
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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) ELECTION AND 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 at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 28 May 2019, Tuesday at 2:00 p.m. is set out on pages 31 to 35 of this circular.

Shareholders of the Company should note that the meeting will be held as scheduled when typhoon signal no. 8 (or above) or black rainstorm warning 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.

Whether or not you are able to attend the annual general meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

18 April 2019

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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 Corporation, its subsidiaries and companies which, in accordance with the generally accepted accounting principles in the PRC, is recorded as an affiliated companies in the financial statements of TCL Corporation, which shall include any company in which TCL Corporation is directly or indirectly interested in not less than 20% of its issued share capital (or in case such company has no share capital, having a power to exercise or control the exercise of not less than 20% of voting right in its members’ meeting) and for the purpose of the Share Award Scheme shall exclude the Group
“AGM”	the annual general meeting of the Company to be held at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong on 28 May 2019, Tuesday at 2:00 p.m. for the purpose of considering and, if thought fit, approving the resolutions proposed in the AGM Notice
“AGM Notice”	the notice dated 18 April 2019 for convening the AGM and included in this circular
“Articles”	the articles of association of the Company as amended from time to time
“Award(s)”	award(s) of Restricted Shares to a Selected Person pursuant to the relevant sub-scheme under the Share Award Scheme
“Board”	the board of Directors (including non-executive Directors and independent non-executive 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 Saturdays, Sundays, 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 on weekdays

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“Cash Income”	cash income of any Restricted Share(s) including any deemed Cash Income as prescribed by the Scheme Rules
“Close Associate(s)”	has the meaning ascribed to it under the Listing Rules
“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
“Director(s)”	the director(s) of the Company
“Employee(s)”	employee(s) (whether full-time or part-time) of any member of the Group (including without limitation any executive and non-executive director of any member of the Group)
“Employee Award Scheme”	the “RESTRICTED SHARE AWARD SCHEME FOR EMPLOYEES AND OTHERS”, a sub-scheme under the Share Award Scheme of the Company, administrated by the Employee Award Scheme Trustee exclusively for the Employee Award Scheme Participants
“Employee Award Scheme Participant(s)”	<p>(i) any Employee who has no managerial role in the Group (primarily but not limited to mid-level and junior key Employees); and</p> <p>(ii) adviser, consultant, agent, contractor, client or supplier of any member of the Group,</p> <p>whom the Board in its sole discretion considers may contribute or have contributed to the Group but excluding any connected person of the Group</p>
“Employee Award Scheme Trust Deed”	a trust deed to be entered into between the Company and the Employee Award Scheme Trustee in respect of the administration of the Employee Award Scheme
“Employee Award Scheme Trustee”	the trustee(s) appointed by the Company for the purpose of the Employee Award Trust, which will hold Shares for the benefit of the Selected Persons under the Employee Award Scheme and others subject to the terms and conditions of the Employee Award Scheme Trust Deed, and initially BOCI-Prudential Trustee Limited

DEFINITIONS

“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
“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 Mandate”	a general mandate to the Directors to allot and issue Shares not exceeding 20% of the total number of issued shares of the Company as at the date of approval of the mandate
“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
“Grant Date”	the date specified in the Grant Letter sent by the Company to the Selected Person(s) as the date of grant of the Restricted Shares, or such other date as determined by the Board
“Grant Letter”	the letter to be sent by the Company to the Selected Person(s) whereby the Selected Person(s) are informed of the number of Restricted Shares to be granted to him and the vesting conditions attached therewith
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	10 April 2019, 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

DEFINITIONS

“Management Award Scheme”	the “RESTRICTED SHARE AWARD SCHEME FOR MANAGEMENT”, a sub-scheme under the Share Award Scheme of the Company, administrated by the Management Award Scheme Trustee exclusively for the Management Award Scheme Participants
“Management Award Scheme Participant(s)”	<p>(i) any Employee who has a managerial role in the Group (including but not limited a director, chief executive, legal representative, 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 to be entered into between the Company and the Management Award Scheme Trustee (as restated, supplemented and amended from time to time) in respect of the administration of the Management Award Scheme
“Management Award Scheme Trustee”	the trustee(s) appointed by the Company for the purpose of the Management Award Trust, which will hold Shares for the benefit of the Selected Persons under the Management Award Scheme and others subject to the terms and conditions of the Management Award Scheme Trust Deed, and initially BOCI-Prudential Trustee Limited
“Management Award Trust”	the trust constituted by the Management Award Scheme Trust Deed
“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, organizations, 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

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“Reference Amount”	for each of the sub-schemes under the Share Award Scheme and in respect of a Selected Person, the sum of the closing price of the Shares as quoted on the Stock Exchange or par value (as the case may be) as at the Grant Date and the related purchase and/or subscription (as the case may be) expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, Stock Exchange trading fee, if any) and such other necessary expenses required for the completion of the purchase and/or subscription (as the case may be) of all the Restricted Shares
“Related Distribution(s)”	in respect of each of the sub-schemes under the Share Award Scheme, certain distributions derived from a Restricted Share referable to a Selected Person the record date for entitlement of which falls within the period from the Grant Date to the Vesting Date (both days inclusive) of such Restricted Share, which shall include only distributions in cash form such as dividends, cash form of scrip dividend, and in case of bonus Shares, the proceeds from sale of the bonus Shares in accordance with Scheme Rules, but exclude all other forms of distributions such as nil paid rights, bonus warrants, non-cash distributions or proceeds of sale of the same or Residual Cash
“Remuneration Committee”	the Remuneration Committee of the Board
“Repurchase Mandate”	a general mandate to the Directors to repurchase Shares not exceeding 10% of the total number of issued Shares of the Company as at the date of approval of the mandate
“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

DEFINITIONS

“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
“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”	a specific mandate, Shareholders’ approval of which is to be obtained at a general meeting for such purposes, for the issue and allotment of new Shares pursuant to the Share Award Scheme (subject to adjustment in case of any share consolidated or subdivision after such mandate has been approved, provided that the maximum number of new Shares of the Company that may be allotted and issued as a percentage of the total number of issued Shares of the Company 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”	Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the 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 Securities and Futures Commission of Hong Kong
“TCL Corporation”	TCL Corporation, a joint stock company established under the laws of the PRC, the shares of which are listed on the Shenzhen stock exchange (stock code: 000100)
“Trusts”	collectively the Management Award Trust and the Employee Award Trust (for the avoidance of doubt, “Trust” shall respectively be construed as the Management Award Trust or the Employee Award Trust when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“Trust Deeds”	collectively the Management Award Scheme Trust Deed and the Employee Award Scheme Trust Deed (for the avoidance of doubt, “Trust Deed” shall respectively be construed as the Management Award Scheme Trust Deed or the Employee Award Scheme Trust Deed when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“Trustees”	collectively the Management Award Scheme Trustee and the Employee Award Scheme Trustee (for the avoidance of doubt, “Trustee” shall respectively be construed as the Management Award Scheme Trustee or the Employee Award Scheme Trustee when reading in the context of the operation of the Management Award Scheme and the Employee Award Scheme respectively)
“%”	per cent.

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:

Mr. LI Dongsheng (*Chairman*)

Mr. WANG Cheng Kevin

Mr. YAN Xiaolin

Mr. WANG Yi Michael

Registered office:

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

Non-executive Directors:

Mr. Albert Thomas DA ROSA, Junior

Mr. YANG Anming

Mr. LI Yuhao

Principal Place of Business in Hong Kong:

7th Floor, Building 22E

22 Science Park East Avenue

Hong Kong Science Park

Shatin, N.T.

Hong Kong

Independent Non-executive Directors:

Mr. Robert Maarten WESTERHOF

Dr. TSENG Shieng-chang Carter

Professor WANG Yijiang

Mr. LAU Siu Ki

18 April 2019

To the Shareholders,

Dear Sir or Madam,

(1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

(2) ELECTION AND 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

(i) 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:

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

(ii) VARIOUS MANDATES

On 23 May 2018, 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 of the Company as at the date of passing the relevant resolution.

As at the Latest Practicable Date, the number of issued Shares of the Company was 2,359,676,324 fully paid-up Shares. Subject to the passing of the proposed 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 up to new issue of 471,935,264 Shares. There is no present intention for any issuance of Shares pursuant to the General Mandate.

(b) REPURCHASE MANDATE

An ordinary resolution will be proposed at the AGM to approve the granting of the Repurchase Mandate. The new Repurchase Mandate, if granted, will allow the Directors to exercise all the powers of the Company to repurchase its own Shares on market through the Stock Exchange or on another recognised stock exchange not exceeding 10% of the number of issued Shares of the Company as at the date of passing the relevant resolution.

LETTER FROM THE BOARD

Subject to the passing of the proposed resolution granting the Repurchase Mandate and on the basis that there were 2,359,676,324 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 on market through the Stock Exchange or on another recognised stock exchange a maximum of 235,967,632 Shares. There is no present intention for any repurchase of Shares 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.

(iii) ELECTION AND RE-ELECTION OF DIRECTORS

Reference is made to the announcements of the Company dated 24 August 2018 and 10 January 2019 in relation to the appointment of Mr. LI Yuhao and Mr. YANG Anming by the Board as non-executive Directors of the Company to fill the casual vacancies arising from the resignation of Mr. ZHANG Zhiwei, Mr. LIU Hong and Mr. HUANG Xubin. Pursuant to A.4.2 of Corporate Governance Code and Corporate Governance Report set out in Appendix 14 to the Listing Rules and the Articles, directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment. Accordingly, Mr. LI Yuhao and Mr. YANG Anming are subject to election by Shareholders at the AGM.

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 and, under the code on corporate governance of the Company, every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every 3 years. All retiring Directors shall be eligible for re-election.

LETTER FROM THE BOARD

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

Name	Position
(a) Mr. WANG Cheng Kevin	Executive Director
(b) Mr. WANG Yi Michael	Executive Director
(c) Mr. Robert Maarten WESTERHOF ("Mr. WESTERHOF")	Independent Non-executive Director
(d) Mr. LAU Siu Ki ("Mr. LAU")	Independent Non-executive Director

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

If re-elected at the AGM, Mr. WESTERHOF and Mr. LAU will hold office until the conclusion of the annual general meeting of the Company of 2022.

If re-elected, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to rotation, removal, vacation or termination of their offices as Directors as set out in the Articles or the disqualification to act as a Director under the Articles, the law 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.

RECOMMENDATION OF THE NOMINATION COMMITTEE ON RE-ELECTION OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The nomination committee of the Company ("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 each of Mr. WESTERHOF and Mr. LAU. In particular, the Nomination Committee has assessed each of Mr. WESTERHOF and Mr. LAU 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, and 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/her 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.

LETTER FROM THE BOARD

The Nomination Committee has reviewed the written confirmation of independence of each of Mr. WESTERHOF and Mr. LAU based on the independence criteria as set out in Rule 3.13 of the Listing Rules. Whilst Mr. WESTERHOF has been an independent non-executive Director since 2006 and thus has served the Company for more than 9 years, Mr. WESTERHOF 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. Given that Mr. WESTERHOF 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 Mr. WESTERHOF cannot remain as an independent non-executive Director. Having considered the above, the Nomination Committee is satisfied that both Mr. WESTERHOF and Mr. LAU remain independent in accordance with Rule 3.13 of the Listing Rules.

In addition, the Nomination Committee has evaluated their performance as independent non-executive Directors and considers that both of them have provided valuable contributions to the Company and have demonstrated their abilities to provide independent, balanced and objective view to the Company's affairs.

The Nomination Committee is also of the view that each of Mr. WESTERHOF and Mr. LAU would bring to the Board their own perspective, skills and experience, as further described in their respective biographies in Appendix II to this circular. In particular, Mr. WESTERHOF has over 30 years of extensive experience in the electronics industry and has served as senior management in various multinational corporations across the globe, while Mr. LAU has over 35 years of experience in the field of corporate governance, corporate financing, financial advisory and management, accounting and audit, and has been an independent non-executive director and company secretary for a number of Hong Kong listed companies in different business sectors. With their strong and diversified educational background and professional experience, including their respective in-depth knowledge in audit, legal and compliance and connections in various industries, the Nomination Committee considers that each of Mr. WESTERHOF and Mr. LAU would contribute to the diversity of the Board and their 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 Mr. WESTERHOF and Mr. LAU stand for re-election as Directors at the AGM. As a good corporate governance practice, each of Mr. WESTERHOF and Mr. LAU abstained from voting at the relevant Board meeting on the respective propositions of their recommendations for re-election by the Shareholders at the AGM.

LETTER FROM THE BOARD

(iv) SPECIFIC MANDATE TO ISSUE SHARE UNDER THE SHARE AWARD SCHEME

Reference is made to the Company's announcement dated 4 May 2018 and the Company's circular dated 7 May 2018 regarding, among others, amendments of the Share Award Scheme.

The Share Award Scheme was adopted by Company on 6 February 2008 (and subsequently amended on 11 August 2015, 13 June 2016, 24 November 2017 and 23 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 Company 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.

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 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:

	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*	95,116	4.03%
- granted in the form new Shares	43,673	1.85%
- granted in the form of existing Shares	51,443	2.18%
Total number of Restricted Shares vested	26,654	1.13%
Total number of Restricted Shares lapsed	23,618	1.00%
Total number of Restricted Shares outstanding (i.e. granted but remained unvested) as at the Latest Practicable Date	44,844	1.90%

* a total of 26,948 thousand Restricted Shares have been granted from the adoption of the Share Award 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.

LETTER FROM THE BOARD

The aforesaid Restricted Shares were granted on different dates to various grantees covering directors of the Company, 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 fulfillment 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.

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 Awarded Shares which will result in the aggregate number of the Shares awarded by the Board under the Share Award Scheme exceeding the scheme limit (“**Scheme Limit**”) of 10% of the number of issued Shares of the Company as at the approval date (i.e. 7 September 2017, being the date the Board approved the Scheme Limit) or the latest new approval date (being the date of Board’s approval of the refreshed Scheme Limit, the “**Latest New Approval Date**”) (as the case may be) (for the avoidance of doubt, Shares awarded but lapsed in accordance with the terms of the amended 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.

Therefore, the maximum number of Restricted Shares available for grant is 233,229,930 (representing approximately 9.88% of the total number of the issued Shares as at the Latest Practicable Date), none of which has been used as at the Latest Practicable Date as no further Restricted Shares have been granted after the aforesaid refreshment of the Scheme Limit up to the Latest Practicable Date. As such, the aforesaid number equals to the said Scheme Limit.

As new Shares may be issued and allotted for making of Awards under the Share Award Scheme, Shareholder’s 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 of the Company in 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.

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Under the Share Award Scheme, among others, unless otherwise approved by the Shareholders of the Company 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 Specific Mandate to be sought annually shall not exceed three percent of the total number of issued Shares of the Company as at the date of the relevant Specific Mandate is approved (as the case may be) (“**Annual Limit**”).

The existing Scheme Mandate was obtained at the EGM, 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 (which was determined with reference to the Annual Limit), i.e. 23 May 2018. As at 23 May 2018, the number of issued Shares of the Company was 2,332,613,561 Shares and the maximum number of new Shares which could be issued as approved under the existing Scheme Mandate was therefore 69,978,406 Shares. Since then and up to the Latest Practicable Date, no Shares has been issued and allotted under the existing Scheme Mandate and the remaining maximum number of new Shares which could be issued and allotted under the existing Scheme Mandate as of the Latest Practicable Date is 69,978,406 Shares. The Board has no intention to grant any new Shares under the existing Scheme Mandate before the upcoming AGM to be held on 28 May 2019. The said existing Scheme Mandate is going to expire at the conclusion of the 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 allot and issue new Shares under the Share Award Scheme not exceeding 3% of the number of Shares in issue as of the AGM 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 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 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 of the Company was 2,359,676,324 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 maximum of 70,790,289 new Shares may be issued and allotted as Restricted Shares under refreshed Scheme Mandate pursuant to the terms of the Share Award Scheme.

Principal terms and details of 2018 Amendments of the Share Award Scheme were disclosed in the Company circular dated 7 May 2018.

As at the Latest Practicable Date, the Company has no present intention to issue and allot any new Shares under the refreshed Scheme Mandate should such refreshment be approved.

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The Company does not have a policy of allotting and issuing new Shares under the Share Award Scheme solely to persons who are not connected persons of the Company. As such, new Shares may be allotted and issued to both connected persons and non-connected persons of the Company. The Company is aware that any allotment and issuance of new Shares to connected persons of the Company would constitute connected transactions of the Company under the Listing Rules and the Company will comply with relevant requirements as contained in Chapter 14A of the Listing Rules, i.e. reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Further, as stated in the Company's circular dated 27 July 2015, the Company will make further announcements as soon as practicable after the grant of Restricted Shares under the Share Award Scheme in respect of, among others, any grant which involves the allotment and issuance of new Shares under the Scheme Mandate (regardless whether such allotment and issuance of new Shares is to connected persons or non-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 of 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.
- (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 Share Award Scheme (i.e. both of the sub-schemes in aggregate) shall not exceed one per cent (1%) 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).

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- (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 percent (30%). For the avoidance of doubt, the Board shall have the sole and absolute discretion to determine in what manner and at what time such 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 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.

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

As at the Latest Practicable Date, T.C.L. Industries Holdings (H.K.) Limited and Zeal Limited (a company incorporated in the Cayman Islands), both being the substantial shareholders of the Company, respectively held 1,232,472,639 Shares and 348,850,000 Shares, representing approximately 52.23% and 14.78% of the number of issued Shares of the Company respectively. Assuming the Specific Mandate is approved at the AGM and that the said 70,790,289 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 Holdings (H.K.) Limited and Zeal Limited will drop to 50.71% and 14.35% respectively; and (ii) the estimated fair value of such new Shares will be

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approximately HK\$326,343,232 (based on the Share price of the Company on the Latest Practicable Date, for illustrative purpose only).

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 Specific 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 to vote on the resolution approving the granting of the Specific Mandate.

(v) ANNUAL GENERAL MEETING

The AGM Notice is set out on pages 31 to 35 of this circular and a form of proxy for use at the AGM is herein enclosed.

Whether or not you are able to attend the AGM, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the AGM or any adjournment thereof should you so desire.

(vi) FINAL DIVIDEND

The Board has recommended the declaration of a final dividend of HK9.38 cents (HK\$0.0938) per Share for the year ended 31 December 2018. Subject to the fulfilment of the conditions set out in the paragraph headed "Conditions of the Payment of Final Dividend out of the share premium account" below, the final dividend is proposed to be paid out of the share premium account of the Company.

Under section 34(2) of the Companies Law, 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.

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As at 31 December 2018, based on the audited consolidated financial statements of the Group, the Company had an aggregate of HK\$5,488,776,000 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 of the Company, 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\$6,227,712,000. 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\$6,007,796,000 standing to the credit of the share premium account of the Company.

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:

- (a) the passing of an ordinary resolution by the Shareholders to approve the payment of the final dividend out of the share premium account; and
- (b) 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 21 June 2019, Friday.

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

REASONS FOR AND EFFECT OF THE PAYMENT OF THE FINAL DIVIDEND OUT OF THE SHARE PREMIUM ACCOUNT

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

The Board believes that the payment of the final dividend will not have any material adverse effect on the underlying assets, business, operations or financial position of the Group and does not involve any reduction in the authorized 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.

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(vii) RECORD DATE FOR 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 of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 May 2019, Wednesday for registration. Members of the Company whose names are recorded in the register of members of the Company on 22 May 2019 are entitled to attend and vote at the AGM.

The record date for determining the entitlements of the Shareholders to the proposed final dividend is 31 May 2019, Friday. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 31 May 2019, Friday. The Hong Kong register of members of the Company will be closed from 3 June 2019, Monday, to 4 June 2019, Tuesday (both dates inclusive), during which no transfer of the Shares may be registered.

(viii) 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.

(ix) RECOMMENDATION

The Board believes that all of 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.

(x) RESPONSIBILITY OF THE DIRECTORS

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

Yours faithfully,
On behalf of the Board
LI Dongsheng
Chairman

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.

(i) SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 2,359,676,324 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 235,967,632 Shares, representing 10% of the number of issued shares of the Company as at the Latest Practicable Date, 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.

(ii) 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.

(iii) 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 Memorandum of Association and 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.

On the basis of the combined net tangible assets of the Group as at 31 December 2018, 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.

(iv) 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 2,359,676,324 to 2,123,708,692.

As at the Latest Practicable Date, T.C.L. Industries Holdings (H.K.) Limited held 1,232,472,639 Shares representing approximately 52.23% of the number of issued shares of the Company.

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 Holdings (H.K.) Limited would be increased from 52.23% to 58.03% 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

(v) 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\$)
2018		
March	3.820	3.480
April	3.810	3.530
May	4.220	3.590
June	4.170	3.630
July	4.130	3.400
August	3.860	3.440
September	3.850	3.490
October	3.790	3.160
November	3.400	3.120
December	3.310	2.880
2019		
January	3.930	2.870
February	4.030	3.680
March	4.880	3.830
April (up to the Latest Practicable Date)	4.760	4.240

(vi) 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, pursuant to the rules of the Share Award Scheme, the trustee for the Share Award Scheme purchased from the market a total of 2,200,000 existing Shares and subscribed for a total of 0 new Shares, all for the Share Award Scheme in March 2019, i.e. during the six months preceding the Latest Practicable Date. The total amount paid to the trustee to acquire such existing and new Shares were approximately HK\$9,622,670 and HK\$0 respectively.

(vii) 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.

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

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

1. **Mr. WANG Cheng Kevin (“Mr. Kevin WANG”)**

Aged 44, an executive director, the chief executive officer and a member of the Strategy Committee and the Management Team of the Company. He joined the Company in July 1997. During 1997 to 2006, he took roles of HR Department of China Sales Center and Europe Channel Customers Department of Strategic OEM Business Center of TTE. From 2006 to 2015, he successively worked as general manager of TCL (Vietnam) Corporation Limited, general manager of Overseas Business Center and vice president of the Company. From June 2015 to July 2016, Mr. Kevin WANG was assigned as HR Director and general manager of Human Resource Management Center of TCL Corporation. From August 2016 to November 2017, Mr. Kevin WANG was the general manager of Supply Chain Management Center and chief operating officer of the Company. Mr. Kevin WANG graduated from Heilongjiang Commercial College in 1997 with a Bachelor’s Degree in Economics. In 2005, he acquired a Master’s Degree of Executive Business Administration from University of Texas at Arlington.

Mr. Kevin WANG has entered into a service contract with the Company to which he is entitled to receive such remuneration as determined and approved by the remuneration committee of the Company. The re-election of Mr. Kevin WANG shall be subject to the approval by the Shareholders at the AGM and retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and the Listing Rules.

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

- (a) 594,650 Shares;
- (b) share options entitling to subscribe 7,262,284 Shares; and
- (c) 1,804,389 unvested Restricted Shares of the Company granted under the Share Award Scheme.

Save as disclosed above, Mr. Kevin WANG has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

2. Mr. WANG Yi Michael (“Mr. Michael WANG”)

Aged 41, an executive director, a member of the Remuneration Committee, Nomination Committee and the Management Team of the Company. He is also the general manager of China Sales Group of the Company. Since joining the Company in September 2013, he had held the positions of vice president, financial controller and chief financial officer of the Company. From 1999 to 2001, Mr. Michael WANG worked successively as a cost accountant and budget supervisor in Financial Department in Compressor Business Unit of Midea Group. In 2002, he was transferred to work as a planning and investment manager in Business Strategy and Investment Management Department of Midea Group. From 2003 to 2009, he was transferred to serve as the head of Business Management Department and Finance Department in the Microwave Electronics Business Unit of Midea Group. From 2009 to 2012, he worked as the first vice president to oversee Finance, HR, IT and Legal affairs in Twins Group. Mr. Michael WANG graduated from Jiangxi University of Finance and Economics in 1998 and holds a Bachelor’s Degree in Accounting. In 2008, he acquired a Master’s Degree of Executive Business Administration from China Europe International Business School.

Mr. Michael WANG has entered into a service contract with the Company to which he is entitled to receive such remuneration as determined and approved by the remuneration committee of the Company. The re-election of Mr. Michael WANG shall be subject to the approval by the Shareholders at the AGM and retirement by rotation and re-election at annual general meetings of the Company in accordance with the Articles and the Listing Rules.

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

- (a) 1,831,792 Shares;
- (b) share options entitling to subscribe 5,509,395 Shares; and
- (c) 1,050,785 unvested Restricted Shares of the Company granted under the Share Award Scheme.

Save as disclosed above, Mr. Michael WANG has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

3. Mr. Robert Maarten WESTERHOF (“Mr. WESTERHOF”)

Aged 75, an independent non-executive director of the Company. He has over thirty years’ experience in the electronics industry. Mr. WESTERHOF had held senior management positions in the Computer, Telecommunications and Medical Systems divisions of Philips, his last positions were CEO of Philips Asia (based in Hong Kong and Shanghai) and CEO of Philips North America (based in New York). After his retirement, Mr. WESTERHOF had positions in the Supervisory Board of listed companies in United Kingdom and the Netherlands in the areas of Electronics, ICT and Medical products and as chairman of the Supervisory Board of Sparta Beheer B.V., a leading football club in the Netherlands with activities in the Netherlands, Mainland China and Hong Kong. At the moment, Mr. WESTERHOF is the regional coordinator at a non-profit healthcare organization in Netherlands.

Mr. WESTERHOF holds a Master’s Degree in Business Administration at the Erasmus University of Rotterdam, the Netherlands, and he has also completed Harvard Business School’s Advanced Management Program and International Senior Management Program.

Mr. WESTERHOF has not entered into any service contract with the Company.

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

- (a) share options entitling to subscribe 315,907 Shares; and
- (b) 44,778 unvested Restricted Shares of the Company granted under the Share Award Scheme.

Save as disclosed above, Mr. WESTERHOF has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

4. Mr. LAU Siu Ki (“Mr. LAU”)

Aged 60, an independent non-executive director, the chairman of the Audit Committee, and a member of the Nomination Committee and the Remuneration Committee of the Company. He graduated from Hong Kong Polytechnic in 1981. He is currently a financial advisory consultant of his management consultancy firm, Hin Yan Consultants Limited. Previously, Mr. LAU worked at Ernst & Young for over 15 years. He has over 35 years of experience in corporate governance, corporate financing, financial advisory and management, accounting and audit. Mr. LAU is currently a fellow member of both of the Association of Chartered Certified Accountants (“ACCA”) and the Hong Kong Institute of Certified Public Accountants (“HKICPA”). Mr. LAU was a member of the World Council of ACCA from 2002 to 2011 and was the chairman of ACCA Hong Kong in 2000/2001. During these years, he has helped raising the profile of ACCA.

Currently, Mr. LAU also serves as an independent non-executive director of Binhai Investment Company Limited (2886.HK), Comba Telecom Systems Holdings Limited (2342.HK), Embry Holdings Limited (1388.HK), Samson Holding Ltd. (531.HK) and FIH Mobile Limited (2038.HK), all being listed companies on the Stock Exchange. He is also the company secretary of Hung Fook Tong Group Holdings Limited (1446.HK), Yeebo (International Holdings) Limited (259.HK) and Expert Systems Holdings Limited (8319.HK), all being listed companies on the Hong Kong Stock Exchange. From March 2015 to March 2016 and from April 2004 to October 2016, Mr. LAU served as an independent non-executive director of UKF (Holdings) Limited (1468.HK) and TCL Communication Technology Holdings Limited (whose shares were listed on Stock Exchange from September 2004 to September 2016) (“TCL Communication”). From June 2014 to June 2017, Mr. LAU served as an independent supervisor of the sixth session of Beijing Capital International Airport Company Limited (694.HK). From June 2004 to December 2018, he served as an independent non-executive director of China Medical & HealthCare Group Limited (383.HK).

Mr. LAU has entered into a service contract with the Company.

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

- (a) share options entitling to subscribe 236,301 Shares; and
- (b) 44,778 unvested Restricted Shares of the Company granted under the Share Award Scheme.

Save as disclosed above, Mr. LAU has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and does not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

5. Mr. LI Yuhao (“Mr. LI”)

Aged 37, a non-executive director of the Company. Mr. LI served as an engineer and the chief business manager in BOE Technology Group Co., Ltd., the shares of which are listed on the Shenzhen Stock Exchange (“SZSE”) (000725.SZ & 200725.SZ) from July 2004 to September 2008. From January 2010 to December 2010, he worked as an investment manager of AXA. From January 2011 to August 2013, he was employed as an investment manager of the Beijing Office of Infinity Investment Group. From August 2013 to September 2017, he was the chief investment officer and the head of internet investment department in Legend Holdings Limited, a company listed on the Stock Exchange (03396.HK). From October 2017 to December 2018, Mr. LI was a director and senior vice president of Leshi Internet Information & Technology Corporation, Beijing, a company listed on the SZSE (300104.SZ). From December 2018 to present, Mr. LI has served as assistant to president of Culture Group and general manager of investment department in Sunac China Holdings Limited, a company listed on the Stock Exchange (01918.HK). Mr. Li graduated from Peking University with a Master’s Degree in Business Administration.

Save as disclosed above, Mr. LI does not at present, and did not in the past three years, hold any directorship in any other listed public companies or any other position with the Company or any other members of the Group.

Mr. LI has entered into a service contract with the Company. If re-elected at the AGM, Mr. LI will hold office until the conclusion of the annual general meeting of the Company of 2022.

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

Save as disclosed above, Mr. LI has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

6. Mr. YANG Anming (“Mr. YANG”)

Aged 41, a non-executive director and member of Audit Committee of the Company. Besides he is also a senior vice president of Shenzhen China Star Optoelectronics Technology Co., Ltd. Mr. YANG was the finance manager of the Company from March 2001 to June 2006, the senior manager/vice president of the financial management centre of TCL Corporation (000100.SZ) from June 2006 to July 2014, the president of the financial management centre of TCL Corporation from July 2014 to October 2017, and was the chief financial officer of TCL Communication from October 2017 to January 2019. Mr. YANG graduated from Shanghai University of Finance and Economics with a Master’s Degree in Business Administration, and also obtained a Master’s Degree in Executive Business Administration from China Europe International Business School in 2018. He is also a certified public accountant and a registered asset valuer in the People’s Republic of China.

Mr. YANG has entered into a service contract with the Company. If re-elected at the AGM, Mr. YANG will hold office until the conclusion of the annual general meeting of the Company of 2022.

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

- (a) 28,904 Shares;
- (b) share options entitling to subscribe 270,922 Shares; and
- (c) 36,176 unvested Restricted Shares of the Company granted under the Share Award Scheme.

Save as disclosed above, Mr. YANG has no interest in the shares of the Company and its associated corporations within the meaning of Part XV of the SFO and do not have any relationship with any other directors, senior management or any substantial or controlling shareholders of the Company.

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

DIRECTORS' EMOLUMENTS

The amounts of emoluments received in 2018 by the above Directors to be elected or 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 bonuses (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. WANG Cheng Kevin	-	1,212	1,094	3,545	2,752	122	8,725
Mr. WANG Yi Michael	-	1,364	731	1,723	1,619	105	5,542
Mr. Robert Maarten WESTERHOF	300	-	-	90	76	-	466
Mr. LAU Siu Ki	300	-	-	191	76	-	567
Mr. LI Yuhao	80	-	-	-	-	-	80
Mr. YANG Anming	N/A	N/A	N/A	N/A	N/A	N/A	N/A

The emoluments to be received in 2019 by the above Directors to be elected or re-elected at the AGM will be determined by the Board based on the adopted remuneration policy reviewed by the Remuneration Committee of the Company, with reference to the Directors' qualification and experience, responsibilities undertaken, contribution to the Group, and the prevailing market level of remuneration of similar position.

OTHER INFORMATION

If elected or re-elected at the AGM, all the aforesaid Directors, subject to the terms agreed otherwise which expire earlier, will be subject to the rotation, removal, vacation or termination of such offices as set out in the Articles or the disqualification to act as a Director under the Articles, the laws of the Cayman Islands and the Listing Rules. Save as disclosed herein, the above Directors did not in the past three years up to the Latest Practicable Date hold any directorship in any listed public company 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 Securities and Futures Ordinance and any relationship with any other Directors, senior management or any substantial or controlling shareholders of the Company, and there is no information which is discloseable or are/were the above Directors to be re-elected involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs 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")

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company (the "AGM") will be held at 2:00 p.m. on 28 May 2019, Tuesday at 8th Floor, Building 22E, Phase Three, Hong Kong Science Park, Pak Shek Kok, New Territories, Hong Kong, Hong Kong for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements and the reports of the directors of the Company ("Directors") and the independent auditors of the Company ("Auditors") for the year ended 31 December 2018.
2. To declare a final dividend of 9.38 HK cents (HK\$0.0938) per ordinary share of the Company to be paid out of share premium account of the Company to the shareholders of the Company ("Shareholders") whose names appear on the register of members of the Company on 31 May 2019, Friday.
3. To re-appoint Messrs. Ernst & Young as the Auditors and authorise the board of Directors to fix their remuneration.
4. To elect Mr. LI Yuhao as a non-executive Director until the conclusion of the annual general meeting of the Company of 2022.
5. To elect Mr. YANG Anming as a non-executive Director until the conclusion of the annual general meeting of the Company of 2022.
6.
 - (a) To re-elect Mr. WANG Cheng Kevin as an executive Director.
 - (b) To re-elect Mr. WANG Yi Michael as an executive Director.
 - (c) To re-elect Mr. Robert Maarten WESTERHOF as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2022.
 - (d) To re-elect Mr. LAU Siu Ki as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2022.
7. 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:

8. **“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 per cent of the number of issued shares of the Company as at the date of this resolution; 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 “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 of the requirements of any recognized regulatory body or any stock exchange applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

9. “**THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares on market through The Stock Exchange of Hong Kong Limited or on another recognised stock exchange, and that the exercise by the Directors of all powers of the Company to purchase Shares subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved, subject to the following conditions:
- (a) such mandate shall not extend beyond the Relevant Period;
 - (b) such mandate shall authorize 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 per cent of the Shares in issue at the date of passing this resolution; 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; and
 - 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.”
10. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 8 and 9 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 9 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. 8 above.”
11. “**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 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**”) pursuant to the terms of

NOTICE OF ANNUAL GENERAL MEETING

the Share Award Scheme (excluding Shares granted that have lapsed and/or cancelled in accordance with the Share Award Scheme) not exceeding three (3) per cent of the number of issued Shares of the Company 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 of the Company that may be allotted and issued as a percentage of the total number of issued Shares of the Company 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 paragraph (a) of this resolution and to agree to such variation, amendment or waiver as are, in the opinion of the Board, in the interests of the Company.”

On behalf of the Board

LI Dongsheng

Chairman

Hong Kong, 18 April 2019

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 AGM is entitled to appoint more than one proxy or a duly authorized corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company. Members of the Company or proxies who attend the AGM in person will each receive ONE souvenir as a token of the Company's appreciation regardless of the number of shares he/she holds or represents, or the number of member(s) he/she represents. If a member is also appointed as proxy/proxies of other member(s), or a proxy represents multiple members, the number of souvenir each of the aforesaid member or proxy will receive is limited to ONE. Allocation of additional souvenirs to multiple appointed proxies will be at the Company's sole and absolute discretion and subject to the availability of souvenirs.
2. A form of proxy for the AGM is enclosed with the Company's circular dated 18 April 2019. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with a valid power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the AGM and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
3. To ascertain the entitlements to attend and vote at the AGM, members of the Company must lodge the relevant transfer document(s) and share certificate(s) at the Hong Kong branch share registrar of the Company, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, not later than 4:30 p.m. on 22 May 2019, Wednesday for registration. Members of the Company whose names are recorded in the register of members of the Company on 22 May 2019 are entitled to attend and vote at the AGM.

The record date for determining the entitlements of the Shareholders to the proposed final dividend is 31 May 2019, Friday. In order to qualify for the proposed final dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on 31 May 2019, Friday. The Hong Kong register of members of the Company will be closed from 3 June 2019, Monday, to 4 June 2019, Tuesday (both dates inclusive), during which no transfer of the Shares may be registered.

4. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders, stand on the register in respect of the relevant joint holding.
5. With regard to resolution no. 8 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. 8 above.
6. Shareholders of the Company should note that the meeting will be held as scheduled when typhoon signal no. 8 (or above) or black rainstorm warning signal 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.

As at the date of this notice, the Board comprises Mr. LI Dongsheng, Mr. WANG Cheng Kevin, Mr. YAN Xiaolin and Mr. WANG Yi Michael as executive directors, Mr. Albert Thomas DA ROSA, Junior, Mr. LI Yuhao and Mr. YANG Anming as non-executive directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shiang-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive directors.