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TCL and LeTV jointly develop unrivalled large panel smart TV platform
Advertising revenue from TV start-up and shutdown ads to reach RMB50 million in 2016

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TCL and LeTV share industry chain advantages
Orders for 1.2 million super TVs and 500,000 panels guaranteed

(March 30, 2016, Hong Kong) **TCL Multimedia Technology Holdings Limited** ("TCL Multimedia", HKSE stock code: 01070) announced that TCL and LeTV jointly organized the "Strategic Cooperation Milestones Press Conference" in Beijing. At the press conference, the two giants announced significant progress of their strategic cooperation with respect to GoLive online cinema platform, Internet ecosystem resources sharing and joint advertising operations, since they announced cooperation in December 2015.

Among them, TCL has received orders to provide LeTV with 1.2 million sets of super TVs and to guarantee the supply of 500,000 sets of panels in 2016. These would benefit such subsidiaries of TCL as TCL Multimedia, China Star Optoelectronics Technology ("CSOT") and GoLive. GoLive, a strategic investment of TCL in online cinema, will enter LeTV's super TV desktop for the first time. Such a bilateral cooperation offers TCL Multimedia additional high quality contents to complement its "product + services" business model. On top of that, the two parties will further strengthen their joint advertising operational capabilities. Under this cooperation, TCL Multimedia expects to generate RMB50 million advertising revenue from TV start-up and shutdown commercials in 2016.

With the rapid development of "Internet+" economy, collaborations of industry leading brands for resources sharing are expected to yield win-win results. The cooperation between TCL and LeTV enables the two parties to excel in their respective areas to generate complementary benefits for establishing a new TV ecosystem that provides ample room for exploring all kinds of developments.

Deepened software strengths boost GoLive users to over 10 million

Both TCL and LeTV are industry giants for their leading positions. Not only does the win-win collaboration combine the strengths of both parties, it also offers an integrated platform for higher volume and greater flexibility to become a dominant player, and a new business model that provides unlimited room for development.

At the conference, Vice President of TCL Multimedia Mr. Tony Liang commented that TCL and LeTV



have gone beyond the industry's previously clear-cut distinctions to bring forth a new development philosophy since December 2015 when they announced cooperation. By opening up their resources platforms, the two companies jointly promote industry upgrade and have made remarkable progress. This is demonstrated most vividly through the innovative strategic cooperation and the joint promotion of the GoLive "Synchronized Cinema" Series.

"GoLive will receive even stronger content support after connecting to LeTV's platform. It will significantly enhance user experience," said Liang. GoLive's "Synchronized Cinema" Series, as a key project in TCL's strategic investments, is the first to provide users with content basically in line with the theatrical release of movies. The number of activated family users has currently reached over 8 million, and it has broadcasted a total of 10 million sessions. Entering LeTV's super TV ecosystem as a standalone desktop application will bring in even more users to GoLive. In addition, LeTV's resources will also enter GoLive, giving it an edge to enhance its competitiveness.

"GoLive will be a standalone entrance to LeTV's super TV, opening it up to LeTV's 50 million established user base and tens of millions of future user groups. It will increase GoLive's user volume, and at the same time inject brand new proprietary contents into LeTV's resources, increasing the popularity of TCL TV+'s content platform and user retention. Leveraging LeTV's advantages in proprietary film and TV resources, TCL TV will provide its 10 million users with great content experience, consolidating TCL TV+ content platform's leading position," Liang said.

Liang Jun from LeTV also revealed that LeTV has high regards for GoLive. As such, LeTV has customized two user benefits to promote the rapid penetration of GoLive. Currently, 21 movies on show are now available on GoLive, and in 2016, LeTV will provide no less than 50 popular on-show movies to GoLive. These movies, with full overseas broadcast copyrights, will provide an opportunity to overseas Chinese to watch these movies simultaneously.

GoLive is a breakthrough to conventional cinema consumption habits as there is no time and place restriction. Users can enjoy on-show movies with large-screen TVs at home with family members at the price of one movie ticket only. This new movie-watching habit will undoubtedly bring new business opportunities and realisable value to TCL and LeTV.

Double Gains in hardware and software for TCL: Over 1.2 million TV Orders and RMB 50 million Advertising Revenue

TCL and LeTV have achieved rewarding results in their strengths in supply chain synergies and integrated users operation.

As far as supply chain synergy is concerned, in 2016 the two parties will realise win-win ecosystem goals by sharing capabilities. TCL will open to LeTV its supply chain resources including LCD panels,



chips, development and manufacturing, and share its impeccable supply and manufacturing capabilities including a guaranteed supply of 1.2 million units of super TVs and 500,000 sets of panels in 2016, to support LeTV in increasing its production capacity and improving its product supply capability. Meanwhile, LeTV shares its ecosystem content and cloud platform with TCL to upgrade the content of TCL smart TV, including guaranteed content updates of 5,000 films, 100,000 TV plays, Le Vision Pictures and Flower Film & TV as well as 650 units of video experience in Content Delivery Network (CDN), 15TB bandwidth.

The two giants also announced at the press conference collaboration to achieve users' additive effect and users' value realizable system by joint advertising operation. The latest information shows that TCL currently has over 13 million users of smart TVs and it continues to grow at a high pace, while LeTV also boasts over 5 million super TV users. The cooperation between two giants will enable the establishment of the largest advertising platform for smart terminal devices, significantly increasing TCL's advertising revenue. The two giants will work hand in hand to create the largest domestic advertising platform for smart devices. It is estimated that the cooperation will bring TCL Multimedia an advertising revenue of RMB50 million in 2016.

In the future, with the increasing user base of smart terminal devices of TCL and LeTV advertising is expected to grow at a stunning rate. The cooperation will enter a new phase, achieving breakthrough in the form of advertising and revenue with huge potential in future growth. It will also establish a benchmark for joint advertising operation which brings to the TV industry new thinking and inspiration.

According to a report by CMM (China Market Monitor Co., Ltd.), the combined TV market share of TCL and LeTV in Mainland China is 20.43% after their cooperation, far ahead of other TV brands. Liang revealed that the two parties will focus on deepening cooperation in the Internet business, new product development and supply chain to create new products and business under a fully-fledged model, thereby achieving greater win-win results.

Cooperation between TCL and LeTV symbolizes a super linkage for future expansion of their global presence. Their combined advantages in the supply chain will create greater value and set successful examples for Internet transformation of TV enterprises. As the cooperation goes, there is further room for future growth in the area of joint advertising operation and user management. This landmark partnership will bring limitless possibilities and more upside for the industry and consumers.

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 become a "global entertainment technology enterprise" that provides integrated entertainment solution to customers. The Group ranked No.3 in the global LCD TV market with a market share of 5.56% in 2015 according to the latest IHS Technology figures and Company data, and ranked No.3 in the PRC



LCD TV market with a market share of 14.04% according to CMM's report. 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. For further information, please contact:

Cornerstones Communications Ltd.

Kylie Yeung / Ivan Kau / Sara Qian / Victoria Chiu

T: (852) 2903 9293 / 2903 9285 / 2903 9282 / 2903 9281

F: (852) 2887 1712

E: tcl.multimedia@cornerstonescom.com