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 FOLLOWING COMPLETION OF THE ACQUISITION — MASTER SERVICES (TCL AIR CONDITIONER) (2026-2027) AGREEMENT AND TCL AIR CONDITIONER SUPPLY (2026-2027) FRAMEWORK AGREEMENT

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Sale and Purchase Agreement and the Acquisition. As disclosed in the Announcement, on 15 July 2026 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendors, under which the Vendors agreed to sell and the Company agreed to purchase the Target Shares subject to and in accordance with the terms and conditions thereunder and the Completion is expected to take place in the fourth quarter of 2026.

Immediately upon the Completion of the Acquisition, the Target Company and its subsidiaries including TCL Air Conditioner will become subsidiaries of the Company. As TCL Industries Holdings (the indirect Controlling Shareholder of the Company) will upon the Completion remain to indirectly hold 49% equity interest in TCL Air Conditioner, TCL Air Conditioner will be a connected subsidiary of the Company and any transactions between the Group (excluding TCL Air Conditioner Group) on the one part and TCL Air Conditioner Group on the other part will constitute continuing connected transactions of the Company following the Completion of the Acquisition. On 15 July 2026 (after trading hours), the Company entered into the Master Services Agreement and the Supply Framework Agreement with TCL Air Conditioner to govern the relevant transactions between the Group (excluding TCL Air Conditioner Group) on the one part and TCL Air Conditioner Group on the other part following the Completion of the Acquisition.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 1,374,938,618 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.), it 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.

Following the Completion of the Acquisition, TCL Air Conditioner will be indirectly held as to 51% by the Company and 49% by TCL Industries Holdings, and as TCL Industries Holdings (being a connected person of the Company at the issuer level) remains entitled to exercise or control the exercise of 10% or more of the voting power at TCL Air Conditioner's general meeting (which excludes any indirect interest in TCL Air Conditioner held by TCL Industries Holdings through the Company) following the Completion, TCL Air Conditioner will be a connected subsidiary of the Company and the transactions contemplated under each of the Master Services Agreement and the Supply Framework Agreement will therefore constitute continuing connected transactions of the Company upon the Completion of the Acquisition.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the provision of Services under the Master Services Agreement exceed 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempt from the circular (including advice from independent financial adviser) and Shareholders' approval requirement but are 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 annual caps of the purchase of TCL Air Conditioner Products under the Supply Framework Agreement exceed 5%, the relevant 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.

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Sale and Purchase Agreement and the Acquisition. As disclosed in the Announcement, on 15 July 2026 (after trading hours), the Company entered into the Sale and Purchase Agreement with the Vendors, under which the Vendors agreed to sell and the Company agreed to purchase the Target Shares subject to and in accordance with the terms and conditions thereunder and the Completion is expected to take place in the fourth quarter of 2026.

Immediately upon the Completion of the Acquisition, the Target Company and its subsidiaries including TCL Air Conditioner will become subsidiaries of the Company. As TCL Industries Holdings (the indirect Controlling Shareholder of the Company) will upon the Completion remain to indirectly hold 49% equity interest in TCL Air Conditioner, TCL Air Conditioner will be a connected subsidiary of the Company and any transactions between the Group (excluding TCL Air Conditioner Group) on the one part and TCL Air Conditioner Group on the other part will constitute continuing connected transactions of the Company following the Completion of the Acquisition. On 15 July 2026 (after trading hours), the Company entered into the Master Services Agreement and the Supply Framework Agreement with TCL Air Conditioner to govern the relevant transactions between the Group (excluding TCL Air Conditioner Group) on the one part and TCL Air Conditioner Group on the other part following the Completion of the Acquisition.

CONTINUING CONNECTED TRANSACTIONS FOLLOWING THE COMPLETION OF THE ACQUISITION

Set out below are details of the continuing connected transactions following the Completion of the Acquisition as contemplated under the Master Services Agreement and the Supply Framework Agreement:

Master Services Agreement

On 15 July 2026 (after trading hours), the Company entered into the Master Services Agreement with TCL Air Conditioner in relation to the provision of Services by members of the Group (which does not include TCL Air Conditioner Group for this purpose) to members of TCL Air Conditioner Group following the Completion of the Acquisition.

The material terms of the Master Services Agreement are summarised below:

Date:	15 July 2026 (after trading hours)
Parties:	(i) The Company (for itself and on behalf of the Group); and (ii) TCL Air Conditioner (for itself and on behalf of TCL Air Conditioner Group).
Duration:	From the day both conditions precedent below are satisfied to 31 December 2027 (both days inclusive).
Conditions precedent:	The Master Services Agreement is conditional on and subject to (i) the compliance by the Company with relevant Listing Rules requirements in respect of the Master Services Agreement; and (ii) the Completion of the Acquisition.
Major terms:	**Provision of Services** Each member of TCL Air Conditioner 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 Air Conditioner Group.

General Terms

The terms and conditions (including price and payment terms) of any provision of the Services conducted pursuant to the Master Services Agreement shall be agreed between relevant member(s) of the Group and relevant member(s) of TCL Air Conditioner Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Master Services 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 the Service Fees) as a whole offered by the relevant member of TCL Air Conditioner 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 services 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.

Supply Framework Agreement

On 15 July 2026 (after trading hours), the Company entered into the Supply Framework Agreement with TCL Air Conditioner in relation to the sale of TCL Air Conditioner Products by members of TCL Air Conditioner Group on the one hand to members of the Group (which does not include TCL Air Conditioner Group for this purpose) on the other hand following the Completion of the Acquisition.

The material terms of the Supply Framework Agreement are summarised below:

Date:	15 July 2026 (after trading hours)
Parties:	(i) The Company (for itself and on behalf of the Group); and (ii) TCL Air Conditioner (for itself and on behalf of TCL Air Conditioner Group).
Duration:	From the day both conditions precedent below are satisfied to 31 December 2027 (both days inclusive).
Conditions precedent:	The Supply Framework Agreement is conditional on and subject to (i) the compliance by the Company with relevant Listing Rules requirements in respect of the Supply Framework Agreement, including but not limited to obtaining Shareholders' approval at the EGM; and (ii) the Completion of the Acquisition.
Major terms:	**Purchase of TCL Air Conditioner Products** Each member of the Group may, at its absolute discretion, request to purchase its required TCL Air Conditioner Products from members of TCL Air Conditioner Group. Upon receiving purchase request from members of the Group, TCL Air Conditioner may, at its absolute discretion, procure the relevant member of TCL Air Conditioner Group to sell to the relevant member of the Group the required TCL Air Conditioner Products.

General terms

The terms and conditions (including price and payment terms) of any sale and purchase conducted pursuant to the Supply Framework Agreement shall be agreed between relevant member(s) of the Group and relevant member(s) TCL Air Conditioner Group in writing by individual agreements from time to time. The terms of such individual agreements shall be consistent with the Supply Framework 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 Air Conditioner Products which it has acquired from the relevant member of TCL Air Conditioner Group to any person at such price as such member of the Group may in its absolute discretion determine.

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 Air Conditioner 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.

INTERNAL CONTROL PROCEDURES AND PRICING POLICIES

In order to safeguard the interests of the Company and the Shareholders, and to ensure that the Master Services Agreement and the Supply Framework Agreement 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 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 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.

HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The following table sets out the respective historical figures of the provision of Services and the purchase of TCL Air Conditioner Products for the two years ended 31 December 2024 and 31 December 2025 and the five months ended 31 May 2026, and the respective proposed annual caps for the provision of Services and the purchase of TCL Air Conditioner Products for the three months ending 31 December 2026 and the year ending 31 December 2027:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**	**For the 5 months ended 31 May 2026**	**For the 3 months ending 31 December 2026**	**For the year ending 31 December 2027**
	(audited)	*(audited)*	*(unaudited)*	*(Note 3)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Continuing Connected Transactions					
Master Services Agreement					
Provision of Services					
– Historical transaction amounts *(Note 1)*	182,380	124,408	47,765		
– Proposed annual cap				48,000	197,000
Supply Framework Agreement					
Purchase of TCL Air Conditioner Products					
– Historical transaction amounts *(Note 2)*	8,199,287	7,499,452	4,172,149		
– Proposed annual cap				3,000,000	18,000,000

Notes:

1. Prior to the Completion of the Acquisition, as each member of TCL Air Conditioner Group is an associate of TCL Industries Holdings and hence within the definition of TCL Industries Holdings Group under the Master Services (2022-2024) CCT Agreement and the Master Services (2025-2027) CCT Agreement, any provision of the Services by the Group to TCL Air Conditioner Group is covered under the relevant annual caps for the Master Services (2022-2024) CCT Agreement and the Master Services (2025-2027) CCT Agreement.

   For the avoidance of doubt, following the Completion of the Acquisition, any provision of the Services to and from TCL Air Conditioner Group (as subsidiaries of the Company) on the one part to and from TCL Industries Holdings Group on the other part will continue to be governed by and conducted under the Master Services (2025-2027) CCT Agreement.

2. Prior to the Completion of the Acquisition, as each member of TCL Air Conditioner Group is an associate of TCL Industries Holdings and hence within the definition of TCL Industries Holdings Group under the Master Sale and Purchase (2022-2024) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement, any sale of TCL Air Conditioner Products by TCL Air Conditioner Group to the Group is covered under the relevant annual caps for the Master Sale and Purchase (2022-2024) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement.

   For the avoidance of doubt, following the Completion of the Acquisition, any sale or purchase of products by TCL Air Conditioner Group (as subsidiaries of the Company) on the one part to and from TCL Industries Holdings Group on the other part will continue to be governed by and conducted under the Master Sale and Purchase (2025-2027) CCT Agreement.

3. The Completion of the Acquisition is expected to take place in the fourth quarter of 2026. In order to cater for the sale of TCL Air Conditioner Products by TCL Air Conditioner Group to the Group and the provision of the Services by the Group to TCL Air Conditioner Group in the event that the Completion occurs in the beginning of the fourth quarter of 2026, the proposed annual caps are set to cover the three-month period ending 31 December 2026.

BASIS FOR DETERMINATION OF THE PROPOSED ANNUAL CAPS

The major bases and assumptions for determining the proposed annual caps for the continuing connected transactions contemplated under the Master Services Agreement and the Supply Framework Agreement are set out below:

Proposed annual caps for the Master Services Agreement

The proposed annual caps for the transactions under the Master Services Agreement are determined by reference to, among other things, the following factors:

(i) The historical transaction amount for the provision of the Services to TCL Air Conditioner Group: The annual transaction amounted to HK$182 million in 2024. In 2025, the air conditioning business was affected by the phase-out of national home appliance replacement subsidies and order volatility in the PRC, resulting in a corresponding drop in the Group's relevant service transactions. Although the transaction amount for the five months ended 31 May 2026 was approximately HK$48 million, the business scale is expected to gradually recover to pre-subsidy phase-out levels in 2026, with growth of varying magnitudes anticipated in the fourth quarter of 2026 and for full-year 2027;

(ii) The projection of the number and scale of relevant projects and operations which may require Services from the Group in the upcoming two years: The Group and the Target Group share complementary technologies in smart connectivity, AI applications and energy efficiency. Accordingly, the Group has been providing IT, R&D and other services to the Target Group. In addition, upon Completion of the Acquisition, the Group will integrate with the air conditioning business, including without limitation sales channels and platform operations. The Enlarged Group is expected to further leverage economies of scale to drive business growth, and the Group will provide a comprehensive scope of supporting services covering, among others, management, administrative, R&D and after-sales services. The proposed cap for the three months ending 31 December 2026 is HK$48 million, which when annualised, suggests that the full-year transaction amount for 2026 is estimated to reach approximately HK$115 million, representing a year-on-year decrease of approximately 7% over the full-year figure in 2025; and the proposed cap for the year ending 31 December 2027 is HK$197 million, equivalent to a year-on-year growth of roughly 58% compared with the actual transaction amount in 2025 attributable to the aforesaid growth drivers; and

(iii) The estimated fluctuation in exchange rate between RMB and HK$ during the term of the Master Services Agreement: A buffer of 10% for exchange rate fluctuation is applied in determining the proposed annual caps, which is projected with reference to the exchange rates between RMB and HK$ during the period from 1 January 2025 to 31 May 2026, during which the highest and lowest exchange rate recorded was 1.15 and 1.08 respectively, representing a difference of approximately 7%, and the PRC's economy is projected to grow by 4.4% in 2026 and 4.0% in 2027 according to the International Monetary Fund.

Proposed annual caps for the Supply Framework Agreement

The proposed annual caps for the transactions under the Supply Framework Agreement are determined by reference to, among other things, the following factors:

(i) The historical transaction amount for the purchase of TCL Air Conditioner Products: Although the historical transaction amount for the year of 2025 recorded a slight year-on-year decline due to the phase-out of government subsidy programmes in China, the historical transaction amount for the five months ended 31 May 2026, when annualised, suggests that the full-year transaction amount for 2026 is estimated to reach approximately HK$10.0 billion, representing a year-on-year increase of approximately 34% over the 2025 full-year figure. Looking ahead, the Group expects the transaction value to maintain a robust growth trajectory in 2027;

(ii) Global climate warming accelerates air conditioning demand growth: The increasing frequency of extreme heat events is driving air conditioners to transition from a "comfort product" to a "health and safety necessity". The global HVAC industry was estimated at USD 524.9 billion in 2025 and the market is expected to grow from approximately USD 564.8 billion in 2026 to approximately USD 1.2 trillion in 2035, at a CAGR of approximately 8.1%. Against this backdrop, the transaction volume between the Group and TCL Air Conditioner Group has a solid foundation for sustained growth;

(iii) All-category synergies and new business expansion unlock incremental volumes: After the Completion of the Acquisition, the TCL Air Conditioner Products can be fully distributed through these existing channels, especially in overseas markets. In addition, TCL Air Conditioner Group plans to further expand new business, including heat pump systems, commercial air conditioning systems, with related incremental transactions contributing meaningfully to the overall cap increase;

(iv) Mid-to-high-end positioning coupled with product mix upgrades: The Target Group focuses on mid-to-high-end products featuring high energy efficiency and smart functionalities. Industry data indicates that growing consumer demand for upgraded features such as inverter technology, smart connectivity, and healthy air management is driving the product mix toward higher value-added segments;

(v) Rising raw material costs push up product value: TCL Air Conditioner Products costs are heavily influenced by raw material prices, with copper accounting for approximately 20%–30% of material costs and serving as a key cost driver. Constrained by global copper supply shortages and driven by emerging industries such as new energy and AI, spot copper prices rose 34.3% throughout 2025 and further broke through the RMB100,000/tonne mark in early 2026. The surge in copper prices, alongside increases in other raw materials such as aluminium and steel, has already prompted major air conditioner brands to raise product prices by 3%–10%, resulting in higher transaction values for the same volume of sales; and

(vi) The estimated fluctuation in exchange rate between RMB and HK$ during the term of the Supply Framework Agreement: A buffer of 10% for exchange rate fluctuation is applied in determining the proposed annual caps, which is projected with reference to the exchange rates between RMB and HK$ during the period from 1 January 2025 to 31 May 2026, during which the highest and lowest exchange rate recorded was 1.15 and 1.08 respectively, representing a difference of approximately 7%, and the PRC's economy is projected to grow by 4.4% in 2026 and 4.0% in 2027 according to the International Monetary Fund.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

General

Currently, the transactions between the Group on the one part and TCL Air Conditioner Group (being associates of TCL Industries Holdings) on the other part in relation to the provision of the Services to TCL Air Conditioner Group and the purchase of TCL Air Conditioner Products from TCL Air Conditioner Group by the Group are carried out under and governed by the Master Services (2025-2027) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement respectively.

Although TCL Air Conditioner Group will become part of the Enlarged Group following the Completion of the Acquisition, any intra-group transactions between TCL Air Conditioner Group on the one part and the remainder of the Enlarged Group on the other part will remain connected transactions of the Group given TCL Industries Holdings remains to hold 49% equity interest in TCL Air Conditioner upon the Completion of the Acquisition.

However, as the definition of TCL Industries Holdings Group under the Master Services (2025-2027) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement has excluded members of the Group, following the Completion of the Acquisition, the Master Services (2025-2027) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement will no longer govern the transactions between the Group on the one part and TCL Air Conditioner Group (by that time being subsidiaries of the Group) on the other part. The Master Services Agreement and the Supply Framework Agreement therefore enable the Group to continue its provision of Services to TCL Air Conditioner Group and its purchase of TCL Air Conditioner Products from TCL Air Conditioner Group respectively and thereby to fully give effect to the synergies expected to be brought by the Acquisition.

Master Services Agreement

The Directors (including the independent non-executive Directors) consider that the terms of the Master Services Agreement 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 it is in the interests of the Company and the shareholders of the Company as a whole to enter into the Master Services Agreement for the following reasons:

The Company has been accelerating the implementation of a diversified development strategy since 2018. The business scope and the scale of the Group have continually been expanding. Coupled with the economies of scale, the Group gains and becomes equipped with knowhow and expertise in the course of providing the full spectrum of Services in relation to such diversified business areas. In view of the close relationship between the Group and TCL Air Conditioner Group, the Group has a relatively good understanding of the business and operations of TCL Air Conditioner Group and hence is able to provide timely and customised Services to satisfy its needs, thus enhancing the competitiveness and profitability of TCL Air Conditioner Group through utilising the expertise, experience and economies of scale of the Group, which will in turn contribute to the continuing development of the Group as a whole. Besides, through the provision of Services and charging Service Fees, the Group could gain addition revenue stream.

Supply Framework Agreement

The Directors (other than the independent non-executive Directors whose view will be set out in the Letter from the Independent Board Committee to be contained in the circular) consider that the terms of the Supply Framework Agreement and the transactions thereunder are fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Group, and it is in the interests of the Company and the Shareholders as a whole to enter the Supply Framework Agreement for the following reasons:

The Group has been actively advancing its all-category smart device layout, where air conditioning products play an indispensable part. Under the all-category marketing segment, the Group has seen growth from selling TCL Air Conditioner Products during the past few years across the world, contributing to increased revenue and profitability of the Group. After the Completion of the Acquisition, the Group will continue to carry out the abovementioned business to achieve quality growth in global business and continuously strengthened overall profitability.

TCL Air Conditioner Products possess strong innovative, energy-efficient and AI-empowered features, catering to customers' needs and receiving worldwide recognition. In 2025, TCL Air Conditioner Products adhered to the core value of "Smart Health", defined the next generation of air conditioners with AI technology, and launched various flagship products including the AI Sleep Series and AI Comfort Series under the TCL FreshIN AI Health concept, which were well received by consumers. During last year, the full range of air conditioning products was showcased at global HVAC industry events including the MCE Exhibition in Milan, the Interclima Exhibition in France and the IFA Exhibition in Germany, with TCL FreshIN 3.0 Air Conditioner winning the "AI Energy-Saving Technology Gold Award" at IFA. In view of the robust product competitiveness of TCL Air Conditioner Products, the continuation of the aforesaid continuing connected transactions will enable the Group to optimise the product mix, and provide new momentum for the Group's long-term steady growth in revenue and profit.

LISTING RULES IMPLICATIONS

As at the date of this announcement, 1,374,938,618 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.), it 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.

Following the Completion of the Acquisition, TCL Air Conditioner will be indirectly held as to 51% by the Company and 49% by TCL Industries Holdings, and as TCL Industries Holdings (being a connected person of the Company at the issuer level) remains entitled to exercise or control the exercise of 10% or more of the voting power at TCL Air Conditioner's general meeting (which excludes any indirect interest in TCL Air Conditioner held by TCL Industries Holdings through the Company) following the Completion, TCL Air Conditioner will be a connected subsidiary of the Company and the transactions contemplated under each of the Master Services Agreement and the Supply Framework Agreement will therefore constitute continuing connected transactions of the Company upon the Completion of the Acquisition.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the annual caps of the Master Services Agreement exceed 0.1% but all are less than 5%, the continuing connected transactions contemplated thereunder are exempt from the circular (including advice from independent financial adviser) and Shareholders' approval requirement but are 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 annual caps of the purchase of TCL Air Conditioner Products under the Supply Framework Agreement exceed 5%, the relevant 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.

An Independent Board Committee has been established to advise the Shareholders on the Supply Framework Agreement and the transactions contemplated thereunder including the proposed annual caps of the purchase of TCL Air Conditioner Products. 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 Supply Framework Agreement, 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 approximately on or before 31 August 2026 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 Mr. ZHANG Shaoyong is also a director and senior vice president of TCL Industries Holdings and Ms. DU Juan holds positions as directors or senior management in certain subsidiaries and/or associates of TCL Industries Holdings. Further, (i) Mr. PENG Pan is also the chief financial officer of TCL Industries Holdings, (ii) Mr. SUN Li is also the chief technology officer of TCL Industries Holdings, and (iii) 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.

Notwithstanding the respective interest and/or roles of the Directors in TCL Industries Holdings Group, 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 Master Services Agreement and the Supply Framework Agreement and the respective transactions contemplated thereunder. Nevertheless, for good corporate governance, Ms. DU Juan and Mr. ZHANG Shaoyong have abstained from voting on the Board resolutions for considering and approving the Master Services Agreement, the Supply Framework Agreement and the respective transactions contemplated thereunder. Save for the abovementioned, all other Directors are entitled to vote on the Board resolutions for considering and approving the Master Services Agreement and the Supply Framework Agreement and the respective transactions contemplated thereunder pursuant to the Articles.

In accordance with the Listing Rules, any connected person of the Company and any Shareholder with a material interest in the Supply Framework Agreement and its associate(s) must abstain from voting on the relevant resolution(s) at the EGM. Accordingly, TCL Industries Holdings and TCL Associates will abstain from voting on the resolutions in respect of the Supply Framework Agreement to be put forward at the EGM. Save as the aforesaid, as at the date of this announcement, the Directors are not aware of any other Shareholders who are required to abstain from voting on the resolution(s) in respect of the Supply Framework Agreement to be put forward at the EGM.

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, Deepen Global Operation, Drive with Technology, Thrive on 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 on this website does not form part of this announcement).

As of the date of this announcement, TCL Air Conditioner is a limited liability company established in the PRC, and 51% of its equity interest is indirectly and beneficially held by the Target Company whereas the remaining 49% is held by TCL Home Appliances Group Limited* (TCL家電集團有限公司), a limited liability company established in the PRC which in turn is a wholly-owned subsidiary of TCL Industries Holdings. TCL Air Conditioner Group is principally engaged in the manufacturing and sales of HVAC including residential and commercial air conditioning systems and thermal management.

DEFINITIONS

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

"Acquisition"	the acquisition of the Target Shares as contemplated under the Sale and Purchase Agreement;
"AI"	artificial intelligence;

"Announcement"	the Company's announcement dated 15 July 2026 in respect of, among others, the Acquisition;
"Articles"	the articles of association of the Company as amended from time to time;
"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);
"Completion of the Acquisition"	the completion of the sale and purchase of Target Shares pursuant to the Sale and Purchase Agreement;
"connected person(s)"	has the meanings ascribed to it under the Listing Rules;
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules;
"Core Elite"	Core Elite Holdings Limited, a limited company incorporated in the British Virgin Islands, which is wholly owned by Ningbo Yunjing Enterprise Management Consulting Partnership (Limited Partnership)* (寧波蘊菁企業管理諮詢合夥企業(有限合夥)), and one of the Vendors;
"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 (among others) the Supply Framework Agreement and the transactions contemplated thereunder and proposed annual caps;
"Enlarged Group"	the Group together with the Target Group upon the Completion;

"Group"	the Company and its subsidiaries and for the purpose of the Master Services Agreement and the Supply Framework Agreement shall not include TCL Air Conditioner Group;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HVAC"	heating, ventilation and air conditioning;
"Independent Board Committee"	an independent committee of the Board established for the purpose of reviewing the Supply Framework Agreement 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 Supply Framework Agreement;
"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;
"Lida Zhihui"	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)), a limited partnership established in the PRC and a shareholder of TCL Industries Holdings;
"Listing Rules"	the rules governing the listing of securities on the Stock Exchange;

"Master Sale and Purchase (2022-2024) CCT Agreement"	the master sale and purchase (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings in relation to the sale and purchase of products between the Group on the one part and TCL Industries Holdings Group on the other part, relevant details of which are disclosed in the announcement dated 11 November 2021 and the circular dated 22 November 2021 of the Company;
"Master Sale and Purchase (2025-2027) CCT Agreement"	the master sale and purchase (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings in relation to the sale and purchase of products between the Group on the one part and TCL Industries Holdings Group on the other part, relevant details of which are disclosed in the announcement dated 26 September 2024 and the circular dated 6 November 2024 of the Company;
"Master Services Agreement"	the master services (TCL Air Conditioner) (2026-2027) agreement dated 15 July 2026 entered into between the Company and TCL Air Conditioner in respect of the provision of Services by members of the Group (which does not include TCL Air Conditioner Group for this purpose) to members of TCL Air Conditioner Group following the Completion of the Acquisition;
"Master Services (2022-2024) CCT Agreement"	the master services (2022-2024) agreement dated 11 November 2021 entered into between the Company and TCL Industries Holdings in relation to the provision of services between the Group on the one part and TCL Industries Holdings Group on the other part, relevant details of which are disclosed in the announcement dated 11 November 2021 and the circular dated 22 November 2021 of the Company;

"Master Services (2025-2027) CCT Agreement"	the master services (2025-2027) agreement dated 26 September 2024 entered into between the Company and TCL Industries Holdings in relation to the provision of services between the Group on the one part and TCL Industries Holdings Group on the other part, relevant details of which are disclosed in the announcement dated 26 September 2024 and the circular dated 6 November 2024 of the Company;
"NXTHome"	TCL NXTHome Global Limited, a limited company incorporated in the British Virgin Islands and indirectly wholly owned by TCL Industries Holdings, one of the Vendors;
"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;
"Reach Glory"	Reach Glory Link Holdings Limited, a limited company incorporated in the British Virgin Islands, which is wholly owned by Lida Zhihui and is one of the Vendors;
"RMB"	Renminbi, the lawful currency of the PRC;
"R&D"	research and development;
"Sale and Purchase Agreement"	the sale and purchase agreement dated 15 July 2026 entered into between the Company and the Vendors in relation to the Acquisition;

"Services"	services which may be provided by members of the Group to members of TCL Air Conditioner Group, 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, manpower management 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 are capable of providing;
"Service Fees"	the fees to be paid by relevant member(s) of TCL Air Conditioner Group to relevant member(s) of the Group for the provision of the relevant Services pursuant to the Master Services Agreement;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"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;
"Supply Framework Agreement"	the TCL Air Conditioner supply (2026-2027) framework agreement dated 15 July 2026 entered into between the Company and TCL Air Conditioner in respect of the sale of TCL Air Conditioner Products by members of TCL Air Conditioner Group on the one hand to members of the Group (which does not include TCL Air Conditioner Group for this purpose) on the other hand following the Completion of the Acquisition;
"Target Company"	TCL AeroWell (Cayman) Holdings Limited, a limited liability company incorporated in the Cayman Islands, which is wholly owned by the Vendors;
"Target Group"	the Target Company and its subsidiaries;
"Target Shares"	the entire equity interest in the Target Company;
"TCL Associates"	the associate(s) of TCL Industries Holdings;
"TCL Air Conditioner"	TCL Air Conditioner (Zhongshan) Co., Ltd.* (TCL空調器（中山）有限公司), a limited liability company established in the PRC;
"TCL Air Conditioner Group"	collectively, TCL Air Conditioner and its subsidiary(ies), associate(s) and any entity(ies) that may become subsidiary(ies) or associate(s) of TCL Air Conditioner from time to time during the term of the Master Services Agreement and the Supply Framework Agreement and for the purpose of the Master Services Agreement and the Supply Framework Agreement shall not include (i) the Group and (ii) TCL Industries Holdings and its subsidiaries; and a "member of TCL Air Conditioner Group" and "members of TCL Air Conditioner Group" shall be construed accordingly;

"TCL Air Conditioner Products"	(i) any goods or appliances (including but not limited to air conditioners and their components)) designed, developed, manufactured, produced or otherwise sold, marketed or supplied by any member of TCL Air Conditioner Group; (ii) the article, things, components or materials required for manufacturing or production of any products of the Group; and (iii) waste products arising from manufacturing or production process of TCL Air Conditioner Group;
"TCL Industries Holdings"	TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司), a joint stock limited company established under the laws of the PRC;
"TCL Industries Holdings Group"	for the purpose of the Master Services (2022-2024) CCT Agreement, the Master Services (2025-2027) CCT Agreement, the Master Sale and Purchase (2022-2024) CCT Agreement and the Master Sale and Purchase (2025-2027) CCT Agreement, means, collectively, TCL Industries Holdings and its subsidiary(ies) and associate(s) and any entity(ies) that may become subsidiary(ies) or associate(s) of TCL Industries Holdings from time to time during the term of the said agreements but excluding the Group;
"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;
"Union Vast"	Union Vast Holdings Limited, a limited company incorporated in the British Virgin Islands, which is wholly owned by Xuli Ceyu, and is one of the Vendors;
"USD"	United States dollars, the lawful currency of the United States of America;
"Vendors"	collectively, NXTHome, YF Rongye, Core Elite, Union Vast and Reach Glory;

"Xuli Ceyu"	Ningbo Xuli Ceyu Self-Funded Investment Co., Ltd. *(寧波旭力策宇自有資金投資有限公司), a limited liability company established in the PRC and a shareholder of TCL Industries Holdings;
"YF Rongye"	YF Rongye Global Holdings Limited, a limited liability company incorporated in the British Virgin Islands and one of the Vendors; and
"%"	per cent.

On behalf of the Board
TCL Electronics Holdings Limited
DU Juan
Chairperson

Hong Kong, 15 July 2026

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 Ms. DU Juan, Mr. ZHANG Shaoyong, Mr. PENG Pan and Mr. SUN Li as executive Directors and Professor WANG Yijiang, Mr. LAU Siu Ki and Mr. HUI Chi Kin Max as independent non-executive Directors.