For Immediate Release

Tonly Announces Sales Revenue from Major Products for First Quarter in 2020 (Unaudited)

(14 April 2020, Hong Kong) Tonly Electronics Holdings Limited ("Tonly Electronics" or "the Group"; SEHK stock code: 01249) announced its unaudited sales revenue ended 31 March 2019 for its major products. The following products do not encompass all of the Group's business and the information below does not completely reflect the Group's performance during the period under review.

In the first quarter in 2020, the Group was affected by reasons of postponed resumption of work due to the epidemic, the gradual return of employees and quarantine arrangements, and postponement of full resumption of work of some suppliers, resulting in sales revenue of the major products of the Group amounting to approximately HK$1,478 million, decreased by 4.1% compared with the same period of last year. The company has fully resumed work while production and operation are normal.

Sales revenue for audio products for the first quarter in 2020 fell by 2.4% YoY to approximately HK$1,057 million. The fall was mainly due to the delayed shipments because of the epidemic.

Sales revenue for headphones for the first quarter in 2020 fell by 22.8% YoY to approximately HK$153 million. The Group will continue to enhance its technological development of True Wireless Stereo (TWS) earphones, mid-to-high-end earphones products, Active Noise Cancellation (ANC) earphones and voice interaction function in order to increase market share.

Sales revenue of video products fell by 4.3% YoY to approximately HK$53 million for the first quarter in 2020. The fall was mainly due to the general downturn of the video disc players market.

Sales revenue of IoT Related Products decreased by 26.2% YoY to approximately HK$30 million for the first quarter in 2020. The Group will further expand its efforts in independent R&D and technological innovation, as well as to optimise its customer structure and enhance its market competitiveness.

Sales revenue of ancillary products rose by 13.1% YoY to approximately HK$186 million for the first quarter in 2020. The growth of ancillary product business supplementary to the smart products business.

However, the epidemic has spread around the world since March 2020, especially in Europe and America which is the Company’ major market, there will be significant adverse effects on the Company’s business in second quarter if the European and American markets slump or the countries implement closure of business premises in view of the impact of the epidemic.

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for First Quarter in 2020

### Unaudited Sales Revenue (HK$’000)

<table>
<thead>
<tr>
<th>Product Category</th>
<th>2020 Q1</th>
<th>2019 Q1</th>
<th>Change YoY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audio Products(1)</td>
<td>1,056,533</td>
<td>1,082,817</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Headphones</td>
<td>152,840</td>
<td>197,862</td>
<td>-22.8%</td>
</tr>
<tr>
<td>Video products(2)</td>
<td>52,844</td>
<td>55,217</td>
<td>-4.3%</td>
</tr>
<tr>
<td>IoT Related Products(3)</td>
<td>29,891</td>
<td>40,527</td>
<td>-26.2%</td>
</tr>
<tr>
<td>Ancillary products(4)</td>
<td>186,370</td>
<td>164,712</td>
<td>13.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,478,478</strong></td>
<td><strong>1,541,135</strong></td>
<td><strong>-4.1%</strong></td>
</tr>
</tbody>
</table>

(1) Mainly include smart voice speakers, wireless speakers, soundbars, home theatres, and mini speakers
(2) Mainly include DVD players, BD players, OTT set top boxes (STB), and other products
(3) Mainly include smart plugs, smart gateways and other IoT products
(4) Mainly include fabric covering for external sales, plastic injection structural parts, speakers, wireless modules, and other components

Note: The above products do not encompass all of the Group’s business and the information above does not completely reflect the performance of the Group during the period under review. The above information is unaudited.

### About Tonly Electronics

Tonly Electronics Holdings Limited (SEHK stock code: 01249), a high-tech smart products manufacturer with competitive industrial advantages, is principally engaged in the research and development, manufacturing and sales of audio and video products as well as wireless smart interconnectivity products. It is also developing into smart business. The Group is committed to becoming a one-stop smart IoT solutions provider based on the electroacoustic and wireless technologies.

For more information, please visit its website at [www.tonlyele.com](http://www.tonlyele.com).

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