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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 JANUARY 2016

The TV business unit in China market recorded the following year-on-year changes in January 2016 and in April 2015 to January 2016:

- growth of 10% and 8% in its total TV sales volume, respectively
- decline of 7% and growth of 1% in its total TV sales revenue, respectively

Highlights of the TV sales in China market in January 2016 are as follows:

- sales volume of Smart TV (4K) recorded a growth of 74% year-on-year
- sales volume of Smart TV (4K) accounted for approximately 32%, compared to approximately 20% year-on-year
- sales volume of all Smart TV (including 4K and Non-4K) reached approximately 80%, compared to approximately 57% year-on-year

Gross profit margin and the average selling price of Smart TV (4K) is the highest among all TV series.

The TV business unit in China market recorded the following numbers of users using Skyworth Smart TV as at 31 January 2016:

- Accumulated activated users: 11,660,747
- Weekly active users: 6,951,974 (Note 1)
- Daily active users: 5,364,836 (Note 2)

Market shares increase continuously. In December 2015 and for the 12 months ended 31 December 2015, the offline market shares of TV business unit ranked at number 1 in both sales volume and revenue in LCD TV and 4K UHD TV in China market.

The TV business unit in the overseas market recorded the following year-on-year changes in January 2016 and in April 2015 to January 2016:

- growth of 11% and 17% in its total TV sales volume, respectively
- decline of 1% and flat growth in its total TV sales revenue, respectively

The TV business unit recorded the following year-on-year changes in January 2016 and in April 2015 to January 2016:

- growth of 10% and 10% in its overall TV sales volume, respectively
- decline of 6% and growth of 1% in its overall TV sales revenue, respectively

In January 2016, the year-on-year decline of blended average selling price of TV was mainly due to the continuous decline in panel price and renminbi depreciation. The extent of panel price decline year-on-year was larger than the extent of blended average selling price of TV decline year-on-year. Profitability remains as the key focus when the Group formulates sales strategies.

Note 1: Weekly active users are average weekly number of users who go online on smart TV in 4-week period.

Note 2: Daily active users are average daily number of users who go online on smart TV in 7-day period.

TV SALES IN JANUARY 2016

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 2016	January 2015	January 2016 vs. January 2015	April 2015 to January 2016	April 2014 to January 2015	April 2015 to January 2016 vs. April 2014 to January 2015
	Unit ('000)	Unit ('000)	Increase/ (Decrease)	Unit ('000)	Unit ('000)	Increase/ (Decrease)
<u>TV business unit TV sales volume</u>						
China Market (Note 3)	1,415	1,284	10%	8,995	8,340	8%
which comprises:						
- Smart TV (4K) (Note 4)	447.2	256.9	74%	2,474.1	1,263.5	96%
- Smart TV (Non-4K) (Note 4)	683.5	476.5	43%	3,783.3	2,985.1	27%
- Other Flat Panel TV (Note 4)	284.0	550.7	(48%)	2,737.7	4,091.3	(33%)
Overseas Market (Note 5)	332	299	11%	3,714	3,166	17%
which comprises:						
- LED LCD TV (Note 4)	332.4	299.0	11%	3,710.2	3,163.5	17%
- Other TV (Note 4)	0.0	0.0	n/a	3.4	2.3	48%
Total TV sales volume	1,747	1,583	10%	12,709	11,506	10%
<u>TV business unit TV sales revenue</u>						
China market (Note 3)			(7%)			1%
Overseas market (Note 5)			(1%)			0%
Total TV sales revenue			(6%)			1%

Note 3: 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 4: 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 Smart computing and storage technology (“Smart TV (Non-4K)”) and also Smart TV with 4Kx2K Ultra high-definition panels (“Smart TV (4K)”). Other TV included CRT TV which refers to TV with cathode ray tubes (“CRT”).

Note 5: 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.

TV Business Unit in China Market

Product Mix

Sales volume of Smart TV with ultra-high definition (4Kx2K) panel (“Smart TV (4K)”) recorded a growth of 74% and 96% year-on-year in January 2016 and in April 2015 to January 2016, respectively. It accounted for approximately 32% and 28% of TV sales volume in January 2016 and in April 2015 to January 2016, respectively, compared to around 20% and 15% of TV sales volume in January 2015 and in April 2014 to January 2015, respectively.

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 offline market shares among local and foreign TV brands in China for the 12 months ended 31 December 2015 are as follows:

	Ranking	Market share
All TV		
- Volume	1	17.9%
- Revenue	1	17.3%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	17.9%
- Revenue	1	17.4%
4K UHD TV		
- Volume	1	21.3%
- Revenue	1	18.8%

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

	Ranking	Market share
All TV		
- Volume	1	19.4%
- Revenue	1	18.8%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	19.4%
- Revenue	1	18.8%
4K UHD TV		
- Volume	1	23.2%
- Revenue	1	20.2%

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 February 2016

As at the date of this announcement, the board of the Company comprises Ms. Lin Wei Ping as the executive chairperson, Mr. Yang Dongwen as executive director and the chief executive officer, Mr. Shi Chi, Ms. Chan Wai Kay, Katherine and Mr. Liu Tangzhi 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*