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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CONNECTED TRANSACTIONS – DISPOSAL OF PRODUCTION LINE EQUIPMENT

Reference is made to the announcement (the “**Announcement**”) of TCL Electronics Holdings Limited (the “**Company**”) dated 27 December 2024 in relation to the Disposal of Production Line Equipment which constituted connected transactions of the Company. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, among others, (i) the consideration for the Production Line Equipment is its market value, which is determined with reference to the valuation conducted by an independent valuer using cost approach; and (ii) under the cost approach, the independent valuer considers the total cost to repurchase or build a Production Line Equipment in new condition appraised in accordance with current conditions, with allowance for accrued depreciation and considering the rate of newness of the Production Line Equipment, and the difference calculated as aforesaid is taken as the value of the Production Line Equipment under the cost approach.

The Board wishes to provide to the Shareholders additional information on further details of the valuation of the Production Line Equipment.

The formulae for the cost approach are as follows:

Appraised value = Replacement cost × comprehensive newness rate

For domestic equipment purchased from suppliers: Replacement cost = Domestic equipment acquisition cost (excluding tax)

For imported equipment: Replacement cost = Imported equipment acquisition cost (excluding tax) × applicable exchange rate as of the valuation benchmark date

Domestic equipment acquisition cost is generally determined through online and telephone inquiries. For equipment whose market price cannot be obtained directly, the current acquisition cost will be determined after considering the producer price index and installation fees of domestic equipment.

Imported equipment acquisition cost is the CIF (cost, insurance and freight) of the relevant equipment, which is determined based on the recent quotations of similar equipment (after analysis of the contract price or the original acquisition cost), and other items are calculated and determined according to relevant standards. For equipment whose market price cannot be obtained directly, the current acquisition cost will be determined after considering the producer price index and exchange rate conversion of imported equipment.

The comprehensive newness rates of machinery equipment are mainly determined using the service life approach, taking into account their characteristics, use conditions, maintenance conditions and appearance status.

Using the service life approach, the comprehensive newness rate shall be calculated as follows: remaining service life/economic durability × 100%.

For equipment purchased a long time before the valuation benchmark date (which has exceeded its service life or is close to its economic service life) but is still under normal operation, if its use and maintenance condition and equipment operating condition are satisfactory, and its product output quality and expected future use condition are under normal condition, the minimum newness rate of the machinery equipment will be set to 15%, and the minimum newness rate of electronic equipment will be set to 5%.

The comprehensive newness rate of the equipment comprising the Production Line Equipment in the valuation ranges from 5% to 64%.

The total appraised value of the Production Line Equipment is the sum of the replacement cost of each equipment comprising the Production Line Equipment times their respective comprehensive newness rate.

The additional information as disclosed herein does not affect any other information contained in the Announcement.

On behalf of the board of directors
TCL Electronics Holdings Limited
DU Juan
Chairperson

Hong Kong, 10 January 2025

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.