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TCL ELECTRONICS HOLDINGS LIMITED

TCL 電子控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

(the "Company")

COMPLETION OF DISCLOSEABLE TRANSACTION IN RELATION TO ACQUISITION OF EQUITY INTEREST IN SEMP TCL

Reference is made to the announcement of the Company dated 3 June 2020 (the "**Announcement**") in relation to the acquisition of equity interest in SEMP TCL Indústria e Comércio de Eletroeletrônicos S.A.. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the Announcement.

The Board is pleased to announce that the Closing took place on 20 July 2020 (São Paulo time) (i.e. 21 July 2020, Hong Kong time). Upon Closing, SEMP TCL has become an 80% indirectly-owned subsidiary of the Company and the results, assets and liabilities of SEMP TCL will be consolidated into the accounts of the Group. Moreover, on the Closing Date, pursuant to the terms of the Share Purchase Agreement, among others, (i) TCL NL, STA, SEMP TCL and ABH entered into the Shareholders' Agreement; and (ii) STA, SEMP TCL and SUFRAMA entered into the Property Definitive Deed.

Whilst the Consideration shall be paid by TCL NL in three instalments according to the terms of the Share Purchase Agreement as disclosed in the Announcement, TCL NL and STA have agreed in writing to amend the aforesaid payment arrangement such that the first instalment of the Consideration shall be paid by TCL NL to STA on the Closing Date instead of the Upfront Payment Date, whereas the payment date of the second and third instalments of the Consideration would remain unchanged. Accordingly, the first and second instalments of the Consideration have been duly paid by TCL NL to STA on the Closing Date. Save from the aforementioned amendment, there is no material change to the other provisions of the Share Purchase Agreement as disclosed in the Announcement.

The Company would also like to update the Shareholders and investors on an amendment made to the Shareholders' Agreement. As disclosed in the Announcement, the form of the Shareholders' Agreement as contemplated under the Share Purchase Agreement originally provided that, for a period of ten years after STA or any of its Affiliates ceases to be a shareholder of SEMP TCL, each of STA and ABH covenants and agrees, and covenants and agrees to cause its respective Affiliates, not to, directly or indirectly (including by authorising any third-party), carry out Restricted Activities, unless (i) STA, ABH or any of their respective Affiliates holds no more than 20% of the total corporate capital of a competing company that carries out the Restricted Activities and has no special governance rights whatsoever in the competing company that carries out the Restricted Activities; or (ii) otherwise waived and authorised in writing by TCL NL ("**Antitrust Undertaking**"). When the parties sought the approval from Conselho Administrativo de Defesa Econômica ("**CADE**", the relevant antitrust authority of Brazil) on the Antitrust Undertaking for the same to be effective under Brazilian law, CADE ruled that pursuant to the prevailing antitrust laws, regulations and practice of Brazil, it would only allow and approve the transactions if the Antitrust Undertaking was of a period of no longer than five years. Accordingly, the Antitrust Undertaking contained in the Shareholders Agreement entered into by the parties upon Closing has been revised to reduce the period of the Antitrust Undertaking from ten years to five years to reflect CADE's ruling. CADE has confirmed its approval on the said revised Antitrust Undertaking under the Shareholders' Agreement. Save from the aforementioned amendment, all other provisions of the Shareholders' Agreement as disclosed in the Announcement remain in full force and effect.

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 21 July 2020

As at the date of this announcement, the Board comprises Mr. LI Dongsheng, Mr. WANG Cheng Kevin, Mr. YAN Xiaolin and Mr. HU Lihua as executive directors, Mr. Albert Thomas DA ROSA, Junior, Mr. LI Yuhao and Mr. SUN Li as non-executive directors and Mr. Robert Maarten WESTERHOF, Dr. TSENG Shieng-chang Carter, Professor WANG Yijiang and Mr. LAU Siu Ki as independent non-executive directors.