



For Immediate Release

TCL Multimedia Establishes Cross-boundary Collaboration with Tencent

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To achieve strategic complementary effect on resources and accelerate the promotion of “Smart + Internet” new business model

(5 July 2017, Hong Kong) FFalcon Technology Holding Limited ("FFalcon"), a direct wholly owned subsidiary of **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia", HKSE stock code: 1070.HK) together with Tencent Digital (Shenzhen) Company Limited ("Tencent Digital") today held a strategic cooperation presentation in Shenzhen, China. Both parties will integrate their resources and combine their advantages to accelerate the promotion of the “Smart + Internet” new business model.

Previously, TCL Multimedia's internet brand FFalcon, the JV Partners, Shenzhen Thunderbird Network Technology Company Limited ("Thunderbird Technology") and Tencent Digital entered into the Capital Increase Agreement, pursuant to which, Tencent Digital and FFalcon agreed to make capital contribution of RMB450 million and RMB30 million, respectively, to Thunderbird Technology. Upon completion of the Capital Increase, TCL Multimedia's interest in Thunderbird Technology through FFalcon will be reduced from 54.05% to 45.55% , but FFalcon will remain the single largest shareholder of Thunderbird Technology. Tencent Digital will acquire 16.67% of interest in Thunderbird Technology, making it the second largest shareholders besides FFalcon. Taking into account of the unaudited consolidated net asset value of Thunderbird Technology as at 30 June 2017, TCL Multimedia is estimated to record a gain of RMB175 million as a result of the deemed disposal. The actual amount of the gain or loss on deemed disposal to be recognised in the consolidated financial statements of TCL Multimedia will be calculated based on the net asset value of Thunderbird Technology as at the date of completion of the Capital Increase, and therefore, it may differ from the amount stated above.

Cooperation between giants to achieve strategic cross-boundary complementary effect on resources

By virtue of TCL and Tencent's complementary resources, FFalcon will possess a complete upstream and downstream industrial chain, comprehensive service system, and new business model. It will go in the direction of the integration of TV, mobile, and computer, as well as the incorporation of hardware and service, to gradually advance the hardware + membership service model. The goal is to create the No. 1 membership-based internet TV brand, and create ultimate user experience for consumers.

The strategic cooperation between the two giants provides not only funding support for the development of smart television business, but also establishes a joint operation team for both parties. It will increase business operation value through big television screens for family entertainment, and deepen the cooperation in product upgrade and innovation, market resource synergies and membership coherence, so as to achieve strategic cross-boundary complementary effect on resources.

Integrate resources to improve the living room economic ecosystem

With TCL Group's abundant capital, research and development capabilities, and its strengths in supply chain control, FFalcon creates a new smart TV environment that combines integrated online and offline channels, hardware products, internet contents, and services. In regards to content, Tencent Video's massive copyrighted content and superior self-produced content provide users with numerous customised video services. With the smart living room which constructed multi-dimensionally through hardware products, content service, big data integration, and artificial intelligence, FFalcon will seize the valuable home portal as well as the most important domain in the age of the internet of things.

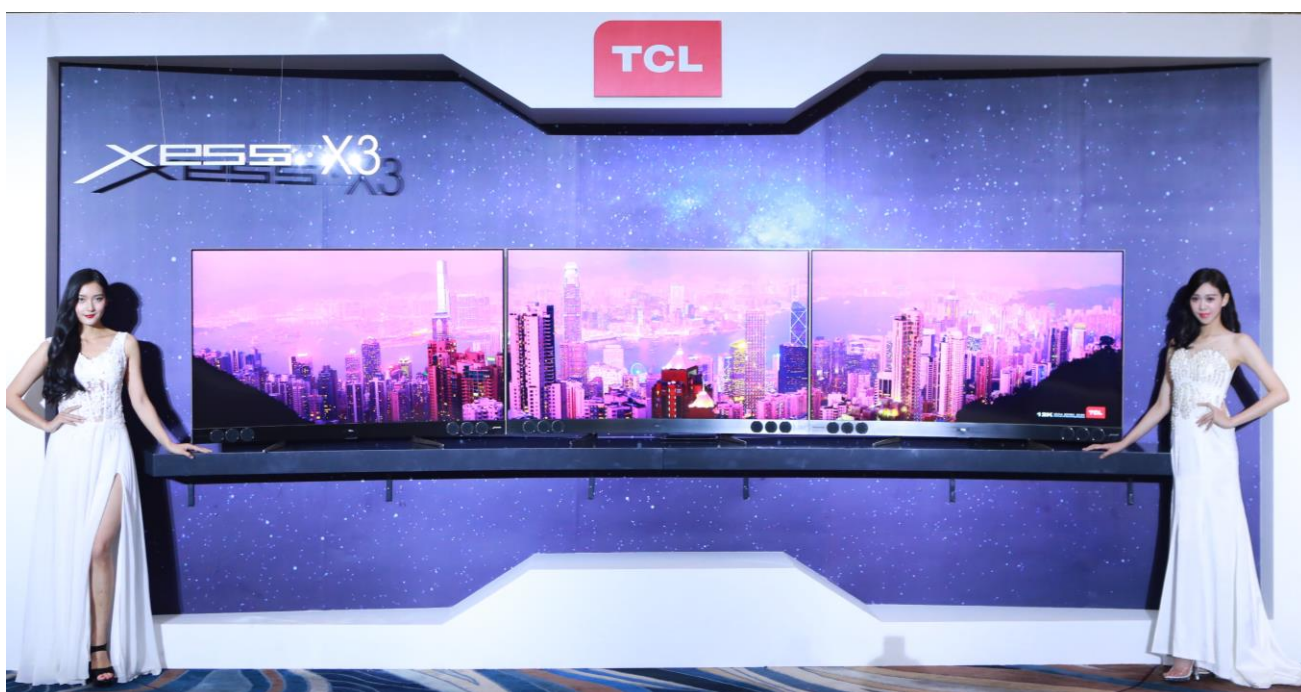
The number of operating devices and active users of TCL's smart television platform is proliferating, with accumulated active users reaching 20 million. The business model based on paid content revenue sharing, business flow revenue sharing, service advertisement revenue sharing and paid value added service fees is developing rapidly. Tencent Holdings Limited is currently a leading internet value added service provider in China. It possesses excellent internet operation capability, with rich resources and development capability in video, game and advertisement areas. Through this cooperation, TCL will access further into the family entertainment sector, to improve the living room economic ecosystem, speed up the promotion of new business model and boost the growth of revenue from its family internet business.



TCL Multimedia establishes cross-boundary collaboration with Tencent to further accelerate the promotion of the "Smart + Internet" new business model



FFalcon brand TV series



TCL brand TV X series



About TCL Multimedia

Headquartered in China, TCL Multimedia Technology Holdings Limited (HKSE stock code: 01070) is one of the leading players in the global TV industry, engaged in the research and development, manufacturing and distribution of consumer electronic products. Through a new product-and-user-oriented business model that focuses primarily on a “double +” strategy which includes “intelligence + internet” and “products + services” as the main direction, it strives to build a comprehensive ecosystem for smart TVs that provides users with an exquisite experience with its smart products and services. The Group ranked No.3 in the global LCD TV market with a market share of 9.0% in 2016 according to the latest IHS Technology and the Company’s shipment data, and ranked No.3 in the PRC LCD TV market with a market share of 13.6% in the first quarter of 2017 according to CMM’s report. The Group is included in the eligible shares list of the Shenzhen-Hong Kong Stock Connect. For more information, please visit its website: <http://multimedia.tcl.com>.

*This press release is issued by Cornerstones Communications Ltd. on behalf of **TCL Multimedia Technology Holdings Limited**. For further information, please contact:*

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