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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

ENGAGEMENT OF MR. STEPHEN WONG AND MR. WONG PUI SING

The Board announces that the Company has engaged Mr. Stephen Wong as a consultant to the Group and has employed Mr. Wong Pui Sing as an assistant general manager in the production department of the Group's TV business unit.

The board (the "Board") of directors (the "Directors") of Skyworth Digital Holdings Limited (the "Company", together with its subsidiaries, the "Group") announces that, with effect from 9 August 2012:

1. Skyworth TV Holdings Limited ("TV Holdings"), one of the indirect wholly owned subsidiaries of the Company, has engaged Mr. Wong Wang Sang, Stephen ("Mr. Stephen Wong") as a consultant to the Group; and
2. Shenzhen Chuangwei-RGB Electronics Company Limited ("Chuangwei-RGB"), another indirect wholly owned subsidiary of the Company, has employed Mr. Wong Pui Sing as an assistant general manager in the production department of its TV business unit.

Consultancy Contract with Mr. Wong Wang Sang, Stephen

Based on the consultancy contract dated 8 August 2012 between TV Holdings and Mr. Wong Wang Sang, Stephen (the "Consultancy Contract"), Mr. Stephen Wong has been engaged as a consultant to the Group for one year with effect from 9 August 2012. Under the Consultancy Contract, Mr. Stephen Wong will provide the Group with following services (the "Consultancy Services") upon the request of the chairman of the Board or the chief executive officer of the Group:

1. providing recommendations to the Group on the objectives of the Group's future strategic development, strategies and paths to achieve such objectives; and
2. providing recommendations on other important matters of the Group as a whole.

The Consultancy Services do not authorise Mr. Stephen Wong to make decision on the above matters and day to day management work.

In consideration of receiving the Consultancy Services, TV Holdings shall pay to Mr. Stephen Wong an annual consultancy fee of HK\$960,000. Expenses incurred by Mr. Stephen Wong for providing the Consultancy Services shall be reimbursed by the Group on an actual incurred basis. The Group shall provide Mr. Stephen Wong with administrative support necessarily for Mr. Stephen Wong to provide the Consultancy Services.

Employment Contract with Mr. Wong Pui Sing

Based on the employment contract dated 8 August 2012 (the “Employment Contract”) between Chungwei-RGB and Mr. Wong Pui Sing, Mr. Wong Pui Sing has been employed as an assistant general manager in the production department of the TV business unit for three years with effect from 9 August 2012. Under the Employment Contract, Mr. Wong Pui Sing shall report to the general manager in the production department of the TV business unit. His scope of work mainly includes assisting the general manager in management of the purchasing department in the production department of the TV business unit according to the rules and regulations and procedures of the TV business unit.

Under the Employment Contract, Mr. Wong Pui Sing is entitled to an annual salary of HK\$720,000 plus benefits which are applicable to employees of similar position in Chungwei-RGB. The total remuneration payable to Mr. Wong Pui Sing will not be more than HK\$1 million per annum.

Listing Rules Implications

The Directors (including the independent non-executive Directors) are satisfied that each of Mr. Stephen Wong and Mr. Wong Pui Sing are being engaged or employed on normal commercial terms that are fair and reasonable. The Directors (including the independent non-executive Directors) are also satisfied that the above transactions are in the interests of the Company’s shareholders as a whole, in particular given that:

1. Mr. Stephen Wong is the founder of the Group and has vast interest in the future success of the Group;
2. Mr. Stephen Wong has in depth experience and valuable resources in the consumer electronic industry;
3. Mr. Wong Pui Sing has in depth experience in managing the purchasing function of TV industry and good connection in TV industry.

Mr. Stephen Wong is the spouse of Ms. Lin Wei Ping, a Director and is deemed to be interested in 34.17% of the issued share capital of the Company. In his personal capacity, Mr. Stephen Wong also holds 2.67 % of the issued share capital of the Company. Mr. Wong Pui Sing is the younger brother of Mr. Stephen Wong. Mr. Stephen Wong and Mr. Wong Pui Sing are each a connected person of the Company according to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

Although the engagement and employment of each of Mr. Wong Wang Sang, Stephen and Mr. Wong Pui Sing constitutes a continuing connected transaction of the Company, their respective remuneration

packages are each below the de minimis threshold provided in Rule 14A.33(3) of the Listing Rules. Accordingly, the transactions are exempted from the reporting, annual review, announcement and independent shareholders' approval requirements. Neither Mr. Wong Wang Sang, Stephen nor Mr. Wong Pui Sing is being appointed as a Director.

By order of the Board
Skyworth Digital Holdings Limited
Zhang Xuebin
Executive Chairman

Hong Kong, 8 August 2012

As at the date of this announcement, the Board comprises Mr. Zhang Xuebin as the executive chairman of the Board, Mr. Yang Dongwen as executive director and the chief executive officer, Ms. Lin Wei Ping, Mr. Lu Rong Chang, 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*