

## TCL Electronics (01070.HK) and TCL Holdings to Form JV Company In Efforts to Tap into AR Market

**(December 22, 2021, Hong Kong)–TCL Electronics Holdings Ltd.** ("TCL Electronics" or "Company", stock code: 01070.HK) announced that it has entered into a Strategic Co-operation Agreement with its controlling shareholder, TCL Industries Holdings Co., Ltd. ("TCL Holdings"). The two parties will jointly fund the formation of a JV Company to actively expand into the augmented reality (AR) sector, building an industry-leading application developer ecosystem and providing consumers with a more refined lifestyle.

Pursuant to the Strategic Co-operation Agreement, TCL Electronics will invest nearly RMB 20 million (approximately HK\$24.44 million) and own 19.99% of the equity interest in the JV Company. The capital commitment will be met by injecting into and transferring to the JV Company the Intellectual Property Rights. The JV Company will mainly focus on research and development, production and sales of smart AR products, and provide related content, software and other services linked to the smart products.

For distribution channels, TCL Electronics will leverage the strong partnership it has with over 80 top global retailers and mobile operators. In terms of technology, it brings a strong algorithm, system and integrated development capabilities, as well as an accumulation of technology and patents in terms of AR, and a large pool of artificial intelligence experts. In addition, TCL Electronics' strategic partner, TCL CSOT, a global semiconductor display leader, is a pioneer in the high-end display technologies such as Mini LED, Micro LED and inkjet printing OLED. It is expected that the formation of the JV Company will allow the Company to leverage its competitive global marketing competency and channel layout, while creating synergy effects through the collaboration with TCL Holdings and upstream and downstream industry chains, thereby creating more value for the Company and its shareholders.

In the past October, TCL Electronics released the TCL LEINIAO AR - the industry's first binocular full-color Micro LED holographic waveguide AR glasses. Equipped with the first full-color micro display engine, the TCL LEINIAO AR made a breakthrough in the industry's technology bottleneck, striving a balance in efficiency, dispersion, and mass production. It is also the first to achieve full-color display in the form of thin and light glass display, which can satisfy the need of message notification, photo sharing, camera dictionary and other multi scene applications. There will also be other features including online multi-screen display, live translation, and vehicle rear-view mirror. Currently, the first generation of XR glasses NXTWEAR G is available in Japan, South Korea, Australia, the United States, Russia and other countries.

Going forward, TCL Electronics will adhere to the development of the "AI x IoT" strategy as it continues to seek new business opportunities by virtue of its perfect global channel layout,

powerful strength in software and hardware research and development, and its unique advantage in vertical integration for the industry chain. The goal is to further expand in the categories of smart products, enhancing the company's impact and strengthening its fundamentals in the industry and competitiveness of its core business, while promoting the synergistic development of relevant upstream and downstream industries, and becoming an all-rounded smart technology company.

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### **About TCL Electronics**

TCL Electronics Holdings Limited ("TCL Electronics" or "the Company", stock code: 01070.HK, incorporated in the Cayman Islands with limited liability) was listed on the mainboard of the Hong Kong Stock Exchange in November 1999. The Company is mainly engaged in R&D, manufacturing, and sales of smart screen, smart mobile and connected device, smart commercial display, smart home product and other diversified IoT products, as well as independently developed home Internet services. TCL Electronics is the only diversified consumer electronics company within the industry in China with vertically integrated supply chain. Focusing on the smart display business, supported by 5G technology and "AI x IoT" strategy, TCL Electronics is committed to providing a smart and healthy life in households, mobile and commercial scenarios, and dedicated to becoming a global leading smart technology company. TCL Electronics is part of the Shenzhen-Hong Kong Stock Connect program and is included in the Hang Seng Stock Connect Hong Kong Index, the Hang Seng Composite MidCap & SmallCap Index, and the Hang Seng Corporate Sustainability Benchmark Index. Every year since 2018, the Company has received an A rating for ESG from Hang Seng Indexes Company Limited. For more information, please visit the website of investor relations of TCL Electronics: <http://electronics.tcl.com>, or TCL Electronics Investor Relations WeChat Page.



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