SKYWORTH DIGITAL HOLDINGS LIMITED

（創維數碼控股有限公司*）

(incorporated in Bermuda with limited liability)

(Stock Code: 0751)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 MARCH 2008

SKYWORTH DIGITAL HOLDINGS LIMITED is an investment holding company with subsidiaries principally engaged in the manufacture and sales of consumer electronic products and upstream accessories, and property holding.

Highlights of Results

The Group recorded the following results during the year ended 31 March 2008:

- Turnover reached HK$13,939 million which represents an increase of 11.0%.
- Gross profit achieved HK$2,984 million and gross profit margin was 21.4% (increased by 5.3 percentage points and 32.9% of the prior year's gross profit margin).
- Profits for the year after and before gain on disposal of partial interest of a subsidiary were HK$480 million and HK$420 million, respectively. These represent significant increases of 275.0% and 228.10%, respectively, when compared with those in the prior year.
- The Board has proposed a final cash dividend of HK4.5 cents per share with an option to elect new shares in lieu of cash. This represents a dividend payout ratio of 25% for the whole year.

The board of directors (the "Board") of Skyworth Digital Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (the "Group") for the year ended 31 March 2008 together with the comparative figures for the previous year in 2007.

CONSOLIDATED INCOME STATEMENT

Amounts expressed in HK$ million (except for earning per share data)

	Notes	**2008**	2007
Turnover	*2*	**13,939**	12,560
Cost of sales		**(10,955)**	(10,537)
Gross profit		**2,984**	2,023
Other income		**189**	97
Exchange gains		**191**	47
Selling and distribution expenses		**(1,969)**	(1,610)
General and administrative expenses		**(488)**	(419)
Change in fair value of derivative financial instruments		**(100)**	-
Impairment loss recognised in respect of available-for-sale investments		**(9)**	(3)
Impairment losses and provision for onerous contracts	*6*	**(153)**	23
Finance costs		**(122)**	(19)
Gain on disposal of partial interest of a subsidiary	*4*	**60**	-
Share of results of jointly controlled entities		**18**	8
Profit before taxation		**601**	147
Income taxes	*5*	**(121)**	(19)
Profit for the year	*6*	**480**	128
Attributable to:			
Equity holders of the Company		**457**	128
Minority interests		**23**	-
		480	128
Dividends			
Paid	*7*	**39**	75
Proposed	*7*	**103**	28
Earnings per share (expressed in HK cents)			
Basic	*8*	**19.95**	5.59
Diluted	*8*	**19.87**	5.57

CONSOLIDATED BALANCE SHEET
Amounts expressed in HK$ million

	Notes	**2008**	2007
Non-current assets			
Property, plant and equipment		**1,282**	1,123
Prepaid lease payments on land use rights		**227**	102
Interests in jointly controlled entities		**59**	42
Available-for-sale investments		**39**	32
Prepayment		**27**	-
Deferred tax assets		**7**	2
		1,641	1,301
Current assets			
Inventories		**1,913**	1,573
Prepaid lease payments on land use rights		**5**	2
Trade and other receivables	*9*	**1,808**	1,034
Bills receivable	*10*	**4,403**	3,847
Amounts due from minority shareholders		**12**	-
Amounts due from jointly controlled entities		**29**	11
Pledged bank deposits		**1,870**	65
Bank balances and cash		**1,389**	826
		11,429	7,358
Current liabilities			
Trade and other payables	*11*	**5,171**	4,212
Bills payable	*12*	**105**	32
Obligation arising from put option written to minority interests		**156**	-
Derivative financial instruments		**106**	-
Provision for warranty and onerous contracts		**102**	42
Amounts due to jointly controlled entities		**1**	1
Tax liabilities		**105**	68
Secured bank borrowings		**3,052**	611
Deferred income		**59**	52
		8,857	5,018
Net current assets		**2,572**	2,340
Total assets less current liabilities		**4,213**	3,641
Non-current liabilities			
Provision for warranty		**33**	19
Secured bank borrowings		**83**	323
Deferred income		**102**	28
Deferred tax liabilities		**43**	8
		261	378
NET ASSETS		**3,952**	3,263

	2008	2007
Capital and Reserves		
Share capital	**229**	229
Share premium	**1,196**	1,194
Share option reserve	**73**	59
Investment revaluation reserve	**13**	5
Surplus account	**38**	38
Capital reserve	**178**	76
Exchange reserve	**408**	165
Accumulated profits	**1,813**	1,497
Equity attributable to equity holders of the Company	**3,948**	3,263
Minority interests	**4**	-
	3,952	3,263

Notes:

1. APPLICATION OF NEW OR REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied, for the first time, the following new standard, amendment and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), which are effective for the Group's financial year beginning on or after 1 April 2007.

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK (IFRIC) – INT 8	Scope of HKFRS 2
HK (IFRIC) – INT 9	Reassessment of Embedded Derivatives
HK (IFRIC) – INT 10	Interim Financial Reporting and Impairment
HK (IFRIC) – INT 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of the new HKFRSs had no material effect on the results and financial position of the Group for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKSA 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior year under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not yet early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of Financial Statements [1]
HKAS 23 (Revised)	Borrowing Costs [1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements [2]

HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation [1]
HKFRS 2 (Revised)	Vesting Conditions and Cancellations [1]
HKFRS 3 (Revised)	Business Combinations [2]
HKFRS 8	Operating Segments [1]
HK (IFRIC) – INT 12	Service Concession Arrangements [3]
HK (IFRIC) – INT 13	Customer Loyalty Programmes [4]
HK (IFRIC) – INT 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction [3]

[1] Effective for financial period commencing on or after 1 January 2009
[2] Effective for financial period commencing on or after 1 July 2009
[3] Effective for financial period commencing on or after 1 January 2008
[4] Effective for financial period commencing on or after 1 July 2008

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions. The directors of the Company are in the process of assessing the potential impact and so far concluded that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

2. TURNOVER

Turnover represents the aggregate value of goods sold after goods returns, trade discounts and sales related taxes, and rental income from leasing of properties for the year.

	2008	2007
	HK$ million	*HK$ million*
Sales of TV products	**12,262**	11,115
Sales of digital set-top boxes	**1,121**	733
Sales of mobile phones	**310**	481
Sales of other electronic products	**197**	191
Property rental income	**49**	40
	13,939	12,560

3. SEGMENT INFORMATION

Business segments

For management purposes, the Group's operations can be categorised as follows:

TV products	- design, manufacture and sale of televisions
Digital set-top boxes	- design, manufacture and sale of digital set-top boxes
Mobile phones	- design, manufacture and sale of mobile phones
Other electronic products	- design, manufacture and sale of other products mainly relate to electronics
Property holding	- leasing of property

These operations are the basis on which the Group reports its primary segment information. Segment information about these businesses is presented below.

	TV products HK$ million	Digital set-top boxes HK$ million	Mobile phones HK$ million	Other electronic products HK$ million	Property holding HK$ million	Eliminations HK$ million	Consolidated HK$ million
For the year ended 31 March 2008							
Turnover							
External sales and rental income	**12,262**	**1,121**	**310**	**197**	**49**	**-**	**13,939**
Inter-segment sales and rental income	**16**	**-**	**1**	**33**	**24**	**(74)**	**-**
Total	**12,278**	**1,121**	**311**	**230**	**73**	**(74)**	**13,939**
Inter-segment sales and rental are charged at prevailing market rates.							
Results							
Segment results	**789**	**233**	**(174)**	**(71)**	**28**		**805**
Interest income							**42**
Unallocated corporate income less expenses							**(142)**
Finance costs							**(122)**
Share of results of jointly controlled entities	**-**	**-**	**-**	**18**	**-**		**18**
Profit before taxation							**601**
Income taxes							**(121)**
Profit for the year							**480**
As at 31 March 2008							
Assets							
Segment assets	**7,919**	**844**	**112**	**166**	**665**		**9,706**
Interests in jointly controlled entities	**-**	**-**	**-**	**59**	**-**		**59**
Unallocated corporate assets							**3,305**
Total consolidated assets							**13,070**
Liabilities							
Segment liabilities	**4,998**	**359**	**250**	**64**	**58**		**5,729**
Unallocated corporate liabilities							**3,389**
Total consolidated liabilities							**9,118**
Other information for the year ended 31 March 2008							
Capital expenditure on							
- Property, plant and equipment	**193**	**7**	**-**	**19**	**-**		**219**
- Prepaid lease payments for land	**107**	**-**	**-**	**14**	**-**		**121**
	300	**7**	**-**	**33**	**-**		**340**
Amortisation of prepaid lease payments on land use rights	**4**	**-**	**-**	**-**	**-**		**4**
Depreciation and amortisation of property, plant and equipment	**115**	**5**	**2**	**11**	**26**		**159**

	TV products HK$ million	Digital set-top boxes HK$ million	Mobile phones HK$ million	Other electronic products HK$ million	Property holding HK$ million	Eliminations HK$ million	Consolidated HK$ million
For the year ended 31 March 2007							
Turnover							
External sales and rental income	11,115	733	481	191	40	-	12,560
Inter-segment sales and rental income	15	2	1	101	7	(126)	-
Total	11,130	735	482	292	47	(126)	12,560

Inter-segment sales and rental are charged at prevailing market rates.

	TV products HK$ million	Digital set-top boxes HK$ million	Mobile phones HK$ million	Other electronic products HK$ million	Property holding HK$ million	Eliminations HK$ million	Consolidated HK$ million
Results							
Segment results	181	95	15	(51)	24		264
Interest income							9
Unallocated corporate income less expenses							(115)
Finance costs							(19)
Share of results of jointly controlled entities	-	-	-	8	-		8
Profit before taxation							147
Income taxes							(19)
Profit for the year							128
As at 31 March 2007							
Assets							
Segment assets	6,105	594	167	148	678		7,692
Interests in jointly controlled entities	-	5	-	37	-		42
Unallocated corporate assets							925
Total consolidated assets							8,659
Liabilities							
Segment liabilities	3,945	143	143	75	80		4,386
Unallocated corporate liabilities							1,010
Total consolidated liabilities							5,396
Other information for the year ended 31 March 2007							
Capital expenditure on							
- Property, plant and equipment	228	5	5	3	103		344
- Prepaid lease payments for land	7	-	-	-	-		7
	235	5	5	3	103		351
Amortisation of prepaid lease payments on land use rights	1	-	-	-	-		1
Depreciation and amortisation of property, plant and equipment	104	1	1	7	22		135

Geographical segments
The following is an analysis of the Group's turnover by the geographical market:

	2008	2007
	HK$ million	*HK$ million*
PRC	**12,360**	11,338
Asia region (Other than PRC)	**452**	307
Europe	**600**	423
Other regions	**527**	492
	13,939	12,560

The following is an analysis of the Group's carrying amount of total assets, additions to property, plant and equipment and prepaid lease payments on land use rights by the geographical market:

	Carrying amount of total assets		**Additions to property, plant and equipment, and prepaid lease payments on land use rights**	
	2008	2007	**2008**	2007
	HK$ million	*HK$ million*	***HK$ million***	*HK$ million*
PRC	**9,104**	7,446	**310**	340
Asia region (Other than PRC)	**130**	72	**22**	3
Europe	**196**	75	**3**	4
Other regions	**276**	99	**5**	4
Total segment assets	**9,706**	7,692	**340**	351
Interests in jointly controlled entities	**59**	42		
Unallocated corporate assets	**3,305**	925		
Total consolidated assets	**13,070**	8,659		

4. GAIN ON DISPOSAL OF PARTIAL INTEREST OF A SUBSIDIARY

(a) In September 2007, Shenzhen Chuangwei-RGB Electronics Co., Ltd. ("RGB"), a wholly-owned subsidiary of the Company, entered into sale and purchase agreements and related supplementary agreements with senior management and staff (the "Employees") of Skyworth Digital Technology (Shenzhen) Company Limited ("SDT"), a wholly-owned subsidiary of the Company, for disposal of, in aggregate, 12% of the equity interests in SDT to the Employees at cash consideration of HK$24 million which approximate the carrying amount of equivalent portion of the net asset value.

As stipulated in the supplementary agreements entered into between RGB and the Employees, the Employees are obliged to pay back RGB at 3 times of the consideration paid for acquiring the shares of SDT if they cease their employment services to SDT within 5 years after September 2007. In addition, pursuant to the supplementary agreements in November 2007, Employees have a option to sell back the share to RGB at net asset value of the latest audited financial statements of SDT and RGB is obliged to buy back the shares of SDT from the Employees, when they cease their employment within 5 years after September 2007 and before the initial public offering of SDT shares.

The shortfall of cash consideration below the fair value of 12% SDT shares of HK$39 million represents fair value of future services to be rendered by the Employees is charged to profit or loss on a straight-line basis over the contractual service period of five years and is recognised as prepayment.

(b) On 20 November 2007, RGB entered into sales and purchase agreements with each of independent third parties, Mr. Li Pu, Mr. Ye Xiao Bin and 深圳市領優投資有限公司 (the "Purchasers"). Under the agreements, RGB agreed to dispose of, in aggregate, 16% of the equity interest in SDT to the Purchasers at an aggregate consideration of approximately RMB119 million (equivalent to approximately HK$132 million).

Based on the terms of the agreements, RGB also granted a put option to the Purchasers that if the shares of SDT are not listed on any stock exchange within 28 months after 20 November 2007, the Purchaser can require RGB to buy back their shares at the original consideration paid plus 10% guaranteed annum dividends.

The gain on disposal of the partial interest in the subsidiary is determined as follows:

	HK$ million
Considerations received and receivable	**156**
Share-based payments recognised in prepayments	**39**
Carrying amounts of the SDT net assets disposed of	**(69)**
Fair value of the corresponding put options written to purchasers (credited to minority interests)	**(66)**
Gain on disposal	**60**

The fair value of the equity interest in SDT disposed of to minority shareholders was determined by reference to the price-earning ratio of comparable listed companies in local and overseas markets, adjusted by marketability discount.

Based on the directors' best estimate, the fair value of put options written to Employees is insignificant at initial recognition and at balance sheet date.

The fair values of the corresponding put options written to the Purchasers have been determined by using Black-Scholes model with the following assumptions:

Exercise price:	Original consideration plus 10% guaranteed return
Risk- free rate:	4.23%
Time expiration:	2.33 years
Volatility:	51.641%

Notes:
(a) The risk free rate is 5 year China Government bond yield.
(b) Time to expiration represents 28 months from 20 November 2007.
(c) Volatility is based on various historical daily volatilities of comparable companies with tenures similar to the expected life assumptions.

In respect of the put options granted to the Employees and the Purchasers, an aggregate total financial liability of HK$156 million representing the aggregate present value of 12% on estimated net asset values of SDT and estimated repurchase price of 16% equity interest at 10% discount rate has been recognised in the consolidated balance sheet with a corresponding debit to the minority interests.

5. INCOME TAXES

	2008	2007
	HK$ million	*HK$ million*
The charge comprises:		
PRC income tax		
Current year	**120**	30
Under (over) provision for previous years	**1**	(8)
	121	22
Deferred taxation		
Current year	**(1)**	(3)
Attributable to a change in tax rate	**1**	-
	121	19

No provision for Hong Kong Profits Tax has been made as the relevant entities incurred tax losses for both years.

PRC income tax is calculated at the prevailing PRC tax rates on the estimated assessable profits for the year.

Pursuant to the PRC enterprise income tax law and its detailed implementation rules promulgated on 16 March 2007 and 11 December 2007 respectively, for those subsidiaries without preferential tax rates, the new tax rate for domestic and foreign enterprises is unified at 25% effective from 1 January 2008; and for those subsidiaries enjoying preferential tax rate of 15%, the new tax rate is increasing from 15% over 5 years to 25% as transitional provision. Deferred tax is recognised based on the tax rate that are expected to apply to the period when the asset is realised or the liability is settled. Certain subsidiaries of the Company continue to enjoy tax holidays and concessions granted to them under the new tax law and implementation rules.

Certain subsidiaries of the Group operating in the PRC were eligible for certain tax holidays and concessions and were exempted from PRC income taxes for the year.

6. PROFIT FOR THE YEAR

	2008	2007
	HK$ million	*HK$ million*
Profit for the year has been arrived at after charging (crediting):		
Release of prepaid lease payments on land use rights	**4**	2
Less: Amount capitalised in construction in progress	**-**	(1)
	4	1
Auditors' remuneration:		
Current year	**7**	7
Cost of inventories recognised as an expense	**10,934**	10,518
Depreciation and amortisation of property, plant and equipment	**159**	135
Exchange losses	**68**	30
Loss on disposal of property, plant and equipment	**7**	6
Impairment losses and provision for onerous contracts (Note):		
Impairment losses on trade receivables	**34**	6
Write-down (write-back) of inventories	**67**	(29)
Provision on onerous contracts	**52**	-
	153	(23)
Operating lease rentals in respect of land and buildings	**50**	60
Share of income taxes of jointly controlled entities	**2**	1
Staff costs:		
Directors' emoluments	**32**	23
Research and development related staff costs	**70**	50
Others	**915**	652
Rental income from leasing of properties less related outgoings of HK$21 million (2007: HK$19 million)	**(28)**	(21)

Note:
The amounts mainly represent impairment losses on trade receivables and inventories of one of the other electronic product divisions and mobile phones operation as well as provision for non-cancellable purchase contracts for mobile phones business where the unavoidable costs of meeting the obligations under the contracts exceed the economic benefits expected to be received under them.

For the electronic product division, the management decided to cease the existing operation of this division during the year. The management decided that the recoverability of its accounts receivable is doubtful and the net realisable value of the remaining inventories is insignificant, full impairment has been made for all receivables and inventories of the division.

For the mobile phones operation, the management reviewed the net realisable value of the existing inventories based on its business plan and estimated selling prices of respective models and made the appropriate impairment losses during the year.

For the year ended 31 March 2007, the amounts mainly represented the write-back of inventories under televisions operation.

7. DIVIDENDS

(a) Dividends paid during the year

	2008	2007
	HK$ million	*HK$ million*
Final dividend paid for the year ended 31 March 2007: HK1.2 cents (2006: HK2.8 cents) per share	**28**	64
Interim dividend paid for the year ended 31 March 2008: HK0.5 cent (2007: HK 0.5 cent) per share	**11**	11
	39	75

(b) Dividends attributable to the year:

	2008	2007
	HK$ million	*HK$ million*
Interim dividend declared and paid of HK0.5 cent (2007: HK0.5 cent) per share	**11**	11
Final dividend proposed after the balance sheet date of HK4.5cents (2007: HK1.2 cents) per share	**103**	28
	114	39

The proposed final dividend of HK4.5 cents per share is declared on 23 July 2008. As the final dividend is declared after the balance sheet date, such dividend is not recognised as a liability as at 31 March 2008.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the equity shareholders of the Company is based on the following data:

	2008	2007
	HK$ million	*HK$ million*
Earnings:		
Earnings for the purposes of basic and diluted earnings per share	**457**	128

	Number of shares	
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**2,291,056,144**	2,288,459,909
Effect of dilutive potential ordinary shares:		
- Share options granted	**8,487,129**	7,614,799
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,299,543,273**	2,296,074,708

The computation of diluted earnings per share does not assume the exercise of certain of the Company's outstanding share options as the exercise prices are higher than the average fair value per share.

9. TRADE AND OTHER RECEIVABLES

Sales in the PRC are generally settled by payment on delivery or receiver of bills issued by banks with maturity dates ranging from 30 to 180 days. Sales to certain wholesalers in the PRC are settled within one to two months after sales. Certain district sales managers in the PRC are authorised to make credit sales for payment at 30 to 60 days up to a limited amount which is determined on the basis of the sales volume of the respective offices.

For certain sales of digital set-top boxes, the credit terms are ranging from 90 days to 270 days.

Export sales of the Group are mainly settled by letters of credit with credit term ranging from 30 to 90 days.

Trade receivables are non-interest bearing.

The following is an aged analysis of trade receivables, net of allowance at the balance sheet date:

	2008 ***HK$ million***	2007 *HK$ million*
Within 30 days	**457**	182
31 to 60 days	**200**	214
61 to 90 days	**136**	107
91 days or over	**483**	146
Trade receivables	**1,276**	649
Deposits, prepayments and other receivables	**532**	385
	1,808	1,034

10. BILLS RECEIVABLE

The maturity dates of bills receivable at the balance sheet date are analysed as follows:

	2008 ***HK$ million***	2007 *HK$ million*
Within 30 days	**230**	90
31 to 60 days	**174**	91
61 to 90 days	**209**	205
91 days or over	**1,041**	1,174
Bills endorsed to suppliers	**1,932**	1,677
Bills discounted with recourse	**817**	610
	4,403	3,847

The carrying values of bills endorsed to suppliers and bills discounted with recourse continue to be recognised as assets in the consolidated financial statements as the Group still exposes to credit risk on these receivables as at balance sheet date. Accordingly, the associated liabilities, mainly borrowings and payables, are not derecognised in the consolidated financial statements as well.

The maturity dates of bills endorsed to suppliers and bills discounted with recourse are less than six months at the balance sheet date.

11. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the balance sheet date:

	2008	2007
	HK$ million	*HK$ million*
Within 30 days	**735**	508
31 to 60 days	**322**	312
61 to 90 days	**399**	266
91 days or over	**216**	174
Trade payables under endorsed bills	**1,926**	1,677
Trade payables	**3,598**	2,937
Deposits in advance, accruals and other payables	**1,573**	1,275
	5,171	4,212

12. BILLS PAYABLE

The maturity dates of bills payable at the balance sheet date are analysed as follows:

	2008	2007
	HK$ million	*HK$ million*
Within 30 days	**24**	15
31 to 60 days	**26**	8
61 to 90 days	**-**	8
91 days or over	**55**	1
	105	32

13. PLEDGE OF ASSETS

At 31 March 2008, the Group's bank borrowings were secured by the followings:

(a) charges over prepaid lease payments on land use rights and leasehold land and buildings with carrying value of HK$61 million (2007: HK$57 million) and HK$23 million (2007: HK$254 million) respectively;

(b) bills receivable of HK$229 million (2007: HK$150 million); and

(c) bank deposits of HK$1,870 million (2007: HK$65 million).

In addition, there were other bills receivable endorsed to suppliers and discounted with recourse of HK$1,932 million (2007: HK$1,677 million) and HK$817 million (2007: HK$610 million) respectively as disclosed in note 10.

BUSINESS PERFORMANCE REVIEW

(1) Strong growth in turnover

The year ended 31 March 2008 (the "Reporting Year") has marked a remarkable turnover for the Group, reaching HK$13,939 million and an ascending growth record of HK$1,379 million or up by 11%, comparing with previous year.

The significant growth in turnover revealed the Group's success in carrying out its repositioning strategies to attain a significant presence by establishing effective brand channels to expand its market share within the high-end television ("TV") market, as well as consistency in meeting the target as set out in previous year's annual report.

In light of the transforming market trend, and with consideration of the PRC Government's network digitisation, the Group continued to capture the mainland China market growth in digital TVs and set-top boxes during the Reporting Year as its core business.

(2) Turnover analysis by geographical segment and product segment

(a) Mainland China market

The sales derived from the mainland China market was increased by 9% from previous year, accounting for HK$12,311 million, accounted for 88.3% of the Group's total turnover.

Within the core business of the Group, TV products held a predominant share of total turnover in the mainland China, with sales accounted for 92.4% of this market segment. The digital set-top boxes business unit was able to sustain a consistent growth, representing 5.7% of total sales from the same segment. The remaining 1.9% turnover was from the Group's non-core businesses including mobile phone, electrical appliances, moulds and audio-visual businesses.

<u>*TV products*</u>

Continuous market trend to consume new technology makes owning panel TV products a living icon, benefiting the sales from TV products grown to HK$11,254 million for the Reporting Year, achieving a 12.2% increment from previous year. In the course of the TV technology evolution, dropping in selling prices develops a market trend and increases the profitability. For the Reporting Year, panel TV products remain the core business of the Group, and the product line gradually matures, with sales and turnover ratio exceeds 50% of the total sales of TV products in the mainland China, and an average gross profit margin of 23.9%.

According to the March 2008 issue from GFK Asia Pte. Ltd., a reputable market research organization conducting regular researches covering 100 major PRC cities, Skyworth was ranked number 4 or market share of 8.5% in terms of overall sales amount and number 2 or market share of 12.6% in terms of overall sales quantity. Skyworth's strategic market positioning in the high-end TV market continued to be one of the key factors for the Group's achievement of a steady growth in turnover and market share during the year.

The phasing out and replacing of the analogue broadcasting by digital broadcasting in the next decade continues to set enormous business opportunities for the high-end TV products. The Group actively responses to the challenges including the launch of high-definition cathode ray tube ("CRT") TVs, liquid crystal display ("LCD") TVs and plasma TVs in different sizes to meet with consumers' diverse preferences. In particular, the effect from reducing retail pricing from the steadily improving technology, increasing consumption and scaling effect broke the barrier of consumption, which resulted in a tremendous raise in the turnover of LCD TVs by HK$2 billion, an increase of 49% as compared with prior year. During the Reporting Year, the Group sold 2.7 million units of high-end TV products accounted for 41% of the total sales volume of TV products in the mainland China; when compared with prior year, represented an increment of 7.6%.

Other factors attributing to the growth of TV products turnover including:

- the allocation of best resources to establish icon product with value-added functions including 16:9, slim CRT TVs and CooCaa Multimedia TVs (the first "network content" TV available in the market);
- the 2008 Beijing Olympics stimulus;
- the increasing gross profit margin resulting from the Group's strategic improvements on product pricing, product life cycle management, and distribution networking policies; and
- the improving competitiveness supported by effective chain support and facilitation of effective cost controls.

Digital set-top boxes

Continuous growing presence of the "Skyworth" brand sets a significant growing path for the sales of set-top boxes. During the year, the sales of digital set-top boxes in the mainland China reached HK$702 million, which is equivalent to a 24.9% increase comparing to the prior year's record of HK$562 million.

The implementation of national transmission standard and the standardization of TV broadcasting for both cable and satellite TVs in China has resulted with a significant growth in cable TV users in the second half of 2007. It could be imagined that the size of digital TV market would be expanded together with the increase in popularity and coverage of digital broadcasting as the PRC targeted to enter into a new era of full digitisation in 2015.

Mobile phones

The mobile phone segment reported a significant drop in turnover by HK$318 million during the Reporting Year, representing a drop of 66.1%. It was a difficult year for the mobile phone business, with the operating environment facing great pressures from lowering of entrance barriers inducing rivalry from local and global brands, damaging the profit margin of the business.

Factors such as time consuming research and development period, slow launching, and short product cycle led to stacking inventories and the need to sell at much lower price, seriously affected product turnovers and profitability. After analyzing the business model and technology strategies, the Group decided to sell 80% of its equity interest in mobile phone business to a supplier of the business in order to limit its exposure to the financial and operational risks from the business.

(b) Overseas markets

The Group's turnover for the overseas markets amounted to HK$1,579 million and accounted for 11.3% of the total turnover for the Reporting Year.

TV products

The sales of TV products were primarily derived from OEM customers. For the Reporting Year, it amounted to HK$1,008 million, accounting for 63.8% of the total overseas turnover.

The business unit's structure and operation underwent a major revamp after its restructure in Year 2007 to better tackle the rapid changing operations and rising businesses from newly developed markets. Strengthening the customer and product structures making transformation evident into a first-rated OEM and ODM service provider to obtain acceptance by international major TV brand names. The gradual transformation caused a slightly decline in turnover by 3.3% but increase in gross profit margin by 2.5% comparing to previous year. The overseas business unit continues to improve its turnover through increasing its OEM services for CRT and LCD TVs and other audio-visual products.

Digital set-top boxes

Turnover of set-top boxes in the overseas markets was HK$419 million for the Reporting Year, accounted for 26.5% of the total overseas turnover. The advancement in overseas markets proved challenging. Home-grown rivals in the overseas markets gained competitive edge in the form of stronger research and development teams, and better understanding of the local requirements. In addition, patents, environmental issues especially in Europe put tensions on our costs and in turn dampened our competitiveness. As it is expected the growth in China bypass the overseas market, which sets momentum for the Group to focus on the China market. In spite of the challenges, the Group decided not to gain sales at the expense of profit margin. Consequently, turnover of set-top boxes accelerated by 145%, while gross profit margin rose by 3%.

Geographical distribution

Below analysis illustrates the geographical distribution of turnover to overseas markets in percentage:

	For the year ended 31 March 2008 (%)	For the year ended 31 March 2007 (%)
Asia (including Japan, Korea, Vietnam, etc.)	**29**	25
Europe	**38**	35
America	**25**	18
Middle East	**3**	10
Australia and New Zealand	**1**	6
Africa	**4**	6
	100	100

Asia, Europe and America aggregated to 92% of the total overseas turnover. Owing to fierce competition and Group repositioning, markets including Africa, Middle East, Australia and New Zealand altogether reduced 48.5% in turnover compared to previous year.

(3) Gross margin

The overall gross margin of the Group for the Reporting Year was 21.4%, which is 5.3 percentage points higher than that of previous year.

(a) China market

The intensified competition between local and foreign brands continued to affect the gross margin of the electronic products. Keeping this in mind, the Group strived to improve the product qualities as well as to stay competitive in prices so as to keep customers interested.

During the Reporting Year, the gross margin of the high-end TV products in the mainland China edged up by an average of 5.2%. Although the Group continued to grant sales rebates to the distributors who promote the Group's products, adjustments to overall sales incentive programs to distributors were effective controls to yield a higher gross margin during the Reporting Year.

Similarly, the gross profit margin of set-top boxes in the mainland China edged up by 4.1% to 31.4%. Along with incurring extra costs such as enhancing functionality and providing after sales services to maintain the sales turnover, a price adjustment, which inevitably lowers the margin, was of necessity as a stimulus to trigger sales. With hindsight, turnover derived from digital set-top boxes in the mainland China rose more than 24.9% over the year. The decision of the management was well justified.

(b) Overseas markets

Through a series of evaluations, the Group consented to the use of previous year's strategy for profitability measurement by gross profit margin, which aligned with shareholders' interest, i.e. maximizing shareholders' wealth. During the Reporting Year, the Group executed several courses of action that adversely affected the overall sales. Nonetheless, the two major components consisted in the overseas turnover, TV products and digital set-top boxes saw their gross profit margins raised by 2.5% and 3% respectively.

(4) Selling and distribution expenses

During the Reporting Year, the selling and distribution ("S&D") expenses rose from HK$1,610 million to HK$1,969 million, increased by 22.3%. Comparatively, ratio to turnover rose slightly by 1.3 percentage points. The expenses primarily consisted of brand promotion and marketing expenses, salaries of the sales and marketing personnel, and transportation expenses.

As a result of the Group's changes in promotional strategy in the mainland China market, the overall expenditure for brand promotion and marketing activities was HK$649 million, which was equivalent to a 28% increment from the previous year. Although the Group's TV business in mainland China accounted for most of the S&D expenses, its turnover increased by 12.2% during the Reporting Year. Values were also attained from regular brand promotional and marketing activities, popular TV programme sponsorships, and launching of target-oriented campaigns. Extra recruitment of promotional staffs, increase expenditures on staff incentive bonus, sales-related bonus and year-end bonus were rewarded by the staggering annual growth of the Group's turnover.

In executing the Group's commitment in improving its product quality management, continuous assessment was proven to be a distinct strategy to reduce the defective rate and overall warranty allowance for the TV products, enhancing cost control as well as brand image in the long run. Despite the gradually increasing staff costs and transportation costs, the S&D expenses to turnover ratio increased gently by 0.8% which illustrated the management's use of effective means to constrain such ratio.

(5) General and administration expenses

Contrasting to the previous year, the Group's general and administration ("G&A") expenses for the Reporting Year rose significantly by HK$69 million or 16.5% to HK$488 million. The G&A expenses to turnover ratio compared with last year increased gently from 3.2% to 3.5%.

The management strongly believed well-equipped human capital is vital in sustaining the Group's success. Ensuring technological advantageous of the Group, skilled labour including designers and engineers were necessary to facilitate the effective operations of plants and maintain fast growing business units of the Group, such as the set-top box business unit, especially within the Pearl River Delta Region where labour shortage is a serious concern. As target congruence, the Group continued to proportionate resources to attract the skilled and experienced from the human capital market, as well as to retain the existing best talents during the Reporting Year.

During the Reporting Year, the Group made a provision of approximately HK$23 million for the trade receivables of a business unit engaged in small appliance business in the PRC. The directors decided to cease operations of the business unit and consider that the recoverability of accounts receivable is doubtful.

In general, the Group adopted well spending practice to ensure the G&A expenses were for the benefits of the Group. The management monitored and updated internal policies simultaneously to balance the use of resources and ensure cost objectives are achieved.

(6) Inventory control

The net carrying value of the Group's inventories increased by 21.6% or HK$340 million, to HK$1,913 million as at the current year-ended as compared to the previous year.

The Group strongly believed inventory control guarded the door to keeping the flexibility of working capital to balance the diversification of Group products, which in exploring the right products could develop on its expertise in consumer digital / electronic devices. In order to stringent inventory control over logistics and supply-chain management, and to remain vigilant against the risk of slow-moving and obsolete inventories, the following courses of actions were adhered:

- Devise detailed production plan – Through experience and internal discussion, the management gathered comprehensive information on market demand, supply of raw materials, status of the production lines to successfully sustain an inventory level that ensured smooth production and prevent risk of overstock.

- Define Key Performance Indicators ("KPI") using status of inventory – The Performance of senior management from the business units are evaluated by the inventory turnover days, the incidence of raw material shortage, and the provision for inventory. The above measures align the interests of the business units' management with those of the Group as a whole.

- Unify scattered logistics centers – By undertaking the sales data, the Group adjust the product supply level according to sales performance and developed a network hub with logistics centers in prime locations to minimize risk of slow-moving and obsolete inventory, and to ensure smooth supply of goods to shops with satisfactory selling results.

As at 31 March 2008, there is no change in the overall inventory turnover days from the previous year.

The inventory turnover days for raw materials and finished goods were 17 days and 36 days respectively; while as at 31 March 2007, the turnover days were 17 days and 35 days respectively. Despite the inevitability in relatively high inventory level for new launching products, the above policies were effective measures in controlling consistent inventory cycles.

(7) Trade receivables and bills receivable

As at 31 March 2008, trade receivables and bills receivable of the Group amounted to HK$1,276 million and HK$4,403 million respectively, totaling HK$5,679 million. When compared with the balances as at 31 March 2007, trade receivables rose by HK$627 million or 96.6%, whilst bills receivable climbed by HK$556 million or 14.5%. The amount of trade receivables and bills receivable was primarily attributable to TV products which accounted for 87.4%, and set-top boxes which accounted for 12.3%.

The surge in receivables related to TV business unit was coherent with its increase in sales turnover during the Reporting Year. Another cause contributed to the increased receivables was the increasing domination of the flat panel TVs in the market. The unit price of flat panel TV products is much high than traditional CRT TVs, which is shown in the Group's receivables figure as a reflection after market repositioning.

Due to a rising demand for the set-top boxes, the sales and the trade receivables were higher than the previous year. The increase in sales of set-top boxes was not commensurate with the increase in the respective trade receivables, because the customers were usually cable operators under the State / Province /City - owned broadcasters who demand for longer credit period.

(8) Trade payables and bills payable

The Reporting Year has recorded HK$734 million or 24.7% increment in trade payables and bills payable, with balance totaling HK$3,703 million. The factors driven the increase are:

- Shifting product mix towards flat panels – In line with the Group strategy, purchasing of prime raw materials and components drove up the amount of trade payables during the Reporting Year. Costs of components for flat panels were substantially higher than cathode ray tubes; and better materials were used to produce set-top boxes.

- Turnover days of accounts payable and bills payable as at 31 March 2008 were lengthened for mobile phone business due to the slower inflow of cash causing by undesirable market response and high demand of procurement needs, hence affecting the settlement periods.

LIQUIDITY AND FINANCIAL RESOURCES

The bank balances and cash as at the year-end amounted to HK$1,389 million, which is an increase of HK$563 million or 68.2% from the previous year, while pledged bank deposits amounted to HK$1,870 million as at 31 March 2008 against HK$65 million as at 31 March 2007.

The Group continued its raw materials procurements in balance with the production for new products in the new business segments and the implementation of the revised procurement management strategy. These reactions to the dynamic market change, together with the longer credit terms granted to customers by the Group, increased the overall operating cash flow requirements of the Group during the Reporting Year, the net cash inflow of operating activities amounted to HK$572 million. The operating cash flows were mainly financed by the internal generated funds of the Group and also the trade facilities obtained from banks and certain suppliers.

The balances of the financial liabilities, mainly the discounted bills with recourse, amounted to HK$817 million and HK$610 million recorded at 31 March 2008 and at 31 March 2007 respectively. Such discounted bills receivable with recourse would be released upon maturity. Apart from the trade facilities obtained, during the Reporting Year, the Group maintained a construction loan of HK$353 million for the development of Shiyan production plant in Shenzhen from the previous year.

As at 31 March 2008, the Group has utilized certain trade facilities and loans granted from various banks, secured by certain assets of the Group, including bank deposits of HK$1,870 million, bills receivable of HK$229 million, and certain of the Group's land and properties in the PRC and Hong Kong with net book value of HK$84 million.

Due to the said financial arrangements with the pledged bank deposits, the gearing ratio of the Group, calculated with reference to the total bank borrowings of HK$3,135 million (including discounted bills with recourse and foreign exchange arrangements amounted to HK$817 million and HK$1,708 million respectively) and shareholders' fund of HK$3,952 million, was 79.3% during the Reporting Year. Should the amounts of financial liabilities arising from bills discounted with recourse and foreign exchange arrangements not been taken into account, such ratio would be 15.4%. In comparison with companies operated in the same industry, the Group maintained a healthy gearing position during the Reporting Year.

The significant increase in pledged bank deposits was resulted from the financial arrangements with various established banks in the PRC. Further elaboration is made in the next section. For other key financial ratios, please refer to Financial Highlights of the annual report.

TREASURY POLICY AND CASH FLOW MANAGEMENT

The Group's investments are mostly in the mainland China and its main revenue stream generates Renminbi. Due to Renminbi appreciation, the Group had recognized net foreign exchange gains of HK$28 million during the Reporting Year. Other than Renminbi, other Group's assets and liabilities are denominated either in Hong Kong dollars or in US dollars.

In view of the current and expected foreign exchange fluctuations, the Group engaged in forward contracts to perform natural hedging against potential foreign exchange risk. By taking advantage of the market anticipation of the increase of value in Renminbi, the Group aimed to maximize its foreign exchange gain by arrangements to borrow in US dollars at predetermined forward rates and secured by amount equivalent in Renminbi in forms of fixed deposits. In addition, the Group would monitor the foreign currency movement and interest rate movement to evaluate its mode of operations periodically, and to determine further hedging activities as appropriated. For details of arrangements, please refer to the annual report.

SIGNIFICANT INVESTMENTS AND ACQUISITION

During the Reporting Year, the Group invested HK$90 million in production plants construction at various locations within the mainland China. HK$211 million was invested in the establishment of 廣州創維平面顯示科技有限公司(Skyworth Flat Panel Display Technology (GuangZhou) Ltd), HK$88 million in the acquisition of land, funded wholly by internal resources. In the coming years, HK$134 million would be invested in the setup of a new production plant situated in GuangZhou.

In order to maintain the competitiveness and strengthen its market position, the Group will invest over

HK$228 million in the near future on the ongoing construction of the district logistic centers in Shuangliu of Chengdu, Yichun of Jiangxi and Lishui of Nanjing to enhance the logistics efficiency of the supply chain plays a very important role so that the profit margin of products would improve. Also, the Group had invested HK$109 million for a minority interest in a LCD module plant owned and operated by LG Display Co., Ltd after the Reporting Year end. The Group projected the strategic investment would have a favourable impact on its future sourcing of LCD panels.

In addition to the above capital investments, the Group had also spent approximately HK$129 million during the Reporting Year on the acquisition of other property, plant and equipment for business operation and expansion.

CONTINGENT LIABILITIES

As at 31 March 2008, the Group had no material contingent liabilities. The details of certain patent disputes are disclosed in the note to the consolidated financial statements in the annual report.

HUMAN RESOURCES CAPITAL

The Group believes an extensive and concrete human resources capital balances the expansion growth of Skyworth. To support the continuous development of existing business operations and the commencement of new production plant operations, the Group recruited more employees, with over 22,000 employees including sales personnel from more than 211 sales points as of the end of current year.

Remuneration policy was reviewed regularly, making reference to current legislation, market condition and both the individual and company performance. Details of the remuneration policy of the directors and employees of the Group, and the duties and work performed by the Remuneration Committee and the Nomination Committee during the Reporting Year were disclosed in the Corporate Governance Report section in this annual report.

TARGET SALES VOLUME OF TV

For the year ending 31 March 2009, the Group's target sales volume for TV in the mainland China and overseas markets are 6.5 million units and 2.5 million units, respectively. This represents the same volume and a 39% increase from the sales volume for TV in the mainland China and overseas markets, respectively, as compared with those for the preceding year. However, the Group expects an increase in turnover from the mainland China TV market as a result of the expected increase of sales of LCD TV which commands a higher average selling price.

OUTLOOK

In the Coming Year and a few years afterward, mainland China market will still be our main focus. Our strategy to concentrate most of our resources to develop business in the mainland China market creates a virtuous circle as best evidenced by our track record in past years. Although negative factors in mainland China mainly, high inflation, unification of tax rates of foreign and local enterprises, credit crunch, competition from foreign brands, prolongation of net operating capital cycle and, unfortunately, natural disasters in this calendar year 2008 have created challenges for businesses focusing on mainland China market, they are outweighed by the positive factors in mainland China which are and will be very much favourable to the Group:

- the continuous growth of economy (10% in 2008 to 2009 based on IMF's

World Economic Outlook released in July 2008) further improves standard of living of consumers;
- the digitalisation of broadcasting program shifts from a pre-heated stage to a popular stage, pushing the demand for high definition TVs and set-top boxes which is expected to increase in a rapid pace within the next few years;
- strong Reminbi which reduces our overseas purchase cost and increases exchange gain;
- Beijing Olympic and World Expo create business opportunities one after another; and
- the further in depth urbanisation of villages and building of new villages progressively release purchasing power.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

Recognising the importance of a publicly listed company's responsibilities to enhance its transparency and accountability, the Company is committed to maintain a high standard of corporate governance in the interests of its shareholders. The Company devotes to best practice on corporate governance, and to comply to the extent practicable, with the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the "Code").

During the year ended 31 March 2008 and up to the date of this announcement, the Company has complied with the code provisions in the Code, except for one major deviation described below.

Code provision A.2.1

Under code provision A.2.1 of the Code, the roles of chairman and chief executive officer of an issuer should be separate and should not be performed by the same individual.

With effect from 1 April 2007, Mr. Wang Dianfu resigned as the Executive Chairman and an executive director of the Company and Mr. Zhang Xuebin ("Mr. Zhang") was elected by the Board of the Companyto replace Mr. Wang Dianfu as the Executive Chairman.

Following the appointment as Executive Chairman, Mr. Zhang is not only responsible for overseeing the business operations of the Group and implementing the business strategies and policies as determined by the Board from time to time, he is also responsible for the management of the Board, and the formulation of corporate strategy and future direction of the Group.

After evaluation of the current situation of the Group and taking into account of the experience and past performance of Mr. Zhang, the Board is of the opinion that it is appropriate and in the best interests of the Company at the present stage for Mr. Zhang to hold both positions as the Executive Chairman and the Chief Executive Officer of the Company as it helps to maintain the continuity of the policies and the stability of the operations of the Group. Further, the Board considers that such change would not impair the balance of power and authority within the Board.

AUDIT COMMITTEE

The audit committee was established by the Board since the initial listing of the Company's shares on Stock Exchange on 6 April 2000 (the "Audit Committee"). The Audit Committee comprises three INEDs. The Chairman of the Audit Committee is Mr. So Hon Cheung, Stephen and the other members are Mr. Li Weibin and Mr. Xie Zhengcai.

The Audit Committee has its written terms of reference adopted since its establishment. The terms of reference were subsequently revised to comply with the Code. The terms of reference of the Audit

Committee are available on the Company's website through the link: www.skyworth.com/investor.

REVIEW OF CONSOLIDATED FINANCIAL STATEMENTS

The Audit Committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 31 March 2008.

PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated balance sheet, consolidated income statement and the related notes thereto for the year ended 31 March 2008 as set out in the Preliminary Announcement have been agreed by the Group's auditors, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

MODEL CODE

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard set out in the Model Code. Having made specific enquiry of all directors of the Company, all directors confirmed through a confirmation that they had complied with the required standards set out in the Model Code and the code of conduct regarding securities transaction by directors adopted by the Company throughout the year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 31 March 2008, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

FINAL DIVIDEND

The Board has proposed a final dividend for the year ended 31 March 2008 of HK4.5 cents per ordinary share (2007: HK1.2 cents), totalling approximately HK$103 million (2007: HK$28 million) to shareholders whose names appear on the register of members of the Company at the close of business on Monday, 29 September 2008. Shareholders may elect to receive final dividend in the form of new shares of the Company or cash or partly in shares and partly in cash.

CLOSURE OF THE REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 23 September 2008 to Monday, 29 September 2008, both dates inclusive, during which no transfer of shares will be registered. In order to qualify for the final dividend payable on or around 29 October 2008, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Branch Registrar in Hong Kong, Hong Kong Registrars Limited, at Rooms 1712-16 Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:00 p.m. on Monday, 22 September 2008.

PUBLICATION OF RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

All the financial and other related information required by paragraph 45 of Appendix 16 to the Listing Rules will be published on the website of the Stock Exchange in due course.

APPRECIATION

On behalf of the Board, I would like to express our gratitude to our shareholders and business associates for their continuing support, and extend our sincere appreciation to all management and staff for their ongoing dedication, commitments and contributions throughout the year.

For and on behalf of the Board
Skyworth Digital Holdings Limited
Zhang Xuebin
Executive Chairman & CEO

Hong Kong, 23 July 2008

As at the date of this announcement, the Board comprises Mr. Zhang Xuebin as executive Chairman of the Board, Ms. Ding Kai, Mr. Leung Chi Ching, Frederick, Ms. Lin Wei Ping and Mr. Yang Dongwen as executive Directors and Mr. So Hon Cheung, Stephen, Mr. Li Weibin and Mr. Xie Zhengcai as independent non-executive Directors.

* *for identification purposes only*