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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)

MONTHLY UPDATE ANNOUNCEMENT

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



SOMERLEY CAPITAL LIMITED

Reference is made to (i) 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; and (ii) the announcement jointly issued by the Offeror and the Company dated 20 November 2020 in relation to the extension of time for despatch of the Scheme Document to 15 January 2021.

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

As disclosed in the Joint Announcement, the Proposal and the Scheme will only become effective subject to the fulfilment or waiver (as applicable), among other Conditions, the approval of the Scheme at the Court Meeting. A hearing before the Court is required to give directions for the Court Meeting. As at the date of this announcement, the Company has been informed by its Cayman Islands legal adviser that the directions hearing will be held on 14 January 2021 (Cayman Islands time). Further, the Company and the Offeror are still in the process of finalising the Scheme Document. In these premises, the Company and the Offeror expect that the despatch of the Scheme Document cannot be made on or before 15 January 2021 (Hong Kong time).

An application to the Executive for a waiver from the strict compliance with the requirement under Rule 8.2 of the Takeovers Code and consent for further extension of time for the despatch of the Scheme Document will be made as necessary and appropriate. Further announcement(s) will be made by the Company and the Offeror in accordance with the Listing Rules and the Takeovers Code (as the case may be) on the status and progress in connection with the Proposal, the Scheme and the despatch of the Scheme Document as and when appropriate.

A detailed expected timetable for the Proposal will be set out in the Scheme Document and in the announcement to be jointly issued by the Offeror and the Company upon the despatch of the Scheme Document.

Shareholders, Option Holders and/or 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, the Scheme may or may not become effective and the Option Offer may or may not be implemented. Shareholders, Option Holders and/or 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, 21 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.