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TCL MULTIMEDIA TECHNOLOGY HOLDINGS LIMITED

TCL 多媒體科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01070)

**VOLUNTARY ANNOUNCEMENT
CONSENSUS ON COOPERATION
IN RESPECT OF
PROPOSED CAPITAL INCREASE OF
THUNDERBIRD TECHNOLOGY BY JD.COM**

This announcement is made by the Company on a voluntary basis.

**PROPOSED CAPITAL INCREASE OF THUNDERBIRD TECHNOLOGY BY
JD.COM**

The Board is pleased to announce that, on 27 April 2018, Thunderbird Technology and JD.com have reached a consensus on cooperation in relation to the proposed capital contribution of RMB300 million to Thunderbird Technology by JD.com so as to acquire approximately 6.67% equity interests in Thunderbird Technology after such Proposed Capital Increase. The terms of the Proposed Capital Increase shall be subject to the obtaining of all necessary company approvals and negotiation by the parties concerned and the approval, execution and delivery of the definitive transaction documents by the parties concerned.

On the assumption that the Proposed Capital Increase would proceed to materialize and there are no further changes on the shareholding of Thunderbird Technology prior to the completion of the Proposed Capital Increase, changes to the shareholding structure of Thunderbird Technology as a result of the Proposed Capital Increase are as follows:

Shareholders	Approximate shareholding percentage immediately before the completion of the Proposed Capital Increase	Approximate shareholding percentage immediately after the completion of the Proposed Capital Increase
FFalcon (<i>Note</i>)	44.44%	41.48%
Tencent Digital	16.67%	15.55%
Fende Investment	15.56%	14.52%
Zhida Tafang	11.11%	10.37%
Lexiang Tengsheng	11.11%	10.37%
Guangdong South New Media (<i>Note</i>)	1.11%	1.04%
Jiangsu Jingdong or its related party(ies)	Not applicable	6.67%
Total	100%	100%

Note: On 8 February 2018, FFalcon and Guangdong South New Media entered into an equity transfer agreement, pursuant to which FFalcon transferred approximately 1.11% equity interests of Thunderbird Technology then held by FFalcon to Guangdong South New Media. The transfer is currently under the process of related registration procedure for the change in shareholding.

FFalcon, a wholly-owned subsidiary of the Company, is the single largest shareholder of Thunderbird Technology as of the date of this announcement and, if the Proposed Capital Increase proceeds to materialize and assuming there are no further changes on shareholding of Thunderbird Technology, will remain to be the single largest shareholder of Thunderbird Technology immediately after the completion of the Proposed Capital Increase.

REASONS FOR AND BENEFITS OF THE PROPOSED CAPITAL INCREASE

Founded in May 2017, Thunderbird Technology is mainly engaged in smart TV platform operation business. Leveraging on the user base and industrial chain resources of TCL smart terminals, Thunderbird Technology adopts a user-centric approach and produces video-based content through internal and external content and service applications, complementary with new ecosystems such as games, education and lifestyle, etc. By enriching its content and applications, identifying user needs and improving user experience, Thunderbird Technology continuously strives for the expansion of user base, increase in user activities, enhancement of single-user monetization so as to realize the business operation and profitability model based on business of back-end services to smart home terminal products.

In 2017, Thunderbird Technology received Tencent Digital's strategic investment of RMB450 million for a then 16.67% equity interests in Thunderbird Technology after the said capital increase. For details of the aforementioned capital increase, please refer to the Company's announcements dated 2 July 2017 and 1 September 2017 respectively. The two parties focused on deepening cooperation in various areas such as content sharing, product innovation, marketing, and member operations to enhance cross-sector strategic resources complementation and software and hardware collaboration. The first round of capital increase mentioned above not only provided funding support for Thunderbird Technology to finance the business development of its smart TV operations, but also deepened the cooperation of concerned parties in various fields. Subsequently, Thunderbird Technology further introduced Guangdong South New Media as its shareholder in February 2018 to realize an in-depth cooperation between a domestic Internet TV licensee and a terminal manufacturer.

With the benefit of the above cooperation, as of the first quarter of 2018, the accumulated number of TCL activated smart TV users totaled 25,588,112, and the daily average number of active users in March 2018 was 12,058,685 (source: Huan Technology Co., Ltd.* (廣州歡網科技有限責任公司)). Turnover from the Internet business recorded a substantial rise. For details, please refer to the Company's announcement dated 25 April 2018.

The Proposed Capital Increase represents the second round of capital increase for Thunderbird Technology. JD.com is a leading technology-driven e-commerce company and retail infrastructure provider in the PRC. Guided by its "Boundaryless Retail" vision, JD.com is committed to working with top industry players to build the PRC's most advanced and comprehensive retail ecosystem to serve consumers wherever and whenever they shop. JD.com is focused on transforming the retail industry through technology innovation in areas such as artificial intelligence, big data, smart supply chain and smart logistics, among others.

If the Proposed Capital Increase and strategic cooperation materialize, the Company believes that Thunderbird Technology will be able to establish a strategic partnership at the business level among its various shareholders. It is expected that Thunderbird Technology together with its shareholders will commence in-depth cooperation in various areas such as advertising system, e-commerce and logistics services, unified management of member accounts. They will also jointly explore the field of research and development in artificial intelligence technology as well as application research under large-screen smart TV and smart home scenarios, and leveraging on their respective advantages to jointly develop various markets, share customer resources and service capabilities, enhance user experience and efficiency of single-user monetization and promote rapid development in large-screen smart TV ecosystem for families.

Through this in-depth cooperation with JD.com, the Company will, leveraging on its strengths in existing smart home terminal products and user base, further enrich its Internet content and application resources, optimize platform operations and user service capabilities, and accelerate business model innovation under the large-screen smart TV ecosystem and implementation of monetization model, with an aim to facilitate the transformation of the Group's "double +" strategy.

Therefore, the Board is of the view that the Proposed Capital Increase, if materialized, will be able to enhance the value of the Company to its shareholders and is in the interests of the Company and its shareholders as a whole, and the terms of the consensus on cooperation, which are arrived at after arm's length negotiation, are fair and reasonable and in the interests of the the Company and its shareholders as a whole.

GENERAL

As of the date of this announcement, the detailed terms and conditions of the Proposed Capital Increase are still under negotiation and definitive transaction documents in respect of the Proposed Capital Increase are yet to be entered into. Further announcement(s) will be made by the Company as and when required in compliance with the Listing Rules if the Proposed Capital Increase proceeds to materialize. **Shareholders and potential investors of the Company should note that the Proposed Capital Increase may or may not materialize. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.**

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	TCL Multimedia Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 01070)
“Director(s)”	the director(s) of the Company
“Fende Investment”	Shenzhen Qianhai Fende Investment Company Limited* (深圳市前海芬德投資有限公司), a limited liability company established in the PRC and an independent third party of the Company
“FFalcon”	FFalcon Technology Holding Limited, a limited liability company incorporated and subsisting under the laws of Hong Kong and a direct wholly-owned subsidiary of the Company

“Group”	the Company and its subsidiaries
“Guangdong South New Media”	Guangdong South New Media Company Limited* (廣東南方電視新媒體有限公司), a limited liability company established in the PRC and an independent third party of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Jingdong”	Jiangsu Jingdong Bangneng Investment Management Co., Ltd.* (江蘇京東邦能投資管理有限公司), a limited liability company established in the PRC and an independent third party of the Company
“JD.com”	Beijing Jingdong Century Trading Company Limited* (北京京東世紀貿易有限公司), a limited liability company established in the PRC and an independent third party of the Company
“Lexiang Tengsheng”	Shenzhen Lexiang Tengsheng Technology Partnership (Limited Partnership)* (深圳樂享騰生科技合夥企業(有限合夥)), a limited partnership established in the PRC and an independent third party of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Capital Increase”	the proposed capital contribution in the amount of RMB300 million to Thunderbird Technology by JD.com
“RMB”	renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Tencent Digital”	Tencent Digital (Shenzhen) Company Limited* (騰訊數碼(深圳)有限公司), a limited liability company established and subsisting under the laws of the PRC and a subsidiary of Tencent Holdings Limited as at the date of this announcement
“Thunderbird Technology”	Shenzhen Thunderbird Network Technology Company Limited* (深圳市雷鳥網絡科技有限公司), a limited liability company established and subsisting under the laws of the PRC; 44.44% equity interests of which is indirectly held by the Company through FFalcon as at the date of this announcement
“Zhida Tafang”	Shenzhen Zhida Tafang Technology Partnership (Limited Partnership)* (深圳智達拓方科技合夥企業(有限合夥)), a limited partnership established in the PRC and an independent third party of the Company

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 2 May 2018

The English transliteration of the Chinese name(s) in this announcement, where indicated with “”, is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese names.*

As at the date of this announcement, the Board comprises LI Dongsheng, WANG Cheng Kevin, YAN Xiaolin and WANG Yi Michael as executive directors, Albert Thomas DA ROSA, Junior, HUANG Xubin, ZHANG Zhiwei and LIU Hong as non-executive directors and Robert Maarten WESTERHOF, TSENG Shieng-chang Carter, WANG Yijiang and LAU Siu Ki as independent non-executive directors.