the PRC, Poland, Mexico and Vietnam and distributes its products in all major markets globally. 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 is a company established and subsisting under the laws of the Hong Kong with limited liability and is principally engaged in investment holding.

Huizhou TCL Home Appliance is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in the development of home appliance technology; sales of household appliances, mechanical and electrical products, lighting appliances, raw materials for electrical products, etc.

TCL Home Appliances (Hefei) is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in R&D, production, sales of household appliances, electronic products and the corresponding design, maintenance, after-sales services, engineering installation and other related services.

Huizhou Kuyu is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in food circulation; e-commerce, hotel reservation services, ticket agency services, corporate marketing planning, advertising management, import and export trade, etc.

TCL Intelligence Industry is a company established in the PRC whose principal business is (i) research and development, design, manufacture, sales and rental of moulds and its moulding parts;(ii) research and development, application and sales of new materials and new crafts;(iii) research and development, manufacture, sales, rental, maintenance and modification of automation technology and facilities; and (iv) development and application, sales and consultation of management software and systems for manufacturing corporations.

TCL Technology Industrial Park Co., Ltd.* (TCL科技產業園有限公司) is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in land development and land use rights management within the company's transferable land; infrastructure construction and management of the park; land consolidation; self-owned land rent and property management, etc.

Huizhou Keyin is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in value-added telecommunications business; after-sales services of household appliances, computers, communication equipment and other products.

Gechuang Dongzhi Technology Co., Ltd.*(格創東智科技有限公司) is a company established and subsisting under the laws of the PRC with limited liability and is principally engaged in (i) development, design, sales, operation and maintenance, technical consultation and related technical services of computer software and hardware; computer system integration; computer equipment leasing; production automation and integrated services; cloud platform, cloud software, cloud infrastructure services; industrial automation equipment and parts development and sales; (ii) information technology consulting services; database management; database services; property management; property leasing; property information consulting.

DEFINITIONS

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

“2018 Master Services Agreement”	the 2018 master services agreement dated 31 October 2018 entered into between the Group and TCL Corporation;
“Agreements”	the Master Services (2019) Agreement, the Master Rental (2019) Agreement and the Master Sale and Purchase (2019) Agreement
“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;
“Director(s)”	the director(s) of the Company;
“Electronics Products”	consumer electronics products including televisions, audio-visual products and commercial use display products manufactured, produced or otherwise sold or distributed by the Group;
“Goods”	the Electronics Products or the TCL Associates Products (as the case may be) and the articles, things, components or raw materials required for the manufacture or production of such products and waste products arising from manufacturing or production of any such products;
“Group”	the Company and its Subsidiaries and Associates;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Huizhou Keyin”	Huizhou Keyin Business Service Co., Ltd.* (惠州客音商務服務有限公司), a company established under the laws of the PRC with limited liability;
“Huizhou Kuyu”	Huizhou Kuyu Network and Technology Co. Ltd.* (惠州酷友網絡科技有限公司), a company established under the laws of the PRC with limited liability;
“Huizhou TCL Home Appliance”	Huizhou TCL Home Appliance Group Co. Ltd.* (惠州TCL家電集團有限公司), a company established under the laws of the PRC with limited liability;
“Independent Third Party(ies)”	a 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 listed company or any of its Subsidiaries and their respective associates;

“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Master After Sale Service (2017) Agreement”	the master after sale service (2017) agreement dated 29 September 2017 entered into between the Group and TCL Corporation;
“Master Logistics Service Supply (2017 Renewal) Agreement”	the master logistics service supply (2017 renewal) agreement dated 29 September 2017 entered into between the Group and TCL Corporation;
“Master Rental (2017) Agreement”	the master rental (2017) agreement dated 29 September 2017 entered into between the Group and TCL Corporation;
“Master Rental (2019) Agreement”	the master rental (2019) agreement dated 10 April 2019 entered into among the Company, TCL Industries, TCL Intelligence Industry, TCL Technology Industrial Park Co., Ltd., Huizhou Keyin and Huizhou Kuyu;
“Master Sale and Purchase (2017) Agreement”	the master sale and purchase (2017) agreement dated 29 September 2017 entered into between the Company and TCL Corporation;
“Master Sale and Purchase (2019) Agreement”	the master sale and purchase (2019) agreement dated 10 April 2019 entered into among the Company, TCL Industries, Huizhou TCL Home Appliance, TCL Home Appliance (Hefei), Huizhou Kuyu and TCL Intelligence Industry;
“Master Services (2019) Agreement”	the master services (2019) agreement dated 10 April 2019 entered into among the Company, TCL Industries, Huizhou Kuyu, Huizhou TCL Home Appliance, TCL Home Appliance (Hefei), TCL Intelligence Industry, Gechuang Dongzhi Technology Co., Ltd. and Huizhou Keyin;
“Master Subcontracting (2017 Renewal) Agreement”	the master subcontracting (2017 renewal) agreement dated 29 September 2017 entered into between TCL Corporation and the Company;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Rental Group”	each individual party to the Master Rental (2019) Agreement and its respective associates and subsidiaries;

“RMB”	Renminbi, the lawful currency of the PRC;
“Sale of Goods”	the sale of the Goods by the Group to TCL Associates pursuant to the Master Sale and Purchase (2019) Agreement;
“Services”	including but not limited to platform services, IT and other related services, after sale services, logistics services, human resources services, planning and operational services, marketing services, financial platform services and subcontracting services
“Service Fees”	the fees to be paid by relevant member(s) of the Group or TCL Associates for the provision of the relevant Services pursuant to the Master Services (2019) Agreement
“Shareholder(s)”	holder(s) of share(s) of the Company;
“Sourcing of Goods”	the purchase by the Group from the relevant TCL Associates of the Goods pursuant to the Master Sale and Purchase (2019) 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;
“Supplier Group”	each individual party (excluding the Company) to the Master Sale and Purchase (2019) Agreement and its respective associates and subsidiaries;
“TCL Associates”	the associate(s) of TCL Industries;
“TCL Associates Products”	any goods or appliances including electronic, telecommunications, information technology or electrical and audio-visual products (including but not limited to refrigerators, dishwashers, air conditioners, home use telephones, electrical accessories and their components) designed, developed, manufactured, produced or otherwise sold, marketed or supplied by TCL Associates pursuant to the Master Sale and Purchase (2019) Agreement;

“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100);
“TCL Corporation Group”	TCL Corporation and its Subsidiaries and any entity that may become Subsidiary of TCL Corporation from time to time;
“TCL Home Appliance (Hefei)”	TCL Home Appliance (Hefei) Co., Ltd.* (TCL家用電器(合肥)有限公司), a company established under the laws of the PRC with limited liability;
“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong;
“TCL Intelligence Industry”	TCL Intelligence Industry (Huizhou) Co. Ltd.* (TCL智慧工業(惠州)有限公司), a company established under the laws of the PRC with limited liability;
“TV(s)”	television(s); and
“%”	per cent.

On behalf of the Board
WANG Yi Michael
Executive Director

Hong Kong, 10 April 2019

The English translation of Chinese names or words in this announcement, where indicated by “”, are 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 Mr. LI Dongsheng, Mr. WANG Cheng Kevin, Mr. YAN Xiaolin and Mr. WANG Yi Michael as executive Directors, Mr. Albert Thomas DA ROSA, Junior, Mr. YANG Anming, and Mr. LI Yuhao as non-executive Directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.