SKYWORTH

SKYWORTH GROUP LIMITED
創維集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 00751)

UNAUDITED RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

SKYWORTH GROUP LIMITED (the "Company", together with its subsidiaries referred to as the "Group") is an investment holdings company with subsidiaries principally engaged in manufacturing and selling smart TV systems, home access systems, smart white appliances, internet value-added services, property development and property holding.

Highlights of Results

The Group recorded the following results for the Current Period:

- Revenue amounted to RMB26,954 million (61.5% of which was recorded from sales in the mainland China market). The revenue of the Same Period of Previous Year amounted to RMB26,378 million.

- Revenue from multimedia business and smart systems technology business accounted for 59.6% and 22.6% of the Group's total revenue, respectively; compared to 58.6% and 25.5% in the Same Period of Previous Year, respectively.

- Gross profit achieved RMB4,833 million, while the gross profit margin was 17.9%. The gross profit margin of the Same Period of Previous Year was 19.8%.

- Profit for the period and profit for the period attributable to owners of the Company amounted to RMB838 million and RMB545 million, respectively.

The board (the "**Board**") of directors (the "**Directors**") of the Company is pleased to announce the unaudited consolidated results of the Group for the nine months ended 30 September 2020 (the "**Current Period**") together with the comparative figures for the nine months ended 30 September 2019 (the "**Same Period of Previous Year**"). The nine months results have been reviewed by the audit committee of the Company (the "**Audit Committee**"). The Company's auditor, Messrs. Deloitte Touche Tohmatsu, has reviewed the condensed consolidated statement of financial position as of 30 September 2020 and the related condensed consolidated statement of profit or loss and other comprehensive income and statement of cash flows for the nine-month period then ended in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020
Amounts expressed in millions of Renminbi

	Nine months ended 30 September 2020 (unaudited)	Nine months ended 30 September 2019 (unaudited)
Revenue		
Contracts with customers	26,629	26,030
Leases	304	301
Interest under effective interest rate	21	47
Total revenue	26,954	26,378
Cost of sales	(22,121)	(21,155)
Gross profit	4,833	5,223
Other income	756	765
Other gains and losses	477	504
Impairment loss recognised in respect of financial assets	(27)	(97)
Selling and distribution expenses	(2,390)	(2,778)
General and administrative expenses	(910)	(682)
Research and development expenses	(1,276)	(1,364)
Finance costs	(366)	(352)
Share of results of associates	4	3
Profit before taxation	1,101	1,222
Income tax expense	(263)	(396)
Profit for the period	838	826
Other comprehensive expense		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	(5)	(35)
Items that will not be reclassified to profit or loss:		
Fair value loss on investments in equity instruments at fair value through other comprehensive income ("FVTOCI")	(525)	(294)
Income tax relating to item that will not be reclassified subsequently	79	41
	(446)	(253)
Other comprehensive expense for the period	(451)	(288)
Total comprehensive income for the period	387	538

	Nine months ended	
	30 September 2020 (unaudited)	30 September 2019 (unaudited)
Profit for the period attributable to:		
Owners of the Company	545	543
Non-controlling interests	293	283
	838	826
Total comprehensive income for the period attributable to:		
Owners of the Company	114	271
Non-controlling interests	273	267
	387	538

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 September 2020
Amounts expressed in millions of Renminbi

	As at 30 September 2020 (unaudited)	As at 31 December 2019 (audited)
Non-current Assets		
Property, plant and equipment	5,448	7,040
Right-of-use assets	2,306	2,496
Deposits paid for purchase of property, plant and equipment	349	299
Investment properties	1,442	4
Goodwill	448	410
Intangible assets	99	91
Interests in associates	199	196
Interests in joint ventures	18	19
Financial assets at fair value through profit and loss ("FVTPL")	968	1,005
Equity instruments at FVTOCI	991	1,523
Finance lease receivables	2	5
Loan receivables	721	585
Deferred tax assets	566	500
	13,557	14,173
Current Assets		
Inventories	5,995	4,909
Stock of properties	4,642	4,171
Investments in debt securities	20	83
Financial assets at FVTPL	757	50
Financial assets at FVTOCI	248	-
Trade and bills receivables	11,994	14,265
Other receivables, deposits and prepayments	2,882	2,045
Loan receivables	972	1,540
Finance lease receivables	121	125
Derivative financial instruments	9	-
Prepaid tax	96	75
Pledged bank deposits	849	885
Restricted bank deposits	318	411
Bank balances and cash	6,165	4,806
	35,068	33,365
Assets classified as held-for sale	275	-
	35,343	33,365

	As at 30 September 2020 (unaudited)	As at 31 December 2019 (audited)
Current Liabilities		
Trade and bills payables	10,275	10,059
Other payables	4,141	4,264
Derivative financial instruments	3	4
Lease liabilities	36	34
Contract liabilities	2,805	1,951
Corporate bonds	-	1,990
Provision for warranty	181	181
Tax liabilities	158	189
Bank borrowings	6,305	7,135
Deferred income	146	170
	24,050	25,977
Liabilities associated with assets classified as held-for-sale	64	-
	24,114	25,977
Net Current Assets	11,229	7,388
Total Assets less Current Liabilities	24,786	21,561
Non-current Liabilities		
Other financial liabilities	294	285
Lease liabilities	139	112
Provision for warranty	95	91
Bank borrowings	4,081	1,042
Corporate bonds	874	-
Convertible bonds	902	924
Deferred income	345	426
Deferred tax liabilities	257	262
Derivative financial instruments	134	276
	7,121	3,418
NET ASSETS	17,665	18,143
Capital and Reserves		
Share capital	273	308
Reserves	14,941	15,684
Equity attributable to owners of the Company	15,214	15,992
Non-controlling interests	2,451	2,151
	17,665	18,143

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2020

Amounts expressed in millions of Renminbi

	Nine months ended 30 September 2020 (unaudited)	Nine months ended 30 September 2019 (unaudited)
NET CASH FROM OPERATING ACTIVITIES	2,198	350
NET CASH USED IN INVESTING ACTIVITIES		
Dividend received	6	13
Interest received	185	151
Deposits paid for acquisition of property, plant and equipment	(286)	(197)
Purchase of property, plant and equipment	(688)	(687)
Proceeds on disposal of property, plant and equipment	39	11
Investments in equity instruments at FVTOCI	-	(170)
Proceeds on disposal of equity instruments at FVTOCI	6	-
Investments in debt securities	(20)	(86)
Proceeds on redemption of investments in debt securities upon maturity	83	153
Investments in financial assets at FVTPL	(410)	(247)
Proceeds on disposal of financial assets at FVTPL	52	92
Advances to staffs	(1)	(7)
Repayments from staffs	-	14
Government grant received related to assets	16	16
Placement of pledged bank deposits	(849)	(204)
Withdrawal of pledged bank deposits	885	123
Placement of restricted bank deposits	(179)	(352)
Withdrawal of restricted bank deposits	275	335
Deposit received from disposal of a subsidiary	75	-
Net cash inflow from disposal of a subsidiary	258	-
Net cash inflow from acquisition of a subsidiary	7	14
Other investing cash flows	(6)	-
	(552)	(1,028)

	Nine months ended 30 September 2020 (unaudited)	Nine months ended 30 September 2019 (unaudited)
NET CASH (USED IN) FROM FINANCING ACTIVITIES		
Dividend paid	(96)	(272)
Interest paid	(160)	(191)
Repurchase of shares	(967)	-
Contributions from non-controlling interests	11	-
Repurchase of its own shares by a listed subsidiary	-	(7)
Consideration paid in acquisition of additional interests in subsidiaries	(17)	(12)
Return of capital to a non-controlling interest	(7)	-
New bank borrowings raised	13,446	11,478
Repayments of bank borrowings	(11,294)	(9,489)
Repayments of lease liabilities	(94)	(83)
New convertible bonds raised, net of transaction costs	-	1,031
New corporate bonds raised, net of transaction costs	797	-
Repayments of corporate bonds	(1,913)	-
	(294)	2,455
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,352	1,777
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	4,806	3,314
Bank balances and cash transferred to assets held for sale	(2)	-
Effect of foreign exchange rate changes	9	14
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	6,165	5,105

BUSINESS PERFORMANCE REVIEW

Revenue

For the nine months ended 30 September 2020, the Group's overall revenue amounted to RMB26,954 million, representing an increase of RMB576 million or 2.2% compared with RMB26,378 million recorded in the Same Period of Previous Year.

(a) Business Review by Geographical Segment

The Group's operations have been expanded worldwide, including mainland China and other regions in Asia, Africa, Europe and America, with mainland China being the primary market.

Mainland China Market

For the nine months ended 30 September 2020, revenue from the mainland China market amounted to approximately RMB16,578 million, representing a decrease of RMB1,840 million or 10.0% compared with RMB18,418 million recorded in the Same Period of Previous Year.

During the Current Period, the Group's multimedia business, smart systems technology business and smart appliances business each accounted for 58.0% (the Same Period of Previous Year: 59.9%), 21.8% (the Same Period of Previous Year: 22.5%) and 12.4% (the Same Period of Previous Year: 12.4%) of its revenue from the mainland China market, while modern services business and other operations attributed the remaining 7.8% (the Same Period of Previous Year: 5.2%).

Overseas Markets

For the nine months ended 30 September 2020, revenue from overseas markets amounted to RMB10,376 million, equivalent to 38.5% of the Group's overall revenue, representing an increase of RMB2,416 million or 30.4% compared with RMB7,960 million recorded in the Same Period of Previous Year.

Geographical distribution of revenue in overseas markets

The Group's main overseas markets are Asia, Europe and Middle East. The geographical distribution of the revenue in proportion for overseas markets is illustrated as follows:

	Nine months ended 30 September	
	2020	2019
	(%)	(%)
Asia (excluding Middle East)	61.1	52.3
Europe	12.5	14.6
Middle East	10.5	14.8
Africa	8.3	12.0
America	7.4	5.7
Oceania	0.2	0.6
	100.0	100.0

For revenue analysis by business sector concerning the mainland China market and overseas markets, please refer to the section headed "Business Review by Business Sector".

(b) Business Review by Business Sector

The Group has announced its overall strategic direction for upgrading through reformation for five years (also known as the "1334 Strategy"), covering four key business sectors, including: 1. Multimedia business; 2. Smart systems technology business; 3. Smart appliances business; and 4. Modern services business.

1. Multimedia Business

The Group's multimedia business primarily covers, among others, smart TV systems and provision of internet valued-added services of Coocaa System.

For the nine months ended 30 September 2020, the Group's revenue of multimedia business recorded revenue of RMB16,062 million, representing an increase of RMB601 million or 3.9% compared with RMB15,461 million recorded in the Same Period of Previous Year.

For the nine months ended 30 September 2020 and 2019, the Group's smart TV systems sales volume by product and market are as follows:

	1 January to 30 September 2020	1 January to 30 September 2019	**January to September 2020 vs January to September 2019**
	Unit ('000)	*Unit ('000)*	***Increase/(decrease)***
PRC Market	**5,410**	6,387	**(15.3%)**
Overseas Markets	**6,646**	4,897	**35.7%**
Total smart TV systems sales volume	**12,056**	11,284	**6.8%**

1.1 Smart TV systems products (PRC Market)
For the nine months ended 30 September 2020, the Group's smart TV systems products recorded revenue of RMB8,059 million in the mainland China market, representing a decrease of RMB1,666 million or 17.1% compared with RMB9,725 million recorded in the Same Period of Previous Year.

During the Current Period, due to the effect from the outbreak and spread of COVID-19, the sales volume of the Group's smart TV systems products decreased by 15.3% year on year. The Group will continue its marketing strategies and adjust unit rates to cope with downturn of the market and increase market share in order to improve the sales performance of the Group's smart TV system products in the mainland China market.

1.2 Smart TV Systems Products (Overseas Markets)
For the nine months ended 30 September 2020, the Group's smart TV systems products recorded revenue of RMB5,392 million in overseas markets, representing an increase of RMB1,143 million or 26.9% compared with RMB4,249 million recorded in the Same Period of Previous Year.

During the Current Period, under the impact of COVID-19, the overall performance of the international TV market was sluggish and certain countries maintained varying degrees of closed and semi-closed conditions, which put pressure on the growth of overseas business of the Group. However, the Group adopted relatively stable and conservative sales strategies and optimised its customers and channels in various countries. Benefited from the expansion of e-commerce, the overall overseas brand business maintained rapid growth in the original area. In the meantime, the Group proactively developed the markets in Southern Europe, Eastern Europe, Russia, Northeast Asia, Central America, and South America. Through e-commerce empowerment, the Group adopted low-cost operation method to open up new areas and gained market share growth. During the Current Period, the brand business recorded a significant growth.

Through the model of original design manufacturer ("ODM") and the establishment of overseas sales offices, the Group made substantial investments in promotional and marketing campaigns, which led to its increased popularity and visibility in overseas markets, with ASEAN countries reporting the most pronounced improvement in brand image; in India, the Group proactively communicated with local supply chains and customers and overcame the impact of COVID-19 in India to continuously deliver high-quality goods to customers in a stable way, thus winning customer trust; with the help of the latest ANDROID 10.0 Android smart products, the Group successfully entered the sales channels of strategic key accounts in India and Southeast Asia.

1.3 Internet value-added Services of Coocaa System
For the nine months ended 30 September 2020, the Group recorded a significant growth of RMB166 million or 27.8% in revenue from the internet value-added services of Coocaa System, which increased from RMB597 million to RMB763 million in Same Period of Previous Year.

As at 30 September 2020, the total activated smart terminal of Coocaa System in the mainland China market was approximately 52.11 million, the monthly active volume of smart terminal was approximately 31.27 million, while the average daily active volume was approximately 17.52 million.

During the Current Period, Chinese citizens spent a lot of time on watching TV at home instead of stay outside due to the outbreak of COVID-19. Therefore, a significant growth was recorded for both of the active volume and the internet value-added services of Coocaa System.

2. Smart Systems Technology Business

Smart systems technology business covers, among others, home access systems, intelligent manufacturing, automotive electronic systems and other electronic products.

For the nine months ended 30 September 2020, revenue recorded for smart systems technology business in the mainland China market amounted to RMB3,605 million, representing a decrease of RMB533 million or 12.9% from RMB4,138 million recorded in the Same Period of Previous Year. For the nine months ended 30 September 2020, revenue recorded for smart systems technology business in overseas markets amounted to RMB2,485 million, representing a decrease of RMB94 million or 3.6% from RMB2,579 million recorded in the Same Period of Previous Year.

3. Smart Appliances Business

Smart appliances business covers, among others, smart air conditioners, smart refrigerators and smart washers.

For the nine months ended 30 September 2020, revenue recorded for smart appliance products in the mainland China market amounted to RMB2,052 million, representing a decrease of RMB235 million or 10.3% compared with RMB2,287 million recorded in the Same Period of Previous Year. Revenue in overseas markets amounted to RMB1,047 million, representing an increase of RMB94 million or 9.9% compared with RMB953 million recorded in the Same Period of Previous Year.

During the Current Period, the operating performance of smart appliances business was affected by the pandemic of COVID-19. With COVID-19 vaccine research progress, we expect the operating performance of the smart appliances business to improve significantly. Although the epidemic is still affecting the global market, we will continue to develop new products with excellent operational capabilities, take care of pipeline operations and achieve large-scale manufacturing in order to continue to grow our business scale.

4. Modern Services Business

Modern services business covers, among others, maintenance and repair for home appliances, macro-logistics services, international trades, construction development, financial lease and property operation for industrial parks.

For the nine months ended 30 September 2020, revenue recorded for modern services business in the mainland China market amounted to RMB1,290 million, representing an increase of RMB337 million or 35.4% compared with RMB953 million recorded in the Same Period of Previous Year. Revenue in overseas markets amounted to RMB391 million, representing an increase of RMB387 million or 9,675.0% compared with RMB4 million recorded in the Same Period of Previous Year.

The Group has determined the development direction of the segments of modern services business, and formed dedicated teams for financial services, macro-logistics services, supply chain operation, foreign trading, as well as park-based property management and construction development. We have set clear development plans for each of our business, and a specific development model for the modern services business: the establishment of a financial business platform with financial companies as the main body, supplemented by venture capital funds, small loans and corporate bonds, broadened the Group’s financing channels; and the Group withdrew from risky businesses such as entrusted wealth management, financial leasing, and commercial factoring; the Group formulated a special plan for the development of macro-logistics service industry to promote the development of supply chain logistics, factory logistics, sales and after-sales logistics, and business integration has been fully launched; branch companies were set up to vigorously develop supply chain business centering on the Group's internal industrial support; the Group completed the professional restructuring of the development and operation business of the science and technology park and made full use of the construction opportunities of the three major bases to drive the development of Skyworth's smart human habitat industry, including green buildings, smart control systems and terminals, and a variety of content services; the construction company proactively promoted the adjustment of asset structure by virtue of the construction of industrial park. At present, the construction of projects in various places has commenced successively, and certain parks will be put into use this year.

Gross profit margin

For the nine months ended 30 September 2020, the overall gross profit margin of the Group was 17.9%, representing a decrease of 1.9 percentage points in comparison to 19.8% recorded in the Same Period of Previous Year.

During the Current Period, due to the impact of the COVID-19 epidemic, the structure of domestic sales channels for smart TV system products changed, the proportion of online sales channels with lower gross profit margin increased; at the same time, the increase in proportion of overseas sales which with lower gross profit margin to the overall sales resulted the decrease of the Group's gross profit margin during the Current Period.

At the same time, since the Group continued to refine operations management, adopting multiple integrated methods to increase the gross profit margin of our products and reduce group-wide operating costs. Those methods to enhance the gross profit margin include strengthen control on prices, change of sales structures to increase the sales proportion of products with higher gross profit margin and high-end smart TV systems products, assess the ability of cooperative projects in overseas markets recording low gross profit with a view to minimising loss-making projects, continually improve the quality of customer services with an aim to deliver higher added values, strengthening the strategic cooperation with other business of the Group and combining innovative technologies to bring new elements to products.

Expenses

For the nine months ended 30 September 2020, the Group’s selling and distribution expenses amounted to RMB2,390 million, representing a decrease of RMB388 million or 14.0% compared with RMB2,778 million for the Same Period of Previous Year. The selling and distribution expenses to revenue ratio for the nine months ended 30 September 2020 was 8.9%, which decreased by 1.6 percentage points from 10.5% recorded in the Same Period of Previous Year.

For the nine months ended 30 September 2020, the Group’s general and administrative expenses amounted to RMB910 million, representing an increase of RMB228 million or 33.4% compared with RMB682 million for the Same Period of Previous Year. The general and administrative expenses to revenue ratio for the nine months ended 30 September 2020 was 3.4%, which rose by 0.8 percentage points from 2.6% recorded in the Same Period of Previous Year.

The Group continued to devote enormous resources during the Current Period to the research and development of premium smart products and the improvement of its corporate competitiveness. However, due to the impact of the COVID-19 epidemic, the Group’s investment in research and development during the Current Period has decreased compared to the Same Period of Previous Year. For the nine months ended 30 September 2020, the Group’s research and development expenses amounted to RMB1,276 million, representing a decrease of RMB88 million or 6.5% compared with RMB1,364 million for the Same Period of Previous Year. The research and development expenses to revenue ratio for the nine months ended 30 September 2020 was 4.7%, which decreased by 0.5 percentage points from 5.2% recorded in the Same Period of Previous Year.

Value-Added Tax refund on energy-saving policy

According to the latest PRC tax policy, revenue which meets the requirements of the energy-saving policy is exempted from the Value-Added Tax. During the Current Period, the Group recovered part of the overpaid Value-Added Tax on revenue that met the requirements of the energy-saving policy in prior years, and increased the revenue of RMB358 million in the Current Period. After deducting related expenses, the Group’s profit before taxation increased by RMB286 million.

OUTLOOK

Looking forward to the future, Skyworth Group will carefully analyse the impact of global geopolitics and market changes in the post-epidemic era and make objective judgments with a prudent attitude on adjustments to corporate business plans on scientific research, production, marketing, procurement, construction, etc. according to the latest situation, to gear production to demand, strictly control expenses, increase revenue and reduce expenditure. While seizing market opportunities to proactively expand the domestic market and vigorously developing 5G application products, the Group will energetically expand the overseas markets with the focus placed on promoting the construction of overseas production bases in Southeast Asia, India, Africa, etc. and actively develop OEM business, striving to accomplish operation and production tasks.

We have to think about and define products based on the current market trend and the idea of "5G+AI+terminal", and accelerate the development and application of new technologies, new materials, and new processes, to enhance product competitiveness and corporate innovation. The research and development of 5G smart TV, 5G home access systems, home smart control systems, new generations of smart appliances and other products shall be expedited to form new product clusters and continuously increase market share.

We will continue to develop the Skyworth smart human habitat industry and vigorously promote the construction of "healthy, safe, convenient, comfortable, and energy-saving" green buildings through the three major elements of "connection, intelligence and ecology". Great efforts will be exerted on research, development and promotion of smart system control center (system) products and development of a full range of smart home content services, with "green building + smart system + content service" as the core, to comprehensively build a smart human habitat industry centering on "home".

Through continuous reform of the marketing system and optimisation of marketing channels, we must give full play to the channel advantages of partnership operators, distributors, various specialty stores, county and township agency stores, and flagship stores on e-commerce platforms, and subdivide professional fields depending on different types of products of enterprises, market environment and customer resources, etc., to tap the industry market and improve sales performance.

The construction of three major bases shall be further advanced to promote industrial restructuring and transformation. In addition to speeding up the construction of three industrial bases in Shenzhen, Guangzhou and Chuzhou, we will continue to proceed with the construction of key projects in Hohhot, Ningbo, Qianhai in Shenzhen, Longgang in Shenzhen, etc.

We have to proactively promote merger and acquisition business, strengthen the development of venture capital business according to market hotspots, and accelerate the return of funds; we will strive to complete the spin-off and listing of Coocaa and step up the pace in new industrial layout and development. The further enhancement of logistics business integration of the Group, integration of the industrial parks in southwest China including Chengdu and Suining, and integration of unified operation and management of the properties of the Group will give a big push to the Group's all-round and healthy development.

In the new situation where the world is preparing to enter the post-epidemic era, leaders at all levels of the Group will, based on the actual work of the Group, personally determine key tasks, set clear goals and assign responsibilities to specific persons, and a scientific and standard evaluation mode will be adopted to ensure clear rewards and penalties, focus on substantial results, and efforts on practical things. All employees of the Group shall get united, persist in reform and innovation, and work hard to ensure full achievement of the Group's goals.

EVENTS AFTER THE CURRENT PERIOD

The outbreak of COVID-19 around the world has caused uncertainties in the business environment. In particular, in view of the recent repeated outbreaks around the world, the impact of COVID-19 on the Group's overseas business is expected to continue for a period of time, but the length of the period and scale of its impact are difficult to predict and depend on the development of the situation.

However, under the leadership of advanced countries such as China, Germany, the United Kingdom, the United States and Russia, breakthroughs have been made in the research and development of new COVID-19 vaccines. According to an announcement by the World Health Organization in October 2020, there are currently nearly 200 new COVID-19 vaccines under development worldwide, of which more than 40 vaccines have entered the clinical trial stage. It is expected that some vaccines will be mass-produced and put into use in the first half of 2021.

In view of this, the Group carefully studies the situation, come up with countermeasures, and continues to formulate adjustment plans in terms of product structure and business structure; improve product quality, and reduce operating costs; accelerate the work of reorganisation and integration; take advantage of opportunities, actively expand the market, and boost revenue to reduce the financial impact of the challenges.

The directors of the Company are currently assessing the impact of the COVID-19 epidemic on the Group's financial performance, but they also expect that the COVID-19 epidemic will have an impact on the Group's consolidated results for 2020.

APPRECIATION

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

By order of the Board
Skyworth Group Limited
Lai Weide
Chairman of the Board

Hong Kong, 29 October 2020

As at the date of this announcement, the Board of the Company comprises Mr. Lai Weide as the Chairman of the Board; Mr. Liu Tangzhi as executive Director and the chief executive officer; Ms. Lin Wei Ping, Mr. Shi Chi, Mr. Lin Jin and Mr. Lam Shing Choi, Eric as executive Directors; and Mr. Li Weibin, Mr. Cheong Ying Chew, Henry and Mr. Hung Ka Hai, Clement as independent non-executive Directors.