

Chinese tech firm LeEco ends bid to buy TV maker Vizio

April 10 2017



LeEco, whose CEO Yueting Jia is seen at a 2016 press event in San Francisco, has scrapped plans to buy US television maker Vizio

Cash-strapped Chinese tech firm LeEco on Monday abandoned its effort to buy US television maker Vizio, citing "regulatory headwinds."

Tech giant LeEco led by billionaire Jia Yueting last year announced a deal to buy Vizio for \$2 billion, but the acquisition had to be approved

by regulators.

"The merger agreement to acquire Vizio will not proceed due to regulatory headwinds," LeEco Global Group Ltd. and Vizio said in a joint release.

"We continue to believe that there is great synergy between the two companies, and are pleased to announce that LeEco and Vizio have reached an agreement that is a win for both companies."

LeEco and Vizio will look into ways to incorporate the Chinese [company](#)'s app and content into Vizio's offerings and work together to bring Vizio products to the China market, according to the new agreement.

Early this year, LeEco secured a \$2.2 billion investment from a group led by property developer Sunac China Holdings, after it had to suspend trading in shares.

Hong Kong-listed Sunac said it would plough 15.04 billion yuan into the sprawling LeEco empire, which has interests in various sectors including [self-driving cars](#), smartphones, film making, and TV-set manufacturing.

Originally a video-streaming provider, LeEco has expanded rapidly with investments in sectors as wide-ranging as self-driving cars, sports broadcasting rights, smartphones, film production, and television manufacturing.

LeEco's diverse ventures pit the company against Apple, Netflix, and Tesla and homegrown Chinese champions Baidu, Tencent, and Alibaba.

But the company's relentless expansion has put a strain on its cash flow, and in November Jia told employees the company grew too quickly and was short of funds.

LeEco last year opened a North American headquarters in San Jose, California. The facility was also to become the home for a LeEco autonomous driving research center.

© 2017 AFP

Citation: Chinese tech firm LeEco ends bid to buy TV maker Vizio (2017, April 10) retrieved 26 April 2024 from <https://phys.org/news/2017-04-chinese-tech-firm-leeco-tv.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.