

**PFIC Annual Information Statement**

- (1) This Information Statement applies to the taxable year of Acorn International, Inc., Acorn Information Technology (Shanghai) Co., Ltd., Beijing HJZX Software Technology Development Co., Ltd., Zhuhai Acorn Electronic Technology Co., Ltd., MK AND T Communications Limited and Shanghai Acorn Advertising Broadcasting Co., Ltd. beginning on January 1, 2017 and ending on December 31, 2017.
- (2) You have the following pro-rata share of the ordinary earnings and net capital gain of each entity below for the taxable year specified in paragraph (1):

	Ordinary Earnings	Ordinary Earnings Per ADS	Ordinary Earnings Per ADS Per Day	Net Capital Gain
Acorn International, Inc.	None	None	None	None
Acorn Information Technology (Shanghai) Co., Ltd.	None	None	None	None
Beijing HJZX Software Technology Development Co., Ltd.	\$ 10,076	\$0.0000094	\$0.000000026	None
Zhuhai Acorn Electronic Technology Co., Ltd.	\$ 177,017	\$0.0001651	\$0.00000005	None
MK AND T Communications Limited	None	None	None	None
Shanghai Acorn Advertising Broadcasting Co., Ltd.	None	None	None	None

- (3) The amount of cash and fair market value of other property distributed or deemed distributed to you during the taxable year specified in paragraph (1) is as follows:

Cash: \_\_\_\_\_ None \_\_\_\_\_

Fair Market Value of Property: \_\_\_\_\_ None \_\_\_\_\_

- (4) Acorn International, Inc. will permit you to inspect and copy permanent books of account, records, and such other documents as may be maintained by us that are necessary to establish that PFIC ordinary earnings and net capital gain, as provided in section 1293(e) of the Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata shares thereof.

Acorn International, Inc.

Date: May 15, 2018

By:  Jacob A. Fisch

Title: Chief Executive Officer

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST THOSE SHAREHOLDERS WHO HAVE MADE A QEF ELECTION WITH RESPECT TO ACORN INTERNATIONAL INC. OR ITS SUBSIDIARIES IN MAKING CERTAIN PFIC CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. THOSE SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF SHARES ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL AND FOREIGN LAW.