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# Skyworth

**SKYWORTH DIGITAL HOLDINGS LIMITED**

**(創維數碼控股有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00751)**

## **ANNOUNCEMENT TV SALES IN JANUARY 2012**

Mainly due to the 21 days early arrival of Chinese New Year this year, the China TV business unit of the Group recorded 24% year-on-year decline in its sales volume of Flat Panel TV in January 2012. For the 10 months from April 2011 to January 2012, it still recorded 10% year-on-year growth in its sales volume of Flat Panel TV. It recorded year-on-year growth of 55% and 157% in sales volume of LED LCD TV in January 2012 and in April 2011 to January 2012, respectively. During the same periods, LED LCD TV accounted for approximately 65% and 32%, respectively, compared to 57% and 24% in January 2011 and in April 2010 to January 2011, respectively, of the Flat Panel TV sales volume of the business unit.

Sales volume of 3D TV in the China TV business unit in January 2012 remained at 38%, as in December 2011, of its Flat Panel TV sales volume. In April 2011 to January 2012, sales volume of 3D TV accounted for approximately 28% of its Flat Panel TV sales volume.

In January 2012 and in April 2011 to January 2012, the China TV business unit recorded total TV sales volume year-on-year decline of 26% and growth of 8%, respectively, and total TV sales revenue decline of 25% and growth of 13% year-on-year, respectively.

In December 2011, the China TV business unit ranked at number 1 in both sales volume and revenue market shares, respectively, in mainland China LCD TV market. For the 12 months ended 31 December 2011, it ranked at number 1 and number 2 in sales volume and revenue market shares, respectively, in mainland China LCD TV market.

The overseas TV business unit of the Group recorded LED LCD TV sales volume year-on-year growth of 502% in April 2011 to January 2012.

The Group recorded overall TV sales volume decline of 16% and growth of 15% year-on-year in January 2012 and from April 2011 to January 2012, respectively. It recorded overall TV sales revenue year-on-year decline of approximately 21% and growth of 16% in January 2012 and in April 2011 to January 2012, respectively.

## TV SALE IN JANUARY 2012

The board of directors (the “Board”) of Skyworth Digital Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) wishes to present the following unaudited figures relating to the Group’s sale of television sets (“TV”):

	January 2012	January 2011	January 2012 vs. January 2011	April 2011 to January 2012	April 2010 to January 2011	April 2011 to January 2012 vs. April 2010 to January 2011
	Unit ('000)	Unit ('000)	Increase/ (Decrease)	Unit ('000)	Unit ('000)	Increase/ (Decrease)
<b>TV sales volume</b>						
<b>China TV business unit (Note 1)</b>	<b>667</b>	<b>897</b>	<b>(26%)</b>	<b>6,263</b>	<b>5,817</b>	<b>8%</b>
which comprises:						
- Flat Panel TV (Note 2)	<b>666.8</b>	<b>882.2</b>	<b>(24%)</b>	<b>6,249.7</b>	<b>5,684.0</b>	<b>10%</b>
- LED LCD TV	<b>435.4</b>	<b>280.3</b>	<b>55%</b>	<b>3,567.5</b>	<b>1,385.9</b>	<b>157%</b>
- 3D LED LCD TV	169.2	0.0	n/a	1,139.0	0.0	n/a
- Other LED LCD TV	266.2	280.3	(5%)	2,428.5	1,385.9	75%
- Other Flat Panel TV	<b>231.4</b>	<b>601.9</b>	<b>(62%)</b>	<b>2,682.2</b>	<b>4,298.0</b>	<b>(38%)</b>
- 3D CCFL LCD TV	81.0	0.0	n/a	617.4	0.0	n/a
- Other Flat Panel TV	150.4	601.9	(75%)	2,064.8	4,298.0	(52%)
- CRT TV (Note 2)	<b>0.0</b>	<b>14.5</b>	<b>(100%)</b>	<b>13.0</b>	<b>133.0</b>	<b>(90%)</b>
<b>Overseas TV business unit (Note 3)</b>	<b>251</b>	<b>194</b>	<b>29%</b>	<b>1,972</b>	<b>1,356</b>	<b>45%</b>
which comprises:						
- Flat Panel TV	<b>178.5</b>	<b>76.7</b>	<b>133%</b>	<b>889.8</b>	<b>366.6</b>	<b>143%</b>
- LED LCD TV	<b>163.5</b>	<b>42.9</b>	<b>281%</b>	<b>605.4</b>	<b>100.5</b>	<b>502%</b>
- Other Flat Panel TV	<b>15.0</b>	<b>33.8</b>	<b>(56%)</b>	<b>284.4</b>	<b>266.1</b>	<b>7%</b>
- CRT TV	<b>72.6</b>	<b>117.3</b>	<b>(38%)</b>	<b>1,081.8</b>	<b>989.3</b>	<b>9%</b>
<b>Total TV sales volume</b>	<b>918</b>	<b>1,091</b>	<b>(16%)</b>	<b>8,235</b>	<b>7,173</b>	<b>15%</b>
<b>TV sales revenue</b>						
<b>China TV business unit (Note 1)</b>			<b>(25%)</b>			<b>13%</b>
<b>Overseas TV business unit (Note 3)</b>			<b>65%</b>			<b>68%</b>
<b>Total TV sales revenue</b>			<b>(21%)</b>			<b>16%</b>

Note 1: The TV sales volume or revenue of the China TV business unit relates to sale of TV, all under **Skyworth** brand, entirely in mainland China market.

Note 2: Flat Panel TV refers to TV with liquid crystal display (“LCD TV”) and light emitting diode backlights (“LED”), LCD TV with cold cathode fluorescent lamp backlights (“CCFL”), LCD TV with three dimensional (“3D”) display technology and also TV with plasma panels. CRT TV refers to TV with cathode ray tubes (“CRT”).

Note 3: The great majority of TV manufactured by the overseas TV business unit is manufactured for foreign TV brands owned by third parties for sale in overseas and mainland China markets. The business unit also designs, manufactures and sells TV under **Skyworth** brand in Hong Kong, Macau and overseas markets, the volume and amount of which are currently insignificant. Furthermore, the sales volume or revenue of the overseas TV business unit includes that relating to TV sold in complete-knocked down and semi-knocked down forms.

## China TV Business Unit

### TV Sales Volume

TV brands in mainland China usually records highest sales during the period around a month time before Chinese New Year holidays. This Chinese New Year started on 23 January 2012 instead of 3 February 2011 last year. The 21 days early arrival of Chinese New Year this year makes the TV

sales figures of January 2012 not directly comparable to those of January 2011.

The China TV business unit of the Group recorded year-on-year decline of 24% and year-on-year growth of 10%, in its sales volume of Flat Panel TV (mostly CCFL and LED LCD TV), in January 2012 and from April 2011 to January 2012, respectively.

Product mix of Flat Panel TV continues to upgrade from CCFL to LED LCD TV. The China TV business unit recorded 55% and 157% year-on-year growth in its sales volume of LED LCD TV in January 2012 and in April 2011 to January 2012, respectively. Sales volume of LED LCD TV represented approximately 65% in January 2012 versus approximately 32% in January 2011, of the sales volume of Flat Panel TV. Furthermore, it represented 57% in April 2011 to January 2012 versus approximately 24% in April 2010 to January 2011, of the sales volume of Flat Panel TV.

Sales volume of 3D TV (including those with CCFL and LED) in January 2012 remained at approximately 38%, as in December 2011, of the sales volume of Flat Panel TV. Gross profit margin of 3D TV is generally higher than that for TV without 3D function. In April 2011 to January 2012, sales volume of 3D TV accounted for approximately 28% of its Flat Panel TV sales volume.

The total TV sales volume of the business unit in January 2012 and in April 2011 to January 2012 decreased by 26% and increased by 8%, respectively, on a year-on-year basis.

#### TV Sales Revenue

The China TV business unit recorded year-on-year revenue decline of 25% and growth of 13% in January 2012 and in April 2011 to January 2012, respectively.

#### TV Market Shares

According to the TV market survey covering 390 cities and 4,300 retail terminals in mainland China performed by All View Consulting Co., Ltd., a market survey subsidiary of China Video Industry Association, the Group's market shares among local and foreign TV brands in mainland China for the 12 months ended 31 December 2011 are as follows:

	<b>Ranking</b>	<b>Market share</b>
All TV		
- Volume	1	15.1%
- Revenue	2	13.6%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	16.6%
- Revenue	2	15.0%

The Group's market shares for December 2011 are as follows:

	<b>Ranking</b>	<b>Market share</b>
All TV		
- Volume	2	15.3%
- Revenue	2	13.8%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	16.8%
- Revenue	1	15.4%

### **Overseas TV Business Unit**

#### **TV Sales Volume**

Growth of 133% and 143% in sales volume of Flat Panel TV was recorded by the overseas TV business unit of the Group in January 2012 and from April 2011 to January 2012, respectively, compared with that in the same periods of last year.

The total TV sales volume of the business unit in January 2012 and in April 2011 to January 2012 increased by 29% and 45%, respectively, on a year-on-year basis.

#### **TV Sales Revenue**

Owing to the significant year-on-year growth of Flat Panel TV sales volume in January 2012 and in April 2011 to January 2012, the sales revenue of the overseas TV business unit increased by 65% and 68% in January 2012 and in April 2011 to January 2012, respectively, on a year-on-year basis.

### **Overall TV Sales Volume & Revenue**

The total TV sales volume of the Group in January 2012 and from April 2011 to January 2012 decreased by 16% and increased by 15%, respectively, on a year-on-year basis. The Group recorded decline of 21% and growth of 16% in its overall TV sales revenue in January 2012 and in April 2011 to January 2012, respectively on a year-on-year basis.

**Please note that all data above are unaudited and therefore may differ from the audited data.**

For and on behalf of the Board  
**Skyworth Digital Holdings Limited**  
**Leung Chi Ching, Frederick**  
*Executive Director, Chief Financial Officer  
& Company Secretary*

Hong Kong, 9 February 2012

*As at the date of this announcement, the Board comprises Mr. Zhang Xuebin as executive chairman of the Board, Ms. Ding Kai, Mr. Yang Dongwen, Ms. Lin Wei Ping, Mr. Lu Rongchang, Mr. Leung Chi Ching, Frederick and Mr. Shi Chi as executive directors, and Mr. So Hon Cheung, Stephen, Mr. Li Weibin and Ms. Chan Wai Kay, Katherine as independent non-executive directors.*

\* For identification purpose only