

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Tonly Electronics Holdings Limited (the “**Company**”) will be held at 8th Floor, Building 22E, 22 Science Park East Avenue, Hong Kong Science Park, Shatin, New Territories, Hong Kong on Tuesday, 23 February 2021 at 10:30 a.m. (or immediately after the conclusion or adjournment of the meeting of the Disinterested Scheme Shareholders (as defined in the Scheme of Arrangement hereinafter mentioned) convened at the direction of the Grand Court of the Cayman Islands (the “**Court**”) for the same day and place), for the purpose of considering and, if thought fit, passing, the following as a special resolution and ordinary resolutions respectively:

SPECIAL RESOLUTION

1. “**THAT:**

- (a) pursuant to a scheme of arrangement dated 29 January 2021 (the “**Scheme of Arrangement**”) between the Company and the Scheme Shareholders (as defined in the Scheme of Arrangement) in the form of the print thereof, which has been produced to the EGM and for the purposes of identification signed by the chairman of the EGM, or in such other form and on such terms and conditions as may be approved or imposed by the Court, on the Effective Date (as defined in the Scheme of Arrangement), the issued share capital of the Company shall be reduced by the cancellation and extinguishment of the Scheme Shares (as defined in the Scheme of Arrangement);

- (b) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the reduction of the issued share capital of the Company pursuant to the Scheme of Arrangement, including (without limitation) giving consent to any modification of, or addition to, the Scheme of Arrangement or the reduction of the issued share capital of the Company which the Court may see fit to impose; and
- (c) subject to the Scheme becoming effective, the withdrawal of the listing of the Shares of the Company from The Stock Exchange of Hong Kong Limited be and is hereby approved, and any one of the directors of the Company be and is hereby authorised to apply to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the Shares of the Company.”

ORDINARY RESOLUTIONS

2. **“THAT:**

- (a) subject to and simultaneously with the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) taking effect, the issued share capital of the Company be restored to its former amount by allotting and issuing to the Offeror (as defined in the Scheme of Arrangement), credited as fully paid at par, the same number of ordinary shares of HK\$1.00 each in the share capital of the Company as is equal to the number of Scheme Shares cancelled;
- (b) the credit arising in the books of account of the Company consequent upon the reduction of its issued share capital resulting from the cancellation and extinguishment of the Scheme Shares referred to in resolution 1(a) shall be applied by the Company in paying up in full at par the new ordinary shares allotted and issued to the Offeror pursuant to resolution 2(a) above, and any one of the directors of the Company be and is hereby authorised to allot and issue the same accordingly; and
- (c) any one of the directors of the Company be and is hereby authorised to do all acts and things considered by him to be necessary or desirable in connection with the implementation of the Scheme of Arrangement and the restoration of capital pursuant to the Scheme of Arrangement, including (without limitation) the giving of consent to any modification of, or addition to, the Scheme of Arrangement or the restoration of capital, which the Court may see fit to impose.”

3. “**THAT** the rollover arrangement between the Offeror and the Management Shareholders (as defined in the Scheme of Arrangement) under the rollover agreement entered into among them on 30 October 2020 which constitutes a special deal under Rule 25 of the Takeovers Code is hereby approved.”

By order of the board
Tonly Electronics Holdings Limited
LIAO Qian
Chairman

Hong Kong, 29 January 2021

Notes:

- (i) The above mentioned resolution 3 shall be approved by the Disinterested Scheme Shareholders (as defined in the Scheme Document) as required by the Takeovers Code.
- (ii) Unless otherwise defined in this announcement or the context otherwise requires, terms defined in the Scheme of Arrangement shall have the same meanings when used in this announcement.
- (iii) At the EGM, the chairman of the EGM will put forward the above resolutions to be voted on by way of poll as required under the Listing Rules and the Takeovers Code.
- (iv) A WHITE form of proxy for use at the EGM is enclosed with the Scheme Document.
- (v) 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/her/its stead. A proxy needs not be a member of the Company.
- (vi) In order to be valid, the WHITE 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 and transfer office 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 EGM or any adjournment thereof. If the WHITE form of proxy is not lodged in time, it will not be accepted and will be considered invalid. The chairman of the EGM may not, and does not have the discretion to, accept any WHITE form of proxy presented to him at the EGM. Completion and return of the WHITE 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/her/its WHITE form of proxy will be deemed to have been revoked.
- (vii) 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/she/it 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.

- (viii) For the purpose of determining the entitlements of Shareholders (or the Disinterested Scheme Shareholders, as the case may be) to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 17 February 2021 to Tuesday, 23 February 2021, both dates inclusive, and during such period, no transfer of Shares will be registered during the said period. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office 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. (Hong Kong time) on Tuesday, 16 February 2021.
- (ix) Shareholders of the Company should note that the EGM will be held as scheduled when tropical cyclone warning signal no. 8 (or above), black rainstorm or "extreme conditions" as defined under Chapter 1 of the Listing Rules is in force. In such event, Shareholders of the Company should make their own decision as to whether they would attend the EGM 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.
- (x) Taking into account the recent development of the epidemic caused by coronavirus disease (COVID-19), the Company will implement the following prevention and control measures at the EGM to protect Shareholders from the risk of infection:
- a. compulsory body temperature checks will be conducted for every attending Shareholder and/or proxy at the entrance of the venue;
 - b. every attending Shareholder and/or proxy is required to wear a surgical mask throughout the EGM;
 - c. Shareholders who do not comply with the precautionary measures or have a body temperature of over 37.3 degrees Celsius but wish to attend the EGM in person will be accommodated in designated area of the venue to attend the EGM and exercise their voting rights. Seating in the EGM venue will also be arranged so as to allow for appropriate social distancing;
 - d. In view of the Regulation and the requirements for social distancing to ensure the health and safety of attendees, there will be limited capacity for Shareholders to attend the EGM and only Shareholders and/or their proxies and relevant EGM staff will be allowed entry into EGM venue and the attending Shareholders (or their proxies) will be admitted to main conference room at the venue on a "first-come-first-served" basis, whereas other attending Shareholders (or their proxies) will be accommodated in other room(s) at the venue after the main conference room is fully occupied. The Company may limit the number of attendees at the EGM as may be necessary to avoid overcrowding; and
 - e. no refreshments will be served at the EGM.
- (xi) In order to facilitate the prevention and control of COVID-19, and to safeguard the health and safety of the Shareholders, **the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and strongly advises the Shareholders to appoint the chairman of the EGM as a proxy to vote on the resolutions as an alternative to attending the EGM in person** in light of the continuing risks posed by the COVID-19 pandemic. Shareholders are requested (a) to consider carefully the risk of attending the EGM, which will be held in an enclosed environment; (b) to follow and comply with any law and guidelines or requirements implemented by the Hong Kong Government relating to COVID-19 pandemic in deciding whether or not to attend the EGM; and (c) not to attend the EGM if they have contracted or are suspected to have contracted COVID-19 or have been in close contact with anybody who has contracted or is suspected to have contracted COVID-19.

In case of any inconsistency, the English version of this announcement shall prevail.

As at the date of this announcement, the board of directors 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.