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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)

COMPLETION OF THE SHARE TRANSFER BY THE OFFEROR AND RESTORATION OF PUBLIC FLOAT

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); (ii) the announcement dated 27 December 2019 jointly issued by the Purchaser, the Offeror and the Company in relation to, among others, the results of the Mandatory General Offer and the public float of the Company; (iii) the announcement dated 15 January 2020 issued by the Company in relation to the grant of a waiver from strict compliance with minimum public float requirement as required under Rules 8.08(1)(a) of the Listing Rules for a period from 28 December 2019 to 27 March 2020; and (iv) the announcement dated 13 March 2020 issued by the Company in relation to the proposed Share Transfer by the Offeror and the restoration of public float (the “**Previous Announcement**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Composite Document and the Previous Announcement.

COMPLETION OF SHARE TRANSFER BY THE OFFEROR

The Board is pleased to announce that, as notified by the Offeror, the Share Transfer has been completed on 20 March 2020. Pursuant to the Sale and Purchase Agreement, the Offeror has successfully sold to the Investor an aggregate of 8,000,000 Shares, representing 2.93% issued share capital of the Company as at the date of this announcement. To the best of knowledge, information and belief of the Company, having made all reasonable enquiries, the Investor and its beneficial owner are independent and not connected with the Company or its connected person.

PUBLIC FLOAT OF THE COMPANY

Immediately after completion of the Share Transfer and as at the date of this announcement, 68,545,322 Shares, representing approximately 25.10% of the issued share capital of the Company, were held by the public (within the meaning under the Listing Rules). As such, the public float of the Company has been restored to not less than 25% of its issued share capital, being the minimum public float requirement as set out under Rule 8.08(1)(a) of the Listing Rules. Set out below is the shareholding structure of the Company (i) immediately prior to completion of the Share Transfer and (ii) immediately after completion of the Share Transfer:

Shareholders	Immediately prior to completion of the Share Transfer		Immediately after completion of the Share Transfer	
	Number of Shares	Approximate percentage of total interest in issued share capital of the Company	Number of Shares	Approximate percentage of total interest in issued share capital of the Company
Offeror	175,452,239	64.24%	167,452,239	61.31%
Trustee	4,921,049	1.80%	4,921,049	1.80%
Other non-public Shareholders	32,186,307	11.79%	32,186,307	11.79%
Subtotal of non-public Shareholder	212,559,595	77.83%	204,559,595	74.90%
Public shareholders	60,545,322	22.17%	68,545,332	25.10%
Total	273,104,917	100.00%	273,104,917	100.00%

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

Hong Kong, 20 March 2020

As at the date of this 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.

* *For identification purpose only*