



China PMP/MP4 Industry Report 2008

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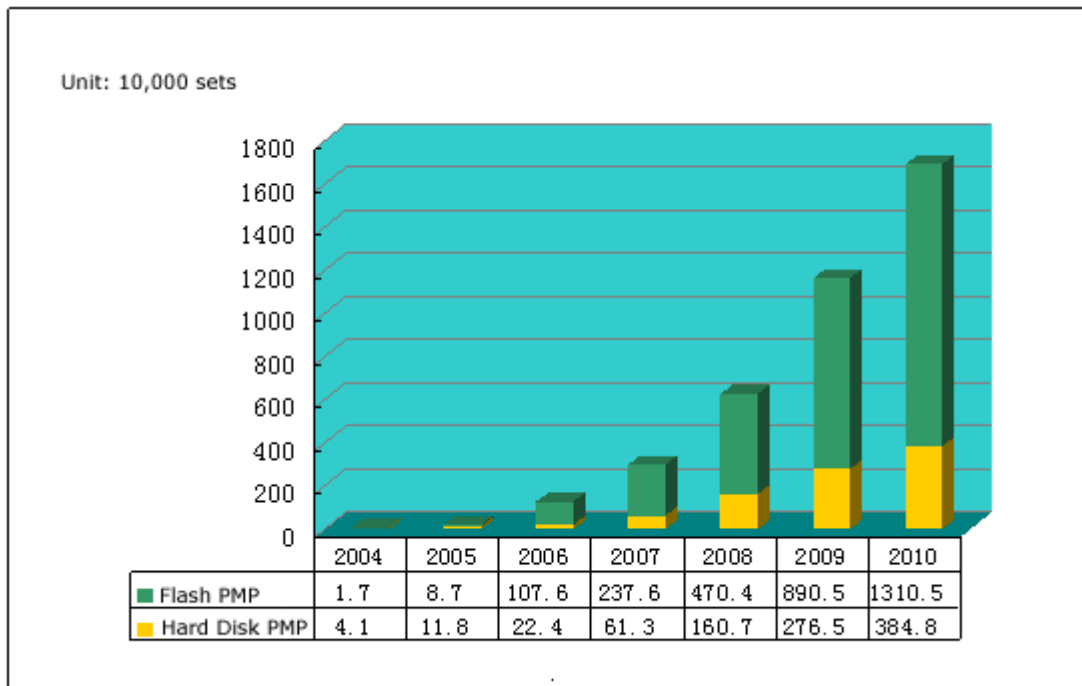
Status Quo and Forecast of China PMP Market

Through the research on the market development processes and characteristics of portable consuming electronics such as MP3, portable computers and so on and combining the consumption levels of China market and the behavior characteristics of consumers and the competitive patterns among PMP industrial chain, ResearchInChina made the forecasts on the sales volume and average price tendency of hard disk PMP and flash PMP in China market respectively.

Sales Status of China PMP Market

It is estimated by ResearchInChina that PMP sales would be around 2.99 million sets in the whole year of 2007, of which, flash PMP would total 2.376 sets, accounting for 79.5% of the total. ResearchInChina also predicts that the total PMP sales will reach 16.95 million sets in Chinese market in 2010. The flash PMP is still the momentum and will account for 77%.

Sales in Chinese Market, 2004-2010

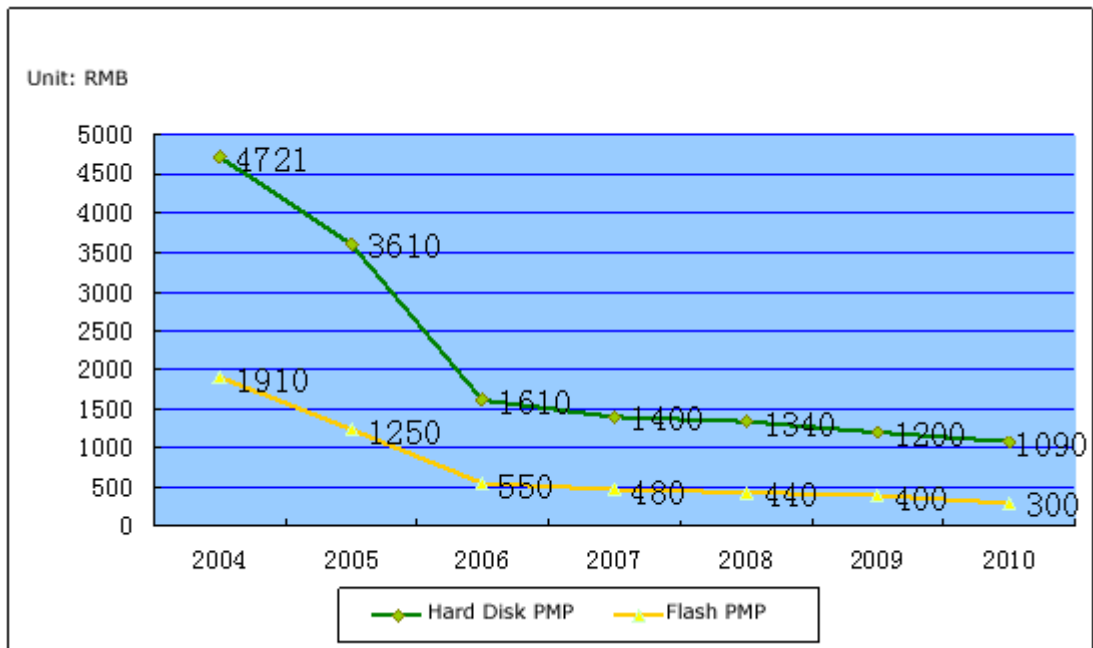


Source: ResearchInChina

2.2.2 Average Price Trend of PMP in China Market

In 2006, because of the pouring of a large amount of manufacturers, the price competition between the manufacturers is becoming fiercer and fiercer, along with the releasing of the low cost PMP products, the prices of PMP were reduced greatly, among which the average price of flash products was reduced to CNY480 in 2007 and the average price of hard disk products was reduced to CNY1,400. ResearchInChina thought that the annual decrease rate of the average price in China PMP market will be reduced greatly but will not exceed 10%. Currently the average price of PMP can be accepted by a majority of the consumers and the costs of the PMP products with single functions are rather close, so the decrease space is not that large.

Average Price Trend of PMP in China Market, 2004-2010



Source: ResearchInChina

Development Trend of PMP Products

3.1 Configuration Change of China PMP Products in 2007

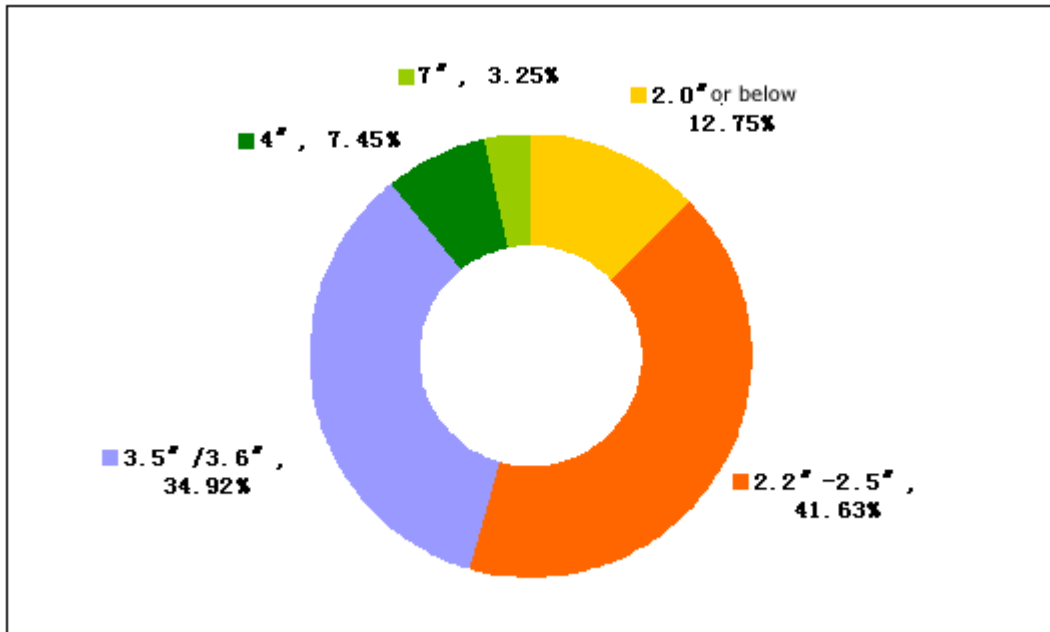
In Jan. 2008, ResearchInChina made an investigation in PMP products of 100 models regarding their configuration which were sold in Chinese market and also made a comparison with the investigation in Jan. 2007. Based on the changes in the storage capacity and display size which were showed in the two investigations, it can be concluded that hard disk PMP increased obviously in 2007 and nearly manipulated the whole market with the share of 73.3% while it only accounted for 38.49% of the total in 2006.

3.1.1 Change of Display Size

The latest investigation result shows that the display size of PMP products in Chinese market in 2007 has an obvious increase as compared to that of 2006.

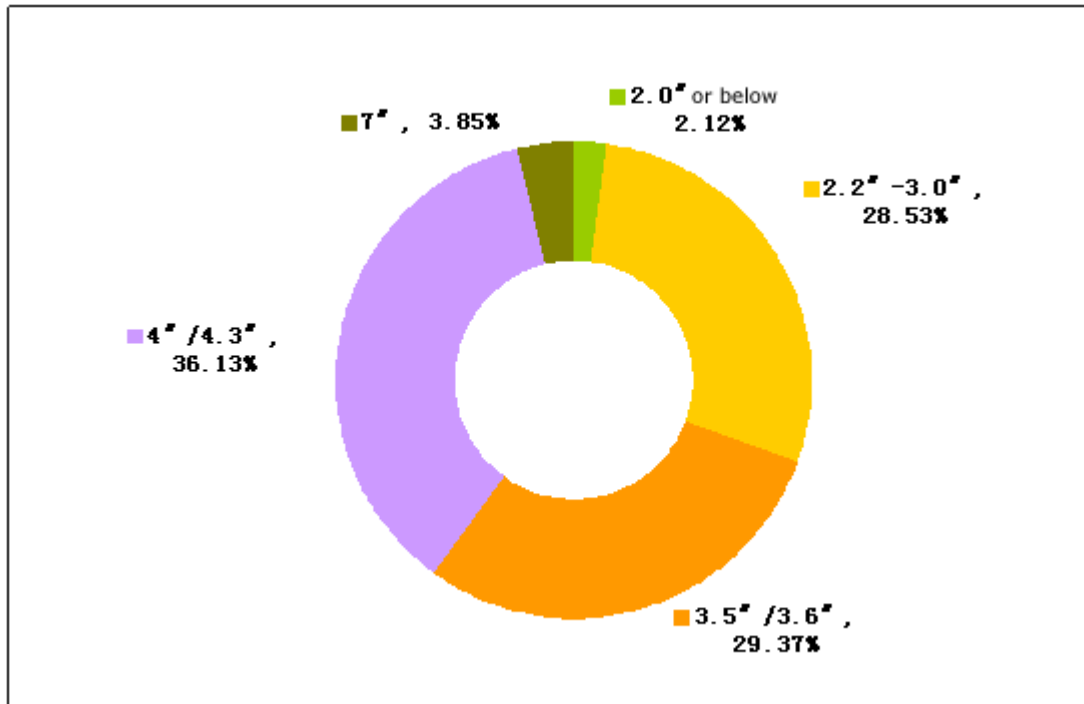
The flash PMP is led by 2.2 inches to 3.0 inches. As for the hard disk PMP, the size of 4/4.3-inch displays increase the most obviously. The growth rate increased to 36.13% in 2007 from 7.45% in 2006, indicating that the sales of hard disk PMP began to increase in 2007.

Display Sizes of Different PMP Product Models in China Market, by Dec 2006



Source: ResearchInChina

Display Sizes of Different PMP Product Models in China Market, by Nov 2007



Source: ResearchInChina

Providers of PMP Core Chip

4.2.1 Sigma Designs

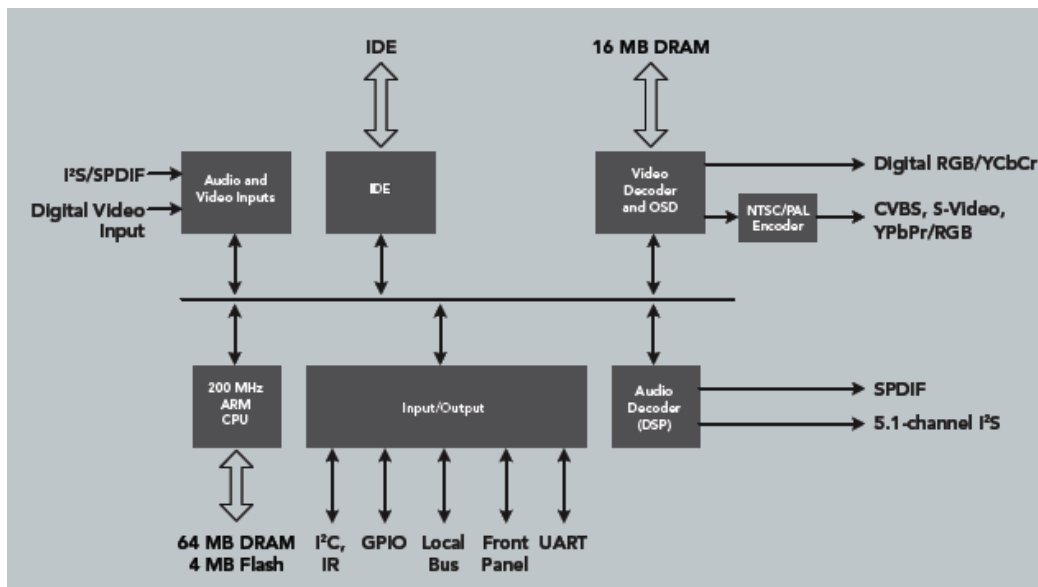
4.2.1.1 Company Profile

Sigma Designs, the famous video decode processor chip supplier of consumption electronics products, and its products can provide the high quality MPEG-4.10 (H.264), VC-1, WMV9, MPEG-4, MPEG-2, MPEG-1 etc, the high definition format content decode. The headquarters of Sigma is in Miiditas, in the west of California, America, and it has the sale organizations in China mainland, China Hong Kong, China Taiwan, Europe and Japan.

4.2.1.2 EM851x Solution

SigmaDesigns 851x processor adopts the dual core design, integrates the 32-bit RISC processor and MPEG decoder on the single chip, and under the condition without the support of the other periphery chips, finishes the video decode provided by the various interfaces of the system, such as WMA V9, DivX V3.11, DivX V4.X, 5.X, MPEG-4, MPEG-2, MPEG-1 etc.

Sigam Designs EM8510 Series of Processor Frame



Source: ResearchInChina

Based on EM8510, Sigma Designs launched EM8560 series, which owns the video recording function.

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