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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

**THE MANDATORY UNCONDITIONAL 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)
(I) THE MANDATORY GENERAL OFFER HAS BECOME
UNCONDITIONAL IN ALL RESPECTS;
AND
(II) THE MANDATORY GENERAL OFFER REMAINS OPEN
FOR ACCEPTANCE**

**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.

THE MANDATORY GENERAL OFFER HAS BECOME UNCONDITIONAL IN ALL RESPECTS

As set out in the Composite Document, the Share Offer is conditional only on valid acceptances of the Share Offer being received (and not, where permitted, withdrawn) by 4:00 p.m. on the first Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide), and the number of Shares in respect of which, together with Shares already owned by the Purchaser, the Offeror and parties acting in concert with any of them and acquired or to be acquired before or during the Mandatory General Offer, resulting in the Purchaser, the Offeror and parties acting in concert with any of them holding more than 50% of the voting rights of the Company in accordance with the Takeovers Code. The Option Offer is conditional upon the Share Offer becoming or being declared unconditional in all respects.

As at 4:00 p.m. on 12 December 2019, the Offeror has received valid acceptances in respect of (i) an aggregate of 9,118,275 Offer Shares under the Share Offer (the “**Acceptance Shares**”), representing approximately 3.37% of the total issued share capital of the Company as at the date of this joint announcement; and (ii) an aggregate of 312,345 Share Options with an exercise price of HK\$4.05 per Share Option under the Option Offer (the “**Acceptance Options**”). Taking into account the Acceptance Shares and the Shares already owned by the Purchaser, the Offeror and parties acting in concert with any of them, as at the date of this joint announcement, the Purchaser, the Offeror and parties acting in concert with any of them are interested in an aggregate of 140,647,400 Shares, representing approximately 51.94% of the total issued share capital of the Company as at the date of this joint announcement. As the Condition set out in the Composite Document has been satisfied, the Mandatory General Offer has become unconditional in all respects on 12 December 2019.

Save for the 140,647,400 (representing approximately 51.94% of the entire issued share capital of the Company as at the date of this joint announcement) already held by the Purchaser, the Offeror and parties acting in concert with any of them, the Acceptance Shares and the Acceptance Options, neither the Purchaser, the Offeror nor any party acting in concert with any of them (i) held, controlled or directed any Shares and rights over Shares immediately before the commencement date of the Offer Period; and (ii) has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period up to and including the date of this joint announcement. Neither the Purchaser, the Offeror, their ultimate beneficial owners nor any person acting in concert with any of them have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Offer Period up to and including the date of this joint announcement.

THE MANDATORY GENERAL OFFER REMAINS OPEN FOR ACCEPTANCE

Pursuant to Rule 15.1 and Rule 15.3 of the Takeovers Code, the Mandatory General Offer must remain open for acceptance for not less than 14 days after the Mandatory General Offer becomes or is declared unconditional (whether as to acceptances or in all respects), but in any case at least 21 days following the date on which the Composite Document is posted. Accordingly, the Mandatory General Offer will remain open for acceptance until 4:00 p.m. on 27 December 2019 and will not be extended beyond such date.

Shareholders are advised to refer to the Composite Document and the Forms of Acceptance if they wish to accept the Mandatory General Offer. Further announcement on the results of the Mandatory General Offer will be made in accordance with Rule 19.1 of the Takeovers Code on the Closing Date.

SETTLEMENT UNDER THE MANDATORY GENERAL OFFER

Remittances in respect of the cash consideration, less seller's ad valorem stamp duty, will be made by cheque as soon as possible, but in any event within seven (7) Business Days following the later of (i) the date of receipt by the Registrar of all relevant documents which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code; and (ii) the date on which the Mandatory General Offer becomes or is declared unconditional in all respects. Each cheque will be despatched by ordinary post to the address specified on the relevant Shareholder's Form of Acceptance at his/her/its own risk.

All references to times and dates contained in this joint announcement refer to Hong Kong times and dates.

Shareholders are advised to consider carefully the information contained in the Composite Document and the Forms of Acceptance before deciding whether or not to accept the Mandatory General Offer.

** 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, 12 December 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.