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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

- (1) CLOSE OF 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);**
- (2) RESULTS OF THE MANDATORY GENERAL OFFER;**
- (3) SETTLEMENT OF THE MANDATORY GENERAL OFFER;**
- (4) PUBLIC FLOAT; AND**
- (5) CLARIFICATION OF THE PREVIOUS ANNOUNCEMENT**

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 (i) the composite document dated 22 November 2019 (the “**Composite Document**”) jointly issued by TCL Industries Holdings Co., Ltd.* (TCL實業控股股份有限公司) (the “**Purchaser**”), T.C.L. Industries Holdings (H.K.) Limited (the “**Offeror**”) and Tonly Electronics Holdings Limited (the “**Company**”) in relation to, among other matters, the Mandatory General Offer made by UBS AG, Hong Kong Branch on behalf of the Offeror to acquire all the issued shares in the Company (other than those already owned or agreed to be acquired by the Purchaser, the Offeror and parties acting in concert with any of them) and for the cancellation of all the outstanding share options of the Company (other than those held by persons acting in concert with the Purchaser and/or the Offeror) and (ii) the announcement dated 12 December 2019 jointly issued by the Purchaser, the Offeror and the Company in relation to the Mandatory General Offer becoming unconditional. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

CLOSE OF THE MANDATORY GENERAL OFFER

The Purchaser, the Offeror and the Company jointly announce that the Mandatory General Offer closed at 4:00 p.m. on Friday, 27 December 2019.

RESULTS OF THE MANDATORY GENERAL OFFER

As at 4:00 p.m. on Friday, 27 December 2019, being the latest time and date for acceptance of the Mandatory General Offer, valid acceptances had been received by the Offeror in respect of (i) a total of 44,711,069 Offer Shares under the Share Offer (364,263 of which are valid acceptances from the Grantees in relation to their Awarded Shares under the Restricted Share Award Scheme), representing approximately 16.43% of the entire issued share capital of the Company as at the date of this joint announcement; and (ii) a total of 1,132,740 Share Options in respect of the Option Offer.

SETTLEMENT OF THE MANDATORY GENERAL OFFER

Remittances in respect of the cash consideration, less seller’s ad valorem stamp duty, in respect of the Offer Shares tendered under the Mandatory General Offer have been, or will be (as the case may be), posted to the accepting Shareholders by ordinary post at its/his/her own risk as soon as possible but in any event within seven (7) Business Days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

SHAREHOLDING STRUCTURE OF THE COMPANY AND CLARIFICATION OF THE PREVIOUS ANNOUNCEMENT

Reference is made to the announcement dated 24 December 2019 (the “**Previous Announcement**”) in which the Company disclosed the number of relevant securities of the Company. The Company wishes to clarify and supplement that on 24 December 2019, 1,345,000 Awarded Shares under the Restricted Share Award Scheme had vested on the relevant Grantees. Accordingly, as at 24 December 2019 (after the allotment and issuance of the Shares as described in the Previous Announcement), the Company had a total of (i) 272,100,144 Shares in issue; (ii) 29,490,249 outstanding Share Options; and (iii) 2,438,184 Awarded Shares (instead of 3,783,184 Awarded Shares). The above supplemental information and clarification do not affect other information contained in the Previous Announcement. Save as disclosed above, other information in the Previous Announcement shall remain unchanged.

As at the date of this joint announcement, the Company has a total of (i) 272,100,144 Shares in issue (2,438,184 of which are Awarded Shares); and (ii) 29,490,249 outstanding Share Options.

Immediately prior to the commencement of the Offer Period, the Purchaser, the Offeror and parties acting in concert with any of them were interested in an aggregate of 131,529,305 Shares, representing approximately 48.34% of the entire issued share capital of the Company as at the date of this joint announcement.

Taking into account the valid acceptances in respect of 44,711,069 Offer Shares under the Mandatory General Offer (subject to the completion of the transfer to the Offeror of such Offer Shares acquired by it under the Mandatory General Offer), immediately after the close of the Mandatory General Offer, the Purchaser, the Offeror and parties acting in concert with it were interested in an aggregate of 176,240,194 Shares, representing approximately 64.77% of the entire issued share capital of the Company as at the date of this joint announcement.

Save as disclosed above, neither of the Purchaser, the Offeror nor parties acting in concert with any of them (i) held, controlled or directed any Shares and rights over Shares immediately before the commencement of the Offer Period; and (ii) has acquired or agreed to acquire any Shares or rights over Shares during the Offer Period. Further, neither the Purchaser, the Offeror nor any parties 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 and up to the Closing Date.

The following table sets out the shareholding structure of the Company (i) immediately prior to the commencement of the Offer Period; and (ii) immediately after the close of the Mandatory General Offer (assuming that the transfer to the Offeror of those Offer Shares acquired by the Offeror under the Mandatory General Offer has been completed) and as at the date of this joint announcement:

	Immediately prior to the commencement of the Offer Period and as at the date of the Joint Announcement		Immediately after the close of the Mandatory General Offer and as at the date of this Joint Announcement	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Offeror	130,741,170	48.66	175,452,239	64.48
Persons acting in concert with the Purchaser and/or the Offeror (Note 1)				
Mr. LI Dongsheng and his spouse (Note 2)	761,748	0.28	761,568	0.28
Ms. XIONG Yan and her spouse	11,043	0.00	11,043	0.00
Mr. DU Yuanhua	15,344	0.01	15,344	0.01
Sub-total for the Purchaser, the Offeror and parties acting in concert with any of them	131,529,305	48.96	176,240,194	64.77
Persons other than the Purchaser, the Offeror and parties acting in concert with any of them				
Trustee (Note 3)	7,186,284	3.22	5,477,201	2.01
Other Shareholders	129,948,780	48.37	90,382,749	33.22
Subtotal for persons other than the Purchaser, the Offeror and parties acting in concert with any of them	137,135,064	51.04	95,859,950	35.23
Total (Note 4)	268,664,369	100.00	272,100,144	100.00

Notes:

1. Among such number of Shares were 91,220 Shares (as at the date of the Joint Announcement) and 91,040 Shares (as at the date of this joint announcement) awarded under the Restricted Share Award Scheme to the persons acting in concert with the Purchaser and/or the Offeror, which are held by the Trustee on trust for such persons.
2. On 15 November 2019, 5,974 Awarded Shares held by Ms. ICHIKAWA Yuki were vested under the terms of the grant. As Ms. ICHIKAWA Yuki is a PRC resident, the Company was required to deduct 180 Shares thereof as PRC withholding tax, resulting in the aggregate interest of Mr. LI Dongsheng together with his spouse, Ms. ICHIKAWA Yuki, being 761,568 Shares as at the date of this joint announcement.
3. 91,220 Shares (as at the date of the Joint Announcement) and 91,040 Shares (as at the date of this joint announcement) awarded under the Restricted Share Award Scheme to the persons acting in concert with the Purchaser and/or the Offeror, which are held by the Trustee on trust for such persons, are excluded from such number of Shares and included in the number of Shares under “Persons acting in concert with the Purchaser and/or the Offeror”.
4. 3,435,775 Shares were issued by the Company during the Offer Period pursuant to the exercise of Share Options by certain Optionholders during the Offer Period. For further details of the movements in the share capital of the Company, please refer to the announcements of the Company dated 16 October 2019, 17 October 2019, 29 October 2019, 30 October 2019, 5 November 2019, 12 November 2019, 15 November 2019, 26 November 2019, 27 November 2019, 28 November 2019, 2 December 2019, 3 December 2019, 4 December 2019, 5 December 2019, 6 December 2019, 9 December 2019, 10 December 2019, 11 December 2019, 12 December 2019, 16 December 2019, 17 December 2019, 18 December 2019, 19 December 2019, 20 December 2019 and 24 December 2019.

PUBLIC FLOAT OF THE SHARES

Immediately after the close of the Mandatory General Offer and as at the date of this joint announcement, subject to the completion of the transfer to the Offeror of those Offer Shares acquired by it under the Mandatory General Offer (in respect of which valid acceptances were received), 60,018,582 Shares, representing approximately 22.06% of the entire issued share capital of the Company, are held by the public (as defined in the Listing Rules). Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied. An application has been made to the Stock Exchange for a temporary waiver from strict compliance with Rule 8.08(1)(a) of the Listing Rules. The director of the Offeror will take appropriate steps to ensure that sufficient public float exists in the Shares as soon as possible following the close of the Mandatory General Offer. Further announcement(s) will be made by the Company regarding restoration of public float in the Shares as and when appropriate in accordance with the Listing Rules.

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, 27 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.

* For identification purpose only