



***(For Immediate Release)***

## **TCL Multimedia Announces a Major Strategic Transformation**

**Focuses on “intelligence + internet” and “products + services” as the future direction of transformation**

### **Targets to become a global multimedia entertainment technology enterprise**

(25 February 2014, Hong Kong) – TCL Multimedia Technology Holdings Limited (“TCL Multimedia” or “the Group”, HKSE stock code: 01070), TCL Corporation, its controlling parent company, and its sister company TCL Communication jointly announced in Shenzhen today a new strategy of business transformation under the era of new internet economy. The Group will undergo a major transformation that focuses primarily on a “double plus” strategy which includes “intelligence + internet” and “products + services” as the main direction, shifting from the previous product-oriented focus to a user-oriented focus and gradually transforming from a traditional TV manufacturer into a global multimedia entertainment technology enterprise.

The core values of the “double plus” strategy include “grasping opportunities arisen from digital media devices with a user-oriented focus”, “establishing a new business model of product + services” and “leveraging O2O to rebuild the online and offline business platforms to become a pioneer in the internet-oriented landscape”. TCL Corporation’s 5-year target aims at becoming a major global manufacturer of smart terminal devices, seeking to become a global top 3 in smart TVs and smart phones; accumulating a clientele of up to 100 million household users + 100 million mobile users; deriving 50% of its profit from each of products and services, respectively; growing more corporate value than sales revenue. “Intelligence + internet” refers to smart products and services evolved from internet thinking, offering ultimate experiences and driving a major transformation of the Group in the areas of technologies and operations. Meanwhile, “products + services” refers to an innovative business model in the internet era, driving a major transformation on the business model at the corporate level, eventually establishing an open, collaborative and integrated business process and organizational systems serving needs of the strategic transformation.

The overall growth of the global television industry is expected to slow down with intensifying competition in 2014. It is evident that the television industry is becoming intelligence-oriented. Competition in the industry shifts from pure product features to positioning of the products in an intelligent eco-system. Mr. Li Dongsheng, Chairman of TCL Multimedia said, “It is essential that traditional home appliance enterprises undergo a transformation of their business models. Firstly, as far as the market is concerned, saturated demand amidst growing production capacity intensified the price competition among enterprises; secondly, with the industry, maturity of basic functions of hardware created a gridlock to development of the consumer electronics industry due to homogeneity of product functionalities; thirdly, faced with cross-industry competition from internet enterprises, the introduction of new business models has brought about challenges to the profitability of traditional home appliances enterprises. In view of the above, TCL will completely abandon the traditions by adopting the internet thinking, and establish the new business model by implementing the “double plus” strategy, seeking to achieve a breakthrough in the strategic transformation in the internet era.”

Under the new three-year strategies, the Group will leverage its existing advantages on hardware and



services to provide a new business model on “products + user” and develop a new business model of “hardware + software + contents + services”, which will establish a product-driven structure with an emphasis on market insights, internet-oriented layout and brand globalization. Hence, through channel restructuring, establishment of an O2O platform, improvements on the supply chain, efficiency enhancements will be realized. Meanwhile, the Group will pursue intelligent operations based on entertainment. With an emphasis on user experiences, the Group will continue to optimize its product portfolios of smart TVs and 4K Ultra high-definition TVs, building an all-in-one smart terminal product line integrating “platforms, contents, terminal and applications” which provides users with comprehensive entertainment solution. Meanwhile, it will also proactively kick off development of its game businesses, vigorously develop operating platforms, strengthen its cooperation with Huan TV, Open and TCL Communication under TCL Group and proactively cooperate with third parties in integrating resources.

Mr. Li Dongsheng said, “As the competition landscape of internet TV becomes clearer, opportunities will emerge for TCL Multimedia in initiating transformations. The year 2014 will be critical for transformation of the TV industry. In light of this, we will adopt a new transformation strategy and internet thinking, while striving to provide multimedia products and services that exceed users’ expectations, with an aim to become a global multimedia entertainment technology enterprise.”

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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. TCL Multimedia is engaged in the research and development, manufacturing and distribution of consumer electronic products. Its ultimate holding company is TCL Corporation. According to the latest DisplaySearch report, the Group ranked No.3 in the global LCD TV market share with a 6.5% market share in 2013. The Group remained its No.1 position in the PRC LCD TV market with a market share of 18.1%.

For more information, please visit its website: <http://multimedia.tcl.com>.

**For further information, please contact:**

#### **iPR Ogilvy & Mather**

Juliana Li / Aven Yu / Natalie Tang

Tel: (852) 2169 0467 / 2136 6176 / 3920 7640

E-mail: [tclmultimedia@iprogilvy.com](mailto:tclmultimedia@iprogilvy.com)