



To: Business Editors
(For Immediate Release)

TCL Multimedia Acquires CI Tech to Enter the Blue Ocean Commercial Display Market and Commences Business Diversification

(1 June 2018, Hong Kong) – **TCL Multimedia Technology Holdings Limited** (“TCL Multimedia” or “the Company”, stock code: 01070.HK) announced the cash acquisition of 100% equity interest in TCL Commercial Information Technology (Huizhou) Co., Ltd (“CI Tech”), a subsidiary of TCL Corporation Co., Ltd (“TCL Corporation”, 000100.SZ), at a consideration of RMB793 million. Through this acquisition of CI Tech, the Company will enter the blue ocean market of commercial display, further enriching its product diversity and enhancing profitability.

CI Tech is a China’s leading smart commercial display products and industry solutions provider. Its business includes provision of one-stop services covering software, content, integral solutions and intelligent products, covering the fields of smart hotel (eHotel), information broadcasting (eShow), intelligent cloud multi-screen solution (eWall), security service, and intelligent education. CI Tech applies leading software systems and solution technologies to aggregate the ecosystems of different platforms in the industry, including internet of things (IoT), artificial intelligence (AI), Cloud Applications and Big Data, etc. to provide customised end products and intelligent solutions that are widely adopted in different environments and highly endorsed by customers.

Multiple Intelligent Commercial Display Applications



With stable financial status, CI Tech has maintained profitability for four consecutive years. In 2017, its audited revenue was approximately RMB1.48 billion, and its recurrent net profit was approximately RMB83.476 million with net profit margin reaching nearly 6%. It is expected to bring steady growth in profits. The transaction is evaluated at approximately RMB793 million based on 9.5x 2017A PE and will be settled in cash.

According to the data from All View Cloud, demand for commercial displays in the PRC market remained strong, and continued to grow rapidly in 2017, inching towards the market size of approximately RMB50 billion. It is forecasted that in 2018, the overall market size will grow to approximately RMB60 billion. The commercial display industry is expected to maintain rapid growth. Leveraging technological achievements in IoT, Cloud Applications and AI, CI Tech will continue to improve and optimise its products and services, bringing opportunities for future development in the fields of education, new retail, security, and so on.



This acquisition represents an important move of the Company in pursuing strategic transformation and business diversification. The Company will broaden its business model from home television (B2C) to include commercial display (B2B) and enter the high promising blue ocean market of commercial display, which has extensive applications with huge demand. Upon completion of the acquisition, the Company will be fully entitled to CI Tech's various development achievements in the fields of IoT, Cloud Application, and AI, to strengthen the software research and development capability and provide additional stream of revenue from software and services. Through the integration of premium internal and external industry resources, the Company will strive to enhance corporate valuation and strengthen its overall profitability and competitiveness on the course to become an international electronics group, creating value for shareholders.

CI Tech: Leader in the Commercial Display B2B Industry

By reference to a report published by All View Cloud, CI Tech retained a leading market position in the following business areas in the PRC in 2017:

1. Commercial television: 19.8% market share in terms of sales volume, 20.2% market share in terms of sales revenue, both ranking top two in the PRC;
2. LCD splicing monitors: 2.3% market share in terms of sales volume and sales revenue, both ranking top six in the PRC; and
3. Digital signage: 3.5% market share in terms of sales volume, 4.1% market share in terms of sales revenue, both ranking top six in the PRC.

According to the PRC Accounting Standard for Business Enterprises, as at 31 December 2017, the audited total assets and net assets of CI Tech, on consolidated basis, amounted to approximately RMB1,007 million and approximately RMB273 million, respectively. CI Tech sustains outstanding performance, its revenues from services account for a high proportion and generate strong profitability. Its audited financial information, on consolidated basis, for the two years ended 31 December 2016 and 2017 are as follows:

Unit: RMB '000	For the year ended 31 December	
	2017	2016
Revenue	1,481,999	1,098,871
Net profit before tax	137,410	45,619
Net profit after tax	109,405	37,405
Net profit before tax and extraordinary items	111,198	N/A
Net profit after tax and extraordinary items	83,476	N/A

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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 build a comprehensive ecosystem for smart TVs that provides users with an exquisite experience with its smart products and services. TCL Multimedia ranked No.3 in the global LCD TV market with a market share of 10.9% in 2017 according to the latest IHS Technology report and the Company’s shipment data, and ranked No.3 in the PRC LCD TV market with a market share of 12.1% for the first quarter 2018 according to CMM’s omni-channel data. TCL Multimedia is included in the eligible shares list of the Shenzhen-Hong Kong Stock Connect. The Company will soon be renamed as TCL Electronics Holdings Limited. For more information, please visit its website: <http://multimedia.tcl.com>.

About CI Tech

CI Tech is a leading provider of smart commercial information technology products and industry solutions in the PRC. Its business includes provision of one-stop services covering software, content, total solutions, and smart products for the public sector and commercial customers. CI Tech applies leading software system solutions to aggregate different platform ecosystems in the industry, and provide end products tailored for customers. CI Tech has been devoted to the development of the commercial application industry for over a decade. Its eHotel (smart hotel), eShow (information broadcasting), eWall (intelligent cloud multi-screen system), security service, and intelligent education solutions are widely adopted in different environments, such as hotels, hospitals, schools, shopping malls, airports, cafes, security, cinemas etc.

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