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**TONLY ELECTRONICS HOLDINGS LIMITED**

**通力電子控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01249)**

**CONTINUING CONNECTED TRANSACTIONS  
MASTER RENTAL (2019) AGREEMENT  
MASTER SALE AND PURCHASE (2019) AGREEMENT**

**INTRODUCTION**

On 25 April 2019, the Company entered into the following agreements with TCL Industries and the transactions contemplated thereunder constitute continuing connected transactions of the Company:

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

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

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, TCL Industries holds approximately 48.68% of the total issued share capital of the Company and is therefore a substantial shareholder of the Company. TCL Industries and TCL Associates are connected persons of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitutes continuing connected transactions of the Company.

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

## **INTRODUCTION**

Reference is made to the announcements of the Company dated 18 October 2018 and 21 December 2018 and the shareholders' circular of the Company dated 29 November 2018 in relation to certain continuing connected transactions between the Group on one hand and the relevant members of the TCL Corporation Group on the other hand, including those under the Master Lease (Tenant) (2018 Renewal) Agreement and the Master Sale and Purchase (2018 Renewal) Agreement. In April 2019, TCL Corporation announced that there was a restructuring of parts of its businesses and assets to TCL Holdings. Upon completion of such restructuring, the relationship between TCL Corporation and certain entities which are the counterparties to the continuing connected transactions contemplated under the Master Lease (Tenant) (2018 Renewal) Agreement and the Master Sale and Purchase (2018 Renewal) Agreement had changed. The Company intends to continue the transactions with these entities so as to meet the Group's immediate business needs in its daily operation. TCL Holdings is the holding company of TCL Industries, a substantial shareholder of the Company holding approximately 48.68% of the total issued share capital of the Company, thus an associate of TCL Industries and a connected person of the Company. Accordingly, any transactions between the Group on one hand and the relevant members of the TCL Holdings Group on the other hand would constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In order to regulate such transactions, as a short-term temporary arrangement to accommodate the Group's immediate business needs, the Company entered into the following Agreements on 25 April 2019:

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

As the counterparties to the transactions contemplated under the Agreements are the same as those of the Master Lease (Tenant) (2018 Renewal) Agreement and the Master Sale and Purchase (2018 Renewal) Agreement, the terms of the Agreements are all in substance substantially incorporated from or similar to those of the Master Lease (Tenant) (2018 Renewal) Agreement and the Master Sale and Purchase (2018 Renewal) Agreement.

Set out below are details of the continuing connected transactions.

## **1. Master Rental (2019) Agreement**

On 25 April 2019, the Company and TCL Industries entered into the Master Rental (2019) Agreement.

The terms of the Master Rental (2019) Agreement are substantially similar to those of the Master Lease (Tenant) (2018 Renewal) Agreement, save for the change of contracting party and making it clear that the scope of rental is to cover all forms of making available the use of properties and/or vehicles.

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

Date: 25 April 2019

Parties: (i) The Company (for itself and on behalf of its Subsidiaries)  
(ii) TCL Industries (for itself and on behalf of its Associates)

Duration: From 25 April 2019 to 31 December 2019

Major terms: Member(s) of each Rental Group may from time to time rent, lease and/or license, share and/or make available the use of certain properties and vehicles which the lessor owns or otherwise has the right to rent, lease and/or license, share and/or make available the use to the other party at a monthly rent/license fee, payable to member(s) of another Rental Group.

In addition to the monthly rent, unless otherwise agreed, the relevant lessor/licensor shall pay all the (i) taxes, (ii) management fees, (iii) other charges payable to the central and local government of the PRC or the government of Hong Kong and (iv) the routine repair and maintenance fees.

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

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

Pricing policy and price determination: In respect of such fees to be paid or received by members of the Group:

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

## 2. Master Sale and Purchase (2019) Agreement

On 25 April 2019, the Company and TCL Industries entered into the Master Sale and Purchase (2019) Agreement.

The terms of the Master Sale and Purchase (2019) Agreement are substantially similar to Master Sale and Purchase (2018 Renewal) Agreement, save and except (i) for the change of contracting party; (ii) that the TCL Associates Products that the Group may source from TCL Industries Group cover those manufactured not only in the PRC but also outside the PRC; and (iii) that the respective scopes of Electronics Products that the Group may sell to TCL Industries Group and TCL Associates Products that the Group may source from TCL Industries Group are expanded to cover not only parts and components and accessories but also finished goods.

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

Date: 25 April 2019

Parties: (i) the Company (for itself and on behalf of its Subsidiaries)  
(ii) TCL Industries (for itself and on behalf of its Associates)

Duration: From 25 April 2019 to 31 December 2019

Major terms: The Company may from time to time sell and the Supplier may from time to time purchase and procure members of the Supplier Group to purchase the Electronics Products.

The Company may from time to time purchase and the relevant Supplier may from time to time sell and procure members of the Supplier Group to sell the TCL Associates Products.

Such sale and purchase shall be in accordance with individual sale and purchase contracts to be entered into with the relevant member of Supplier Group on the one hand, and the relevant member of the Group on the other hand, provided that the terms of such sale and purchase contracts are consistent with the Master Sale and Purchase (2019) Agreement.

### ***Sourcing of Goods***

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

### ***Sale of Goods***

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

Pricing policy and price determination:

1. The terms (including price and payment terms) shall be agreed between the parties based on normal commercial terms after arm's length negotiations and with reference to the fair market price ranges of products comparable to Goods offered in the market as at the time when the relevant sale and purchase are performed.
2. The prices charged for the Goods are under regular review and may be adjusted from time to time on mutual agreement. In determining if the prices charged are on normal commercial terms, the Group shall obtain quotations from the relevant members of the Supplier Groups and Independent Third Parties of the Company for comparable goods on a periodic basis and make comparisons. The Group would consider, compare and take reference of the said price quotations in determining the final prices charged.
3. If at any time during the term of the Master Sale and Purchase (2019) Agreement, the relevant member of the Supplier Group provides Goods to other Independent Third Parties at more favourable terms, the relevant member of a Supplier Group shall immediately offer to provide Goods to the Group at equivalent terms accorded to such other Independent Third Parties starting from the next applicable period.
4. If no comparable transactions are available for references, the Group shall obtain quotations from Independent Third Parties of the Company for provision of products similar to the Goods and the terms (including price and payment terms) shall be no less favourable than those available to or from the Independent Third Parties of the Company for provision of products similar to the Goods.

5. The relevant member of the Group has the absolute discretion to decide whether to accept an offer from the relevant member of the Supplier Group.
6. The relevant member of the Group has the right to sell or resell the Goods which it has acquired from the relevant member of the Supplier Group at such price as it may in its absolute discretion determine.
7. The relevant member of the Group may demand the relevant member of the Supplier Group to purchase back the Goods at the original selling price offered to the Group if they remain unsold to third parties for six months.

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



## HISTORICAL FIGURES AND PROPOSED ANNUAL CAPS

The following table sets out the respective actual amounts and original annual caps of the continuing connected transactions as described above for the two years ended 31 December 2017 and 31 December 2018 and the three months ended 31 March 2019, and the respective proposed annual caps for the period from 25 April 2019 to 31 December 2019:

	For the year ended 31 December 2017 (audited) <i>HK\$'000</i> <i>(Note 2)</i>	For the year ended 31 December 2018 (audited) <i>HK\$'000</i>	For the 3 months ended 31 March 2019 (unaudited) (for actual amount only)/ for the year ending 31 December 2019 (for original annual cap only) <i>HK\$'000</i>	For the period from 25 April 2019 to 31 December 2019 <i>HK\$'000</i>
<b>Continuing Connected Transactions (Note 1)</b>				
Master Sale and Purchase (2018 Renewal) Agreement				
Sourcing of Goods				
– Actual	209	7,506	3	
– Original annual cap	50,250	54,270	10,000	
Sale of Goods				
– Actual	11,287	3,905	6,566	
– Original annual cap	131,760	142,301	152,183	
<b>Master Sale and Purchase (2019) Agreement</b>				
Sourcing of Goods				
– Proposed annual cap				10,000
Sale of Goods				
– Proposed annual cap				80,000
Master Lease (Tenant) (2018 Renewal) Agreement				
– Actual	13,938	20,763	5,932	
– Original annual cap	21,155	27,822	39,169	
<b>Master Rental (2019) Agreement</b>				
Proposed annual cap				30,000

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

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

## **REASONS FOR THE PROPOSED ANNUAL CAPS**

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

### **1. Proposed annual caps for the Master Rental (2019) Agreement**

The proposed annual caps for the leases/licenses as contemplated under the Master Rental (2019) Agreement have been calculated with reference to the estimated aggregate annual rental/license fee payable by the Group to TCL Associates or by TCL Associates to the Group (as the case maybe) under the existing leases/licenses and potential new leases/licenses. The Group has taken into account the following factors in determining the proposed annual caps:

1. the potential increase in the total leasing and licensing area to be leased by the Group as well as the current and ongoing demand for premises in light of the business development of the Group;
2. the historical amounts paid for rentals and relevant fees contemplated under the Master Lease (Tenant) (2018 Renewal) Agreement;
3. the estimated aggregate annual rents/licence fee payable calculated based on the total area of the properties leased/licensed and the properties to be leased/licensed and the average rent/licence fee per square meter;
4. the estimated growth of the rents/licence fees payable for the premises in the region of approximately 10% per annum; and
5. the prevailing market rate of the rent/licence fees to be paid for comparable premises if such were to be rented/licensed from independent third parties.

## **2. Proposed annual caps for the Master Sale and Purchase (2019) Agreement**

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

- (i) the historical amounts of the relevant transactions under the Master Sale and Purchase (2018 Renewal) Agreement;
- (ii) in respect of Sourcing of Goods, the possible requirement of raw materials, semi-finished materials and finished goods with respect to the projected business volumes and the estimated growth rates of the relevant business lines of the Group (which in turn are estimated by reference to, among other things, the relevant industry demand and the target market share of the Group), together with the prevailing market rate for similar raw materials, semi-finished materials and finished goods; and
- (iii) in respect of Sale of Goods, the relevant TCL Associates' projected requirement of raw materials, semi-finished materials and finished goods for its operations, which is expected to increase substantially, together with the prevailing market rate for similar raw materials, semi-finished materials and finished goods.

## **INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS**

In respect of all continuing connected transactions of the Group, the Group has adopted the following internal control procedures (which are similar to those adopted by the Group for Master Sale and Purchase (2018 Renewal) Agreement and Master Lease (Tenant) (2018 Renewal) Agreement):

1. Before conducting any transactions contemplated under, or enter into any sub-contract pursuant to, an agreement for continuing connected transactions, the internal control department, legal department and finance department of the Group would review the terms of the proposed transactions and the draft sub-contract to ensure that the transactions would be conducted in accordance with the terms of the agreement and in accordance with the Company's pricing policy.

2. For purchase of goods from the connected persons, to ensure that the transactions with connected persons are on normal commercial terms and terms no less favourable than those available from Independent Third Parties, where comparable goods are available on the market from Independent Third Parties, before requesting the connected persons to provide the goods, the purchasing department of the Group would obtain a quotation from at least two Independent Third Parties for the comparable goods and conduct an overall assessment on the terms of supply of goods. The relevant members of the Group would only engage the connected persons for the provision of the goods when, according to the results of the overall assessment by the purchasing department of the Group, the connected persons offer the best terms of supply for the goods, and the internal control department and legal department of the Group have (i) reviewed the terms for the supply of goods and (ii) separately given their approval for engaging the connected persons. The quotations obtained from the Independent Third Parties would be recorded in an internal system maintained by the purchasing department of the Group which would be updated from time to time so that the members of the Group would have an easy access of information regarding market price and other terms of supply,
  
3. For sale of goods by the Group, to ensure that the transactions with connected persons are on normal commercial terms and terms no less favourable from the perspective of the Group than those available to Independent Third Parties, every time before conducting any such transactions, the sales department of the Group would first prepare the relevant contract for the sale of goods and submit it to the internal control department and legal department of the Group for review and approval. The internal control department and the legal department of the Group would review the terms of the proposed transaction and the draft sub-contract to be entered into (if any) to make sure that the terms are in compliance with the pricing policy of the Company and the overall terms (including payment terms, product warranty) are no more favourable to the connected persons than those which have been offered or to be offered by the Group to Independent Third Parties. The transactions could only be carried out after the internal control department and the legal department have separately given their approval therefor.

4. For transactions contemplated under the Master Rental (2019) Agreement, to ensure that the said transactions with connected persons are on normal commercial terms and terms no less favourable from the perspective of the Group than those available to Independent Third Parties, every time before conducting any such transactions, the member of the Group would first prepare the relevant contract for renting, leasing and/or licensing, sharing and/or making available the use of certain properties and vehicles and submit it to the internal control department and legal department of the Group for review and approval. The internal control department and the legal department of the Group would review the terms of the proposed transaction and the draft contract to be entered into (if any) to make sure that the terms are in compliance with the pricing policy of the Company and the overall terms (including payment terms, product warranty) are no more favourable to the connected persons than those which have been offered or to be offered by the Group to Independent Third Parties. When evaluating the terms of a draft contract for renting, leasing and/or licensing, sharing and/or making available the use of certain properties and vehicles which the relevant lessor/licensor owns, the internal control unit will endeavour to obtain rental and relevant fees payable/rental and relevant fees receivable to/from independent third parties for comparable tenancies and make comparisons. The transactions could only be carried out after the internal control department and the legal department of the Group have separately given their approval therefor.
  
5. After approval has been given by both the internal control department and the legal department but before the connected transaction is entered into, the finance department would confirm that the Group still has sufficient unused annual caps for carrying out the relevant continuing connected transactions. The internal control department would on a monthly basis review the continuing connected transactions carried out in the month under review to assess, and compile a monthly report, on (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, (ii) whether the transactions have been conducted on normal commercial terms and on terms no less favourable than those on which the Company conducted with Independent Third Parties and (iii) 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. In the report, the forecasted transactions amount for the next three months would also be set out. If it is anticipated that the annual caps may be exceeded if the Company is to carry out the proposed transactions, it would take all appropriate step in advance to comply with the relevant requirements under the Listing Rules and seek to revise the relevant annual caps in accordance with the relevant requirements of the Listing Rules before entering into the proposed transactions.

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

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

### **1. Master Rental (2019) Agreement**

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

### **2. Master Sale and Purchase (2019) Agreement**

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

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

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

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, TCL Industries holds approximately 48.68% of the total issued share capital of the Company and is therefore a substantial shareholder of the Company. TCL Industries and TCL Associates are connected persons of the Company as defined under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Agreements constitute continuing connected transactions of the Company.

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

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

## GENERAL INFORMATION OF THE PARTIES

TCL Industries is a company incorporated and subsisting under the laws of the Hong Kong with limited liability and is principally engaged in investment holding.

## DEFINITIONS

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

“Agreements”	the Master Rental (2019) Agreement and the Master Sale and Purchase (2019) Agreement;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors;
“Company”	Tonly 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: 01249);
“connected person(s)”	has the meanings ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Electronics Products”	electronics products including information technology, software, audio-visual products manufactured, produced or otherwise sold by the Group;
“Goods”	the Electronics Products or the TCL Associates Products (as the case may be) and the articles, things, components or raw materials required for the manufacture or production of such products and waste products arising from manufacturing or production of any such products;



“Group”	the Company and its Subsidiaries;
“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)”	a person(s) or company(ies) which is/are independent of and not connected with any directors, chief executives, controlling shareholders and substantial shareholders of the listed company or any of its Subsidiaries and their respective associates;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Master Lease (Tenant) (2018 Renewal) Agreement”	the master lease (tenant) (2018 renewal) agreement dated 18 October 2018 entered into between the Group and TCL Corporation;
“Master Rental (2019) Agreement”	the master rental (2019) agreement dated 25 April 2019 entered into among the Company and TCL Industries
“Master Sale and Purchase (2018 Renewal) Agreement”	the master sale and purchase (2018 renewal) agreement dated 18 October 2018 entered into between the Company and TCL Corporation;
“Master Sale and Purchase (2019) Agreement”	the master sale and purchase (2019) agreement dated 10 April 2019 entered into among the Company and TCL Industries
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Rental Group”	each of the Group and the TCL Industries Group;
“RMB”	Renminbi, the lawful currency of the PRC;

“Sale of Goods”	the sale of the Goods by the Group to TCL Associates pursuant to the Master Sale and Purchase (2019) Agreement;
“Shareholder(s)”	holder(s) of share(s) of the Company;
“Sourcing of Goods”	the purchase by the Group from the relevant TCL Associates of the Goods pursuant to the Master Sale and Purchase (2019) Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “Subsidiaries” shall be construed accordingly;
“Supplier”	TCL Industries;
“Supplier Group”	TCL Industries Group;
“TCL Associates”	associate(s) of TCL Industries, also members of TCL Holdings Group;
“TCL Associates Products”	any goods or appliances including electronic, telecommunications, information technology or electrical and audio-visual products (including but not limited to refrigerators, dishwashers, air conditioners, home use telephones, electrical accessories and their components) designed, developed, manufactured, produced or otherwise sold, marketed, supplied or distributed by TCL Associates pursuant to the Master Sale and Purchase (2019) Agreement;
“TCL Corporation”	TCL Corporation (TCL集團股份有限公司), a joint stock company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100);
“TCL Corporation Group”	TCL Corporation and its Subsidiaries;

“TCL Industries”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong and a Subsidiary of TCL Holdings;
“TCL Industries Group”	TCL Industries and its Subsidiaries and TCL Associates, but for the purpose of the Agreements excluding the Company;
“TCL Holdings”	TCL Industries Holdings (Guangdong) Inc. (TCL實業控股(廣東)股份有限公司), a joint stock company established under the laws of the PRC and the holding company of TCL Industries;
“TCL Holdings Group”	TCL Holdings and its Subsidiaries and associates; and
“%”	per cent.

On behalf of the Board  
**LIAO Qian**  
*Chairman*

Hong Kong, 25 April 2019

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

*As at the date of this announcement, the Board comprises Mr. YU Guanghui, Mr. SONG Yonghong and Mr. REN Xuenong as executive Directors, Mr. LIAO Qian as non-executive Director and Mr. POON Chiu Kwok, Mr. LI Qi and Mr. LEONG Yue Wing as independent non-executive Directors.*