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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

A notice convening the annual general meeting of TCL Electronics Holdings Limited to be held with a combination of physical meeting at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong and virtual meeting on 17 June 2022, Friday, at 2:30 p.m. is set out on pages 34 to 40 of this circular.

Shareholders of the Company should note that the annual general 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 is/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 Hong Kong branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided in the notification letter sent by the Company as soon as possible and in any event no 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.

SPECIAL ARRANGEMENT FOR THE ANNUAL GENERAL MEETING

Please refer to pages 22 to 23 of this circular for the special arrangement for the annual general meeting, including guidance on joining the annual general meeting by electronic means.

Shareholders should also check the latest policies and notices announced by the government of Hong Kong and the announcements of the Company for future updates on the annual general meeting arrangements.

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DEFINITIONS

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 companies which, in accordance with the generally accepted accounting principles in the PRC, is recorded as an affiliated company 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 with a combination of physical meeting at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong and virtual meeting via the e-Meeting System, on 17 June 2022, 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 26 April 2022 for convening the AGM and included in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Audit Committee”	the audit committee of the Company
“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

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“Cash Income”	cash income of any Restricted Share(s) including any deemed Cash Income as prescribed by the Scheme Rules
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules
“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)
“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
"e-Meeting System"	an electronic meeting system for facilitating the conduct of the AGM provided by the Company’s Hong Kong branch share registrar and transfer office, Tricor Tengis Limited
“Employee(s)”	employee(s) (whether full-time or part-time) of the Group or 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)”	(i) any Employee who has no managerial role in the Group (primarily but not limited to mid-level and junior key Employees); and (ii) adviser, consultant, agent, contractor, client or supplier of any member of the Group, whom the Board in its sole discretion considers may contribute or have contributed to the Group but excluding any connected person of the Group
“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

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“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
“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 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

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“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 and the vesting conditions attached therewith
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	12 April 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“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, administered 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

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“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)
“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 sub-scripture (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

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“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 other recognised stock exchanges not exceeding 10% of the total number of issued Shares 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
“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

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“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
“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

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“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
“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)

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“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)
“URL”	uniform resource locator
“U.S.”	United States of America
“%”	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.*

LETTER FROM THE BOARD



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:

Ms. DU Juan (*Chairperson*)

Mr. YAN Xiaolin

Mr. HU Dien Chien

Non-executive Directors:

Mr. WANG Cheng

Mr. Albert Thomas DA ROSA, Junior

Mr. SUN Li

Mr. LI Yuhao

Independent Non-executive Directors:

Mr. Robert Maarten WESTERHOF

Dr. TSENG Shieng-chang Carter

Professor WANG Yijiang

Mr. LAU Siu Ki

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

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

26 April 2022

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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- (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 21 May 2021, resolutions for 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 prevailing up to 20% 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 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 was 2,479,993,237 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 495,998,647 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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(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 other recognised stock exchanges 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 2,479,993,237 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 247,999,323 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 other recognised stock exchanges 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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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 3 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.

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

Name	Position
(a) Mr. Albert Thomas DA ROSA, Junior	Non-executive Director
(b) Mr. SUN Li	Non-executive Director
(c) Mr. Robert Maarten WESTERHOF	Independent non-executive Director
(d) Dr. TSENG Shieng-chang Carter	Independent non-executive Director

Mr. SUN Li and Dr. TSENG Shieng-chang, being eligible, will offer themselves for re-election at the AGM.

If re-elected at the AGM, each of Mr. SUN Li and Dr. TSENG Shieng-chang Carter 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.

Reference is made to the announcement of the Company dated 18 March 2022 in relation to, among others, the retirement of Mr. Albert Thomas DA ROSA, Junior and Mr. Robert Maarten WESTERHOF. As stated therein, Mr. Albert Thomas DA ROSA, Junior and Mr. Robert Maarten WESTERHOF shall retire from office as a non-executive Director and an independent non-executive Director respectively with effect from the conclusion of the AGM and will not offer themselves for re-election to focus on their other personal commitments which require more of their dedication and time commitment. Each of Mr. Albert Thomas DA ROSA, Junior and Mr. Robert Maarten WESTERHOF has confirmed that he has no claim against the Company whatsoever whether in respect of fees, compensation for loss of office, remuneration, severance payments, pension or expenses and there is no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the Shareholders or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Albert Thomas DA ROSA, Junior and Mr. Robert Maarten WESTERHOF for their valuable contribution to the Company during their tenure of service as Directors.

LETTER FROM THE BOARD

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 Dr. TSENG Shieng-chang Carter as an independent non-executive Director. In particular, the Nomination Committee has assessed Dr. TSENG Shieng-chang Carter 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 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 Dr. TSENG Shieng-chang Carter 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.

Whilst Dr. TSENG Shieng-chang Carter has been an independent non-executive Director since 2011 and thus has served the Company for more than 9 years, Dr. TSENG Shieng-chang Carter has confirmed to the Company that save for the interest disclosed in Appendix II to this circular, he does not have any interest in the Shares within the meaning of Part XV of the SFO, nor does he have any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company. In addition, Dr. TSENG Shieng-chang Carter agreed to waive his remuneration as a Director and such remuneration will be donated by the Company for charity use. Given that Dr. TSENG Shieng-chang Carter has been an independent non-executive Director for a number of years, he is very familiar with the business and operation of the Group as well as relevant responsibilities, obligations and requirements under the Listing Rules for being an independent non-executive Director. The Company is not aware of any matter which may indicate that Dr. TSENG Shieng-chang Carter cannot remain as an independent non-executive Director. Having considered the above, the Nomination Committee is satisfied that Dr. TSENG Shieng-chang Carter remains independent in accordance with Rule 3.13 of the Listing Rules.

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In addition, the Nomination Committee has evaluated his performance as an independent non-executive Director and considers that he has provided valuable contributions and devoted sufficient time to the Company and have demonstrated his abilities to provide independent, balanced and objective view to the Company's affairs. The Nomination Committee is also of the view that Dr. TSENG Shieng-chang Carter would bring to the Board his own perspective, skills and experience, as further described in his biography in Appendix II to this circular. In particular, Dr. TSENG Shieng-chang Carter has over 40 years of extensive experience in the high-tech industry and has served as adjunct professor at a number of renowned universities over the globe. The Nomination Committee considers that Dr. TSENG Shieng-chang Carter can contribute to the diversity of the Board and his re-election would be in the interests of the Company and the Shareholders as a whole.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that Dr. TSENG Shieng-chang Carter stands for re-election as Director at the AGM. As a good corporate governance practice, Dr. TSENG Shieng-chang Carter abstained from voting at the relevant Board meeting on the proposition of his recommendation for 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 for the re-election of Mr. SUN Li. The Nomination Committee is of the view that he has provided and would continue to provide valuable contribution and devote sufficient time to the Company and contribute to the diversity of the Board. Accordingly, the Nomination Committee considers that his re-election would be in the interests of the Company and the Shareholders as a whole.

4. THE SHARE AWARD SCHEME AND THE SCHEME MANDATE TO ISSUE SHARES THEREUNDER

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.

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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.

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:

	Approximate number of Restricted Shares ('000)	Approximate percentage of the total number of issued Shares as at the Latest Practicable Date
Total number of Restricted Shares granted*	209,588	8.45%
– granted in the form of new Shares	85,728	3.46%
– granted in the form of existing Shares	123,860	4.99%
Total number of Restricted Shares vested	57,489	2.32%
Total number of Restricted Shares lapsed	38,495	1.55%
Total number of Restricted Shares outstanding (i.e. granted but remained unvested) as at the Latest Practicable Date	113,604	4.58%

* 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

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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.

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 become 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.

Reference is made to the announcement of the Company dated 19 May 2021. A total of 42,054,488 Restricted Shares being new Shares and a total of 72,417,732 Restricted Shares being existing Shares were granted by the Company to various grantees on 18 May 2021. Save as aforementioned, no further Restricted Shares have been granted after the aforesaid refreshment of the Scheme Limit up to the Latest Practicable Date. Therefore, the existing maximum number of Restricted Shares available for grant is 118,757,710 (representing approximately 4.79% of the total number of the issued Shares as at the Latest Practicable Date).

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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 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 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 21 May 2021, 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. 21 May 2021. As at 21 May 2021, the number of issued Shares was 2,470,066,763 Shares and the maximum amount of new Shares which could be issued as approved under the existing Scheme Mandate was therefore 74,102,002 Shares. As at the Latest Practicable Date, the Board has no intention to grant any further new Shares under the existing Scheme Mandate before the upcoming AGM to be held on 17 June 2022.

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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 three (3) percent of the number of 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 2,479,993,237 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 74,399,797 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 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, respectively held 1,274,974,288 Shares and 348,850,000 Shares, representing approximately 51.41% and 14.07% of the number of issued Shares respectively. Assuming the Scheme Mandate is approved at the AGM and that the said 74,399,797 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 49.91% and 13.66% respectively; and (ii) the estimated fair value of such new Shares will be approximately HK\$245.52 million (based on the Share price of the Company on the Latest Practicable Date, for illustrative purpose only).

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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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- (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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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 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 34 to 40 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 Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated URL (<https://spot-meeting.tricor.hk>) by using the username and password provided in the notification letter sent by the Company, as soon as possible and in any event no 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.

Special arrangement for the AGM

In view of the current COVID-19 pandemic situation in Hong Kong and in order to comply with the social distancing measures under the relevant laws and regulations of Hong Kong ("**Social Distancing Regulations**"), the AGM is intended to be held at the physical meeting location at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong ("**Physical Meeting Location**") with the minimum number of persons present as is legally required to form a quorum, together with a limited number of other attendees to ensure proper conduct of the AGM, whereas the quorum will be formed by the Directors or staff members of the Group who are Shareholders or proxies to maintain an internal grouping and minimise the risks posed by COVID-19. Other Directors, Shareholders or their proxies or corporate representatives should only attend the AGM by electronic means via the e-Meeting System. **Any Shareholder or his/her/its proxy or corporate representative who attempts to attend the AGM in person at the Physical Meeting Location will NOT be permitted entry.**

All registered Shareholders will be able to join the AGM via the e-Meeting System. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the e-Meeting System, our registered Shareholders will be able to view the live video broadcast and participate in voting and submit questions online by using the username and password provided in the notification letter sent by the Company. Login details and information regarding the e-Meeting System are included in our notification letters to registered Shareholders. Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairperson of the AGM) for the proxy to receive the login access code to participate in the AGM by electronic means through

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the e-Meeting System. **Shareholders and their proxies are advised to keep the login credentials in safe custody and shall not disclose them to any other person.**

Non-registered holders whose Shares are held in CCASS through banks, brokers, custodians or HKSCC may also be able to attend the AGM, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

Shareholders can submit questions during the AGM via the e-Meeting System. Questions relevant to the business to be conducted at the AGM will be addressed by the Board during the AGM.

For the avoidance of doubt, the Board considers the AGM an important opportunity for Shareholders to express their views by raising questions and voting by way of proxy. Shareholders' participation in the AGM is important, and they are encouraged and welcomed to raise questions during the AGM.

If any Shareholder has any question on the arrangements of attending the AGM by electronic means, please contact Tricor Tengis Limited, the Company's branch share registrar and transfer office, at the following address or by the following means:

Address: Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Telephone: (852) 2980-1333 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays)

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change and adopt contingency plans for the AGM arrangements at short notice, and the Company will ensure that the AGM arrangements are in compliance with the Articles and applicable laws and regulations. In particular, if the social distancing measures under the Social Distancing Regulations have been significantly relaxed prior to the AGM and such relaxation remains in effect at the time when the AGM is held, the Company might consider permitting limited attendance by Shareholders or their proxies or corporate representatives at the AGM in person at the Physical Meeting Location, after taking into account various factors such as the need to safeguard the health and safety of the Shareholders and other attendees and to prevent and minimise the risk of spreading of COVID-19 and compliance with applicable laws and regulations of Hong Kong. In such circumstances, the Company will provide necessary updates to the Shareholders by publishing further announcement(s) in relation thereto. Should any other changes be made to the AGM arrangements, the Company will also use its best endeavours to provide necessary updates to the Shareholders by publishing further announcement(s) regarding the AGM arrangements. **Shareholders should check the latest policies and notices announced by the government of Hong Kong and the announcements of the Company for future updates on the AGM arrangements.**

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6. FINAL DIVIDEND

Reference is made to (i) the announcement of the Company dated 11 March 2022 in relation to, among others the proposed final dividend for the year ended 31 December 2022; and (ii) the announcement of the Company dated 18 March 2022 in relation to, among others, the change of record date for proposed final dividend distribution. The Board has recommended the declaration of a final dividend of HK16.70 cents (HK\$0.167) per Share for the year ended 31 December 2021 to be paid to the Shareholders whose names appear on the register of members of the Company on 8 July 2022, 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 Act 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 2021, based on the audited consolidated financial statements of the Group, the Company had an aggregate of HK\$4,906,432,000 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 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\$5,645,368,000. 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\$5,231,215,000 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 5 August 2022, Friday.

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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 Act of the Cayman Islands. 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, no later than 4:30 p.m. on 13 June 2022, Monday for registration. Members of the Company whose names are recorded in the register of members of the Company at the close of business on 13 June 2022, Monday are entitled to attend and vote at the AGM.

As set out in the announcement of the Company dated 18 March 2022 in relation to, among others, the change of record date for proposed final dividend distribution, the Hong Kong register of members of the Company will be closed from 8 July 2022, Friday, to 11 July 2022, Monday (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 8 July 2022, 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 Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on 7 July 2022, Thursday.

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.

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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 number of attendees to the Physical Meeting Location will be limited (as more particularly set out in the section headed “5. ANNUAL GENERAL MEETING” of the Letter from the Board in this circular); 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 either appoint the chairperson of the AGM as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form or to attend the AGM via the e-Meeting System 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.

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 government of Hong Kong 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.

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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
DU Juan
Chairperson

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

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 was 2,479,993,237 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 247,999,323 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.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

On the basis of the combined net tangible assets of the Group as at 31 December 2021, 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 2,479,993,237 to 2,231,993,914.

As at the Latest Practicable Date, T.C.L. Industries (H.K.) held 1,274,974,288 Shares, representing approximately 51.41% of the number of 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 51.41% to 57.12% 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.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE OF SHARES

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\$)
2021		
April	6.380	5.680
May	5.830	5.030
June	5.280	4.400
July	4.690	3.680
August	4.720	3.840
September	4.570	3.830
October	4.480	3.590
November	4.720	3.960
December	4.580	3.850
2022		
January	4.370	3.830
February	4.150	3.610
March	3.700	2.570
April (up to the Latest Practicable Date)	3.420	3.220

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. Yet, during the six months preceding the Latest Practicable Date, pursuant to the rules of the Share Award Scheme, the Trustees purchased on the Stock Exchange a total of 9,722,000 existing Shares, all for the Share Award Scheme. The total amount paid by the Company to the Trustees to acquire such existing Shares were approximately HK\$32,143,000.

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.

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

1. Mr. SUN Li (“Mr. SUN”)

Aged 44, a non-executive Director and the chief technology officer of TCL Holdings. Mr. SUN became a non-executive Director with effect from February 2020. He graduated from Shanghai Jiao Tong University with a Master’s Degree in Engineering. With extensive experience in the communications industry, Mr. SUN has been deeply involved in AI for many years. Mr. SUN worked at the mobile phone research and development department of Alcatel from March 2001 to 2004. Since joining TCL Communication Technology Holdings Limited in 2004, he had served as research and development department manager, pre-research department manager, director of software at global research and development centre and deputy general manager of global research and development centre and established a team engaged in smart phone software, a management system of global operators’ technological needs and a software platform for global operators from 2004 to July 2017. From August 2017 to June 2019, he was a vice president of Thunder Software Technology Co., Ltd. (300496.SZ). During this period, Mr. SUN established the intelligent vision business group, focusing on camera technology, computer vision algorithms and artificial intelligence algorithms which were applied to mobile phones, internet of things, automotive and industrial fields, and opened up new businesses for industrial visual detection based on deep learning.

As at the Latest Practicable Date, Mr. SUN is interested or is deemed to be interested in 2,428,562 unvested Restricted Shares granted under the Share Award Scheme.

Save as disclosed above, as at the Latest Practicable Date, Mr. SUN (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 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. SUN has entered into a letter of appointment as a non-executive Director for an initial term of three years commencing on 28 February 2020, 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. SUN will not be entitled to any director’s fee, subject to annual review by the Remuneration Committee, but is entitled to receive discretionary bonus payment or other benefits, which is 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.

2. Dr. TSENG Shieng-chang Carter (“Dr. TSENG”)

Aged 73, an independent non-executive Director, the chairperson of the Remuneration Committee, and a member of the Audit Committee and the Nomination Committee. Dr. TSENG became an independent non-executive Director in July 2011. He also served as an independent director of TCL Technology from June 2008 to June 2011. Dr. TSENG is currently a senior consultant of the Shenzhen Municipal Government, senior consultant of Tianjin Economic Technological Development Area and the executive chairperson of Nankai International Business Forum. Dr. TSENG also serves as adjunct professor at a number of renowned universities over the globe including the University of Alberta (Canada), the City University of Hong Kong, the Nankai University in Tianjin, the Sichuan University and the University of Electronic Science and Technology of China in Chengdu. Dr. TSENG is also a member of the U.S.-based “Committee of 100”. Dr. TSENG holds a Bachelor’s Degree of Science in Electrical Engineering from the National Taiwan University, he then pursued further studies at the University of California where he obtained his Master’s and Doctor’s Degrees in Computer Science and Electronics Engineering. Dr. TSENG has over 40 years of experience in the high-tech industry. While in the U.S., Dr. TSENG worked at PARC (XEROX Research Center) in Silicon Valley and various U.S.-based companies including Lockheed Aircraft Co. and NRL. Dr. TSENG then returned to Taiwan in 1980, and was a co-founder of MICROTEK which was listed in 1988 – the then world class leader in the image scanner industry, one of the first and most successful listed high-tech companies based in Taiwan Hsinchu Science Park. Dr. TSENG has also drawn on his rich experience to coach and mentor executives and managers in the high-tech arena. In 1998, Dr. TSENG set up the “Little Dragon Foundation” with a mission to guide entrepreneurs of tomorrow, which has served many large corporations in the PRC. Dr. TSENG also serves as an overseas director of Canada National Institute of Nano Technology and a director of China National Academy of Nano Technology & Engineering.

Save as disclosed above, as at the Latest Practicable Date, Dr. TSENG (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 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.

Dr. TSENG has not entered into any service contract or appointment letter with the Company. Nevertheless, Dr. TSENG is entitled to (i) Director’s fee (subject to annual review by the Board as recommended by the Remuneration Committee); and (ii) discretionary bonus payment or other benefits as may be determined by the Board as recommended by the Remuneration Committee from time to time with reference to his duties and responsibilities in the Company as well as the Company’s performance and the market rate for the position. Dr. TSENG is also 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.

APPENDIX II DETAILS OF DIRECTORS STANDING FOR RE-ELECTION

DIRECTORS' EMOLUMENTS

The amounts of emoluments received in 2021 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. SUN (Note 1)	–	–	–	–	4,791	–	4,791
Dr. TSENG (Note 2)	–	–	–	–	–	–	–

The emoluments to be received in 2022 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 above Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar positions.

Notes:

- The employee share-based compensation benefits received by Mr. SUN for the year ended 31 December 2021 represented the Awards granted as replacement of the incentives granted under the incentive scheme adopted by Shenzhen Falcon Network Technology Co., Ltd.* (深圳市雷鳥網絡科技有限公司), a subsidiary of the Company. For details, please refer to the announcement of the Company dated 19 May 2021.
- Dr. TSENG agreed to waive his remuneration as a Director for the year ended 31 December 2021 of HK\$300,000 and such remuneration will be donated by the Company for charity use.

OTHER INFORMATION

If re-elected at the AGM, all of 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, 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.

NOTICE OF ANNUAL GENERAL MEETING



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**”, and together with its subsidiaries, the “**Group**”)

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company (the “**Meeting**”) will be held with a combination of physical meeting at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong and virtual meeting on 17 June 2022, Friday, at 2:30 p.m. 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 auditor of the Company (“**Auditor**”) for the year ended 31 December 2021.
2. To declare a final dividend of HK16.70 cents per ordinary share of the Company for the year ended 31 December 2021 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 8 July 2022, Friday.
3. To re-appoint Messrs. Ernst & Young as the Auditor and authorise the board of Directors to fix their remuneration.
4.
 - (a) To re-elect Mr. SUN Li as a non-executive Director.
 - (b) To re-elect Dr. TSENG Shieng-chang Carter as an independent non-executive Director.
5. To authorise the board of Directors to fix the Directors’ remuneration.

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

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

6. **“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).”

NOTICE OF ANNUAL GENERAL MEETING

7. “**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 other recognised stock exchanges 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.”
8. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 6 and 7 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 7 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. 6 above.”

NOTICE OF ANNUAL GENERAL MEETING

9. **“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); 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; 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
DU Juan
Chairperson

Hong Kong, 26 April 2022

NOTICE OF ANNUAL GENERAL MEETING

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 Meeting 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 26 April 2022. 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 Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong or via the designated uniform resource locator (URL) (<https://spot-emeeting.tricor.hk>) by using the username and password provided in the notification letter sent by the Company 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 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.

All registered shareholders of the Company will be able to join the Meeting via an electronic meeting system for facilitating the conduct of the Meeting ("**e-Meeting System**") provided by the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited. The e-Meeting System can be accessed from any location with access to the internet via smartphone, tablet device or computer. Through the e-Meeting System, registered shareholders of the Company will be able to view the live video broadcast and participate in voting and submit questions online by using the username and password provided on the notification letter sent by the Company. Login details and information regarding the e-Meeting System are included in the Company's notification letters to registered shareholders of the Company. Registered shareholders of the Company are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairperson of the Meeting) for the proxy to receive the login access code to participate in the Meeting by electronic means through the e-Meeting System. **Shareholders of the Company and their proxies are advised to keep the login credentials in safe custody and shall not disclose them to any other person.**

Non-registered holders of the Company whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited may also be able to attend the Meeting, vote and submit questions online. In this regard, they should consult directly with their banks, brokers or custodians (as the case may be) for the necessary arrangements.

3. To ascertain the entitlements to attend and vote at the Meeting, 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 no later than 4:30 p.m. on 13 June 2022, Monday for registration. Members of the Company whose names are recorded in the register of members of the Company at the close of business on 13 June 2022, Monday are entitled to attend and vote at the Meeting.

The record date for determining the entitlements of the shareholders of the Company to the proposed final dividend is 8 July 2022, 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 Hong Kong branch registrar and transfer office, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 7 July 2022, Thursday. The Hong Kong register of members of the Company will be closed from 8 July 2022, Friday, to 11 July 2022, Monday (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. 6 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. 6 above.

NOTICE OF ANNUAL GENERAL MEETING

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 current coronavirus disease 2019 (“**COVID-19**”) pandemic situation in Hong Kong and in order to comply with the social distancing measures under the relevant laws and regulations of Hong Kong (“**Social Distancing Regulations**”), the Meeting is intended to be held at the physical meeting location at 8/F, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong (“**Physical Meeting Location**”) with the minimum number of persons present as is legally required to form a quorum, together with a limited number of other attendees to ensure proper conduct of the Meeting, whereas the quorum will be formed by the Directors or staff members of the Group who are shareholders of the Company or proxies to maintain an internal grouping and minimise the risks posed by COVID-19. Other Directors, shareholders of the Company or their proxies or corporate representatives should only attend the Meeting by electronic means via the e-Meeting System. **Any shareholder of the Company or his/her/its proxy or corporate representative who attempts to attend the Meeting in person at the Physical Meeting Location will NOT be permitted entry.**

If any shareholder of the Company has any question on the arrangements of attending the Meeting by electronic means, please contact Tricor Tengis Limited, the Company’s branch share registrar and transfer office, at the following address or by the following means:

Address: Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong
Email: is-enquiries@hk.tricorglobal.com
Telephone: (852) 2980-1333 from 9:00 a.m. to 5:00 p.m. (Monday to Friday, excluding Hong Kong public holidays)

Due to the constantly evolving COVID-19 pandemic situation in Hong Kong, the Company may be required to change and adopt contingency plans for the Meeting arrangements at short notice, and the Company will ensure that the Meeting arrangements are in compliance with its articles of association and applicable laws and regulations. In particular, if the social distancing measures under the Social Distancing Regulations have been significantly relaxed prior to the Meeting and such relaxation remains in effect at the time when the Meeting is held, the Company might consider permitting limited attendance by shareholders of the Company or their proxies or corporate representatives at the Meeting in person at the Physical Meeting Location, after taking into account various factors such as the need to safeguard the health and safety of the shareholders of the Company and other attendees and to prevent and minimise the risk of spreading of COVID-19 and compliance with applicable laws and regulations of Hong Kong. In such circumstances, the Company will provide necessary updates to its shareholders by publishing further announcement(s) in relation thereto. Should any other changes be made to the Meeting arrangements, the Company will also use its best endeavours to provide necessary updates to its shareholders by publishing further announcement(s) regarding the Meeting arrangements. **Shareholders of the Company should check the latest policies and notices announced by the government of Hong Kong and the announcements of the Company for future updates on the Meeting arrangements.**

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 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 number of attendees to the Physical Meeting Location will be limited as set out above; and
- (iv) no refreshments will be served at the Meeting.

NOTICE OF ANNUAL GENERAL MEETING

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 either appoint the chairperson of the Meeting as a proxy to vote on relevant resolution(s) as instructed in accordance with the relevant proxy form or to attend the Meeting via the e-Meeting System 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 government of Hong Kong 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 Ms. DU Juan, Mr. YAN Xiaolin and Mr. HU Dien Chien as executive Directors, Mr. WANG Cheng, 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.