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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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of the Company (the “AGM”) will be held at 10:30 a.m. on 19 May 2020, Tuesday at 8th Floor, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, 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 2019.
2. To declare a final dividend of HK\$0.35 per ordinary share of the Company (“Share(s)”) to be paid out of the distributable profits to the shareholders of the Company (“Shareholders”) whose names appear on the register of members of the Company on 28 May 2020, Thursday.
3. To re-appoint Messrs. Ernst & Young as the Auditors and authorise the board of Directors to fix their remuneration.
4.
 - (a) To re-elect Mr. YU Guanghui as an executive Director.
 - (b) To re-elect Mr. POON Chiu Kwok as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2023.
 - (c) To re-elect Mr. LI Qi as an independent non-executive Director until the conclusion of the annual general meeting of the Company of 2023.
5. To authorise the board of Directors to fix the Directors’ remuneration.

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolutions (with or without modification) as ordinary resolutions:

6. **“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 in the Company 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 (“RS Award Scheme”) constituted by the rules adopted by the Board of the Company on 28 August 2014 as amended on 8 August 2017 and 7 September 2017 pursuant to the terms of the RS Award Scheme (excluding Shares granted that have lapsed in accordance with the RS Award Scheme) not exceeding three (3) per cent of the number of issued Shares of the Company as at the date of the passing of this resolution (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);
- (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;
 - 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 RS 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.”

7. “**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 new Shares and/or otherwise deal with unissued Shares in the Company 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 (subject to adjustment in case of any share consolidation 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); 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 entitlement or having regard to any restrictions or obligations under the laws of any relevant jurisdiction, or of the requirements of any recognised regulatory body or any stock exchange applicable to the Company).”

8. “**THAT** there be granted to the Directors an unconditional general mandate to repurchase Shares, 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 authorise the Directors to procure the Company to repurchase Shares 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 (subject to adjustment in case of any share consolidation or subdivision after such mandate has been approved, provided that the maximum number of Shares of the Company that may be repurchased as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same); 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.”
9. “**THAT**, subject to the availability of unissued share capital and conditional upon the resolutions nos. 7 and 8 above being passed, the number of Shares which are repurchased by the Company pursuant to and in accordance with resolution no. 8 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. 7 above.”

On behalf of the Board
LIAO Qian
Chairman

Hong Kong, 16 April 2020

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 Meeting is entitled to appoint more than one proxy or a duly authorised corporate representative to attend and vote in his stead. A proxy needs not be a member of the Company.
2. A form of proxy for the Meeting is enclosed with the Company's circular dated 16 April 2020. 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 Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting 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 Meeting and any adjournment thereof should he so wish. In such event, his form of proxy will be deemed to have been revoked.
3. The Hong Kong branch register of members of the Company will be closed from 14 May 2020, Thursday to 19 May 2020, Tuesday (both dates inclusive), for the purpose of determining the entitlement of the members of the Company to attend and vote at the Meeting. No transfers of Shares may be registered during the said period. In order to qualify for the aforesaid entitlement, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 13 May 2020, Wednesday.
4. Where there are joint registered holders of any Share, any one of such persons may vote at any meeting, either personally or 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, then 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 of members of the Company in respect of the relevant joint holding.
5. The Hong Kong branch register of members of the Company will be closed from 25 May 2020, Monday to 28 May 2020, Thursday (both dates inclusive), for the purpose of determining the Shareholders of the Company who qualify for the final dividend mentioned above. No transfers of Shares may be registered during the said period. In order to qualify for the aforesaid final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on 22 May 2020, Friday.
6. With regard to resolution no. 7 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. 7 above.
7. Shareholders of the Company should note that the meeting will be held as scheduled when typhoon signal no. 8 (or above), black rainstorm or "extreme conditions" as defined under Chapter 1 of the Rules of the Exchange of The Stock Exchange of Hong Kong Limited 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 announcement, the Board comprises YU Guanghui, SONG Yonghong and REN Xuenong as executive Directors, LIAO Qian as non-executive Director and LEONG Yue Wing, POON Chiu Kwok and LI Qi as independent non-executive Directors.