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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)

**2025 GRANT OF AWARDED SHARES WITH
PERFORMANCE-LINKED VESTING CONDITIONS
AND
ARRANGEMENT TO PURCHASE SHARES BY TRUSTEE
UNDER SHARE AWARD SCHEME**

2025 GRANT OF AWARDED SHARES WITH PERFORMANCE-LINKED VESTING CONDITIONS

The Board hereby announces that on 9 April 2025, the Company granted an aggregate of 91,497,900 Awarded Shares with performance-linked vesting conditions pursuant to the Share Award Scheme to a total of 860 Selected Persons who have made contributions to and take up key responsibilities of the operating results of TCL Electronics, being Directors and chief executive of the Company, other Employee Participants and Related Entity Participants, subject to their acceptance.

The Grant is linked to the Company's key performance indicator (i.e. the percentage increase in Adjusted Profit Attributable to Owners of the Parent), closely aligning the personal interest of the management and core personnel of TCL Electronics with the mid-to-long-term performance of TCL Electronics, and conveying to the market our confidence in and commitment to delivering high-quality and sustainable growth across our global business operations.

**ARRANGEMENT TO PURCHASE SHARES BY TRUSTEE UNDER
SHARE AWARD SCHEME**

In view of the Grant and vesting arrangement of the Awarded Shares in the future, the Company will, based on its reasonable judgments on the value of the Shares and taking into account the overall capital market trend and sentiment, instruct the Trustee(s) to purchase Shares in the open market as Awarded Shares in accordance with the rules of the Share Award Scheme as and when appropriate.

2025 GRANT OF AWARDED SHARES WITH PERFORMANCE-LINKED VESTING CONDITIONS

The Board hereby announces that on 9 April 2025, the Company granted an aggregate of 91,497,900 Awarded Shares with performance-linked vesting conditions pursuant to the Share Award Scheme to a total of 860 Selected Persons who have made contributions to and take up key responsibilities of the operating results of TCL Electronics, being Directors and chief executive of the Company, other Employee Participants and Related Entity Participants, subject to their acceptance. Selected Persons are not required to pay any consideration for the acceptance or vesting of Awarded Shares.

The Grant is linked to the Company's key performance indicator (i.e. percentage increase in Adjusted Profit Attributable to Owners of the Parent), closely aligning the personal interest of the management and core personnel of TCL Electronics with the mid-to-long-term performance of TCL Electronics, and conveying to the market our confidence in and commitment to delivering high-quality and sustainable growth across our global business operations.

Summary of the Grant and the Awarded Shares is set out below:

Date of Grant ("Grant Date"): 9 April 2025

Number of Awarded Shares granted: 91,497,900

Source of Awarded Shares: All to be satisfied in the form of existing Shares, and the Trustee(s) will purchase Shares in the open market as Awarded Shares as and when appropriate

Closing price of the Shares on the date of Grant: HK\$6.54

Vesting dates of the Awarded Shares ("Vesting Date"): Subject to achievement of the performance targets set out below for the respective financial years ending 31 December 2025, 31 December 2026 and 31 December 2027, and other terms of the Share Award Scheme (including the Clawback mechanism disclosed below), the Awarded Shares granted to each Selected Person shall be vested on him/her in three batches on the dates and in the respective proportions as follows:

Corresponding to results for the financial year ending 31 December	Vesting Date	Maximum proportions to be vested
2025	12 May 2026	Approximately 40%
2026	12 May 2027	Approximately 30%
2027	12 May 2028	Approximately 30%

Performance targets:

(i) Performance targets at the Company level (*Note*)

Each of the three batches of Awarded Shares shall be vested according to tiers with reference to the percentage increase in Adjusted Profit Attributable to Owners of the Parent for the corresponding financial year as compared against the Adjusted Profit Attributable to Owners of the Parent for the financial year ended 31 December 2024 (“Percentage Increase”) as follows:

Corresponding to results for the financial year ending 31 December	Percentage Increase (X)	The percentage of Awarded Shares corresponding to the relevant financial year to be vested
2025	$X \geq 45\%$	100%
	$25\% \leq X < 45\%$	80%
	$X < 25\%$	0%
2026	$X \geq 75\%$	100%
	$50\% \leq X < 75\%$	80%
	$X < 50\%$	0%
2027	$X \geq 100\%$	100%
	$75\% \leq X < 100\%$	80%
	$X < 75\%$	0%

(ii) Performance targets at individual Selected Person level

A Selected Person's personal assessment will be conducted annually in accordance with the assessment method formulated by TCL Electronics. Each of the three batches of Awarded Shares shall be vested according to the individual performance appraisal results of the Selected Persons for the corresponding financial year. The Awarded Shares will not be vested on any Selected Person who fails to attain a designated threshold at individual Selected Person level, whether the performance targets at the Company level are satisfied or not.

The Awarded Shares granted to a Selected Person which do not vest because of failure to achieve the performance targets will lapse in accordance with the terms of the Share Award Scheme.

Clawback mechanism:

The Company may exercise the Clawback right to the extent permitted under the applicable laws and regulations in circumstances where, in the absolute opinion of the Board, it may be regarded as inequitable for any Awarded Shares (together with the Related Distribution, if any) to be vested on or retained by (as the case may be) any Selected Person, including but not limited to where there has been a material misstatement or omission in the financial reports of TCL Electronics or if the relevant Selected Person has committed any fraud or serious misconduct.

Note: For the avoidance of doubt, the above performance targets should neither be regarded as representations by the Board or the Company that such targets and/or objectives will be achieved nor constitute a profit forecast made by TCL Electronics or its commitment to results, and investors should not place undue reliance on such statements.

ARRANGEMENT TO ACQUIRE SHARES BY TRUSTEE UNDER SHARE AWARD SCHEME

In view of the Grant and vesting arrangement of the Awarded Shares in the future, the Company will, based on its reasonable judgments on the value of the Shares and taking into account the overall capital market trend and sentiment, instruct the Trustee(s) to purchase Shares in the open market as Awarded Shares in accordance with the rules of the Share Award Scheme as and when appropriate.

LISTING RULE IMPLICATIONS

91,497,900 Awarded Shares are granted to Directors and chief executive of the Company, other Employee Participants and Related Entity Participants as follows:

Name/Category of Selected Person	Number of Awarded Shares granted
Directors	
DU Juan (<i>chairperson and executive Director</i>)	1,376,200
ZHANG Shaoyong (<i>executive Director and chief executive officer</i>)	917,500
PENG Pan (<i>executive Director, chief financial officer and joint company secretary</i>)	917,500
SUN Li (<i>executive Director</i>)	917,500
Other Employee Participants (Note 1)	75,296,000
Related Entity Participants (Note 2)	12,073,200

Notes:

1. Other Employee Participants refer to those Employee Participants who are neither a Director, chief executive nor substantial shareholder of the Company nor an associate of any of them.
2. The Related Entity Participants are senior management, senior technical staff and experts of a variety of fields of those Related Entities which provide sales, marketing and other technical and professional support to TCL Electronics.

The Grant is funded only by existing Shares, and will not result in the total number of Shares issued and to be issued in respect of all Awards, share options or share awards granted (including both exercised or outstanding share options and vested or outstanding Awarded Shares and other share awards but excluding any Awards, share options and share awards lapsed in accordance with the terms of the Share Award Scheme or any Other Schemes) to such Selected Person in the 12-month period up to and including the date of the Grant representing in aggregate over 1% of the issued Shares (excluding treasury shares). The Grant is not subject to the approval of the Shareholders.

To the best of the knowledge of the Directors having made all reasonable enquiries, as at the date of Grant, save as disclosed above: (i) none of the Selected Persons is a Director, chief executive or substantial shareholder or an associate of any of them; (ii) none of the Selected Persons is granted or to be granted Awards, share options and share awards exceeding the 1% individual limit under Rule 17.03D(1) of the Listing Rules; (iii) none of the Selected Persons is a Related Entity Participant with Awards, share options and share awards granted and to be granted for a 12-month period up to and including the date of Grant exceeding 0.1% of the Shares in issue (excluding treasury shares); (iv) none of the Selected Persons is a Service Provider; and (v) no financial assistance has been provided by TCL Electronics to the Selected Persons to facilitate the purchase of Shares under the Share Award Scheme.

NUMBER OF SHARES AVAILABLE FOR FUTURE GRANTS

As at the date of this announcement, after the Grant is made, 250,756,873 Shares will be available for future grants under the Scheme Mandate Limit and 25,075,687 Shares will be available for future grants under the Service Provider Sublimit.

REASONS FOR AND BENEFITS OF THE GRANT

Amidst a highly volatile global political and economic situation with markets and technological development constantly changing, we believe that opportunities lie side by side with risks. After long-term accumulation and cultivation in global markets for years, the mid-to-high-end product structure of our core businesses has significantly improved and new business segments have become new growth drivers. We have also reshaped the global organisational structure and regional strategies, achieved key results in our efforts to build the global capability with a focus on long-term development, and the operational efficiency centred on relative competitiveness has been further optimised.

In order to further enhance the cohesion of the key personnel teams and the core competitiveness of TCL Electronics, the Board resolved to grant Awarded Shares to Employee Participants and Related Entity Participants with performance-linked vesting conditions. By setting up the key performance growth indicators for the next three years, the Grant fully mobilises the enthusiasm of the management team and core personnel who are primarily responsible for the operating results of the Company. It not only closely aligns the interest of the key personnel teams of TCL Electronics with the mid-to-long-term performance of TCL Electronics, but also conveys to the market our confidence in and commitment to delivering high-quality and sustainable growth across our global business operations.

No matter how long and arduous the journey would be, we will be committed to the path of “globalisation” and “technologicalisation”. We believe that the great truth is always simple, which is, by keeping users in mind, staying strategically determined, embracing transformation and striving to inspire greatness, we will accumulate small victories into big triumphs and turn potential energy into kinetic energy, thus accelerating our pace towards global leadership.

Based on the above, the Board is of the view that the Grant to the Employee Participants and the Related Entity Participants recognises their contributions and incentivises them to contribute to TCL Electronics in the future, hence it aligns with the purpose of the Share Award Scheme, and is in the interest of the Company and Shareholders as a whole.

DEFINITIONS

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

“Share Award Scheme”	the share award scheme adopted by the Company at the extraordinary general meeting of the Company on 3 November 2023;
“Adjusted Profit Attributable to Owners of the Parent”	profit attributable to owners of the parent of TCL Electronics after excluding such non-cash items, investments and non-current assets transactions as may be determined by the Board from time to time for the purpose of assessing the results of TCL Electronics’ core business;

“associate”	shall have the meaning ascribed to it under the Listing Rules;
“Award(s)”	award(s) of Awarded Shares to a Selected Person pursuant to the Share Award Scheme;
“Awarded Share(s)”	in respect of a Selected Person, such number of Share(s) determined by the Board for grant of an Award;
“Board”	the board of Directors from time to time, which for the purposes of the Share Award Scheme shall include such committee or such sub-committee or person(s) delegated with the power and authority by the board of Directors from time to time to administer the Share Award Scheme;
“Clawback”	the Company’s overriding right, authority and power to recover or withhold the Awarded Shares (and Related Distribution) granted to any Selected Person, which includes without limitation, (i) the return or repayment of all or a specified part of such Awarded Shares (and Related Distribution) granted to a Selected Person and/or (ii) the ceasing or variation of the Selected Person’s entitlement to receive or be vested with all or a specified part of any such Awarded Shares (and Related Distribution) which has not yet been vested in the Selected Person;
“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);
“Director(s)”	the director(s) of the Company from time to time;
“Employee Participant(s)”	director(s) and employee(s) (whether full time or part time employee(s)) of the Company and/or of any of its subsidiaries (including persons who are granted Awards under the Share Award Scheme as an inducement to enter into employment contracts with these companies);

“Excluded Person(s)”	any Participant(s) who is/are resident in a place where the settlement of the reference amount payable by TCL Electronics to the Trustee for purchase or subscription of Awarded Shares as referred to in the rules of the Share Award Scheme and/or the award of the Awarded Shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Scheme is not permitted under the laws and regulations of such place or where in the view of the Board compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such Participant;
“Grant(s)”	the grant of an aggregate of 91,497,900 Awarded Shares to 860 Selected Persons pursuant to the Share Award Scheme;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;
“Other Participant(s)”	Participant(s) other than Employee Participants, Related Entity Participants and Service Providers, which shall be such person(s) whom the Board in its sole discretion considers may contribute or have contributed to TCL Electronics (including but not limited to employees and officers of any invested entities of the Company, of any affiliated entities of the Company and/or of any Service Provider), to which an Award can only be made in the form of existing Shares;
“Other Scheme(s)”	other than the Share Award Scheme, all the schemes or arrangements involving the grant by the Company or any member of TCL Electronics of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules;

“Participant(s)”	<p>any person(s) belonging to any of the following classes of participants:</p> <ul style="list-style-type: none"> (a) Employee Participants; (b) Related Entity Participants; and (c) Service Providers, <p>provided that if and only if an Award is to be made in the form of existing Shares, Participant in respect of such Award shall also include Other Participants;</p>
“PRC”	<p>the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context otherwise requires, references in this announcement to the “PRC” do not apply to Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan, China;</p>
“Related Distribution(s)”	<p>distribution(s) derived from any Awarded Share referable to a Selected Person, the record date for entitlement of which falls within the period from the Grant Date to the Vesting Date (both days inclusive) of such Awarded Share, that is determined by the Board at its sole and absolute discretion as “Related Distribution” and received by the relevant Trustee as holder of the Awarded Share, which may include distributions whether in the form of cash, securities or otherwise, such as cash dividend and its scrip Shares alternative (if any), bonus Shares, distribution in specie, but shall, for the avoidance of doubt, exclude any Residual Cash;</p>
“Related Entity(ies)”	<p>holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company;</p>
“Related Entity Participant(s)”	<p>director(s) and employee(s) (whether full time or part time employee(s)) of the Related Entities;</p>

“Residual Cash”	in respect of each of the trusts (if applicable), cash remaining in any trust fund in respect of the Share Award Scheme held by the relevant Trustee (including interest income derived from deposits maintained with licensed banks in Hong Kong, which has not been applied in the acquisition or subscription of the Awarded Shares or Further Shares as referred to in the rules of the Share Award Scheme) which does not include the Related Distributions;
“Scheme Mandate Limit”	the maximum number of new Shares which may be allotted and issued in respect of all Awards to be granted under the Share Award Scheme and all share options and share awards to be granted under any Other Schemes;
“Selected Person(s)”	Participant(s) (other than any Excluded Person) whom the Board may, from time to time, at its absolute discretion select for participation in the Share Award Scheme;
“Service Provider(s)”	person(s) (whether a natural person, a corporate entity or otherwise) who provide services to TCL Electronics on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of TCL Electronics, including but not limited to person(s) who work for any member of TCL Electronics as independent contractors (such as agents, distributors, contractors, vendors, suppliers, advisers, consultants and service providers of any member of TCL Electronics) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

“Service Provider Sublimit”	the limit on the total number of Shares which may be allotted and issued in respect of all Awards that may be granted to the Service Providers under the Share Award Scheme and all share options and all share awards that may be granted to the Service Providers under any Other Schemes;
“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	any entity which falls within the meaning of the term “Subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly;
“substantial shareholder(s)”	shall have the meaning ascribed to it under the Listing Rules;
“TCL Electronics”	the Company and its subsidiaries;
“Trustee(s)”	the trustee(s) of the trust(s) established under the Share Award Scheme; and
“%”	per cent.

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

Hong Kong, 9 April 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.