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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) PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME AND
TERMINATION OF 2016 SHARE OPTION SCHEME
(2) PROPOSED ADOPTION OF 2023 SHARE AWARD SCHEME
(3) RECORD DATE FOR THE EGM
AND
(4) FURTHER INFORMATION ON
ANNUAL REPORT 2022 AND INTERIM REPORT 2023**

PROPOSED ADOPTION OF 2023 SHARE OPTION SCHEME AND TERMINATION OF 2016 SHARE OPTION SCHEME

Following the amendments of Chapter 17 of the Listing Rules which has taken effect on 1 January 2023, the Company proposes to terminate the 2016 Share Option Scheme and adopt the 2023 Share Option Scheme to replace the 2016 Share Option Scheme. According to the terms of the 2016 Share Option Scheme, the Company may by ordinary resolution in general meeting terminate the 2016 Share Option Scheme. The 2023 Share Option Scheme will constitute a share scheme involving grant of options over new Shares under the amended Chapter 17 of the Listing Rules and will take effect upon (i) the passing of the necessary resolution to adopt the 2023 Share Option Scheme by the Shareholders in a general meeting of the Company and to grant authorities to the Board to grant share options under the 2023 Share Option Scheme in accordance with the rules of the 2023 Share Option Scheme and to allot, issue and deal in such number of Shares fall to be issued on the exercise of any share options to be granted under the 2023 Share Option Scheme; and (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued by the Company pursuant to the exercise of any such share options in accordance with the terms and conditions of the 2023 Share Option Scheme.

PROPOSED ADOPTION OF 2023 SHARE AWARD SCHEME

Following the expiration of the 2008 Share Award Scheme on 5 February 2023, the Company proposes to adopt the 2023 Share Award Scheme, under which awards may be made in the form of new Shares and/or existing Shares as determined by the Board. The 2023 Share Award Scheme will constitute a share scheme involving grant of, among others, new Shares under the amended Chapter 17 of the Listing Rules and will take effect upon (i) the passing of the necessary resolution to adopt the 2023 Share Award Scheme by the Shareholders in a general meeting of the Company and to grant authorities to the Board to grant awarded shares under the 2023 Share Award Scheme in accordance with the rules of the 2023 Share Award Scheme; and (ii) the Listing Committee granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued by the Company in respect of the awards to be granted in accordance with the terms and conditions of the 2023 Share Award Scheme.

PURPOSES AND PARTICIPANTS OF THE 2023 SHARE SCHEMES

The purposes of the 2023 Share Schemes are (i) to recognise and acknowledge the contributions of the Participants and to motivate Participants to contribute to, and promote the interests of, the Company by granting options or awards to them as incentives or rewards for their contributions to the growth and development of the Group; (ii) to attract, retain and motivate high-calibre Participants to promote the sustainable development of the Group in line with the performance goals of the Group; (iii) to develop, maintain and strengthen long-term relationships that the Participants may have with the Group for the benefit of the Group; and (iv) to align the interest of the Participants with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

The Participants of the 2023 Share Option Scheme will include the Employee Participants, the Related Entity Participants and the Service Providers, whilst the Participants of the 2023 Share Award Scheme will include the Employee Participants, the Related Entity Participants and the Service Providers, to whom an award may be made in the form of new Shares and/or existing Shares as determined by the Board, and provided that if and only if an award is to be made in the form of existing Shares, the Participant in respect of such award shall also include Other Participants, i.e. any other person(s) whom the Board in its sole discretion considers may contribute or have contributed to the Group (including but not limited to employees and officers of any invested entities of the Company, of any affiliated entities of the Company and/or of any Service Provider).

Over the years of business operation, the Company has recognised that there are individuals and/or entities albeit not being employees of the Group nor of the Related Entities nor a Service Provider of the Group which may have an important role in contributing to the success of the Group and the Company would also like to recognise and motivate their contributions by providing equity-linked rewards to align their economic interests with that of the Shareholders. In particular, as disclosed in the section

headed “Further Information on Annual Report 2022 and Interim Report 2023” below, some of the eligible participants under the 2008 Share Award Scheme do not fall within the scope of the Employee Participants, the Related Entity Participants or the Service Providers, and the Company has previously granted awards under the 2008 Share Award Scheme to such participants in consideration of their contributions to the Group’s development and success. It is therefore proposed that the scope of Participants under the 2023 Share Award Scheme shall include not only the Employee Participants, the Related Entity Participants and the Service Providers, but also Other Participants; yet, to comply with the provisions of the prevailing Chapter 17 of the Listing Rules, any Award to be granted to an Other Participant will only be in the form of existing Shares.

THE EGM AND RECORD DATE FOR THE EGM

An EGM will be convened on 3 November 2023, Friday for the Shareholders to consider and, if thought fit, approve (i) the adoption of the 2023 Share Option Scheme and the termination of the 2016 Share Option Scheme; and (ii) the adoption of the 2023 Share Award Scheme.

The record date (being the last date of registration of any transfer of Shares given there will be no closure of register of members) for the purpose of determining the entitlements of the Shareholders to attend and vote at the EGM will be on 30 October 2023, Monday. In order to qualify for the aforesaid entitlements, all transfers must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 30 October 2023, Monday.

A circular containing, among other things, further details of the proposed adoption of the 2023 Share Option Scheme and the termination of the 2016 Share Option Scheme, the adoption of the 2023 Share Award Scheme, a summary of principal terms of the 2023 Share Option Scheme and the 2023 Share Award Scheme, and other information as required under the Listing Rules, as well as the notice of the EGM, will be despatched to the Shareholders on or before 17 October 2023, Tuesday.

FURTHER INFORMATION ON ANNUAL REPORT 2022 AND INTERIM REPORT 2023

Reference is made to the Annual Report 2022 and the Interim Report 2023. In addition to the information provided under the section headed “Award Scheme” in both the Annual Report 2022 and the Interim Report 2023, the Company would like to provide additional information in relation to the category of participants headed “Others” in the respective table in respect of the 2008 Share Award Scheme on pages 110 to 111 of the Annual Report 2022 and pages 93 to 94 of the Interim Report 2023.

As disclosed in the Annual Report 2022 and the Interim Report 2023, the 2008 Share Award Scheme was adopted for a wide scope of participants, which might include employees of the Group (including but not limited to directors, chief executives and supervisors), advisers, consultants, agents, contractors, clients or suppliers of any member of the Group, and any employees or officer of any affiliated company of the Company (i.e. TCL Technology (being the then ultimate controlling shareholder of the Company), its subsidiaries and companies which, in accordance with the generally accepted accounting principles in the PRC, are recorded as affiliated company in the financial statements of TCL Technology, which shall include any company which TCL Technology is directly or indirectly interested in not less than 20% of its issued share capital) who has a managerial role in the affiliated company, whom the Board in its sole discretion considers may contribute or have contributed to the Group.

As illustrated above, the scope of participants of the 2008 Share Award Scheme includes participants which do not fall under the prescribed categories of participants as stipulated under the amended Chapter 17 of the Listing Rules. Accordingly, those grantees of the 2008 Share Award Scheme who, with reference to their capacity as at 31 December 2022 or 30 June 2023 (as the case may be), were neither (i) directors, chief executive or substantial shareholders of the Company, or their respective associates; (ii) participant with awards granted and to be granted in excess of the 1% individual limit; (iii) related entity participant or service provider with awards granted and to be granted in any 12-month period exceeding 0.1% of the relevant class of shares in issue; nor (iv) other employee participants, related entity participants and service providers, are categorised under the category headed “Others” in the respective table in respect of the 2008 Share Award Scheme on pages 110 to 111 of the Annual Report 2022 and pages 93 to 94 of the Interim Report 2023.

Save as disclosed in this announcement, all other information set out in the Annual Report 2022 and the Interim Report 2023 remains unchanged. This announcement is supplemental to and should be read in conjunction with the Annual Report 2022 and the Interim Report 2023.

DEFINITIONS

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

“2008 Share Award Scheme” the restricted share award scheme adopted by the Company on 6 February 2008 (as amended from time to time);

“2016 Share Option Scheme” the share option scheme adopted by the Company on 18 May 2016 (as amended from time to time);

“2023 Share Award Scheme”	the new share award scheme proposed to be adopted by the Company at the EGM;
“2023 Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM;
“2023 Share Schemes”	collectively, the 2023 Share Option Scheme and the 2023 Share Award Scheme;
“Annual Report 2022”	the annual report of the Company for the year ended 31 December 2022;
“Company”	TCL Electronics Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01070);
“Director(s)”	the director(s) of the Company from time to time;
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider, and if thought fit, approve (i) the adoption of 2023 Share Option Scheme and termination of 2016 Share Option Scheme; and (ii) the adoption of 2023 Share Award Scheme;
“Employee Participant(s)”	director(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted awards or options under the 2023 Share Schemes as an inducement to enter into employment contracts with these companies);
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Interim Report 2023”	the interim report of the Company for the six months ended 30 June 2023;
“Listing Committee”	has the meaning ascribed to it under the Listing Rules;
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange;

“Other Participant(s)”	in respect of the 2023 Share Award Scheme, Participant(s) other than the Employee Participants, the Related Entity Participants and the Service Providers, which shall be such person(s) whom the Board in its sole discretion considers may contribute or have contributed to the Group (including but not limited to employees and officers of any invested entities of the Company, of any affiliated entities of the Company and/or of any Service Provider), to which an award can only be made in the form of existing Shares;
“Participant(s)”	the Employee Participants, the Related Entity Participants and the Service Providers, provided that in respect of the 2023 Share Award Scheme, if and only if an award is to be made in the form of existing Shares, “Participant(s)” in respect of such award shall also include Other Participants;
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement;
“Related Entity(ies)”	holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company;
“Related Entity Participant(s)”	director(s) and employee(s) (whether full time or part time employee) of the Related Entities;
“Service Provider(s)”	person(s) (whether a natural person, a corporate entity or otherwise) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for any member of the Group as independent contractors (such as agents, distributors, contractors, vendors, suppliers, advisers, consultants and other service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity;

“Share(s)”	share(s) of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“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.SZ).

On behalf of the Board
DU Juan
Chairperson

Hong Kong, 10 October 2023

As at the date of this announcement, the Board comprises Ms. DU Juan, Mr. YAN Xiaolin and Mr. PENG Pan as executive Directors, Mr. WANG Cheng, Mr. SUN Li and Mr. LI Yuhao as non-executive Directors and Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive Directors.