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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)

TV SALES IN FEBRUARY 2015

The TV business unit in China market recorded the following year-on-year changes in February 2015 and in April 2014 to February 2015:

- growth of 78% and 11% in its total TV sales volume, respectively
- growth of 80% and decline 3% in its total TV sales revenue, respectively

Highlights of the TV sales in China market in February 2015 are as follows:

- sales volume of 4K Cloud TV recorded a growth of 54% year-on-year
- sales volume of 4K Cloud TV accounted for approximately 9%, compared to 11% year-on-year
- sales volume of all Cloud TV (including 4K Cloud TV) reached approximately 51% in February 2015, compared to 35% in February 2014

For the 12 months ended 31 January 2015, the TV business unit ranked at number 1 in both sales volume and revenue market shares in LCD TV and 4K UHD TV in China market.

The TV business unit in overseas market recorded the following year-on-year changes in February 2015 and in April 2014 to February 2015:

- growth of 85% and 35% in its total TV sales volume, respectively
- growth of 98% and 49% in its total TV sales revenue, respectively

It recorded year-on-year growth of approximately 64% in its LED LCD TV sales volume in April 2014 to February 2015.

The TV business unit recorded the following year-on-year changes in February 2015 and in April 2014 to February 2015:

- growth of 80% and 17% in its overall TV sales volume, respectively
- growth of 83% and 4% in its overall TV sales revenue, respectively

TV SALES IN FEBRUARY 2015

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”):

	February 2015	February 2014	February 2015 vs. February 2014	April 2014 to February 2015 (Note 4)	April 2013 to February 2014	April 2014 to February 2015 vs. April 2013 to February 2014
	Unit ('000)	Unit ('000)	Increase/ (Decrease)	Unit ('000)	Unit ('000)	Increase/ (Decrease)
<u>TV business unit TV sales volume</u>						
China Market (Note 1) which comprises:	514	288	78%	8,854	7,984	11%
- 4K Cloud TV (Note 2)	47.0	30.5	54%	1,310.4	575.7	128%
- Cloud TV (Note 2)	215.2	69.6	209%	3,200.3	2,248.1	42%
- Other Flat Panel TV (Note 2)	251.8	187.9	34%	4,343.2	5,160.0	(16%)
Overseas Market (Note 3) which comprises:	244	132	85%	3,409	2,521	35%
- LED LCD TV (Note 2)	243.5	132.3	84%	3,407.0	2,078.4	64%
- Other TV (Note 2)	0.0	0.0	n/a	2.3	442.8	(99%)
Total TV sales volume	758	420	80%	12,263	10,505	17%
<u>TV business unit TV sales revenue</u>						
China market (Note 1)			80%			(3%)
Overseas market (Note 3)			98%			49%
Total TV sales revenue			83%			4%

Note 1: The TV sales volume or revenue of the TV business unit in China market relates to sale of TV, substantially under **Skyworth** brand, entirely in 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, 3D LED LCD TV using cloud computing and storage technology (“Cloud TV”) and also Cloud TV with 4Kx2K Ultra high-definition panels (“4K Cloud TV”). Other TV included CRT TV which refers to TV with cathode ray tubes (“CRT”).

Note 3: The great majority of TV manufactured by the TV business unit in the overseas market is manufactured for foreign TV brands owned by third parties for sale in overseas. The business unit also designs, manufactures and sells TV under **Skyworth** brand in Hong Kong, Macau and overseas markets, the sales volume and revenue of which have been increasing but have not become a major part of its sales volume and revenue. Furthermore, the sales volume or revenue in the overseas market includes that relating to TV sold in complete-knocked down and semi-knocked down forms.

Note 4: Due to reclassification of certain models, the sales volume in April 2014 to February 2015 is restated.

TV Business Unit in China Market

Product Mix

Sales volume of Cloud TV with ultra-high definition (4Kx2K) panel (“4K Cloud TV”) recorded a growth of 54% and 128% year-on-year in February 2015 and in April 2014 to February 2015, respectively. It accounted for approximately 15% of TV sales volume in April 2014 to February 2015 compared to around 7% in April 2013 to February 2014. Gross profit margin of 4K Cloud TV is the highest among all TV series. Since December 2012, 4K Cloud TV with the highest average selling price among all TV series was launched.

Market Shares

According to the extrapolated TV sales data based on the market survey covering 711 cities with 6,023

retail terminals in mainland China performed by All View Consulting Co., Ltd. (a market research and marketing consulting company focusing on consumer electronic and home appliance industry, the establishment of which was initiated and advocated by China Video Industry Association in China) the Group's market shares among local and foreign TV brands in China for the 12 months ended 31 January 2015 are as follows:

	Ranking	Market share
All TV		
- Volume	1	16.7%
- Revenue	1	16.2%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	16.9%
- Revenue	1	16.3%
4K UHD TV		
- Volume	1	32.2%
- Revenue	1	29.4%

The Group's market shares for January 2015 are as follows:

	Ranking	Market share
All TV		
- Volume	1	17.3%
- Revenue	1	16.9%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	17.4%
- Revenue	1	17.0%
4K UHD TV		
- Volume	2	17.0%
- Revenue	2	16.3%

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

By order of the Board
Skyworth Digital Holdings Limited
Chan Wai Kay, Katherine
Executive Director

Hong Kong, 5 March 2015

As at the date of this announcement, the Board comprises Ms. Lin Wei Ping as the executive chairperson of the Board, Mr. Yang Dongwen as executive director and the chief executive officer, Mr. Lu Rongchang, Mr. Shi Chi and Ms. Chan Wai Kay, Katherine as executive directors, and Mr. Li Weibin, Mr. Wei Wei and Mr. Cheong Ying Chew, Henry as independent non-executive directors.

** For identification purpose only*