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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect about this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitors, professional accountant or other professional adviser.

**If you have sold or transferred** all your Shares in **TCL ELECTRONICS HOLDINGS LIMITED**, you should at once hand this circular and proxy form enclosed herein to the purchaser or transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

- (1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(2) RE-ELECTION OF DIRECTORS**  
**(3) SPECIFIC MANDATE TO ISSUE SHARES UNDER**  
**THE RESTRICTED SHARE AWARD SCHEME**  
**(4) DECLARATION OF FINAL DIVIDEND**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of TCL Electronics Holdings Limited to be held at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on 21 May 2021, Friday, at 2:30 p.m. is set out on pages 36 to 41 of this circular.

Shareholders of the Company should note that the meeting will be held as scheduled when typhoon signal no. 8 (or above) or black rainstorm warning signal or “extreme conditions” as defined under Chapter 1 of the Rules of the Exchange of the Stock Exchange are in force. In such event, shareholders of the Company should make their own decision as to whether they would attend the meeting under bad weather conditions bearing in mind their own situations and if they should choose to do so, they are advised to exercise care and caution.

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

21 April 2021

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“2018 Amendments”	the amendments to the Scheme Rules as approved by the Board on 4 May 2018 (please refer to the Company’s circular dated 7 May 2018 for further information)
“Affiliated Company(ies)”	TCL Technology, its subsidiaries and company(ies) which, in accordance with the generally accepted accounting principles in the PRC, is/are recorded as affiliated company(ies) in the financial statements of TCL Technology, which shall include any company in which TCL Technology is directly or indirectly interested in not less than 20% of its issued share capital (or in case such company has no share capital, having a power to exercise or control the exercise of not less than 20% of voting right in its members’ meeting) and for the purpose of the Share Award Scheme shall exclude the Group
“AGM”	the annual general meeting of the Company to be held at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong, on 21 May 2021, Friday, at 2:30 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice dated 21 April 2021 for convening the AGM and included in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Award(s)”	award(s) of Restricted Shares to a Selected Person pursuant to the relevant sub-scheme under the Share Award Scheme
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are open to conduct business generally throughout their normal business hours and the Stock Exchange is open for trading, excluding a Saturday, Sunday, public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is issued in Hong Kong at any time between 09:00 and 17:00
“Cash Income”	cash income of any Restricted Share(s) including any deemed Cash Income as prescribed by the Scheme Rules
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules

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## DEFINITIONS

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“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.HK)
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules
“COVID-19”	coronavirus disease 2019
“Director(s)”	the director(s) of the Company
“Employee(s)”	employee(s) (whether full-time or part-time) of any member of the Group (including without limitation any executive and non-executive director of any member of the Group)
“Employee Award Scheme”	the “Restricted Share Award Scheme for Employees and Others”, a sub-scheme under the Share Award Scheme of the Company, administrated by the Employee Award Scheme Trustee exclusively for the Employee Award Scheme Participants
“Employee Award Scheme Participant(s)”	<p>(i) any Employee who has no managerial role in the Group (primarily including but not limited to mid-level and junior key Employees); and</p> <p>(ii) adviser, consultant, agent, contractor, client or supplier of any member of the Group,</p> <p>whom the Board in its sole discretion considers may contribute or have contributed to the Group but excluding any connected person of the Group</p>
“Employee Award Scheme Trust Deed”	a trust deed dated 29 June 2018 entered into between the Company and the Employee Award Scheme Trustee in respect of the administration of the Employee Award Scheme
“Employee Award Scheme Trustee”	the trustee(s) appointed by the Company for the purpose of the Employee Award Trust, which will hold Shares for the benefit of the Selected Persons under the Employee Award Scheme and others subject to the terms and conditions of the Employee Award Scheme Trust Deed, and initially BOCI-Prudential Trustee Limited
“Employee Award Trust”	the trust constituted by the Employee Award Scheme Trust Deed

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## DEFINITIONS

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“Excluded Person(s)”	any Participant(s) who is/are resident in a place where the settlement of the Reference Amount and/or the award of the Restricted Shares and/or the award of the Returned Shares and/or the vesting and transfer of Shares pursuant to the terms of the relevant sub-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(s)
“Further Shares”	in respect of each of the Trusts, Shares purchased or subscribed by the relevant Trustee out of Cash Income or net proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Shares held upon the relevant Trust
“General Extension Mandate”	a general mandate to the Directors to add to the General Mandate any Shares representing the number of Shares repurchased under the Repurchase Mandate
“General Mandate”	a general mandate to the Directors to allot and issue Shares not exceeding 20% of the total number of issued shares of the Company as at the date of approval of the mandate (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same)
“Grant Date”	the date specified in the Grant Letter sent by the Company to the Selected Person(s) as the date of grant of the Restricted Shares, or such other date as determined by the Board
“Grant Letter”	the letter to be sent by the Company to the Selected Person(s) whereby the Selected Person(s) are informed of the number of Restricted Shares to be granted to him/her and the vesting conditions attached therewith
“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
“Latest Practicable Date”	12 April 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Management Award Scheme”	the “Restricted Share Award Scheme for Management”, a sub-scheme under the Share Award Scheme of the Company, administrated by the Management Award Scheme Trustee exclusively for the Management Award Scheme Participants
“Management Award Scheme Participant(s)”	<p>(i) any Employee who has a managerial role in the Group (including but not limited to a director, chief executive, legal representative and supervisor of any member of the Group, management of the Group, and chief manager of any branch of the Group); and</p> <p>(ii) any employee or officer of any Affiliated Company who has a managerial role in the Affiliated Company,</p> <p>whom the Board in its sole discretion considers may contribute or have contributed to the Group</p>
“Management Award Scheme Trust Deed”	a trust deed dated 29 June 2018 entered into between the Company and the Management Award Scheme Trustee (as restated, supplemented and amended from time to time) in respect of the administration of the Management Award Scheme
“Management Award Scheme Trustee”	the trustee(s) appointed by the Company for the purpose of the Management Award Trust, which will hold Shares for the benefit of the Selected Persons under the Management Award Scheme and others subject to the terms and conditions of the Management Award Scheme Trust Deed, and initially BOCI-Prudential Trustee Limited
“Management Award Trust”	the trust constituted by the Management Award Scheme Trust Deed
“Nomination Committee”	the nomination committee of the Company
“Participant(s)”	the Employee Award Scheme Participant(s) and the Management Award Scheme Participant(s) (as the case may be)
“person(s)”	for the purpose of the Share Award Scheme, includes individual, firm, body corporate, corporations, unincorporated body of persons, government, state or agency of a state, joint venture, association or partnerships, sole proprietorships, organisations, associations, enterprises, branches and entities of any other kind (whether or not having separate legal personality)

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## DEFINITIONS

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“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 circular
“Reference Amount”	for each of the sub-schemes under the Share Award Scheme and in respect of a Selected Person, the sum of the closing price of the Shares as quoted on the Stock Exchange or par value (as the case may be) as at the Grant Date and the related purchase and/or subscription (as the case may be) expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee, if any) and such other necessary expenses required for the completion of the purchase and/or subscription (as the case may be) of all the Restricted Shares
“Related Distribution(s)”	in respect of each of the sub-schemes under the Share Award Scheme, certain distributions derived from a Restricted 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 Restricted Share, which shall include only distributions in cash form such as dividends, cash form of scrip dividend, and in case of bonus Shares, the proceeds from sale of the bonus Shares in accordance with Scheme Rules, but exclude all other forms of distributions such as nil paid rights, bonus warrants, non-cash distributions or proceeds of sale of the same or Residual Cash
“Remuneration Committee”	the remuneration committee of the Company
“Repurchase Mandate”	a general mandate to the Directors to repurchase Shares on market through the Stock Exchange or on another recognised stock exchange not exceeding 10% of the total number of issued Shares of the Company as at the date of approval of the mandate (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same)
“Residual Cash”	for each of the sub-schemes under the Share Award Scheme and in respect of a Selected Person, being cash remaining in any trust fund set up by the relevant Trustee in respect of the Award (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 Restricted Shares or Further Shares) which does not include the Related Distributions

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## DEFINITIONS

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“Restricted Share(s)”	in respect of a Selected Person, such number of Shares determined by the Board for grant of an Award and such Shares can be (i) new Shares issued by the Company at par for the relevant Selected Person, (ii) existing Shares purchased by the relevant Trustee on the market, in either case out of cash paid by the Company by way of settlement to the relevant Trustee pursuant to the Scheme Rules or (iii) Returned Shares or Further Shares awarded under the Share Award Scheme
“Returned Shares”	for each of the sub-schemes under the Share Award Scheme, such Restricted Shares (out of the relevant Restricted Shares which are referable to a Selected Person) which are not accepted or vested in accordance with the terms of the relevant sub-scheme (whether as a result of a total lapse or a partial lapse or otherwise), or such Shares being deemed to be Returned Shares in accordance with the terms of the relevant sub-scheme, or forfeited in accordance with the terms of the relevant sub-scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme(s)”	the two sub-schemes under the Share Award Scheme, namely the Management Award Scheme and the Employee Award Scheme (as the case may be) (for the avoidance of doubt, “Scheme” shall respectively be construed as the Management Award Scheme or the Employee Award Scheme when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“Scheme Mandate”	the specific mandate, Shareholders’ approval of which is to be obtained at a general meeting of the Company for such purposes, for the issuance and allotment of new Shares pursuant to the Share Award Scheme (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same)
“Scheme Rules”	the rules related to the Share Award Scheme in its present or any amended form
“Selected Person(s)”	in respect of each of the sub-schemes under the Share Award Scheme, Participant(s) (other than any Excluded Person) of that particular sub-scheme whom the Board may, from time to time, at its absolute discretion select for participation in that particular sub-scheme

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## DEFINITIONS

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“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$1.00 each in the capital of the Company
“Share Award Scheme”	the restricted share award scheme adopted by Company on 6 February 2008 (as amended or revised from time to time) comprising, as at the Latest Practicable Date, two sub-schemes under the Share Award Scheme, namely the Management Award Scheme and the Employee Award Scheme, constituted by the Scheme Rules, in its present form or as amended from time to time in accordance with the provisions of the Scheme Rules
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary/subsidiaries”	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
“Takeovers Code”	The Code on Takeovers and Mergers published by the SFC
“TCL Holdings”	TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司), formerly known as TCL Industries Holdings (Guangdong) Inc.* (TCL實業控股(廣東)股份有限公司), a joint stock limited company established under the laws of the PRC, the ultimate controlling shareholder of the Company
“T.C.L. Industries (H.K.)”	T.C.L. Industries Holdings (H.K.) Limited, a company incorporated in Hong Kong with limited liability, the immediate controlling shareholder of the Company and a wholly-owned subsidiary of TCL Holdings
“TCL Technology”	TCL Technology Group Corporation (TCL科技集團股份有限公司), formerly known as TCL Corporation (TCL集團股份有限公司), a joint stock limited company established under the laws of the PRC, the shares of which are listed on Shenzhen Stock Exchange (stock code: 000100)
“TCL Technology Group”	TCL Technology and its subsidiaries

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## DEFINITIONS

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“Trusts”	collectively the Management Award Trust and the Employee Award Trust (for the avoidance of doubt, “Trust” shall respectively be construed as the Management Award Trust or the Employee Award Trust when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“Trust Deeds”	collectively the Management Award Scheme Trust Deed and the Employee Award Scheme Trust Deed (for the avoidance of doubt, “Trust Deed” shall respectively be construed as the Management Award Scheme Trust Deed or the Employee Award Scheme Trust Deed when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“Trustees”	collectively the Management Award Scheme Trustee and the Employee Award Scheme Trustee (for the avoidance of doubt, “Trustee” shall respectively be construed as the Management Award Scheme Trustee or the Employee Award Scheme Trustee when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“%”	per cent.

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

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. LI Dongsheng (*Chairman*)  
Mr. WANG Cheng (*Chief Executive Officer*)  
Mr. YAN Xiaolin  
Mr. HU Dien Chien (*Chief Financial Officer*)

*Registered office:*

P.O. Box 309  
Ugland House  
Grand Cayman  
KY1-1104  
Cayman Islands

*Non-executive Directors:*

Mr. Albert Thomas DA ROSA, Junior  
Mr. SUN Li  
Mr. LI Yuhao

*Principal Place of Business in Hong Kong:*

7th Floor, Building 22E  
22 Science Park East Avenue  
Hong Kong Science Park  
Shatin, New Territories  
Hong Kong

*Independent Non-executive Directors:*

Mr. Robert Maarten WESTERHOF  
Dr. TSENG Shieng-chang Carter  
Professor WANG Yijiang  
Mr. LAU Siu Ki

21 April 2021

*To the Shareholders,*

Dear Sir or Madam,

**(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES**  
**(2) RE-ELECTION OF DIRECTORS**  
**(3) SPECIFIC MANDATE TO ISSUE SHARES UNDER**  
**THE RESTRICTED SHARE AWARD SCHEME**  
**(4) DECLARATION OF FINAL DIVIDEND**  
**AND**  
**(5) NOTICE OF ANNUAL GENERAL MEETING**

#### 1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding the following proposals to be put forward at the AGM for the Shareholders' consideration and, if thought fit, approval of:

- (a) the granting to the Directors of the General Mandate;

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## LETTER FROM THE BOARD

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- (b) the granting to the Directors of the Repurchase Mandate;
- (c) the granting to the Directors of the General Extension Mandate;
- (d) the re-election of Directors;
- (e) the Scheme Mandate to issue Shares under the Share Award Scheme; and
- (f) the declaration of final dividend (if any).

### **2. VARIOUS MANDATES**

On 2 June 2020, resolutions on the General Mandate, Repurchase Mandate and the General Extension Mandate were passed by the Shareholders and all the aforesaid mandates will lapse at the conclusion of the forthcoming AGM.

#### **(a) GENERAL MANDATE**

An ordinary resolution will be proposed at the AGM to approve the granting of the General Mandate. The new General Mandate, if granted, will allow the Directors to issue and allot further Shares up to 20% of the number of issued Shares of the Company as at the date of passing the relevant resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same).

As at the Latest Practicable Date, the number of issued shares of the Company was 2,469,297,133 fully paid-up Shares. Subject to the passing of the resolution granting the General Mandate and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date and up to the date of the AGM, exercise in full of the General Mandate could result in issue of up to 493,859,426 new Shares (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same). There is no present intention for any issuance of Shares pursuant to the General Mandate.

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## LETTER FROM THE BOARD

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### **(b) REPURCHASE MANDATE**

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate. The new Repurchase Mandate, if granted, will allow the Directors to exercise all the powers of the Company to repurchase its own Shares on market through the Stock Exchange or on another recognised stock exchange not exceeding 10% of the number of issued Shares as at the date of passing the relevant resolution (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same).

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that there were 2,469,297,133 fully paid-up Shares as at the Latest Practicable Date and no Shares will be issued or repurchased by the Company from the Latest Practicable Date to the date of AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 246,929,713 Shares (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same). There is no present intention for any repurchase of Shares on market through the Stock Exchange or on another recognised stock exchange pursuant to the Repurchase Mandate.

An explanatory statement required under Rule 10.06(1)(b) of the Listing Rules to be sent to the Shareholders in relation to the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the information reasonably necessary for Shareholders to make an informed decision on whether to approve the relevant resolution at the AGM.

### **(c) GENERAL EXTENSION MANDATE**

It is recommended that the General Extension Mandate be granted to the Directors permitting them, after the grant of the Repurchase Mandate referred to above, to add to the General Mandate any Shares repurchased pursuant to the Repurchase Mandate.

The authority conferred on the Directors by the General Mandate, the Repurchase Mandate and the General Extension Mandate would continue in force until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

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## LETTER FROM THE BOARD

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### 3. RE-ELECTION OF DIRECTORS

In accordance with Article 116 of the Articles, at each annual general meeting, not less than one-third of the Directors for the time being shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill casual vacancy shall not be taken into account in determining which Directors are to retire by rotation. The Directors to retire in every year shall be those who have been longest in office since their last election but as between persons who became Directors on the same day those to retire shall (unless otherwise agreed between themselves) be determined by lot. All retiring Directors shall be eligible for re-election. Pursuant to the corporate governance code and corporate governance report as set out in Appendix 14 of the Listing Rules, non-executive Directors should be appointed for a specific term, subject to re-election.

Accordingly, the following Directors shall retire from office by rotation at the conclusion of the AGM.

<b>Name</b>	<b>Position</b>
(a) Mr. LI Dongsheng	Executive Director
(b) Mr. WANG Cheng	Executive Director
(c) Mr. LI Yuhao	Non-executive Director
(d) Mr. LAU Siu Ki	Independent non-executive Director

All of the aforesaid Directors, being eligible, will offer themselves for re-election at the AGM.

Reference is made to the announcement of the Company dated 23 December 2020 in relation to the appointment of Mr. HU Dien Chien by the Board pursuant to Article 99(a) of the Articles as an executive Director to fill the casual vacancy arising from the resignation of Mr. HU Lihua. Pursuant to the Articles and the corporate governance code and corporate governance report as set out in Appendix 14 of the Listing Rules, Mr. HU Dien Chien shall hold office until the AGM (being the first general meeting after his appointment) and is subject to re-election by Shareholders at the AGM.

If re-elected at the AGM, each of Mr. LI Yuhao and Mr. LAU Siu Ki will hold office until the conclusion of the annual general meeting of the Company of 2024, but all of the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. Their particulars required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

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## LETTER FROM THE BOARD

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### **Recommendation of the Nomination Committee on re-election of independent non-executive Directors**

The Nomination Committee has taken into account the nomination policy and procedures adopted by the Company in making the recommendation to the Board on the re-election of Mr. LAU Siu Ki as an independent non-executive Director. In particular, the Nomination Committee has assessed Mr. LAU Siu Ki against the following nomination criteria applicable to independent non-executive Directors:

- (a) willingness and ability to make sufficient time commitment to the affairs of the Company in order to effectively perform the duties of a Director, including attendance at and active participation in Board and Board committee meetings, which will include considering the other responsibility of the relevant candidate (such as other directorships held in public companies the securities of which are listed on any securities market in Hong Kong or overseas and other major appointments, if any) and the effort and time that may be required by the candidate in fulfilling such role;
- (b) accomplishments of the candidate in his field;
- (c) outstanding professional and personal reputation; and
- (d) the candidate's ability to meet the independence criteria for directors established in the Listing Rules.

The Nomination Committee has reviewed the written confirmation of independence of Mr. LAU Siu Ki based on the independence criteria as set out in Rule 3.13 of the Listing Rules and is satisfied that he remains independent in accordance with Rule 3.13 of the Listing Rules. In addition, the Nomination Committee has evaluated his performance and considers that he has provided valuable contributions to the Company and has demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs.

The Nomination Committee is also of the view that Mr. LAU Siu Ki would bring to the Board his own perspective, skills and experience, as further described in his biography in Appendix II to this circular. With his strong and diversified educational background and professional experience, the Nomination Committee considers that Mr. LAU Siu Ki can contribute to the diversity of the Board.

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## LETTER FROM THE BOARD

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Mr. LAU Siu Ki serves as the independent non-executive director of seven listed companies, including the Company. The Company considers that Mr. LAU Siu Ki has been and will continue to fulfil his roles and obligations diligently as an independent non-executive Director. An independent non-executive Director is not required to take executive role in the management and operations of the Group but only to supervise the management of the Group and to attend Board meetings and Board committee meetings (either physically or by other means of communications) as and when required. Mr. LAU Siu Ki's strong proven record of attendance and participation in the Board meetings since he joined the Company fully demonstrates his proactive commitments to the Company.

Mr. LAU Siu Ki possesses good academic and professional qualifications, diverse experiences and knowledge across a wide range of industries. He has been able to bring about strategic business and governance insights to the Board which were critical and complementary to effective Board decision. The Company and the Directors are of the view, and as confirmed by Mr. LAU Siu Ki, that Mr. LAU Siu Ki will be able to devote sufficient time to discharge his duties as an independent non-executive Director.

Mr. LAU Siu Ki has also demonstrated that he understands his duties and obligations as required by the relevant laws and regulations, including the Listing Rules, while in the course of discharging his duties and obligation, Mr. LAU Siu Ki, same as other Directors, is fully supported by the company secretary of the Company. The Company appreciates that Mr. LAU Siu Ki has offered himself for re-election as an independent non-executive Director.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that Mr. LAU Siu Ki stands for re-election as Director at the AGM. As a good corporate governance practice, Mr. LAU Siu Ki abstained from voting at the relevant Board meeting on the proposition of the recommendation on his re-election by the Shareholders at the AGM.

### **Recommendation of the Nomination Committee on re-election of Directors other than independent non-executive Directors**

The Nomination Committee has taken into account the nomination policy and procedures adopted by the Company in making the recommendation to the Board on the re-election of each of Mr. LI Dongsheng, Mr. WANG Cheng, Mr. HU Dien Chien and Mr. LI Yuhao. The Nomination Committee is of the view that each of them has provided and would continue to provide valuable contribution to the Company and contribute to the diversity of the Board. Accordingly, the Nomination Committee considers that their re-elections would be in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 4. SCHEME MANDATE TO ISSUE SHARES UNDER THE SHARE AWARD SCHEME

Reference is made to the Company's announcement dated 4 May 2018 and the Company's circular dated 7 May 2018 regarding, among others, amendments of the Share Award Scheme. Principal terms and details of the 2018 Amendments of the Share Award Scheme were disclosed in the circular of the Company dated 7 May 2018.

The Share Award Scheme was adopted by the Company on 6 February 2008 (and subsequently amended on 11 August 2015, 13 June 2016, 24 November 2017 and 4 May 2018), pursuant to which existing Shares may be purchased by the Trustee from the market or new Shares may be subscribed for out of cash contributed by the Group and be held on trust by the Trustee of Share Award Scheme for the relevant Selected Persons until such Shares are vested with the relevant Selected Persons in accordance with the rules of the Share Award Scheme. As at the Latest Practicable Date, the Share Award Scheme comprises (i) the Management Award Trust which corresponds to the sub-scheme Management Award Scheme administrated by the Management Award Scheme Trustee exclusively for the Management Award Scheme Participants; and (ii) the Employee Award Trust which corresponds to the sub-scheme Employee Award Scheme administrated by the Employee Award Scheme Trustee exclusively for the Employee Award Scheme Participants.

As disclosed in the Company's announcement dated 6 February 2008, according to the original terms of the Share Award Scheme upon its adoption, the Share Award Scheme was originally effective for a term of 5 years from its adoption on 6 February 2008 which automatically renewed for one successive 5-year term, subject to occurrence of terminating events as set out in the Scheme Rules. Subsequently, the Board resolved, and the Shareholders had on 11 August 2015 approved, to amend the Share Award Scheme and extended the duration thereof to 15 years commencing from 6 February 2008, subject to occurrence of terminating events as set out in the Scheme Rules. For details, please refer to the Company's announcement dated 25 June 2015 and 11 August 2015, and the Company's circular dated 27 July 2015. Accordingly, the current term of the Share Award Scheme would be until 5 February 2023.

According to the Scheme Rules, in determining whether to purchase existing Shares or to issue new Shares, the Board shall take into account, inter alia, the financial position and the cash position of the Company and the market price of the Shares at the relevant time.

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## LETTER FROM THE BOARD

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The Board may grant Award to a connected person of the Company. Where any grant of Award (by way of allotment and/or issue of new Shares under the Scheme Mandate) is proposed to be made to any person who is a connected person of the Company within the meaning of the Listing Rules, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or Shareholders' approval requirements under Chapter 14A of the Listing Rules, unless otherwise exempted under the Listing Rules.

The following table summarises the status of the Restricted Shares granted pursuant to the Share Award Scheme since 25 June 2015 (the date on which the Board conditionally resolved to amend the Share Award Scheme to include grant of Restricted Shares in the form of new Shares) and up to the Latest Practicable Date (whether before or after the refreshment of Scheme Limit (as defined below) on 4 May 2018):

	<b>Approximate number of Restricted Shares ( '000)</b>	<b>Approximate percentage of the total number of issued Shares as at the Latest Practicable Date</b>
Total number of Restricted Shares granted ( <i>Note</i> )	95,116	3.85%
– granted in the form of new Shares	43,673	1.77%
– granted in the form of existing Shares	51,443	2.08%
Total number of Restricted Shares vested	49,809	2.02%
Total number of Restricted Shares lapsed	35,053	1.42%
Total number of Restricted Shares outstanding (i.e. granted but remained unvested) as at the Latest Practicable Date	10,254	0.42%

*Note:*

*A total of approximately 26,948,000 Restricted Shares has been granted from the adoption of the Scheme up to 24 June 2015 (after taking into account the effect of the adjustment arising from the Share consolidation on the basis that every 10 then issued and unissued shares of the Company of HK\$0.10 each were consolidated into 1 ordinary Share of HK\$1.00 which became effective on 23 January 2009), all of which were granted in the form of existing Shares.*

*After the refreshment of Scheme Limit (as defined below) on 4 May 2018 and up to the Latest Practicable Date, no Restricted Share has been granted.*

The aforesaid Restricted Shares were granted on different dates to various grantees covering Directors, other employees of the Group, and employees or officers of any Affiliated Company(ies) whom the Board in its sole discretion considered might contribute or have contributed to the Group. The Restricted Shares will be vested to the grantees in tranches, subject to the rules of the Share Award Scheme and fulfilment of the various vesting conditions (including fulfilment of the key performance indicator requirement with reference to the financial performance of the Group). The vesting period and vesting conditions (such as performance targets) vary among the grantees.

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## LETTER FROM THE BOARD

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### Scheme Limit

Under the Share Award Scheme, subject to the refreshment and the adjustment in the event of consolidation or subdivision of Shares, the Board shall not make any further award of Restricted Shares which will result in the aggregate number of the Shares awarded by the Board under the Scheme exceeding the scheme limit (“**Scheme Limit**”) of ten (10) percent of the number of issued Shares as at the approval date (being the date the Board first approved the Scheme Limit) or (if the Scheme Limit is refreshed) the latest new approval date (“**Latest New Approval Date**”, being the latest date of Board’s approval of the refreshed Scheme Limit, which is 4 May 2018 as at the Latest Practicable Date, see below). For the avoidance of doubt, Shares awarded but cancelled or lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the 10% Scheme Limit.

As disclosed in the Company’s circular dated 7 May 2018, the Board has on 4 May 2018 conditionally approved to refresh the Scheme Limit which enables the Board to grant not more than 233,229,930 Restricted Shares under the Share Award Scheme, subject to the passing of the resolutions approving the amended Share Award Scheme with the 2018 Amendments incorporated by the Shareholders. The aforesaid refreshment then became effective upon the passing of the resolutions approving the amended Share Award Scheme with the 2018 Amendments incorporated therein at the extraordinary general meeting of the Company held on 23 May 2018 (“**EGM**”). For the purpose of determining the maximum aggregate number of Shares that may be awarded under the refreshed Scheme Limit following the date of the EGM, Shares awarded prior to the date of the Board’s said conditional approval (including those cancelled, lapsed and/or not yet vested) was not counted. There has been no refreshment of the Scheme Limit since then. Therefore, the existing Scheme Limit (i.e. maximum number of Restricted Shares available for grant) is 233,229,930 (representing approximately 9.45% of the total number of the issued Shares as at the Latest Practicable Date).

The Company has intention to grant Restricted Shares (in the form of existing Shares and new Shares) with an aggregate fair value of no more than RMB500 million pursuant to the Share Award Scheme this year, either before or after the upcoming AGM to be held on 21 May 2021. The actual number of Restricted Shares to be granted will be determined with reference to the actual closing price per Share as at the date of such grant, provided that in any event the maximum number of Restricted Shares to be granted shall be no more than 233,229,930 (i.e. no more than the Scheme Limit). In the event that Restricted Shares are to be granted in the form of new Shares before the upcoming AGM, no more than 71,138,232 Restricted Shares being new Shares (i.e. within the existing Annual Limit as defined below) will be issued under the existing Scheme Mandate before and/or after the upcoming AGM, depending on the relevant vesting dates, in the event that Restricted Shares are to be granted in the form of new Shares after the upcoming AGM, Restricted Shares being new Shares in the amount of no more than the Annual Limit (as defined below) will be issued under the new Scheme Mandate to be obtained in the upcoming AGM (subject to Shareholders’ approval). Further announcement(s) and update(s) will be made in this respect as and when appropriate.

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## LETTER FROM THE BOARD

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### **Individual Limit**

Unless specifically approved by the Shareholders, subject to the adjustment in the event of consolidation or subdivision of Shares, the maximum number of Shares which may be awarded to a Selected Person in any 12-month period under the Share Award Scheme (i.e. both of the sub-schemes in aggregate) (“**Individual Limit**”) shall not exceed 1% of the number of issued Shares as at the Latest New Approval Date, excluding all the Shares awarded under the Share Award Scheme up to the Latest New Approval Date. Therefore, as at the Latest Practicable Date, the Individual Limit is 23,322,993 Shares.

### **Scheme Mandate and Annual Limit**

As new Shares may be issued and allotted for making of Awards under the Share Award Scheme, Shareholders’ approval is required pursuant to Rule 13.36(1) of the Listing Rules prior to issuing and allotting new Shares as Restricted Shares pursuant to the Share Award Scheme.

According to the Scheme Rules, any issue and allotment of new Shares as Restricted Shares pursuant to Share Award Scheme shall be subject to the following conditions: (i) the passing of an ordinary resolution by the Shareholders in a general meeting approving the Scheme Mandate; and (ii) the listing committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any such Shares to be issued and allotted pursuant to the Scheme Mandate and all applicable laws and regulations.

Under the Share Award Scheme, among others, unless otherwise approved by the Shareholders and subject to adjustment in the event of consolidation or subdivision of Shares, the aggregate number of new Shares to be granted as Restricted Shares during the lifetime of the Scheme Mandate to be sought annually under the Share Award Scheme (i.e. both of the sub-schemes in aggregate) shall not exceed three (3) percent of the total number of issued Shares of the Company as at the date on which the relevant Scheme mandate is approved (“**Annual Limit**”).

The existing Scheme Mandate was obtained at the annual general meeting of the Company held on 2 June 2020, in which an ordinary resolution was passed to grant a specific mandate to the Directors to allot and issue new Shares under the Share Award Scheme not exceeding 3% of the number of Shares in issue as at the date on which the resolution was passed, i.e. 2 June 2020. As at 2 June 2020, the number of issued Shares of the Company was 2,371,274,404 Shares and the maximum amount of new Shares which could be issued as approved under the existing Scheme Mandate was therefore 71,138,232 Shares.

The said existing Scheme Mandate is going to expire at the conclusion of the forthcoming AGM. The Directors consider that it is a good practice to follow the same requirements under the Listing Rules in respect of the General Mandate for issuance and allotment of new Shares to obtain Shareholders’ approval for the Scheme Mandate annually. Accordingly, an ordinary resolution for the Scheme Mandate to be granted to the Directors to grant, allot and issue new Shares as Restricted Shares under the Share Award Scheme not exceeding 3% Shares of the number of

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## LETTER FROM THE BOARD

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Shares in issue as of the AGM (which is determined with reference to the Annual Limit) will be proposed at the AGM and such Scheme Mandate shall lapse at the earlier of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws to be held; and (iii) the revocation or variation of the approval given by such ordinary resolution by a resolution of members of the Shareholders in general meeting. No Shareholder is required to abstain from voting for the resolution for the Scheme Mandate. Application will be made to the Stock Exchange for the listing of and permission to deal in the new Shares that may be issued and allotted as Restricted Shares under the Scheme Mandate.

As at the Latest Practicable Date, the number of issued Shares was 2,469,297,133 fully paid-up Shares. On the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date and up to the date of the AGM, and subject to, among others, the passing of the resolutions approving the granting of the Scheme Mandate and the listing committee of the Stock Exchange granting approval of the listing of, and permission to deal in, such Shares to be allotted and issued pursuant to the Share Award Scheme and the Scheme Mandate and all applicable laws and regulations, a further of 74,078,913 new Shares may be allotted and issued as Restricted Shares under the Share Award Scheme (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same).

The Company will make further announcement as soon as practicable after the grant of Awards under the Share Award Scheme in respect of any grant which involves the allotment and issue of new Shares under the Scheme Mandate (whether to connected persons or non-connected persons) and will comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or independent shareholders' approval requirements under Chapter 14A of the Listing Rules, unless otherwise exempted under the Listing Rules.

As at the Latest Practicable Date, T.C.L. Industries (H.K.) and Zeal Limited (a company incorporated in the Cayman Islands), both being the substantial shareholders of the Company, held 1,260,358,288 Shares and 348,850,000 Shares respectively, representing approximately 51.04% and 14.13% of the number of issued Shares of the Company respectively. Assuming the Scheme Mandate is approved at the AGM and that the said 74,078,913 new Shares under the Share Award Scheme are allotted and issued in full (and save for that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date and up to the date of allotment of such new Shares under the Share Award Scheme): (i) the shareholding of T.C.L. Industries (H.K.) and Zeal Limited will drop to 49.55% and 13.72% respectively; and (ii) the estimated fair value of such new Shares will be approximately HK\$441 million (based on the Share price of the Company on the Latest Practicable Date, for illustrative purpose only).

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## LETTER FROM THE BOARD

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Under the accounting policies of the Company, the fair value of such new Shares granted under the Share Award Scheme will be amortised to the Group's consolidated statement of profit or loss throughout the vesting period (i.e. from the date of grant to the date of vesting, both dates inclusive), which will lead to a decrease in the Group's earnings and an increase in the Company's employee costs.

If any new Share is issued under the Share Award Scheme in future, the Company will disclose in the annual report the fair value of the Shares issued, with separate disclosure of the impact of employee costs on the Company.

Shareholders who are grantees of the aforesaid outstanding Restricted Shares are required to abstain from voting on the resolution approving the granting of the Scheme Mandate in respect of those Shares. The aforesaid outstanding Restricted Shares are held by the Trustee. According to the terms of the Scheme Rules and the Trust Deeds, the Trustee shall not exercise any voting rights in respect of any Shares held under the Trust (including but not limited to any Restricted Shares, Returned Shares and Further Shares). Thus, no grantees of the aforesaid outstanding Restricted Shares will be entitled to exercise, or cause the Trustee to exercise, any voting rights in respect of such Restricted Shares. Save for that, no Shareholder is required to abstain from voting on the resolution approving the granting of the Scheme Mandate.

### **Specific provisions on grant of Restricted Shares to and vesting of Restricted Shares on connected persons of the Company**

The Scheme Rules contain the following specific provisions which apply to grant of Restricted Shares to and vesting of Restricted Shares on connected persons of the Company:

- (1) In respect of the Management Award Scheme, any grant of the Restricted Shares to the Directors or senior management of the Company must first be approved by the Remuneration Committee and any grant of the Restricted Shares to any connected person of the Company shall comply with all applicable rules and regulations, including the Listing Rules.
- (2) In respect of each of the sub-schemes, where a Selected Person who is not a connected person of the Company on the Grant Date subsequently becomes a connected person of the Company prior to the vesting of the Restricted Share(s) (and the Related Distribution) granted or conditionally granted to him, vesting of such Restricted Share(s) (and the Related Distribution) shall be subject to compliance by the Company with requirements under the Listing Rules and other provisions of these Scheme Rules applicable to the granting of Restricted Shares to a connected person of the Company, and where applicable, the Board shall have the sole and absolute discretion to alter the vesting of, cancel or terminate the Award(s) of such Restricted Share(s) (and the Related Distribution) where such requirements would, in the opinion of the Board, be burdensome on the Company. The Board shall inform the Trustee of the relevant sub-scheme in writing as soon practicable after such alteration, cancellation or termination.

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## LETTER FROM THE BOARD

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- (3) In any event, (i) the aggregate interests of the connected persons of the Company in each of the sub-schemes shall at all time be less than thirty (30) percent; and (ii) unless specifically approved by the Shareholders and subject to the adjustment in the event of consolidation or subdivision of Shares, the maximum number of Restricted Shares (whether new Shares or not) which may be awarded to a Selected Person (regardless whether such Selected Person is a connected person of the Company or not) under the Scheme (i.e. both of the sub-schemes in aggregate) shall not exceed one (1) per cent of the issued share capital of the Company as at 11 August 2015 (being the date on which the Scheme Rules were amended, the “**2015 Amendment Date**”) or the Latest New Approval Date (as the case may be), excluding all the Shares awarded under the Scheme up to the 2015 Amendment Date or the Latest New Approval Date (as the case may be).
- (4) In respect of any of the sub-schemes, if the vesting of any Restricted Shares (and the Related Distribution) will result in the aggregate interests of the connected persons of the Company in the relevant sub-scheme immediately following such vesting reaching thirty (30) percent or more at any time during the life of the relevant sub-scheme, such portion of the Restricted Shares (and the Related Distribution) shall not vest on the Vesting Date as scheduled, but shall remain to be held by the Trustee of the relevant sub-scheme and shall only vest onto the relevant Selected Person only when the Board is satisfied that the aggregate interests of the connected persons of the Company in the relevant sub-scheme immediately following such vesting shall remain less than thirty (30) percent. For the avoidance of doubt, the Board shall have the sole and absolute discretion to determine in what manner and at what time such Restricted Shares (and the Related Distribution) shall vest in the foregoing circumstances.
- (5) In the event that the Board has decided to grant the Restricted Shares to any Selected Person who is a connected person of the Company as at the Grant Date, such Award(s) of Restricted Shares shall be made under the Management Award Scheme and (i) if the Restricted Shares are Shares purchased by the Management Award Scheme Trustee under the relevant sub-scheme, the Management Award Scheme Trustee shall transfer such Restricted Shares to such connected persons in accordance with the written instructions of the Board to the Management Award Scheme Trustee and (ii) if the Restricted Shares are new Shares to be issued by the Company, the Company shall cause such Restricted Shares be allotted and issued to the Management Award Scheme Trustee, the Management Award Scheme Trustee shall transfer the Restricted Shares to such connected persons directly, in both cases as soon as possible after all relevant vesting conditions as set out in the Scheme Rules or Grant Letter are fulfilled subject to these Scheme Rules, provided that if Shareholders’ approval or independent Shareholders’ approval is required for such grant, as soon as possible after such Shareholders’ approval has been obtained. No Award of Restricted Shares shall be granted to any connected person of the Company as at the Grant Date under the Employee Award Scheme.

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## LETTER FROM THE BOARD

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In addition, in case any of the new Shares under the Share Award Scheme allotted and issued to any Participant(s) becomes Returned Share(s), such new Shares will be segregated from other Restricted Shares under the Share Award Scheme to the effect that if such Returned Shares are to be used for future grant as Restricted Shares to connected person(s) of the Company, the Company will comply with relevant requirements as contained in Chapter 14A of the Listing Rules, i.e. reporting, announcement and independent shareholders' approval requirements as if the subsequent grant with such Returned Share(s) was made in the form of new Shares under the Share Award Scheme.

### **5. ANNUAL GENERAL MEETING**

The AGM Notice is set out on pages 36 to 41 of this circular and a form of proxy for use at the AGM is herein enclosed.

Whether or not you are able to attend the AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the AGM or any adjournment thereof should you so desire.

### **6. FINAL DIVIDEND**

The Board has recommended the declaration of a final dividend of HK11.50 cents (HK\$0.115) per Share for the year ended 31 December 2020 to be paid to the Shareholders whose names appear on the register of members of the Company on 28 May 2021, Friday. An ordinary resolution will be proposed at the AGM to declare the final dividend.

Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the payment of final dividend out of the share premium account" below, the final dividend is proposed to be paid out of the share premium account of the Company.

Under section 34(2) of the Companies Law of the Cayman Islands, the share premium account may be applied by a company in paying dividends to members provided that no dividend may be paid to members out of the share premium account unless, immediately following the date on which the dividend is proposed to be paid, the company shall be able to pay its debts as they fall due in the ordinary course of business.

As at 31 December 2020, based on the audited consolidated financial statements of the Group, the Company had an aggregate of HK\$5,062,656,000 standing to credit of its share premium account and HK\$738,936,000 standing to the credit of its capital reserve account. As the aforesaid capital reserve represents a premium arising on an issue of Shares, the entire amount of HK\$738,936,000 standing to the credit of the capital reserve account of the Company will be transferred to the share premium account in compliance with the Articles and the laws of the Cayman Islands. Subject to compliance with certain requirements under the laws of the Cayman Islands, the share premium may be applied for payment of

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## LETTER FROM THE BOARD

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dividend by the Company. After transfer of the capital reserve as aforesaid, the amount which can be utilised for payment of dividend by the Company in future would be HK\$5,801,592,000. Following the transfer of the capital reserve as aforesaid and the payment of the proposed final dividend, there will be a remaining balance of approximately HK\$5,519,557,000 standing to the credit of the share premium account of the Company.

**(a) Conditions of the payment of the final dividend out of the share premium account**

The payment of the final dividend out of the share premium account is conditional upon, inter alia, the following being fulfilled:

- (i) the passing of an ordinary resolution by the Shareholders to approve the payment of the final dividend out of the share premium account; and
- (ii) the Directors being satisfied that there are no reasonable grounds for believing that the Company is, and immediately after the final dividends are paid, will be unable to pay its liabilities as they become due in the ordinary course of business.

Subject to the fulfilment of the above conditions, it is expected that the final dividend will be payable on or about 9 July 2021, Friday.

**The conditions set out above cannot be waived. The final dividend will be paid only when all the conditions are satisfied.**

**(b) Reasons for and effect of the payment of the final dividend out of the share premium account**

After taking into account of a number of factors including cash flow and financial condition of the Company, the Board considers it appropriate and proposes that the final dividend out of the share premium account of the Company in accordance with Article 144(a) of the Articles and the Companies Law. The Board considers such arrangement to be in the interests of the Company and the Shareholders as a whole.

The Board believes that the payment of the final dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorised or issued share capital of the Company or reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

### **7. RECORD DATE OF AGM AND CLOSURE OF REGISTER OF MEMBERS**

To ascertain the entitlements to attend and vote at the AGM, members of the Company must lodge the relevant transfer document(s) and share certificate(s) at the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 14 May 2021, Friday for registration. Members of the Company whose names are recorded in the register of members of the Company on 14 May 2021, Friday are entitled to attend and vote at the AGM.

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## LETTER FROM THE BOARD

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The Hong Kong register of members of the Company will be closed from 31 May 2021, Monday, to 1 June 2021, Tuesday (both dates inclusive), for the purposes of determining the entitlements of the Shareholders to the proposed final dividend upon the passing of relevant resolution. No transfer of the Shares may be registered during the said period. The record date for determining the entitlements of the Shareholders to the proposed final dividend is 28 May 2021, Friday. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 28 May 2021, Friday.

### **8. VOTING BY POLL**

In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, the voting on all resolutions at the AGM will be conducted by way of poll.

### **9. RECOMMENDATION**

The Board believes that the resolutions proposed in the AGM Notice are in the best interests of the Company and the Shareholders as a whole. The Board recommends that the Shareholders vote in favour of all resolutions to be proposed at the AGM.

### **10. PRECAUTIONARY MEASURES FOR THE AGM IN VIEW OF COVID-19 PANDEMIC**

In view of the recent development of the pandemic caused by COVID-19, and in order to better protect the safety and health of the Shareholders, a series of pandemic precautionary measures will be implemented at the venue of the AGM:-

- (i) compulsory body temperature check will be conducted for every person at the entrance of the venue of AGM. Any person with a body temperature of over 37.5 degrees Celsius will not be admitted to the venue;
- (ii) every person is required to wear facial mask at the venue of the AGM;
- (iii) seating in the AGM venue will be arranged so as to allow for appropriate social distancing; and
- (iv) no refreshments will be served at the AGM.

Subject to the development of the COVID-19 pandemic and in compliance with applicable laws and regulations, the Company may implement further precautionary measures at the AGM.

The Company wishes to remind the Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising their voting rights and strongly advises the Shareholders to appoint the chairman of the AGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form as an alternative to attending the AGM in person in light of the continuing risks posed by the COVID-19 pandemic. For more details, please refer to the proxy form for the AGM.

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## LETTER FROM THE BOARD

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Shareholders and other participants who will attend the AGM in person are advised to (a) consider carefully the risk of attending the AGM, which will be held in an enclosed environment; (b) follow and comply with any laws, regulations, guidelines or requirements implemented by the Hong Kong Government relating to COVID-19 pandemic; and (c) not to attend the AGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

### 11. RESPONSIBILITY OF THE DIRECTORS

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,  
On behalf of the Board  
**LI Dongsheng**  
*Chairman*

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## **APPENDIX I            EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against the ordinary resolutions to be proposed at the AGM in relation to the new Repurchase Mandate.

### **1.     SHARE CAPITAL**

As at the Latest Practicable Date, the number of issued shares of the Company was 2,469,297,133 fully paid-up Shares.

Subject to the passing of the resolution granting the new Repurchase Mandate and on the basis that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date to the date of the AGM, the Directors would be allowed under the Repurchase Mandate to repurchase up to 246,929,713 Shares, representing 10% of the number of issued Shares as at the Latest Practicable Date (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same), during the period from the date of resolution granting the Repurchase Mandate until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by law or the Articles to be held; and (iii) its revocation or variation by ordinary resolution of the Shareholders in a general meeting.

### **2.     REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders as a whole to have a general authority from Shareholders to enable the Directors to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders as a whole.

### **3.     FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may apply funds legally available for such purpose from distributable profit or funds from a new issue in accordance with its Articles and the laws of the Cayman Islands.

That is to say, any repurchase of Shares may be purchased out of capital paid up on the repurchased Shares or the profits of the Company which would otherwise be available for dividend and, in the case of any premium payable on such repurchase, out of profits of the Company which would otherwise be available for dividend or from the Company's share premium account or its contributed surplus account.

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## **APPENDIX I                      EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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On the basis of the combined net tangible assets of the Group as at 31 December 2020, and taking into account the current working capital position of the Group, the Directors consider that there would be no material adverse effect on the working capital and gearing position of the Group in the event that the Repurchase Mandate was to be exercised in full at any time during the proposed purchase period. Nevertheless, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

#### **4.      EFFECT UNDER THE TAKEOVERS CODE AND ON MINIMUM PUBLIC HOLDING**

If, as the result of a Share repurchase, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. In certain circumstances, a Shareholder or a group of Shareholders acting in concert (depending on the level of increase of the Shareholders' interest) could as a result of increase of its or their interest, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Assuming that no further Shares will be allotted and issued or repurchased from the Latest Practicable Date to the date of the AGM, on exercise in full of the Repurchase Mandate, the number of issued Shares will decrease from 2,469,297,133 to 2,222,367,420.

As at the Latest Practicable Date, T.C.L. Industries (H.K.) held 1,260,358,288 Shares representing approximately 51.04% of the number of the issued Shares.

If, which is not presently contemplated, the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, the shareholding of T.C.L. Industries (H.K.) would be increased from 51.04% to 56.71% as a result of a decrease in the issued Shares. Such increase will not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. As at the Latest Practicable Date, so far as is known to the Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase Shares pursuant to the Repurchase Mandate.

The Company has no intention to exercise the Repurchase Mandate to the effect that it will result in the public float to fall below 25% or such other minimum percentage prescribed by the Listing Rules from time to time.

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**APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES**

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**5. SHARE PRICE**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during the previous twelve months and up to the Latest Practicable date were as follows:

	Share Price	
	Highest (HK\$)	Lowest (HK\$)
<b>2020</b>		
April	3.600	3.050
May	3.560	3.050
June	3.800	3.260
July	4.970	3.750
August	6.730	4.420
September	6.180	5.220
October	7.890	5.180
November	6.980	5.240
December	6.780	5.030
<b>2021</b>		
January	7.590	5.540
February	7.950	6.230
March	6.780	5.810
April (up to the Latest Practicable Date)	6.380	5.930

**6. REPURCHASE OF SHARES**

The Company had not purchased any Shares in the six months preceding the Latest Practicable Date, whether on the Stock Exchange or otherwise.

**7. GENERAL**

None of the Directors, and to the best of their knowledge having made all reasonable enquiries, nor any Close Associates of any Director, have any present intention in the event that the Repurchase Mandate is approved by the Shareholders to sell any Shares to the Company.

No Core Connected Person has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Set out below are details of the Directors who are proposed to be re-elected at the AGM.

### 1.     **Mr. LI Dongsheng**

Aged 63, the chairman of the Board, an executive Director and the chairman of the strategy committee of the Company. Mr. LI Dongsheng is the founder of the Company and has served the Group since 1999. Mr. LI Dongsheng is currently the chairman and chief executive officer of TCL Technology (stock code: 000100.SZ) and a director of TCL Holdings, T.C.L. Industries (H.K.) and certain subsidiary(ies) of the Company. Mr. LI Dongsheng is also: (i) an independent non-executive director of Tencent Holdings Limited (a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange, stock code: 00700.HK) since 2004; and (ii) the chairman of the Tianjin Zhonghuan Semiconductor Co., Ltd. (a joint stock limited company incorporated in the PRC and the shares of which are listed on Shenzhen Stock Exchange, stock code: 002129.SZ) since 2020. He was a non-executive director of Fantasia Holdings Group Co., Limited (a limited liability company incorporated in the Cayman Islands and the shares of which are listed on the main board of the Stock Exchange, stock code: 01777.HK) from January 2014 to May 2020 and an independent director of Legrand (whose shares are listed on Euronext, securities code: LR) from July 2013 to May 2018. In 1982, Mr. LI Dongsheng graduated from South China University of Technology. Mr. LI Dongsheng was awarded the “National Model Worker” and the “May 1st Labour Medal”. Mr. LI Dongsheng was elected as a delegate to PRC’s 16th Party Congress, and served as a representative of the 10th, 11th, 12th and 13th National People’s Congress. Mr. LI Dongsheng currently holds a number of prestigious positions such as vice chairman of All-China Federation of Industry & Commerce, vice chairman of China Chamber of International Commerce, chairman emeritus of China Video Industry Association and Guangdong Household Electrical Appliance Chamber of Commerce, chairman of Guangdong Provincial Enterprise Confederation and Guangdong Provincial Association of Entrepreneurs, chairman of Shenzhen Flat Panel Display Industry Association, etc. Mr. LI Dongsheng was awarded “China’s Economic Person of the Year” in 2002 and 2004 respectively. Mr. LI Dongsheng was named “2004 Asia Businessman of the Year” by Fortune magazine and “2004 Top 25 Global Business Leaders” by Time magazine and CNN. Mr. LI Dongsheng received OFFICIER DE LA LEGION D’HONNEUR (French national honour) in 2004. In 2009, he was named “China’s Economic Person of the Year – Business Leaders of the Decade” by CCTV. In 2013, Mr. LI Dongsheng was selected as one of the “Best CEOs of Listed Companies in the PRC” by Forbes magazine. In 2018, Mr. LI Dongsheng was awarded the title of “Reform Pioneer” at the 40th anniversary of the PRC’s reform and opening up policy. In 2021, Mr. LI Dongsheng received the “David Sarnoff Industrial Achievement Prize” by the Society For Information Display (SID).

As at the Latest Practicable Date, Mr. LI Dongsheng is interested or is deemed to be interested in the Company as follows:

- (a) 64,352,616 Shares;
- (b) Share Options carrying rights to subscribe for 4,355,737 Shares; and
- (c) 275,677 unvested Restricted Shares granted under the Share Award Scheme.

As at the Latest Practicable Date, 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)) (“Lida Zhihui”) is a limited partnership and Mr. LI Dongsheng owned more than 50% economic interest in Lida Zhihui as a limited partner. The general partner of Lida Zhihui is Huizhou Lida Tiancheng Investment Co., Ltd.\* (惠州礪達天成股權投資有限公司), in which Mr. LI Dongsheng owns more than 50% equity interest. Accordingly, Mr. LI Dongsheng is deemed to be interested in approximately 33.33% of the issued share capital of TCL Holdings (held via Lida Zhihui) as at the Latest Practicable Date.

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Save as disclosed above, Mr. LI Dongsheng (i) does not hold any other positions with the Company or any other members of the Group; (ii) has not held any other directorships at present or in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have other major appointments and professional qualifications; (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) does not have any relationships with any other Directors, senior management or any substantial or controlling shareholders of the Company.

Mr. LI Dongsheng has entered into a director's service agreement with the Company for an initial term of three years commencing on 2 March 2018, which is automatically renewable for a further term of one year each unless terminated by at least three months' written notice served by either party to the other party, subject to election at general meeting and rotation and re-election at annual general meetings of the Company in accordance with the Articles or the Listing Rules.

Pursuant to the terms of the service agreement, Mr. LI Dongsheng is not entitled to any director's fee, but he is entitled to receive an annual salary of HK\$650,000 and discretionary bonus or other benefits as determined by the Remuneration Committee with reference to his experience, duties and responsibilities within the Company as well as the Company's performance and the prevailing market conditions, subject to annual review by the Remuneration Committee.

### 2.     **Mr. WANG Cheng ("Mr. WANG")**

Aged 46, an executive Director, the chief executive officer and a member of the strategy committee of the Company. Mr. WANG is a director of Amlogic (Shanghai) Co., Ltd.\* (晶晨半導體(上海)股份有限公司), a joint stock limited company established in the PRC, the shares of which are listed on the sci-tech innovation board of the Shanghai Stock Exchange, stock code: 688099.SH) since 19 May 2020. He is also the chief executive officer of TCL Holdings and a director of various subsidiaries of the Company. He joined the Company in July 1997. During 1997 to 2006, Mr. WANG held various positions in various departments and business units of the Group. From 2006 to 2015, Mr. WANG successively worked as general manager of various subsidiaries of the Group and vice president of the Company. From June 2015 to July 2016, Mr. WANG also worked as human resources director and general manager of human resource management centre of TCL Technology. From August 2016 to November 2017, Mr. WANG was the general manager of supply chain management centre and chief operating officer of the Company. Mr. WANG is currently the chairman of Huizhou Electronic Information Industry Association. Mr. WANG graduated from Heilongjiang Commercial College in 1997 with a Bachelor Degree in Economics. In 2005, Mr. WANG acquired a Master's Degree of Executive Business Administration from University of Texas at Arlington.

As at the Latest Practicable Date, Mr. WANG is interested or is deemed to be interested in the Company as follows:

- (a) 2,317,348 Shares;
- (b) Share Options carrying rights to subscribe for 6,357,023 Shares; and
- (c) 551,354 unvested Restricted Shares granted under the Share Award Scheme.

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Save as disclosed above, Mr. WANG (i) does not hold any other positions with the Company or any other members of the Group; (ii) has not held any other directorships at present or in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have other major appointments and professional qualifications; (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) does not have any relationships with any other Directors, senior management or any substantial or controlling shareholders of the Company.

Mr. WANG has entered into a director's service agreement with the Company for an initial term of three years commencing on 22 September 2017, which is automatically renewable for a further term of one year each unless terminated by at least three months' written notice served by either party to the other party, subject to election at general meeting and rotation and re-election at annual general meetings of the Company in accordance with the Articles or the Listing Rules.

Pursuant to the terms of the service agreements, Mr. WANG is not entitled to any director's fee, but is entitled to receive an annual salary of approximately HK\$1,526,000 as the chief executive officer of the Company and discretionary bonus payment or other benefits as determined by the Remuneration Committee with reference to his experience, duties and responsibilities within the Company as well as the Company's performance and the prevailing market conditions.

### 3.     **Mr. HU Dien Chien ("Mr. HU")**

Aged 42, an executive Director, the chief financial officer of the Company, a member of the Remuneration Committee and the Nomination Committee. Mr. HU became an executive director of the Company with effect from December 2020. Mr. HU is also the chief financial officer of TCL Holdings. He holds a Master of Business Administration Degree in Finance and Accounting from Leonard N. Stern School of Business, New York University, and a Bachelor of Business Administration Degree in Finance from National Taiwan University. From June 2014 to November 2016, Mr. HU worked for Gogoro Inc., an electric vehicle company in Taiwan, as chief financial officer. He also served from June 2016 to December 2016 as an independent director of Growww Media Co., Ltd. (formerly known as United Advertising Co., Ltd.), a company previously listed on the Taiwan Stock Exchange (then stock code: 08497) from March 2018 to October 2020. Mr. HU held the positions as the chief financial officer, the head of strategic investment department and an executive director with Yue Yuen Industrial (Holdings) Limited (stock code: 00551.HK) from November 2016 to November 2020. In addition, Mr. HU was an executive director of Eagle Nice (International) Holdings Limited (stock code: 02368.HK) from May 2019 to November 2020. Mr. HU also once held the following positions: an executive director with Goldman Sachs (Asia) L.L.C., a business analyst with Deutsche Asset Management and a research associate with CLSA Limited (Taiwan branch). Mr. HU has won numerous capital market related awards. In 2019, he was awarded as one out of three "Best CFOs (Developed Market - Hong Kong)" by Institutional Investor 2019 All-Asia Executive Team Research, as well as one out of five "Best IR by CFO (Mid-cap)" by Hong Kong Investor Relations Association. In 2020, he was again awarded as one out of three "Best CFOs (Developed Market – Consumer/Discretionary Sector)" by Institutional Investor 2020 All-Asia Executive Team Research, as well as one out of four "Best IR by CFO (Mid-cap)" by Hong Kong Investor Relations Association. The aforementioned awards represent wide recognition from investment communities for his professional capabilities.

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Save as disclosed above, Mr. HU (i) does not hold any other positions with the Company or any other members of the Group; (ii) has not held any other directorships at present or in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have other major appointments and professional qualifications; (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) does not have any relationships with any other Directors, senior management or any substantial or controlling shareholders of the Company.

Mr. HU has entered into a director's service agreement with the Company for an initial term of three years commencing on 23 December 2020, which is automatically renewable for a further term of one year each unless terminated by at least three months' written notice served by either party to the other party, subject to election at general meeting and rotation and re-election at annual general meetings of the Company in accordance with the Articles or the Listing Rules.

Pursuant to the terms of the service agreement, Mr. HU is not entitled to any director's fee, subject to annual review by the Remuneration Committee, but he is entitled to receive discretionary bonus payment or other benefits, which is determined by the Remuneration Committee with reference to his experience, duties and responsibilities within the Company as well as the Company's performance and the prevailing market conditions.

#### **4.     Mr. LI Yuhao**

Aged 39, a non-executive Director. Mr. LI Yuhao became a non-executive Director on 24 August 2018. He served as an engineer and the chief business manager in BOE Technology Group Co., Ltd. (shares of which are listed on the Shenzhen Stock Exchange, securities codes: 000725.SZ & 200725.SZ) from July 2004 to September 2008. From January 2010 to December 2010, Mr. LI Yuhao worked as an investment manager of AXA. From January 2011 to August 2013, Mr. LI Yuhao was employed as an investment leader of the Beijing office of Infinity Investment Group. From August 2013 to September 2017, Mr. LI Yuhao was the chief investment officer and the head of Internet investment department in Legend Holdings Limited (a joint stock limited company incorporated in the PRC, shares of which are listed on the main board of the Stock Exchange, stock code: 03396.HK). From October 2017 to December 2018, Mr. LI Yuhao was a director and senior vice president of Leshi Internet Information & Technology Corp., Beijing (whose shares were listed on the Shenzhen Stock Exchange from August 2010 to July 2020, then stock code: 300104.SZ). From December 2018 to present, Mr. LI Yuhao has served as the vice president of Sunac Culture Group and general manager of content and investment centre in Sunac China Holdings Limited (incorporated in the Cayman Islands with limited liability, shares of which are listed on the main board of the Stock Exchange, stock code: 01918.HK). Mr. LI Yuhao graduated from Peking University with a Master's Degree in Business Administration.

As at the Latest Practicable Date, Mr. LI Yuhao is interested or is deemed to be interested in 24,000 Shares.

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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Save as disclosed above, Mr. LI Yuhao (i) does not hold any other positions with the Company or any other members of the Group; (ii) has not held any other directorships at present or in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have other major appointments and professional qualifications; (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) does not have any relationships with any other Directors, senior management or any substantial or controlling shareholders of the Company.

Mr. LI Yuhao has entered into a letter of appointment as a non-executive Director for an initial term of three years commencing on 24 August 2018, subject to election at general meeting and rotation and re-election at annual general meetings of the Company in accordance with the Articles or the Listing Rules.

Pursuant to the terms of the letter of appointment, Mr. LI Yuhao is entitled to receive director's fee of HK\$225,000 per annum and discretionary bonus or other benefits as may be determined by the Board as recommended by the Remuneration Committee from time to time with reference to his experience, duties and responsibilities within the Company as well as the Company's performance and the prevailing market conditions, subject to annual review by the Board as recommended by the Remuneration Committee.

### 5.     **Mr. LAU Siu Ki (“Mr. LAU”)**

Aged 62, an independent non-executive Director, the chairman of the audit committee of the Company, and a member of the Nomination Committee and the Remuneration Committee. Mr. LAU became an independent non-executive Director in November 2017. Mr. LAU graduated from The Hong Kong Polytechnic University in 1981. Mr. LAU is currently a financial advisory consultant of his management consultancy firm, Hin Yan Consultants Limited. Previously, Mr. LAU worked at Ernst & Young for over 15 years. Mr. LAU has over 35 years of experience in corporate governance, corporate financing, financial advisory and management, accounting and audit. Mr. LAU is currently a fellow member of both of Association of Chartered Certified Accountants (“ACCA”) and Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. LAU was a member of the World Council of ACCA from 2002 to 2011 and was the chairman of ACCA Hong Kong in 2000/2001. During these years, Mr. LAU has helped raising the profile of ACCA. Currently, Mr. LAU also serves as an independent non-executive director of Binhai Investment Company Limited (stock code: 02886.HK), Comba Telecom Systems Holdings Limited (stock code: 02342.HK), IVD Medical Holding Limited (stock code: 01931.HK), Embry Holdings Limited (stock code: 01388.HK), Samson Holding Ltd. (stock code: 00531.HK) and FIH Mobile Limited (stock code: 02038.HK), all being listed companies on the Stock Exchange. Mr. LAU is also the company secretary of Hung Fook Tong Group Holdings Limited (stock code: 01446.HK), Yeebo (International Holdings) Limited (stock code: 00259.HK) and Expert Systems Holdings Limited (stock code: 08319.HK), all being listed companies on the Stock Exchange. From 3 June 2004 to 6 December 2018, he served as an independent non-executive director of China Medical & HealthCare Group Limited (“CMHG”, shares of which are listed on the main board of the Stock Exchange, stock code: 00383.HK).

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## APPENDIX II                      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

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As at the Latest Practicable Date, Mr. LAU is interested or is deemed to be interested in the Company as follows:

- (a) 29,852 Shares;
- (b) Share Options carrying rights to subscribe for 236,301 Shares; and
- (c) 14,926 unvested Restricted Shares granted under the Share Award Scheme.

Save as disclosed above, Mr. LAU (i) does not hold any other positions with the Company or any other members of the Group; (ii) has not held any other directorships at present or in the last three years in other public companies the securities of which are listed on any securities market in Hong Kong or overseas and does not have other major appointments and professional qualifications; (iii) has no interest in the shares of the Company within the meaning of Part XV of the SFO; and (iv) does not have any relationships with any other Directors, senior management or any substantial or controlling shareholders of the Company.

Mr. LAU has entered into a letter of appointment as an independent non-executive Director for an initial term of three years commencing on 3 November 2017, subject to election at general meeting and rotation and re-election at annual general meetings of the Company in accordance with the Articles or the Listing Rules.

Pursuant to the terms of the letter of appointment, Mr. LAU is entitled to receive director's fee of HK\$300,000 per annum and discretionary bonus or other benefits as may be determined by the Board as recommended by the Remuneration Committee from time to time with reference to his experience, duties and responsibilities within the Company as well as the Company's performance and the prevailing market conditions, subject to annual review by the Board as recommended by the Remuneration Committee.

Reference is made to the announcement of the Company dated 5 November 2019 in relation to the commencement of proceedings in the Market Misconduct Tribunal by the SFC against CMHG and six individuals including, among others, Mr. LAU, being an independent non-executive director of CMHG at the material time, for alleged breach of the disclosure requirements within the meaning of sections 307B and 307G of the SFO. As at the Latest Practicable Date, the proceedings are still on-going. In the meantime, and until the proceedings conclude, no findings in the proceedings have been made in respect of Mr. LAU.

## APPENDIX II      DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

### DIRECTORS' EMOLUMENTS

The amounts of emoluments received in 2020 by the above Directors to be re-elected at the AGM are set out in the table below:

Directors	Fees (HK\$'000)	Salaries, allowances and benefits in kind (HK\$'000)	Discretionary performance related bonus (HK\$'000)	Equity-settled share option benefits (HK\$'000)	Employee share-based compensation benefits under the Share Award Scheme (HK\$'000)	Pension scheme contributions (HK\$'000)	Total remuneration (HK\$'000)
Mr. LI Dongsheng	–	650	1,113	460	223	18	2,464
Mr. WANG Cheng	–	1,526	5,067	919	447	59	8,018
Mr. HU Dien Chien	–	74	931	–	–	2	1,007
Mr. LI Yuhao	225	–	–	–	–	–	225
Mr. LAU Siu Ki	300	–	–	25	12	–	337

The emoluments to be received in 2021 by the above Directors to be re-elected at the AGM will be determined by the Board and/or the Remuneration Committee based on the adopted remuneration policy reviewed by the Remuneration Committee, with reference to the Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

### OTHER INFORMATION

If re-elected at the AGM, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to the rotation, removal, vacation or termination of such offices as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules.

Save as disclosed herein, the above Directors did not in the past three years up to the Latest Practicable Date hold any directorship in any public companies the securities of which are listed on any securities market in Hong Kong or overseas, did not as at the Latest Practicable Date have other major appointments and professional qualifications, any interests in the Shares within the meaning of Part XV of the SFO and any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and there is no information which is discloseable or are/were the above Directors to be re-elected involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rule 13.51(2)(h) to 13.51(2)(w) of the Listing Rules, and the Board is not aware of any other matters which need to be brought to the attention of the Shareholders.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)

(the "Company")

**NOTICE IS HEREBY GIVEN** that the annual general meeting of the Company (the "**Meeting**") will be held at 2:30 p.m. on 21 May 2021, Friday at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong for the purpose of transacting the following business:

#### **ORDINARY BUSINESS**

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company ("**Director(s)**") and the independent auditors of the Company ("**Auditors**") for the year ended 31 December 2020.
2. To declare a final dividend of HK11.50 cents per ordinary share of the Company for the year ended 31 December 2020 to be paid out of the share premium account to the shareholders of the Company whose names appear on the register of members of the Company on 28 May 2021, Friday.
3. To re-appoint Messrs. Ernst & Young as the Auditors and authorise the board of Directors to fix their remuneration.
4. To re-elect Mr. HU Dien Chien as an executive Director.
5.
  - (a) To re-elect Mr. LI Dongsheng as an executive Director.
  - (b) To re-elect Mr. WANG Cheng as an executive Director.
  - (c) To re-elect Mr. LI Yuhao as a non-executive Director until the conclusion of the annual general meeting of the Company of 2024.
  - (d) To re-elect Mr. LAU Siu Ki as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2024.
6. To authorise the board of Directors to fix the Directors' remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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### SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without modification) as ordinary resolutions:

7. **“THAT**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue and deal with unissued shares in the Company (“**Shares**”) or securities convertible into Shares or options, warrants or similar rights to subscribe for any Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers either during or after the Relevant Period, in addition to any Shares which may be issued from time to time (a) on a Rights Issue (as hereinafter defined) or (b) upon the exercise of any options under any option scheme or similar arrangement for the time being adopted for the grant or issue of Shares or rights to acquire Shares or (c) upon the exercise of rights of subscription or conversion attaching to any warrants or convertible bonds issued by the Company or any securities which are convertible into Shares the issue of which warrants and other securities has previously been approved by shareholders of the Company or (d) as any scrip dividend or similar arrangements pursuant to the articles of association of the Company, not exceeding twenty (20) per cent of the number of issued Shares as at the date of this resolution (subject to adjustment in case of any Share consolidation or subdivision after such mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and
- (b) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until, whichever is the earliest of,
  - i. the conclusion of the next annual general meeting of the Company;
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
  - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting;

and “**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractions entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares on market through The Stock Exchange of Hong Kong Limited or on another recognised stock exchange and that the exercise by the Directors of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period (as hereinafter defined);
  - (b) such mandate shall authorise the Directors to procure the Company to repurchase Shares on market through The Stock Exchange of Hong Kong Limited or on another recognised stock exchange at such price as the Directors may at their discretion determine;
  - (c) the Shares to be repurchased by the Company pursuant to paragraph (a) of this resolution during the Relevant Period shall be no more than ten (10) per cent of the number of issued Shares as at the date of passing this resolution (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); and
  - (d) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until, whichever is the earliest of,:
    - i. the conclusion of the next annual general meeting of the Company;
    - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; or
    - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”
9. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 7 and 8 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 8 above shall be added to the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution no. 7 above.”

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## NOTICE OF ANNUAL GENERAL MEETING

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10. **“THAT**

- (a) a specific mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as hereinafter defined) all the powers of the Company to allot, issue new Shares and/or otherwise deal with unissued Shares in the Company which may be required to be allotted and issued under the restricted share award scheme of the Company constituted by the rules adopted by the board of Directors of the Company on 6 February 2008 as amended on 11 August 2015, 13 June 2016, 24 November 2017 and 4 May 2018 (and the restricted share award scheme and the transactions contemplated thereunder having thereafter been approved, confirmed and ratified by the shareholders’ resolution passed at the extraordinary general meeting of the Company held on 23 May 2018) (“**Share Award Scheme**”), and to make or grant Share Awards (as defined in the Share Award Scheme) which would or might require the exercise of such powers either during or after the Relevant Period, pursuant to the terms of the Share Award Scheme not exceeding three (3) per cent of the number of issued Shares as at the date of this resolution is passed (subject to adjustment in case of any Share consolidation or subdivision after this mandate has been approved, provided that the maximum number of new Shares that may be allotted and issued as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same);
- (b) for the purpose of this resolution, “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
- i. the conclusion of the next annual general meeting of the Company;
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by law or the articles of association of the Company to be held; and
  - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting; and
- (c) any one or more of the Directors be and are hereby authorised to sign, execute and deliver all such documents, instruments and agreements (including the affixation of the common seal of the Company when required), and to do all such acts or things (including the grant of any awards as defined under the Share Award Scheme), as it may consider necessary, appropriate, desirable or expedient to implement, give effect to and/or in connection with paragraphs (a) of this resolution.”

On behalf of the Board  
**LI Dongsheng**  
*Chairman*

Hong Kong, 21 April 2021

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. A member of the Company who is a holder of two or more Shares, and who is entitled to attend and vote at the AGM is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company.
2. A form of proxy for the Meeting is enclosed with the Company's circular dated 21 April 2021. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the Meeting and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
3. To ascertain the entitlements to attend and vote at the AGM, members of the Company must lodge the relevant transfer document(s) and share certificate(s) at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 14 May 2021, Friday for registration. Members of the Company whose names are recorded in the register of members of the Company on 14 May 2021, Friday are entitled to attend and vote at the AGM.

The record date for determining the entitlements of the shareholders of the Company to the proposed final dividend is 28 May 2021, Friday. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 28 May 2021, Friday. The Hong Kong register of members of the Company will be closed from 31 May 2021, Monday, to 1 June 2021, Tuesday (both dates inclusive), during which no transfer of the Shares may be registered.

4. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
5. With regard to resolution no. 7 above, the Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the general mandate to be granted under resolution no. 7 above.
6. Shareholders of the Company should note that the Meeting will be held as scheduled when typhoon signal no. 8 (or above) or black rainstorm warning signal or "extreme conditions" as defined under Chapter 1 of the Rules of the Exchange of The Stock Exchange of Hong Kong Limited is in force. In such event, shareholders of the Company should make their own decision as to whether they would attend the meeting under bad weather conditions bearing in mind their own situations and if they should choose to do so, they are advised to exercise care and caution.
7. In view of the recent development of the pandemic caused by coronavirus disease 2019 (COVID-19), and in order to better protect the safety and health of the shareholders of the Company, a series of pandemic precautionary measures will be implemented at the venue of the Meeting:
  - (i) compulsory body temperature check will be conducted for every person at the entrance of the venue of Meeting. Any person with a body temperature of over 37.5 degree Celsius will not be admitted to the venue;
  - (ii) every person is required to wear facial mask at the venue of the Meeting;
  - (iii) seating in the Meeting venue will be arranged so as to allow for appropriate social distancing; and
  - (iv) no refreshments will be served at the Meeting.

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## NOTICE OF ANNUAL GENERAL MEETING

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Subject to the development of the COVID-19 pandemic and in compliance with applicable laws and regulations, the Company may implement further precautionary measures at the Meeting.

The Company wishes to remind its shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising their voting rights and strongly advises the shareholders to appoint the chairman of the Meeting as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form as an alternative to attending the Meeting in person in light of the continuing risks posed by the COVID-19 pandemic. For more details, please refer to the proxy form for the Meeting.

Shareholders of the Company and other participants who will attend the Meeting in person are advised to (a) consider carefully the risk of attending the Meeting, which will be held in an enclosed environment; (b) follow and comply with any laws, regulations, guidelines or requirements implemented by the Hong Kong Government relating to COVID-19 pandemic; and (c) not to attend the Meeting if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

*As at the date of this notice, the Board comprises Mr. LI Dongsheng, Mr. WANG Cheng, Mr. YAN Xiaolin and Mr. HU Dien Chien as executive Directors, Mr. Albert Thomas DA ROSA, Junior, Mr. SUN Li and Mr. LI Yuhao as non-executive Directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.*