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This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of Tonly Electronics Holdings Limited.

T.C.L. Industries Holdings (H.K.) Limited
(T.C.L.實業控股(香港)有限公司)
(Incorporated in Hong Kong 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)

JOINT ANNOUNCEMENT

IRREVOCABLE UNDERTAKING RELATING TO PROPOSED PRIVATISATION OF TONLY ELECTRONICS HOLDINGS LIMITED BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 86 OF THE COMPANIES LAW AND PROPOSED WITHDRAWAL OF LISTING OF TONLY ELECTRONICS HOLDINGS LIMITED

Exclusive Financial Adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



Reference is made to the joint announcement (the “**Joint Announcement**”) dated 30 October 2020 jointly issued by T.C.L. Industries Holdings (H.K.) Limited (the “**Offeror**”) and Tonly Electronics Holdings Limited (the “**Company**”) in relation to, among other matters, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under Section 86 of the Companies Law.

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those used in the Joint Announcement.

On the date of this joint announcement, the Offeror received 16 irrevocable undertakings (the “**Irrevocable Undertakings**”) in favour of the Offeror and the Company signed and returned by 16 Option Holders holding an aggregate of 95,048 Share Options (carrying rights to subscribe for 95,048 Shares which represents approximately 0.035% of the total number of issued Shares as of the date of this joint announcement), pursuant to which, each of the Option Holders has unconditionally and irrevocably undertaken, among other things, that:

- (i) he/she shall not exercise any of the Share Options held by him/her from the date of despatch of the Scheme Document to completion or, where applicable, lapse of the Scheme and the Option Offer (the later date is applicable and both dates inclusive); and
- (ii) he/she shall accept the Option Offer and sign all the documents and take all steps as necessary and appropriate to accept the Option Offer.

The Irrevocable Undertakings will be terminated (i) when the Option Offer closes and all Share Options lapse, (ii) when the Scheme lapses or is withdrawn, terminated or rescinded by the Offeror or is finally dismissed, finally refused or finally rejected by the Court; or (iii) on a date as the Company and the Offeror otherwise agree in writing.

Out of the 16 Irrevocable Undertakings received by the Offeror on the date of this joint announcement, 10 of which were signed and returned by Option Holders whom are also interested in 50,050 Shares of the Company, representing approximately 0.02% of the total number of issued Shares as of the date of this joint announcement.

As at the date of this joint announcement, there are in total 27 Irrevocable Undertakings received by the Offeror.

Shareholders, Option Holders and potential investors should be aware that the Proposal is subject to the Conditions being fulfilled or, where applicable, waived, and the Proposal thus may or may not be implemented and the Scheme may or may not be effective. Shareholders, Option Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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

By order of the board of
TONLY ELECTRONICS HOLDINGS
LIMITED
LIAO Qian
Chairman

Hong Kong, 1 December 2020

As at the date of this joint announcement, the directors of the Offeror are:

Mr. LI Dongsheng
Mr. DU Yuanhua
Ms. XIONG Yan

As at the date of this joint announcement, the Directors are:

Non-executive Director
Mr. LIAO Qian (*Chairman*)

Executive Directors
Mr. YU Guanghui
Mr. SONG Yonghong
Mr. REN Xuenong

Independent non-executive Directors

Mr. POON Chiu Kwok
Mr. LI Qi
Mr. LEONG Yue Wing

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) 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.

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (in relation to the information relating to the Group only) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) 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 the joint announcement misleading.