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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 JULY 2012

The China TV business unit of the Group recorded the following year-on-year growth in July 2012 and in April to July 2012:

- 10% and 16% in its total TV sales volume, respectively; and
- 8% and 11% in its total TV sales revenue, respectively.

Highlights of the TV sales in July 2012 for the China TV business unit are as follows:

- 124% and 145% year-on-year growth in its sales volume of LED LCD TV in July and in April to July 2012, respectively;
- sales volume of LED LCD TV accounted for approximately 87% in April to July 2012, compared to 41% in the same period last year, of the sales volume of Flat Panel TV;
- sales volume of 3D LCD TV (including LED and CCFL backlight) accounted for approximately 41% in April to July 2012, compared to 15% in the same period of last year, of its Flat Panel TV sales volume of the business unit; and
- sales volume of Cloud TV reached 12% and 8% of its Flat Panel TV sales volume in July 2012 and in April to July 2012, respectively.

In June 2012 and for the 12 months ended 30 June 2012, the China TV business unit ranked at number 1 in both sales volume and revenue market shares, in mainland China LCD TV market and China 3D LCD TV market.

The overseas TV business unit of the Group recorded the following year-on-year growth or decline in July 2012 and in April to July 2012:

- -38% and -17% in its total TV sales volume, respectively; and
- 31% and 51% in its total TV sales revenue, respectively.

In July and April to July 2012, the overseas TV business unit recorded year-on-year growth of approximately 73% and 104%, respectively, in its Flat Panel TV sales volume.

The Group recorded the following year-on-year growth or decline in July 2012 and in April to July 2012:

- -9% and 6% in its overall TV sales volume, respectively; and
- 10% and 15% in its overall TV sales revenue, respectively.

TV SALE IN JULY 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”):

	July 2012	July 2011	July 2012 vs. July 2011	April to July 2012	April to July 2011	April to July 2012 vs. April to July 2011
	Unit ('000)	Unit ('000)	Increase/ (Decrease)	Unit ('000)	Unit ('000)	Increase/ (Decrease)
<u>TV sales volume</u>						
China TV business unit (Note 1)	542	491	10%	2,085	1,804	16%
which comprises:						
- Flat Panel TV (Note 2)	542.4	489.3	11%	2,084.5	1,797.9	16%
- LED LCD TV	510.0	228.2	124%	1,819.1	741.8	145%
- <i>Cloud TV</i>	64.7	0.0	<i>n/a</i>	163.8	0.0	<i>n/a</i>
- <i>3D LED LCD TV</i>	157.5	46.8	237%	635.1	105.0	505%
- <i>Other LED LCD TV</i>	287.8	181.4	59%	1,020.2	636.8	60%
- Other Flat Panel TV	32.4	261.1	(88%)	265.4	1,056.1	(75%)
- <i>3D CCFL LCD TV</i>	12.8	42.8	(70%)	59.6	157.3	(62%)
- <i>Other Flat Panel TV</i>	19.6	218.3	(91%)	205.8	898.8	(77%)
- CRT TV (Note 2)	0.0	1.8	(100%)	0.0	5.9	(100%)
Overseas TV business unit (Note 3)	198	321	(38%)	592	716	(17%)
which comprises:						
- Flat Panel TV	168.4	97.2	73%	490.9	240.6	104%
- LED LCD TV	135.8	53.2	155%	377.0	147.7	155%
- <i>Other Flat Panel TV</i>	32.6	44.0	(26%)	113.9	92.9	23%
- CRT TV	29.3	223.8	(87%)	100.9	475.8	(79%)
Total TV sales volume	740	812	(9%)	2,677	2,520	6%
<u>TV sales revenue</u>						
China TV business unit (Note 1)			8%			11%
Overseas TV business unit (Note 3)			31%			51%
Total TV sales revenue			10%			15%

*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, 3D LED LCD TV using cloud computing and storage technology (“Cloud TV”) 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

The China TV business unit of the Group recorded year-on year growth of 11% and 16% in its sales volume of Flat Panel TV (mostly CCFL and LED LCD TV) in July 2012 and in April to July 2012.

Product mix of Flat Panel TV continues to upgrade from CCFL to LED LCD TV. The China TV business unit recorded 124% and 145% year-on-year growth in its sales volume of LED LCD TV, which included 375% and 661% year-on-year growth in its sales volume of 3D LED LCD TV, in July and in April to July 2012, respectively. Sales volume of LED LCD TV accounted for approximately 87% in April to July 2012, compared to approximately 41% in the same period last year, of the sales volume of Flat Panel TV.

Sales volume of 3D LCD TV (including those with CCFL and LED) in July 2012 accounted for approximately 43% of the sales volume of Flat Panel TV compared to 18% in July 2011. Sales volume

of 3D LCD TV accounted for approximately 41% of the sales volume of Flat Panel TV in April to July 2012, compared to 15% in the same period of last year.

The China TV business unit has launched Cloud TV since August 2011. Sales volume of Cloud TV in the business unit in July 2012 reached 12% of its Flat Panel TV sales volume compared to 7% in June 2012. In April to July, 2012 Cloud TV accounted for 8% of its Flat Panel TV sales volume. Gross profit margin of Cloud TV is generally higher than that for TV without cloud function.

Sales volume of other LED LCD TV represented approximately 53% in July 2012 versus approximately 37% in July 2011, of the sales volume of Flat Panel TV. It represented approximately 49% in April to July 2012 of the sales volume of Flat Panel TV versus approximately 35% in the same period of last year.

The total TV sales volume of the business unit in July 2012 and in April to July 2012 increased by 10% and 16%, respectively, on a year-on-year basis.

TV Sales Revenue

The China TV business unit recorded year-on-year revenue growth of 8% and 11% in July 2012 and in April to July 2012, respectively.

TV Market Shares

According to the extrapolated TV sales data based on the market survey covering 711 cities and 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 mainland China for the 12 months ended 30 June 2012 are as follows:

	Ranking	Market share
All TV		
- Volume	1	15.4%
- Revenue	1	14.3%
LCD TV (included CCFL and LED LCD TV)		
- Volume	1	16.7%
- Revenue	1	15.8%
3D TV (included CCFL and LED LCD TV)		
- Volume	1	26.8%
- Revenue	1	22.0%

The Group's market shares for June 2012 are as follows:

	Ranking	Market share
All TV		
- Volume	1	15.3%
- Revenue	1	15.3%
LCD TV (included CCFL and LED LCD TV)		

- Volume	1	16.4%
- Revenue	1	16.7%
3D TV (included CCFL and LED LCD TV)		
- Volume	1	25.1%
- Revenue	1	21.6%

Overseas TV Business Unit

TV Sales Volume

Growth of 73% and 104% in sales volume of Flat Panel TV was recorded by the overseas TV business unit of the Group in July 2012 and in April to July 2012, respectively, on a year-on-year basis. Out of which, year-on-year growth in sales volume of LED LCD TV was 155% in both July 2012 and April to July 2012, compared with that in the same periods of last year.

The total TV sales volume of the business unit in July 2012 and in April to July 2012 decreased by 38% and 17%, 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 July 2012 and in April to July 2012, the sales revenue of the overseas TV business unit increased by 31% and 51% in July 2012 and in April to July 2012, respectively, on a year-on-year basis.

Overall TV Sales Volume & Revenue

The total TV sales volume of the Group in July 2012 and in April to July 2012 decreased by 9% and increased by 6%, respectively, on a year-on-year basis. The Group recorded growth of 10% and 15% in its overall TV sales revenue in July 2012 and in April to July 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, 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