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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 IN RESPECT OF THE PROGRESS OF COMPREHENSIVE COOPERATION WITH LESHI GROUP

TCL Multimedia Technology Holdings Limited (the “Company”, together with its subsidiaries collectively the “Group”) makes this announcement voluntarily to inform the public of the Group’s latest information.

Reference is made to the share subscription agreement (the “Subscription Agreement”) dated 11 December 2015 entered into between the Company and Leshi Zhixin Electronic Technology (Tianjin) Co., Ltd (“Leshi Zhixin”), a non-wholly owned subsidiary of Leshi Internet Information and Technology Corp., Beijing (“Leshi Internet”, together with its subsidiaries collectively “Leshi Group”). The Group and Leshi Group, using equity interest as bonding, proposed to have multi-dimension and in-depth strategic cooperation in respect of strategic resources and business model, in order to lead to coming of an era of global living room ecosystem surrounded by smart television(s) (“Smart TV(s)”), to continuously improve the Internet living style of family in the world, to promote the upgrade of the industry’s business model and industry improvement, and to lead Chinese brands of television(s) (“TV(s)”) to surpass those of traditional Japanese and Korean TVs manufacturers in the global market.

The board of directors of the Company is pleased to announce that after the entering into of the Subscription Agreement, based on the complementary resources and capabilities, with the aim of maximising the synergetic value and mutually enhancing the competitive advantages, the Group and Leshi Group would share their experiences in strategies, resources and business models, and actively explore multi-fields and high-degree cooperation. The Group and Leshi Group have established a joint working team (“Joint Working Team”) to finalise concrete cooperation plans and operation details. As at the date of this announcement, the progress of the discussion and the consensus on the potential cooperation between both sides are as follows:

1. Internet Business Operation Cooperation

The Group has approximately 12 million Smart TV users, while Leshi Group has more than 4 million high-end paid Smart TV users and it possesses an industry leading and diversified realization of user value system. The mutual cooperation can integrate the number of users in the two platforms and maintain a fast growth in family users, which will increase the value of users which could be operated by both sides.

The Group and Leshi Group are actively formulating the mode of high-degree cooperation regarding the joint operation of on-and-off device advertisements. The Group plans to develop testing points in the active terminals with “TV+Smart TV platform” installed, and complete the technology upgrade and determine the model of services in the coming 3 to 6 months. With the increased number of active terminals which could be operated after aggregating the users of both sides and the more mature cross-display advertising operating system of Leshi Group, the advertising revenue as well as the average revenue per user of both sides could be notably increased and the business models of ecosystems operation could further be enhanced.

2. Joint Development of New Products

The Group has a leading position and technological advantages in the Chinese curved display TV market. As of the 52nd week of 2015, according to the data from a market research company, China Market Monitor Co., Ltd., the accumulated market share of the Company in the Chinese curved display TV market was 17.5%, ranked the first among Chinese brands. The Group will jointly develop new curved display TV products of 55 inches and 65 inches with Leshi Group and strive to further strength the competitive advantages of the Group in curved display TVs.

3. Synergy of the Supply Chain

The Group has an industry-leading advantage on supply chain vertical integration and has established a global production platform which has accumulated rich experiences in research and development, sourcing and production. The synergy of the supply chain systems of both sides will effectively enhance the competitive advantage of the supply chain systems and improve the products competitiveness of both the Group and Leshi Group. Leshi Group intends to increase the percentage of its key products including the 55 inches and 43 inches TVs to be supplied by the Group, and it is expected that the purchase orders will notably increase as from the second quarter of this year.

With the cooperation principle of full access to resources and removing the boundary of operation of users, both sides are actively exploring a system for realising the value of increased number of users resulting from cross industries vertical integration. Other than the aforementioned items of proposed cooperation, the Joint Working Team is also actively exploring certain other projects. The Company will make further announcements when needed to report the progress of the mutual cooperation in time.

The extraordinary general meeting approving the subscription of 348,850,000 shares of the Company (the “Subscription Shares”) by Leshi Zhixin or its wholly owned subsidiary incorporated in Hong Kong (the “Investor”) is scheduled to be held on 14 January 2016. After the Investor becomes a substantial shareholder of the Company by acquiring the Subscription Shares, the proposed cooperation between the Group and Leshi Group may constitute connected transactions and/or continuing connected transactions. Before conducting such transactions, the Company would comply with the application requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On behalf of the Board
LI Dongsheng
Chairman

Hong Kong, 13 January 2016

As at the date of this announcement, the Board comprises LI Dongsheng, BO Lianming, YAN Xiaolin and XU Fang as executive directors, Albert Thomas DA ROSA, Junior and HUANG Xubin as non-executive directors and TANG Guliang, Robert Maarten WESTERHOF, TSENG Shieng-chang Carter and SO Wai Man Raymond as independent non-executive directors.