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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 INTERNET TV COOPERATION (2022-2024) FRAMEWORK AGREEMENT**

#### **INTRODUCTION**

On 28 October 2022, the Company entered into the Internet TV Cooperation (2022-2024) Framework Agreement with Tencent Computer, and the transactions contemplated thereunder constitute continuing connected transactions of the Company.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Tencent Cyber, a wholly-owned subsidiary of Tencent Holdings, held approximately 16.67% of Falcon Network Technology, and as such Tencent Holdings is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Tencent Computer, a subsidiary of Tencent Holdings, is therefore also a connected person of the Company at the subsidiary level.

As the Internet TV Cooperation (2022-2024) Framework Agreement and the transactions contemplated under the Internet TV Cooperation Agreement took place within a 12-month period and both of them are entered into with Tencent Computer and of the same nature, the transactions under the Internet TV Cooperation (2022-2024) Framework Agreement and the Internet TV Cooperation Agreement shall be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

One or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules with reference to the annual caps of the Internet TV Cooperation (2022-2024) Framework Agreement, having been aggregated with the annual caps of the Internet TV Cooperation Agreement, exceed 5%. The Board has approved the continuing connected transactions under the Internet TV Cooperation (2022-2024) Framework Agreement and the independent non-executive Directors also confirmed that the Internet TV Cooperation (2022-2024) Framework Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable. As none of the Directors had a material interest in the above transactions, none of them was required to abstain from voting on the relevant resolutions approving the above transactions. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, the continuing connected transactions contemplated under the Internet TV Cooperation (2022-2024) Framework Agreement are subject to annual review, reporting and announcement requirements but are exempt from the circular, independent financial advice and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Since 2014, the Group has been cooperating and collaborating with Tencent Group to establish a leading Internet-based content ecosystem. In an attempt to improve its software experience, and to integrate its smart TV platform and user operation to enhance user experience and platform capabilities and expand the content for operation, the Company entered into the Internet TV Cooperation Agreement on 7 March 2017 with Tencent Computer, which was subsequently supplemented by various supplemental agreements. For details, please refer to the announcement of the Company dated 22 June 2020.

In recent years, the popularisation and development of smart TV vastly expands the scenarios of uses of TV. The demand for, as well as the genres of products and services associated with TV increase rapidly. The uses of TV are no longer limited to traditional uses such as broadcasting films, TV dramas, TV shows and TV commercials. Smart TVs are now also frequently utilised for other purposes including but not limited to gaming, music and Karaoke, short and mid-form video, vertical video content, online shopping and education. Accordingly, on 28 October 2022, the Company and Tencent Computer entered into the Internet TV Cooperation (2022-2024) Framework Agreement, with a view to better adapting to the ever-changing market environment, user demand and technological development by providing more flexibility to the existing cooperation between the Group and Tencent Group in the area of Internet TV.

The scope of transactions under the Internet TV Cooperation (2022-2024) Framework Agreement comprises Platform Services, Content and Support Services and Operation Cooperation, which covers substantially the scope of transactions under the Internet TV Cooperation Agreement but in broad terms instead of specific terms to contemplate any new or varied form of products and services on the Internet TV emerging as the technology develops and evolves over the term.

**INTERNET TV COOPERATION (2022-2024) FRAMEWORK AGREEMENT**

The material terms of the Internet TV Cooperation (2022-2024) Framework Agreement are summarised below:

- Date: 28 October 2022
  
- Parties:
  - (i) The Company (for itself and on behalf of the Group); and
  
  - (ii) Tencent Computer (for itself and on behalf of Represented Tencent Group).
  
- Duration: From 28 October 2022 to 31 December 2024 (both days inclusive).
  
- Condition precedent: The Internet TV Cooperation (2022-2024) Framework Agreement is conditional on and subject to the compliance by the Company with relevant Listing Rules requirements in respect of the Internet TV Cooperation (2022-2024) Framework Agreement.
  
- Major terms:
  - Platform Services**  
  
Tencent Computer may from time to time at its absolute discretion request members of the Group to provide any Platform 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 any Platform Services to Tencent Computer.
  
  - Content and Support Services**  
  
Each member of the Group may from time to time at its absolute discretion and in its ordinary and usual course of business request Tencent Computer to provide any Content and Support Services, and Tencent Computer may at its absolute discretion decide whether to provide any Content and Support Services to the relevant member of the Group.

## **Operation Cooperation**

The relevant member(s) of the Group and Tencent Computer may from time to time at their respective absolute discretion and in their ordinary and usual course of business negotiate and agree on the sharing of the End-user Products Income in relation to Platform Services and Content and Support Services (“**Operation Cooperation**”).

Individual agreements and payment terms:

The terms and conditions (including but not limited to service fees and payment terms) of any Services and the terms and conditions (including but not limited to income-sharing split and payment arrangement) of any Operation Cooperation conducted pursuant to the Internet TV Cooperation (2022-2024) Framework Agreement shall be agreed between relevant parties in writing by way of individual agreement(s) from time to time. The terms of such individual agreements shall be consistent with the framework and principles set out in the Internet TV Cooperation (2022-2024) Framework Agreement save and except for the clauses regarding applicable law, dispute resolution and force majeure.

Pricing policy and basis of price determination:

### **Platform Services and Content and Support Services**

The overall terms and conditions (including but not limited to service fees) as a whole of the Services 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 and 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 but not limited to the pricing ranges and terms of identical, or (if that is not available) comparable or similar services offered by Independent Third Parties in the market.

## **Operation Cooperation**

The overall terms and conditions (including but not limited to income-sharing split) as a whole of the Operation Cooperation carried out under the Internet TV Cooperation (2022-2024) Framework Agreement 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 and 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 but not limited to the modes of cooperation, the genre of relevant cooperation content and income-sharing arrangement, market share of counterparty and target clientele, etc. of comparable or similar operation cooperation offered by Independent Third Parties in the market.

## **INTERNAL CONTROL PROCEDURES AND PRICING POLICIES**

The Company has adopted the following internal control procedures and pricing policies to supervise the continuing connected transactions contemplated under the Internet TV Cooperation (2022-2024) Framework Agreement:

- (i) The Group will periodically collect market information from connected persons and Independent Third Parties and maintain such information under 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 to assess (i) whether the continuing connected transactions of the Group have been carried out in accordance with the terms of the relevant agreement and the Company's pricing policy; and (ii) the transactions amount during the month under review, the aggregate amount of transactions conducted during the relevant financial year and whether the relevant annual caps have been exceeded. 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 business unit of the Group would first prepare the relevant individual agreement for the continuing connected transactions and submit to the internal control unit and legal department of the Group for review and approval. The internal control unit and the legal department of the Group would review the terms of the proposed transaction and the draft individual agreement to be entered into to make sure that the terms are in compliance with the Internet TV Cooperation (2022-2024) Framework Agreement and the pricing policy of the Group and that the overall terms and conditions (including prices and payment terms) are no less favourable to the Group than those offered by Independent Third Parties. The transactions could only be carried out after the internal control unit and the legal department have separately given their approval therefor.
- (v) As stated in the pricing policy disclosed under the section headed "INTERNET TV COOPERATION (2022-2024) FRAMEWORK AGREEMENT", the Group will take into account all relevant factors in determining whether the overall terms and conditions of the Services are no less favourable to the relevant member of the Group than those offered by Independent Third Parties. In general, the Group will only choose to provide Platform Services and/or receive Content and Support Services when (i) the service fees to be paid by the Group are not higher than those offered to the Group by Independent Third Parties under prevailing local market conditions; and (ii) the service fees to be received by the Group under the individual agreements for Services are not lower than those received from Independent Third Parties under prevailing local market conditions. Where the aforesaid pricing requirements cannot be met (or there are no comparable or similar Independent Third Parties service providers), the Group will consider whether to proceed with the provision/usage of Services based on a basket of factors, including but not limited to (i) whether the Group is able to obtain better offer from Independent Third Parties service providers; (ii) the business strategy of the Group

such as market positioning, industrial competition and business goals; and (iii) the impact on the financial performance and position of the Group, and in any event the Group shall only provide/receive Services under the Internet TV Cooperation (2022-2024) Framework Agreement if it is in the interest of the Shareholders and the Group as a whole to do so.

- (vi) The Group will take into account all relevant factors in determining whether the overall terms and conditions of the Operation Cooperation are no less favourable to the relevant member of the Group than those offered by Independent Third Parties. In general, the Group will only choose to enter into Operation Cooperation when the proposed income-sharing split of the relevant member of the Group under the relevant Operation Cooperation is not lower than those proposed by Independent Third Parties under prevailing local market conditions. As the Operation Cooperation is generally part and parcel of the provision/usage of Services, where the aforesaid pricing requirements cannot be met (or there are no comparable or similar cooperation opportunities with Independent Third Parties), the Group will consider whether to proceed with the provision/usage of Services based on a basket of factors, including but not limited to (i) whether the Group is able to obtain better offer from Independent Third Parties service providers; (ii) the business strategy of the Group in terms of market share and target client group; and (iii) the impact on the profitability of the Group, and in any event the Group shall only enter into Operation Cooperation under the Internet TV Cooperation (2022-2024) Framework Agreement if it is in the interest of the Shareholders and the Group as a whole to do so.
- (vii) In order to maintain a fair assessment of the overall terms of the individual agreements under the Internet TV Cooperation (2022-2024) Framework Agreement, 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 and/or Operation Cooperation from them upon identification.

#### **Annual review of the continuing connected transactions**

- (i) The independent non-executive Directors shall review annually the Internet TV Cooperation (2022-2024) Framework Agreement and the transactions thereunder and confirm in the Company's corresponding annual report that the Internet TV Cooperation (2022-2024) Framework Agreement 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 Internet TV Cooperation (2022-2024) Framework Agreement and the transactions thereunder and confirm in a letter to the Board (a copy of which shall be provided to the Stock Exchange at least 10 business days prior to the bulk printing of the Company's annual report) that the Internet TV Cooperation (2022-2024) Framework Agreement 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/or 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 proposed annual caps for the transactions contemplated under the Internet TV Cooperation (2022-2024) Framework Agreement for the three years ending 31 December 2024, as well as the historical figures of the continuing connected transactions under the Internet TV Cooperation Agreement for easy reference:

	For the year ended 31 December 2020 (audited) (for actual amount only) HK\$'000	For the year ended 31 December 2021 (audited) (for actual amount only) HK\$'000	For the 9 months ended 30 September 2022 (unaudited) (for actual amount only)/ For the year ending 31 December 2022 (for original annual cap and proposed annual cap only) HK\$'000	For the year ending 31 December 2023 HK\$'000	For the year ending 31 December 2024 HK\$'000
<b>Continuing Connected Transactions</b>					
<b><u>Internet TV Cooperation (2022-2024)</u></b>					
<b><u>Framework Agreement</u></b>					
<b>Aggregate amount to be received by the Group (Note 1) (Note 3)</b>					
– Proposed annual cap	N/A	N/A	123,883	188,391	228,723
<b>Aggregate amount to be paid by the Group (Note 2) (Note 3)</b>					
– Proposed annual cap	N/A	N/A	381,107	588,470	745,110
<b><u>Internet TV Cooperation Agreement</u></b> (Note 3) (Note 4)					
<b>VOD online services fee</b>					
– Original annual cap	272,615	436,184	697,895	977,053	1,367,874
– Actual	188,070	274,148	275,035	N/A	N/A
<b>Procurement of Tencent platform resources fee</b>					
– Original annual cap	79,438	127,101	203,361	284,706	398,588
– Actual	64,547	15,121	Nil	N/A	N/A
<b>TV commercials distributable income</b>					
– Original annual cap	247,390	395,825	633,319	886,647	1,241,306
– Actual	158,707	173,509	73,004	N/A	N/A
<b>Online membership income</b>					
– Original annual cap	35,484	37,258	39,121	43,033	47,337
– Actual	23,677	22,884	13,464	N/A	N/A
<b>Value-added services income</b>					
– Original annual cap	14,085	34,974	63,921	89,490	134,235
– Actual	11,606	20,587	18,297	N/A	N/A

*Notes:*

1. The proposed annual caps for “Aggregate amount to be received by the Group” under the Internet TV Cooperation (2022-2024) Framework Agreement comprise (i) service fees to be received by the Group from Tencent Computer under the Platform Services; and (ii) the Group’s proportion of income-sharing to be received by the Group from Tencent Computer under the Operation Cooperation.
2. The proposed annual caps for “Aggregate amount to be paid by the Group” under the Internet TV Cooperation (2022-2024) Framework Agreement comprise (i) service fees to be paid by the Group to Tencent Computer under the Content and Support Services; and (ii) Tencent Computer’s proportion of income-sharing to be paid by the Group to Tencent Computer under the Operation Cooperation.
3. The original annual caps for “TV commercials distributable income”, “online membership income” and “value-added services income” for the three years ending 31 December 2024 under the Internet TV Cooperation Agreement are now consolidated and subsumed under the proposed annual caps for “Aggregate amount to be received by the Group” for the three years ending 31 December 2024 under the Internet TV Cooperation (2022-2024) Framework Agreement. The original annual caps for “VOD online services fee” and “procurement of Tencent platform resources fee” for the three years ending 31 December 2024 under the Internet TV Cooperation Agreement are now consolidated and subsumed under the proposed annual caps for “Aggregate amount to be paid by the Group” for the three years ending 31 December 2024 under the Internet TV Cooperation (2022-2024) Framework Agreement.
4. For more meaningful comparison and easy reference, the historical figures for only the two years ended 31 December 2021 and nine months ended 30 September 2022 of the Internet TV Cooperation Agreement are shown in this table, for the historical figures for the three years ended 31 December 2019, please refer to the announcement of the Company dated 22 June 2020. Upon the entering into of the Internet TV Cooperation (2022-2024) Framework Agreement, all subsisting and future transactions between the Group and Tencent Computer regarding the provision/usage of Services and Operation Cooperation will be governed by the Internet TV Cooperation (2022-2024) Framework Agreement. Accordingly, all actual and contemplated transaction amounts under the Internet TV Cooperation Agreement for the three years ending 31 December 2024 would instead be covered by the corresponding proposed annual caps for the three years ending 31 December 2024 under the Internet TV Cooperation (2022-2024) Framework Agreement. For the avoidance of doubt, the original annual caps under the Internet TV Cooperation Agreement for the five years ending 31 December 2026 and for the period from 1 January 2027 to 6 March 2027 would no longer be applicable or utilised.

## **BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS**

The major factors for determining the proposed annual caps for the Internet TV Cooperation (2022-2024) Framework Agreement are set out below:

- (i) The historical amounts of the relevant transactions under the Internet TV Cooperation Agreement.

- (ii) In order to facilitate the development of the Internet TV business of the Group, the Group actively increases the number of business partners in the area of Internet TV and deepens the cooperation with leading Internet giants such as Youku. As a result, the actual transaction amount under the Internet TV Cooperation Agreement is lower than the amount originally estimated in June 2020 when the annual caps under the Internet TV Cooperation Agreement were revised. In the meantime, there was pressure on the TV industry in year 2022 as a whole due to the weaker consumer demand as a result of recurrent Covid-19 outbreaks, international geopolitics and global inflation. Besides, in order to enhance the user experience of End-user Products, the frequency and duration of advertisements and TV commercials will have to be adjusted accordingly and hence resulting in a drop in relevant income. The procurement of Tencent platform resources with lower profit margin is also expected to be scaled down in order to improve the profit generating capability of the Group's Internet TV business. Accordingly, the Group proposes smaller initial annual caps for year 2022 under the Internet TV Cooperation (2022-2024) Framework Agreement.
- (iii) Nevertheless, as the world gradually recovers from Covid-19 pandemic, it is expected that the willingness of the users to spend on entertainment, recreation and leisure including Internet TV content will increase. For example, the online membership income of the Internet TV business of the Group recorded a year-on-year growth of approximately 40% in the first half of year 2022. Coupled with the improvement in competitiveness of the products and services of the Group, it is expected that during the term of the Internet TV Cooperation (2022-2024) Framework Agreement, the transaction amount thereunder would continue to record a year-on-year increase. In particular, both the aggregate amount to be paid by the Group (mainly attributable to Operation Cooperation such as income distribution arising from provision of online video contents) and received by the Group (through provision of Platform Services and Operation Cooperation such as income distribution arising from advertisements and online application store) are estimated to increase by approximately 50% from 2022 to 2023 and approximately 20-30% from 2023 to 2024. Accordingly, the Group has proposed corresponding incremental annual caps under the Internet TV Cooperation (2022-2024) Framework Agreement.
- (iv) A buffer of approximately 5% to 10% has been included in the proposed annual caps to cater for general inflation and the estimated fluctuation in exchange rate between Renminbi and HK\$ during the term of the Internet TV Cooperation (2022-2024) Framework Agreement.

## **REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS**

The Group is one of the leaders in the industry of smart devices, whereas Tencent Group is one of the leading digital and multimedia content providers in the PRC. In particular, Tencent Video provides a wide array of attractive self-commissioned and licensed content, including but not limited to premium quality films and popular TV drama series, variety shows and sports content. Such appealing range of content helps enhance the user loyalty of the End-user Products.

It is expected that the cooperation between the Group and Tencent Group in the field of Internet TV would further enhance the richness of content available from End-user Products and flexibility of the cooperation, and in turn increase the income generating capability of the domestic Internet business of the Group currently led by Falcon Network Technology Group. The cooperation is expected to create a win-win relationship to unleash synergy effect and further the development and growth of the Group.

The cooperation between the Group and Tencent Group in the area of Internet TV have been conducted under the Internet TV Cooperation Agreement, which was entered into in 2017. Nevertheless, as stated in the section headed “INTRODUCTION” above, since the entering into of the Internet TV Cooperation Agreement, the market environment and technology of TV has been constantly changing. As smart TV with Internet connection capability becomes more and more popular, the using scenarios of smart TVs are gradually diversified, whilst the demand and scope of Internet TV related services and products also increase. For example, in recent years, in addition to watching movies and TV dramas (being the original major functions of TV), using smart TV for education, fitness, games, music and shopping are becoming part of people’s daily life. In order to adapt to the changes, the Group will need to constantly adjust its Internet TV related products, services and business models. The scope and cooperation mechanism under the Internet TV Cooperation Agreement were formulated based on the market situation back in 2017 and hence become rather restrictive and rigid in view of the current and future market development. The Group considers that it is more effective to enter into a framework agreement on Internet TV cooperation, which provides an overall framework that can accommodate changes in cooperation arrangements arising from the changing technology and market environment, than to enter into specific cooperation agreements which may need to be constantly amended to cater for the latest development.

Accordingly, the Internet TV Cooperation (2022-2024) Framework Agreement is conducive to ensuring the stability and continuity of the cooperation between the Group and Tencent Group and hence beneficial to the future development of both parties in the aspect of Internet TV.

In light of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Internet TV Cooperation (2022-2024) Framework 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, Tencent Cyber, a wholly-owned subsidiary of Tencent Holdings, held approximately 16.67% of Falcon Network Technology, and as such Tencent Holdings is a connected person of the Company at the subsidiary level under Chapter 14A of the Listing Rules. Tencent Computer, a subsidiary of Tencent Holdings, is therefore also a connected person of the Company at the subsidiary level.

As the Internet TV Cooperation (2022-2024) Framework Agreement and the transactions contemplated under the Internet TV Cooperation Agreement took place within a 12-month period and both of them are entered into with Tencent Computer and of the same nature, the transactions under the Internet TV Cooperation (2022-2024) Framework Agreement and the Internet TV Cooperation Agreement shall be aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

One or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules with reference to the annual caps of the Internet TV Cooperation (2022-2024) Framework Agreement, having been aggregated with the annual caps of the Internet TV Cooperation Agreement, exceed 5%. The Board has approved the continuing connected transactions under the Internet TV Cooperation (2022-2024) Framework Agreement and the independent non-executive Directors also confirmed that the Internet TV Cooperation (2022-2024) Framework Agreement and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, and the terms thereof are fair and reasonable. As none of the Directors had a material interest in the above transactions, none of them was required to abstain from voting on the relevant resolutions approving the above transactions. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, the continuing connected transactions contemplated under the Internet TV Cooperation (2022-2024) Framework Agreement are subject to annual review, reporting and announcement requirements but are exempt from the circular, independent financial advice and the Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## GENERAL INFORMATION OF THE PARTIES

The Group is principally engaged in the research and development, manufacturing and sale of consumer electronic products such as smart screens and mobile communication devices and independently develops home Internet services. The Group actively transforms and innovates under the strategy of “Value Led by Brand with Relative Cost Advantage”. 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).

Based on the information provided by Tencent Computer, Tencent Computer is principally engaged in the provision of value-added services and online advertisement services in the PRC and it is a wholly-owned subsidiary of Tencent Holdings.

## DEFINITIONS

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

“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;
“Content and Support Services”	the Multimedia Content related services and/or services promoted and/or used through End-user Products or services and other support services in connection therewith provided by Tencent Computer to the Group, including but not limited to supply of membership cards, supply of Multimedia Content to be played, operated and/or used in End-user Products and provision of other support services;
“Director(s)”	the director(s) of the Company;

“End-user Products”	smart TV and related products (including but not limited to TV, laser TV and rear projection TV) of the Group or otherwise authorised to be sold or provided by the Group from time to time;
“End-user Products Income”	the income (including but not limited to the income from providing and/or renting End-user Products and/or Multimedia Content to third parties, advertising income, membership income and other value-added services income) obtained through End-user Products by the Group and/or Tencent Computer;
“Falcon Network Technology”	Shenzhen Falcon Network Technology Co., Ltd.* (深圳市雷鳥網絡科技有限公司), a limited liability company established and subsisting under the laws of the PRC, and a subsidiary of the Company;
“Falcon Network Technology Group”	Falcon Network Technology and its subsidiaries;
“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 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;
“Internet TV Cooperation Agreement”	the Internet TV cooperation agreement dated 7 March 2017 entered into between the Company and Tencent Computer, as supplemented and/or amended from time to time;
“Internet TV Cooperation (2022-2024) Framework Agreement”	the Internet TV cooperation (2022-2024) framework agreement dated 28 October 2022 entered into between the Company and Tencent Computer;
“IoT”	Internet of things;

“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Multimedia Content”	multimedia (including but not limited to video, audio, applications, etc.) content and modules provided by Tencent Computer;
“Operation Cooperation”	has the meaning ascribed thereto under the section headed “INTERNET TV COOPERATION (2022-2024) FRAMEWORK AGREEMENT” in this announcement;
“Platform Services”	various types of services to be provided by the Group to Tencent Computer from time to time through the medium of End-user Products, including but not limited to promotion services, membership services, technical services, value-added services and pre-installing or providing Multimedia Content in End-user Products;
“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;
“Represented Tencent Group”	Tencent Holdings and its subsidiaries from time to time, but excluding China Literature 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: 00772)) and Tencent Music Entertainment Group (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: 01698)) and their respective subsidiaries from time to time;
“Services”	Platform Services and/or Content and Support Services (as the case may be);
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“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;

“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Tencent Holdings;
“Tencent Cyber”	Tencent Cyber (Shenzhen) Company Limited* (騰訊數碼(深圳)有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Tencent Holdings;
“Tencent Group”	Tencent Holdings and its subsidiaries from time to time;
“Tencent Holdings”	Tencent 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: 00700);
“Tencent Video”	an integrated online video and streaming service platform operated by Tencent Group;
“TV”	television(s); and
“%”	per cent.

On behalf of the Board  
**DU Juan**  
*Chairperson*

Hong Kong, 28 October 2022

*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. YAN Xiaolin and Mr. HU Dien Chien as executive Directors, Mr. WANG Cheng, Mr. SUN Li and Mr. LI Yuhao as non-executive Directors and Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.*