

**To Business Editor**  
**For Immediate Release**

## **TCL Multimedia and LeTV Announce Strategic Cooperation to Propel Industry Upgrade and Tap into the Global TV Market**

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### **Form Powerhouse Alliance to Jointly Enter the New Home Internet Ecosystem Era**

(14 December 2015, Hong Kong) – Subsequent to announcing the introduction of **Letv Zhixin Electronic Technology (Tianjin) Co., Ltd** (“LeTV”) as a strategic investor on 11 December 2015, **TCL Multimedia Technology Holdings Limited** (“TCL Multimedia”, HKSE stock code: 01070), together with LeTV, hosted a press conference in Shenzhen, announcing further strategic cooperation. Going forward, the two parties will tap into the market of large panel Internet users in the living room, jointly develop innovative products and high quality content, and other vertically integrated services to leverage their combined user base and transform into a new business model. In addition, the two parties will jointly explore in-depth cooperation with respect to supply chain, channel synergy, and after-sales services to tap into the global TV market. The cooperation will promote industry upgrade to accelerate the arrival of the next TV ecosystem generation. They will work together to achieve the goal of having Chinese brands surpassing their counterparts from Europe, US, Japan and Korea on a global scale.

The press conference was attended by Chairman and CEO of TCL Corporation Mr. Li Dongsheng and Chairman and CEO of LeTV Mr. Jia Yueting. Other top management members celebrating the cooperation at the event included Le Holdings’ Vice President of Strategic Planning and Management Mr. Ablikim Ablimit, LeTV New President Mr. Liang Jun, LeTV Senior Vice President of Global Capital Mr. Zheng Xiaoming, LeTV Web Board Secretary Mr. Zhao Kai, TCL Multimedia CEO Mr. Bo Lianming, TCL Group Board Secretary Mr. Liu Qian, and TCL Multimedia CFO Mr. Wang Yi.

The significance of the strategic cooperation lies in the comprehensive enhancement in user base and enterprise value of both parties. First of all, the cooperation will realize the cross-integration in manufacturing, information technology, Internet, content and applications, to give rise to ecosystem innovations, providing new solutions to improve user experience on the Internet. On the industry level, TCL and LeTV will work together to promote industry and business model upgrades to accelerate the arrival of the next global TV ecosystem generation. In addition, with both parties working together towards a common goal, it is expected that the competitive advantage, profitability and market value of the two listed giants will be greatly enhanced.

### **Leveraging Combined Supply Chain Resources to Enter the Global TV Market**

TCL is the only smart TV manufacturer in China with an integrated industry chain covering “display-chip-terminal” and is the innovator of China’s first Android Smart Internet TV. It has unparalleled supply chain management capabilities, long-term accretion of hardware and software research and development strengths and patent accumulation, global coverage, substantial offline marketing and service system, and global brand awareness. Through cooperation with industry-leading Internet content providers and licensing partners, TCL has established a high-quality TV+ living room ecosystem surrounded by smart TVs and has achieved commendable progress with its smart TV platform in terms of data flow, content distribution, and large data analysis, amongst others.



It was announced at the press conference that the two parties will tap into the market of large panel Internet users in the living room, jointly develop innovative products and high quality contents as well as other vertically integrated services, to transform the combined user base into a new business model. In addition, the two parties will explore in-depth cooperation with respect to supply chain, channel synergy, and after-sales services. LeTV will leverage TCL's advantage in vertically integrated hardware production to enhance the hardware design, technology and audio-visual standards of LeTV's smart TVs.

The strategic cooperation will also provide a combined user pool and contribute to realizable user value. TCL has over 11 million Smart TV users, and through its Huan Network and "Go Live" services, its network extends further to over 20 million Internet home users under the living room economic ecosystem. It has also established operational advantages of its home theatre line, smart EGP and vertical education ecosystem. LeTV has more than 4 million high-end paid smart TV users, new online users, and different ecosystem users. The expanded user pool through this cooperation is expected to double the value of the two mega-scale platforms.

### **Synergistic Benefits of an Integrated Value Chain Transforms Living Room Ecosystem**

The two parties revealed at the press conference that their future cooperation will combine the synergistic effect of TCL's vertically integrated operations and LeTV's ecosystem resources. Such cooperation will include LeTV's opening up to TCL its LeTV Cloud and massive premium contents, etc., while TCL will open to LeTV its world leading supply chain management, industrial capabilities, hardware and software development platforms and substantial offline service system.

Both parties have highly complementary advantages. The cooperation will expand their existing user base and services, thus resulting in higher operational value. At the same time, based on the user net realizable value model under the new Internet ecosystem, the transformation will bring greater benefits and value to both sides.

Meanwhile, TCL's supply chain layout and massive user base will help enhance the quality of LeTV's premium content distribution and profitability standards; and LeTV with its advantages in content and industry-leading customer value realizable system will also expedite the realization of TCL's TV+ platform and its user value. Through user sharing and joint operations, the two parties will join hands to strengthen their education, global broadcasting and other premium content and vertically integrated services business.

In addition, TCL's strong offline sales network and service system, along with LeTV's leading Internet marketing and O2O sales model, will create synergies for cross-exchange of users and the development of multi-dimensional services in the living room to generate additional revenue streams.

### **TCL and LeTV Jointly Tap into Global TV Market at Full Speed**

Last June, LeTV officially launched its globalization strategy "North LA Silicon Valley Line". Los Angeles is the world-renowned centre of popular culture, movies, television, the music industry, and the world engine of the entertainment industry. LeTV's Los Angeles subsidiary will strengthen its overseas copyright procurement and manufacturing. Silicon Valley is a world-class scientific and technological innovation sanctuary for the modern science and technology industry. LeTV Silicon Valley subsidiary will focus on the research and development of technologies, products and terminals. In the future, the "North LA Silicon Valley" line will become the engine of global economic growth, and also support LeTV's ecosystem globalization strategy.

TCL Multimedia is one of the world's leading companies in the television industry and is ranked among the top 3 players in the LCD TV market. It has established a leading sales, distribution and service network on a global scale, supported by a comprehensive industry chain covering manufacturing, design and distribution, and a reputable brand with high awareness. Going forward,



with TCL Corporation's cross-industry support and global business layout across multiple industries, TCL Multimedia will continue to strengthen its brand position and sales and distribution capabilities in emerging markets, increase its brand influence and market share in European and US markets, to enhance its competitive advantages globally. In addition, TCL Multimedia has embarked on an overseas marketing programme that bundles content operations with TV sales to promote its TV+ strategy globally.

TCL Multimedia's leading global strategic layout and overseas operational experience, together with LeTV's "North LA Silicon Valley Line", will accelerate the pace of development and enable both parties to achieve globalization in a cost-effective manner.

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- Representatives from TCL Corporation, TCL Multimedia and LeTV attended the strategic cooperation conference in Shenzhen



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### **About LeTV**

Founded in November 2004 by Mr. Jia Yueting, a celebrated pioneer in China's Internet landscape, Letv is committed to creating the "LeTV Ecosystem," a next-generation Internet engine that is vertically- integrated to offer an online platform completed with content, devices and applications. It has established seven cross-industry sub-ecosystems. These sub-ecosystems are all based on a global Internet cloud-based platform, on which six other sub-systems emerge, namely content ecosystem, large-panel ecosystem, mobile device ecosystem, sports ecosystem, automobile ecosystem and next-generation Internet finance ecosystem.

LeTV is engaged in a rich array of businesses, spanning from Internet TV, video production and distribution, smart gadgets and large-screen applications to e-commerce, and connected electric cars, which were announced in late 2014. The Holdings comprises a number of subsidiaries, including Letv.com, Leshi Zhi Xin, Le Vision Pictures, Wangjiu.com, Letv Sports, and Le Mobile etc. Of these, LeTV Web was established in 2004, and listed on the GEM board of Shenzhen Stock Exchange in August 2010, making it the world's first IPO of online video provider. In May 2015, its market value exceeded RMB 150 billion.

### **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, striving to become a "global entertainment technology enterprise" that provides integrated entertainment solution to customers. According to the latest IHS Technology figures, the Group ranked No.3 in the global LCD TV market with a market share of 5.7% and ranked No.3 in the PRC LCD TV market with a market share of 14.9% in the first half of 2015. 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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