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TCL Industries Holdings Co., Ltd.*
(TCL實業控股股份有限公司)
(Incorporated in the PRC with limited liability)

 **TONLY**
TONLY ELECTRONICS HOLDINGS LIMITED
通力電子控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 01249)

T.C.L. Industries Holdings (H.K.) Limited
(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

**DESPATCH OF COMPOSITE DOCUMENT RELATING TO
THE MANDATORY CONDITIONAL CASH OFFERS BY
UBS AG, HONG KONG BRANCH ON BEHALF OF
T.C.L. INDUSTRIES HOLDINGS (H.K.) LIMITED,
A WHOLLY-OWNED SUBSIDIARY OF
TCL INDUSTRIES HOLDINGS CO., LTD.*,
TO ACQUIRE ALL THE ISSUED SHARES OF
TONLY ELECTRONICS HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO
BE ACQUIRED BY TCL INDUSTRIES HOLDINGS CO., LTD.*,
T.C.L. INDUSTRIES HOLDINGS (H.K.) LIMITED
AND PARTIES ACTING IN CONCERT WITH ANY OF THEM)
AND
FOR CANCELLATION OF ALL THE OUTSTANDING SHARE
OPTIONS OF TONLY ELECTRONICS HOLDINGS LIMITED
(OTHER THAN THOSE HELD BY PERSONS ACTING IN
CONCERT WITH TCL INDUSTRIES HOLDINGS CO., LTD.*
AND/OR
T.C.L. INDUSTRIES HOLDINGS (H.K.) LIMITED)**

**Financial Adviser to TCL Industries Holdings Co., Ltd.* and
T.C.L. Industries Holdings (H.K.) Limited**



Independent Financial Adviser to the Independent Board Committee

 **SOMERLEY CAPITAL LIMITED**

Reference is made to the composite offer and response document dated 22 November 2019 (the “**Composite Document**”) jointly issued by TCL Industries Holdings Co., Ltd.*, T.C.L. Industries Holdings (H.K.) Limited and Tonly Electronics Holdings Limited (the “**Company**”) in relation to the Mandatory General Offer. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

DESPATCH OF COMPOSITE DOCUMENT

The Composite Document, accompanied by the Forms of Acceptance, which contains, among other things, (i) the expected timetable in respect of the Mandatory General Offer; (ii) the letters from UBS; (iii) the letter from the Board; (iv) the letter from the Independent Board Committee; (v) the letters from the Independent Financial Adviser; (vi) the letters from the auditors of the Company; and (vii) the appraisal reports from the PRC Appraiser and PRC Appraiser (Shenzhen), have been despatched to the Independent Shareholders on 22 November 2019 pursuant to the Takeovers Code.

EXPECTED TIMETABLE

The expected timetable set out below, as reproduced from the Composite Document, is indicative only and may be subject to change. Any change to the timetable will be jointly announced by the Purchaser, the Offeror and the Company as and when appropriate. Unless otherwise specified, all times and dates contained in the Composite Document refer to Hong Kong local time and dates.

Despatch date of the Composite Document and
the accompanying Forms of Acceptance (*Note 1*) Friday, 22 November 2019

Commencement date
of the Mandatory General Offer (*Note 1*) Friday, 22 November 2019

Latest time and date for acceptance
of the Mandatory General Offer
on the first Closing Date (*Notes 2*) by 4:00 p.m. on Friday,
13 December 2019

Announcement of the results
of the Mandatory General Offer
as at the first Closing Date, to be posted
on the Stock Exchange’s website (*Note 2*) by 7:00 p.m. on Friday,
13 December 2019

Latest date of posting of remittances for the amounts due
in respect of valid acceptances received under
the Mandatory General Offer on or before 4:00 p.m.
on the first Closing Date assuming
the Mandatory General Offer
becomes or is declared unconditional
on the first Closing Date (*Note 3*) Tuesday, 24 December 2019

Latest time and date for the Mandatory General Offer remaining open for acceptance on the final Closing Date assuming the Mandatory General Offer becomes or is declared unconditional on the first Closing Date (*Notes 4, 6, 7, 8*) by 4:00 p.m. on Friday, 27 December 2019

Announcement of the results of the Mandatory General Offer as at the final Closing Date, to be posted on the Stock Exchange's website by 7:00 p.m. on Friday, 27 December 2019

Latest date of posting of remittances for the amounts due in respect of valid acceptances received under the Mandatory General Offer after the first Closing Date but on or before 4:00 p.m. on Friday, 27 December 2019, being the latest date on which the Mandatory General Offer remains open for acceptances assuming the Mandatory General Offer becomes or is declared unconditional on the first Closing Date (*Notes 3, 6*) Wednesday, 8 January 2020

Latest time and date by which the Mandatory General Offer can become or declared unconditional as to acceptances (*Note 5*) by 7:00 p.m. on Tuesday, 21 January 2020

Notes:

- 1) The Mandatory General Offer, which is conditional, is open for acceptance on and from Friday, 22 November 2019, being the date of posting of the Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the first Closing Date, unless the Purchaser and the Offeror revise or extend the Mandatory General Offer in accordance with the Takeovers Code.

- 2) The Mandatory General Offer will initially remain open for acceptances for at least 21 days following the date on which the Composite Document is posted and until 4:00 p.m. on Friday, 13 December 2019 unless the Purchaser and the Offeror revise or extend the Mandatory General Offer in accordance with the Takeovers Code. The Offeror has the right under the Takeovers Code to extend the Mandatory General Offer until such date as it may determine in accordance with the Takeovers Code (or as permitted by the Executive in accordance with the Takeovers Code). In accordance with the Takeovers Code, an announcement must be issued on the website of the Stock Exchange no later than 7:00 p.m. on Friday, 13 December 2019 stating whether the Mandatory General Offer has been revised or extended, has expired or has become or been declared unconditional. The Purchaser and the Offeror will issue an announcement in relation to any extension of the Mandatory General Offer, which announcement will state either the next Closing Date or, if the Mandatory General Offer is at that time unconditional as to acceptances, a statement that the Mandatory General Offer will remain open until further notice. In the latter case, at least 14 days' notice in writing must be given before the Mandatory General Offer is closed to those Shareholders and Optionholders who have not accepted the Mandatory General Offer. The Mandatory General Offer will not be extended beyond the first Closing Date unless the Mandatory General Offer becomes unconditional and the Mandatory General Offer would then remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code.
- 3) Subject to the Mandatory General Offer becoming unconditional, remittances in respect of the cash consideration for the Offer Shares tendered under the Mandatory General Offer will be despatched to the accepting Shareholder(s) and/or Optionholder(s) (to the address specified on the relevant Forms of Acceptance) by ordinary post at his/her/its own risk as soon as possible, but in any event within seven (7) Business Days following the later of the date of receipt by the Registrar (in the case of the Share Offer) and/or the company secretary of the Company (in the case of Option Offer) of all the relevant documents to render the acceptance under the Mandatory General Offer complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code, and the date on which the Mandatory General Offer becomes or is declared unconditional in all respects.
- 4) In accordance with the Takeovers Code, where the Mandatory General Offer becomes or is declared unconditional in all respects, the Mandatory General Offer should remain open for acceptance for not less than 14 days thereafter. In such case, at least 14 days' notice in writing must be given before the Mandatory General Offer is closed. The Offeror has the right, subject to the Takeovers Code, to extend the Mandatory General Offer until such date as it may determine or as permitted by the Executive, in accordance with the Takeovers Code. The Purchaser and the Offeror will issue an announcement in relation to any extension of the Mandatory General Offer, which will state the next Closing Date or, if the Mandatory General Offer has become or is unconditional at that time, then the Mandatory General Offer will remain open until further notice. **The Mandatory General Offer will not be extended beyond the first Closing Date unless the Mandatory General Offer becomes unconditional and the Mandatory General Offer would then remain open for acceptance for not less than 14 days thereafter in accordance with the Takeovers Code.**
- 5) In accordance with the Takeovers Code, except with the consent of the Executive, the Mandatory General Offer may not become or be declared unconditional as to acceptances after 7:00 p.m. on Tuesday, 21 January 2020, being the 60th day after the day the Composite Document is posted. Accordingly, unless the Mandatory General Offer has previously become unconditional as to acceptances, the Mandatory General Offer will lapse on Tuesday, 21 January 2020 unless extended with the consent of the Executive and in accordance with the Takeovers Code. Therefore, the last day by which the Mandatory General Offer can become or be declared unconditional in all respects is Tuesday, 21 January 2020.

- 6) The latest time and date for acceptance of the Mandatory General Offer and the latest date for posting of remittances for the amounts due under the Mandatory General Offer in respect of valid acceptances will not take effect if there is a tropical cyclone warning signal number 8 or above, or a “black rainstorm warning”, in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the latest date for acceptance of the Mandatory General Offer and the latest date for posting of remittances for the amounts due under the Mandatory General Offer in respect of valid acceptances. Instead, the latest time for acceptance of the Mandatory General Offer and the posting of remittances will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.
- 7) Beneficial owners of the Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in Appendix I to the Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures.
- 8) Acceptance of the Mandatory General Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code which is administered by the Executive.

Save as mentioned above, if the latest time for the acceptance of the Mandatory General Offer and the posting of remittances do not take effect on the date and time as stated above, the other dates mentioned above may be affected. The Purchaser, the Offeror and the Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

IMPORTANT

The Mandatory General Offer is conditional. If the total number of Shares in respect of the valid acceptances, which the Offeror receives at or before 4:00 p.m. on the closing date of the Mandatory General Offer (or such other time as the Offeror may, subject to the Takeovers Code, decide) under the Mandatory General Offer together with the Shares acquired before or during the Offer Period, does not result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company, the Mandatory General Offer will not become unconditional and will lapse.

The Independent Shareholders and Optionholders are strongly advised to read the Composite Document and the accompanying Forms of Acceptance carefully, including the letter from the Independent Board Committee and the letter from the Independent Financial Adviser before deciding whether or not to accept the Mandatory General Offer.

Shareholders, Optionholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If the Shareholders, Optionholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

** For identification purpose only*

By order of the board of
TCL Industries Holdings Co., Ltd.*
LI Dongsheng
Director

By order of the Board
Tonly Electronics Holdings Limited
LIAO Qian
Chairman

By order of the board of
T.C.L. Industries Holdings (H.K.) Limited
LI Dongsheng
Director

Hong Kong, 22 November 2019

As at the date of this joint announcement, the board of directors of the Purchaser comprises five directors, namely Mr. LI Dongsheng, Ms. DU Juan, Mr. MI Xin, Mr. LIU Lefei and Mr. ZOU Wenchao. The board of directors of the Offeror comprises three directors, namely Mr. LI Dongsheng, Mr. DU Yuanhua and Ms. XIONG Yan.

As at the date of this joint announcement, the Board comprises Mr. YU Guanghui, Mr. SONG Yonghong and Mr. REN Xuenong as executive Directors, Mr. LIAO Qian as non-executive Director and Mr. POON Chiu Kwok, Mr. LI Qi and Mr. LEONG Yue Wing as independent non-executive Directors.

The directors of the Purchaser jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors) expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this joint announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions (other than those expressed by the Directors) expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (in relation to the information relating the Group only) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (in relation to opinions expressed by the Directors only) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.