

## China Digital TV Market Operation Report, 2008-2009

July/2009



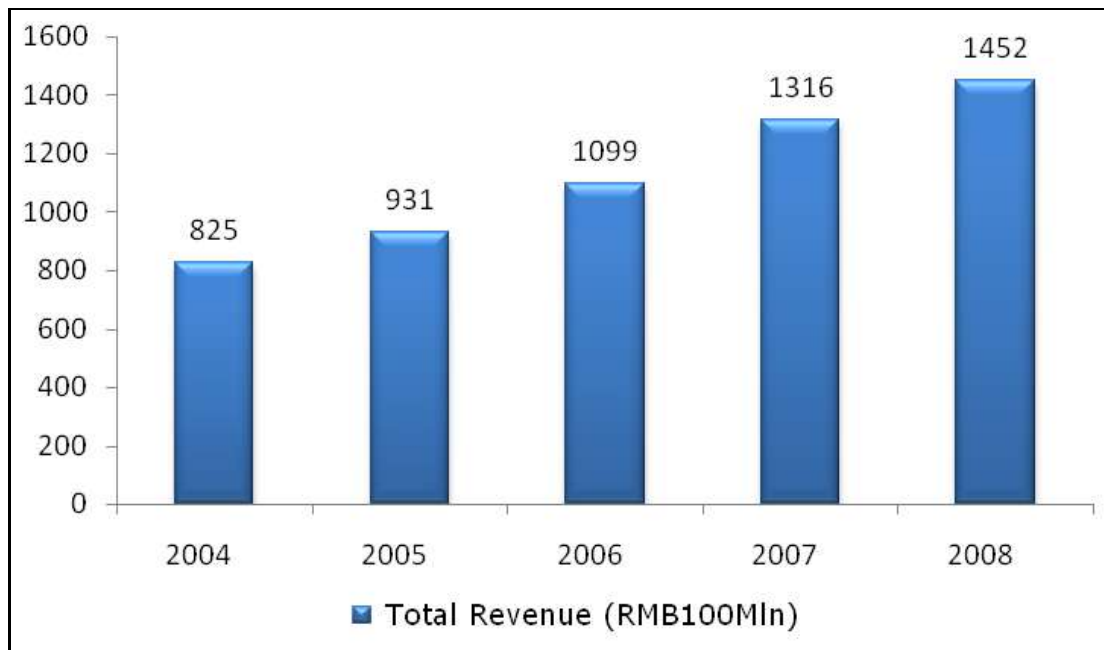
Property right statement: Copyright of charts, tables and sentences in this report belongs to ResearchInChina (Beijing Waterwood). For charts or tables marketed as from other sources, original publishers own the copyright. The quoted data in this report are collected from public sources. If there is any problem related to property right, please do not hesitate to contact ResearchInChina.

## 1. Overview of China DTV Market Operation

### 1.1 Development Profile

In 2008, radio and television industry remained stable in all provinces, autonomous regions and municipalities, and the income increased steadily. In 7 provinces (municipalities and autonomous regions), the income in radio and television industry reached more than RMB5 billion.

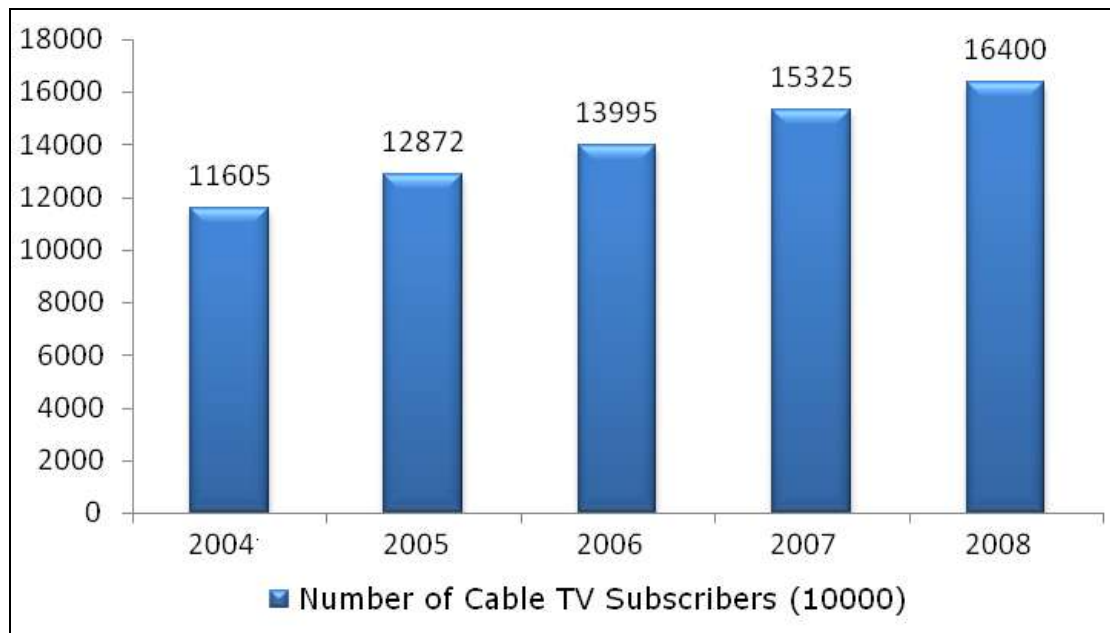
**Total Revenue of China's Broadcast TV, 2004-2008**



Source: ResearchInChina; SARFT

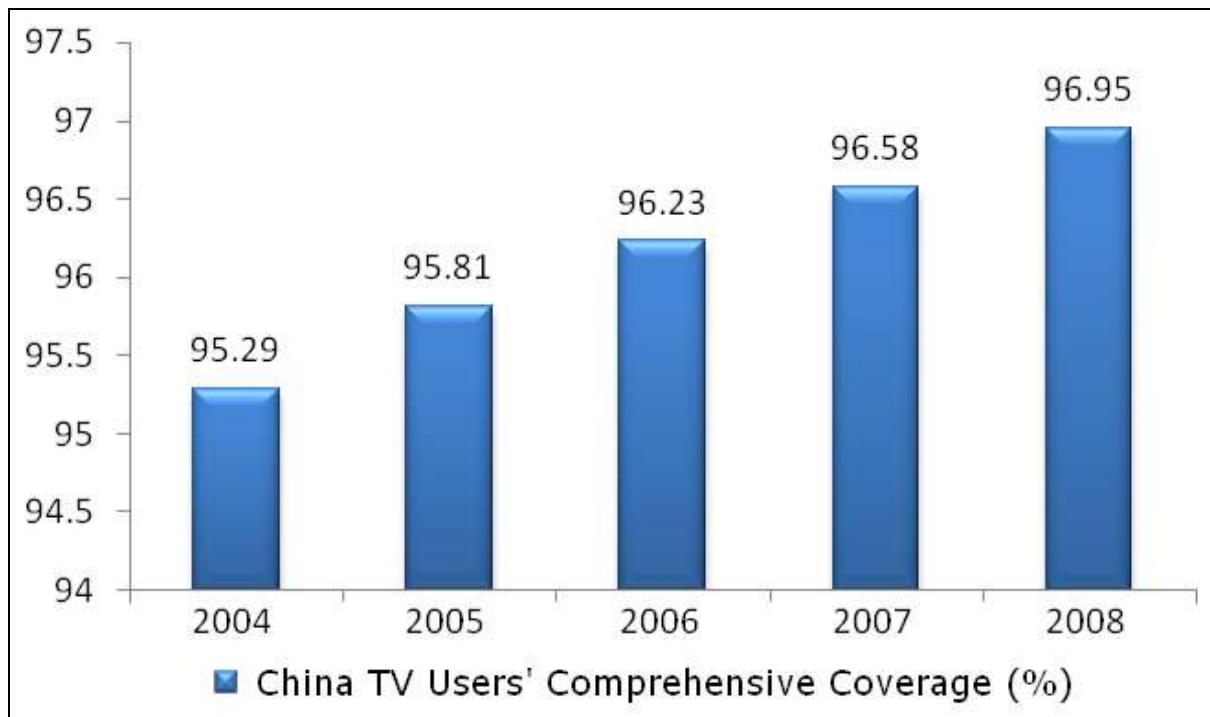
In 2008, the comprehensive population coverage rate of national radio and television was 95.96% and 96.95% respectively, up 0.56% and 0.39% respectively compared with 2007. There were 164 million cable radio and television subscribers, including 45.2786 million DTV subscribers, 4.4934 million Pay-DTV subscribers, the three numbers rose by 7%, 68.57% and 156.19% respectively compared with 2007.

**China's Number of Cable TV Subscribers, 2004-2008**



Source: ResearchInChina; SARFT

**China TV Users' Comprehensive Coverage, 2004-2008**



Source: ResearchInChina; SARFT

In 2008, the number of Chinese Cable DTV users was one-third of the total number of Chinese cable television subscribers. Terrestrial DTV was launched in Beijing on January 1, 2008. IP TV, Mobile TV and other new audiovisual media developed rapidly. R & D, standards system establishment, equipment industrialization and scale technology tests of China Mobile Multimedia Broadcasting (CMMB) with independent intellectual property rights were completed. China's Next Generation Broadcasting (NGB) emerged, and pilot NGB demonstration networks have been established in the Yangtze River Delta region.

## 5.1 Beijing Gehua CATV Network Co., Ltd

### 5.1.1 Company Profile

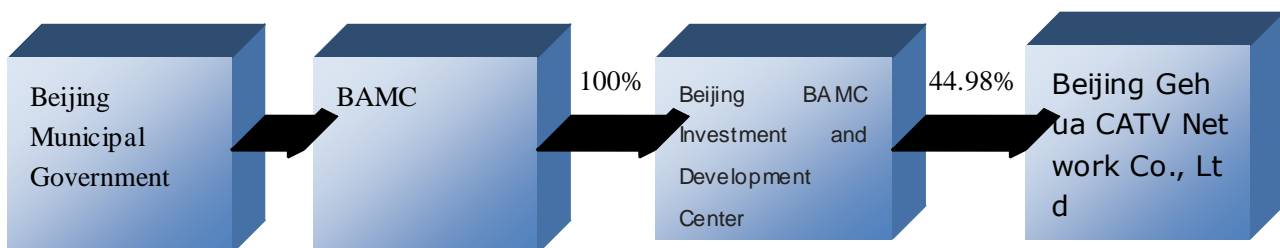
Network Operator: Beijing Gehua CATV Network Co., Ltd

Platform Integrator: BAMC Digital TV Co., Ltd

Service Region: Beijing

Established in Sep 1999, Beijing Gehua CATV Network Co., Ltd. is principally engaged in the development, construction, operation, management and maintenance of cable radio and television networks. The Company primarily provides the reception, relay and transmit of radio and television programs, as well as the radio and television network information services.

#### **Property Rights and Control Relationship among Actual Controllers of Gehua CATV Network**



Source: Company Annals

**Development Course of Beijing Gehua CATV Network Co., Ltd**

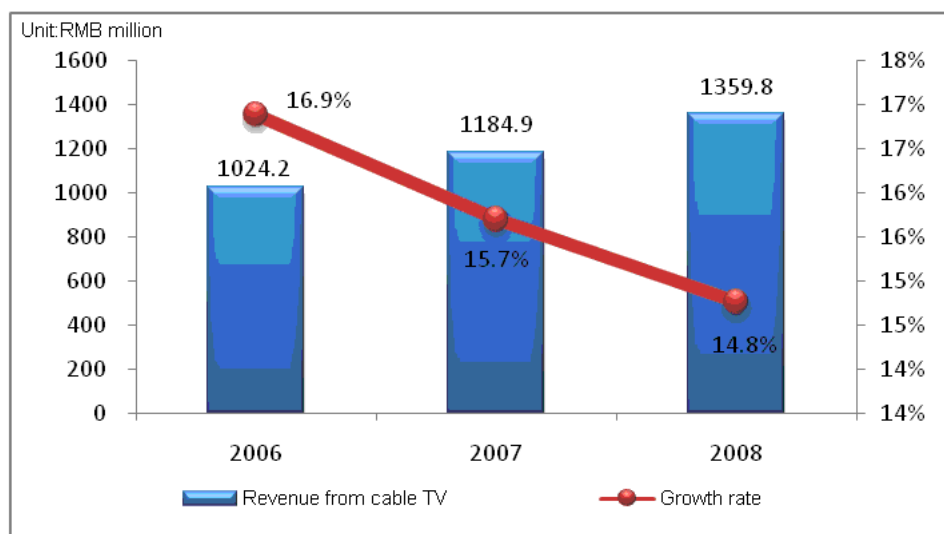
| Date     | Development course  |
|----------|---|
| Feb 2001 | Listed on Shanghai Stock Exchange and collect the assets of CNY1.205 billion for the construction of cable TV network.        |
| Feb 2002 | Accomplish the purchase of the cable TV network in ten districts and realize "one city one network" comprehensively.          |
| May 2004 | Collect the assets of CNY1.25 billion for the implementation and promotion of CADTV project.                                  |
| Sep 2004 | Purchase all the cable network assets of Zhouzhou in Hebei Province.  |
| Mar 2006 | Accomplish the share distribution reform smoothly.  |
| Jun 2006 | Officially start the digital conversion pilot work of CATV.   |
| Jun 2008 | The analog TV users in Beijing achieve 3.65 million families, among which the digital TV users achieve 1.63 million families. |

Source: Company Web

**5.1.2 Operations**

The operating revenue of Gehua CATV in 2008 achieved CNY1.35976 billion, with an increase of CNY174.85 million compared to the same period in 2007 and increased by 14.76%; the total profits achieved CNY330.74 million, with a decrease of CNY38.12 million compared to the same period in 2007 and decreased by 10.34%.

**Operating Revenue of Beijing Gehua CATV Network Co., Ltd 2006-2008**

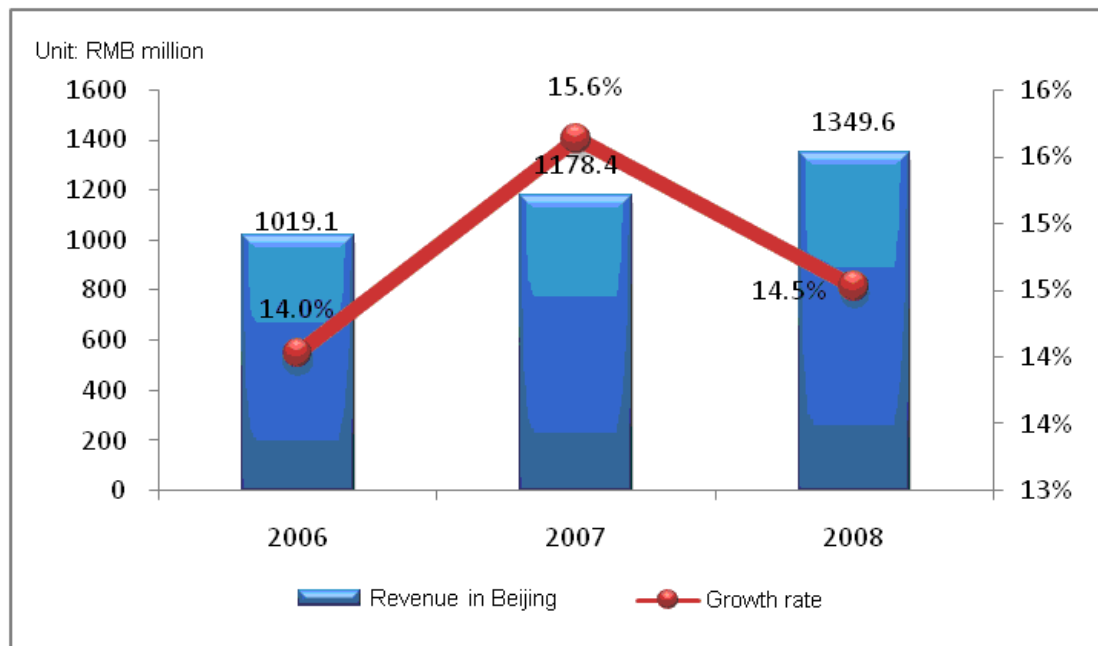


Source: Company Annals

The maintenance fee of Gehua CATV in 2008 achieved CNY783 million (accounting for 58% of the operating revenue) with a YOY increase of 10% and the growth mainly came from the growth of the users; the information service revenue achieved CNY241 million (accounting for 18% of the operating revenue) with a YOY increase of 26%, the personal broadband users in 2008 achieved 84 thousand and growth of the information service mainly came from the group information service (including the electronic eye in Chaoyang District and so on); the channel rebroadcasting fees achieved CNY116 million (accounting for 9% of the operating revenue) with a YOY increase of 11%, mainly from the growth of the channel landing fees.

In 2008, as the main business zone of Gehua CATV, the operating revenue in Beijing accounted for 99.3% of the total operating revenue of Gehua CATV.

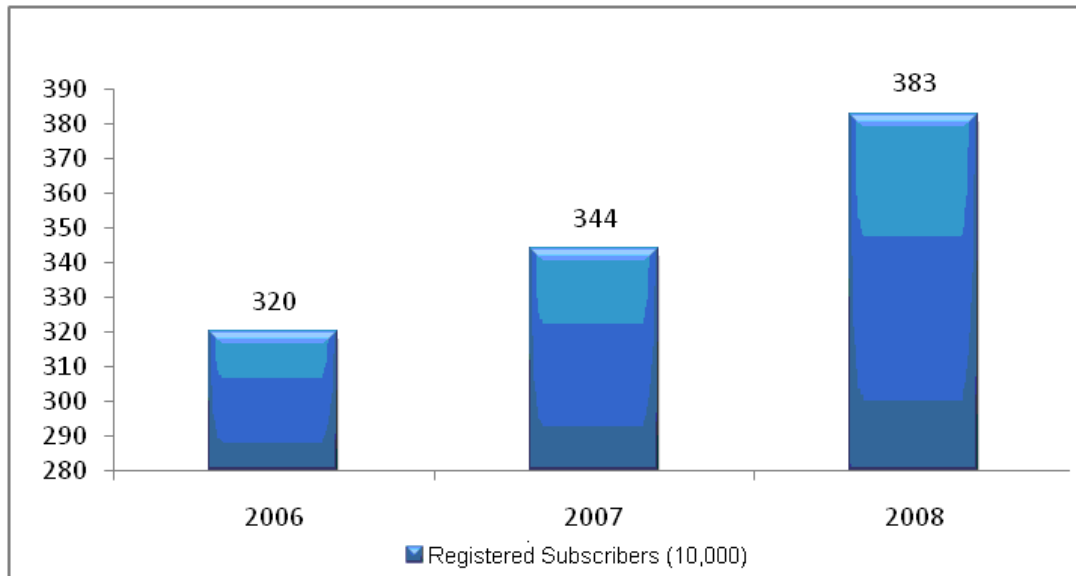
**Operating Revenue of Beijing Gehua CATV Network Co., Ltd 2006-2008 in Beijing**



Source: Company Annals

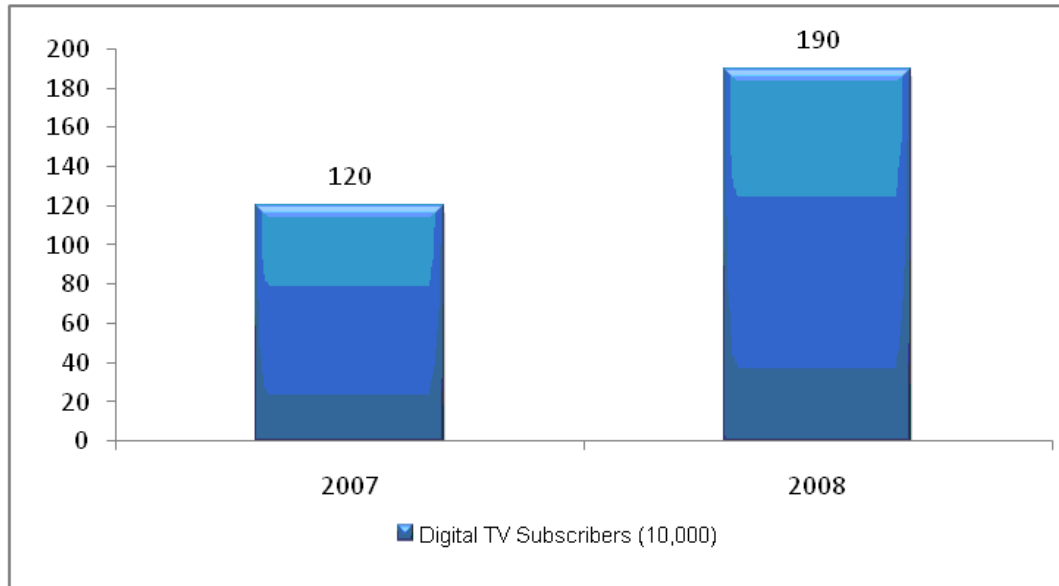
As of December 31, 2008, the Company had approximately 3.83 million registered users, including 1.9 million digital TV users. The Company primarily operates its businesses in Beijing, China.

**Registered Subscribers of Beijing Gehua CATV Network Co., Ltd 2006-2008**



Source: Company Annals

**Digital TV Subscribers of Beijing Gehua CATV Network Co., Ltd 2007-2008**



Source: Company Annals

### **5.1.3 Financial Results**

**(Omitted)**

### **5.1.4 Operating Mode**

**(Omitted)**

### **5.1.5 Prospect**

**(Omitted)**



## → Related Reports

- **Global and China OLED Industry Report, 2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5759.html>*
- **Global and China Electronic Paper Industry Report, 2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5758.html>*
- **Global and China FPTV Industry Report, 2008-2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5658.html>*
- **Global and China Digital STB (Set-top Box) Market Report, 2008**  
*<http://www.researchinchina.com/htmls/Report/2008/5600.html>*
- **China Digital TV Transmitter Market Report, 2008**  
*<http://www.researchinchina.com/htmls/Report/2009/5641.html>*
- **Global and China Consumer Electronics Cases and Structure Industry Report, 2008-2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5675.html>*
- **China Mini Projector Market Report, 2008-2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5670.html>*
- **Global and China Netbook Industry Report, 2008-2009**  
*<http://www.researchinchina.com/htmls/Report/2009/5652.html>*
- **China PMP Industry and Market Report, 2007-2008**  
*<http://www.researchinchina.com/htmls/Report/2008/5373.html>*
- **China TV Shopping Market Report, 2007-2008**  
*<http://www.researchinchina.com/Htmls/Report/2008/5598.html>*

### More

*<http://www.researchinchina.com/Htmls/Report/Category69.html>*

### **About ResearchInChina**

ResearchInChina (www.researchinchina.com) is a leading independent provider of China business intelligence. Our research is designed to meet the diverse planning and information needs of businesses, institutions, and professional investors worldwide. Our services are used in a variety of ways, including strategic planning, product and sales forecasting, risk and sensitivity management, and as investment research.

ResearchInChina also offers subscription products for clients, including Market Weekly, Market Monthly and Market Quarterly on various industries. Market Weekly (Monthly and Quarterly) is the important step to understand the investment potential in China market.

We have over 600 clients worldwide, including the largest commercial and investment banks; insurance companies; research institutions; financial services firms; mutual funds; manufacturers; utilities; and industrial and technology clients.

**Address: 1105, Tower B, Cai zhi International Building, Zhongguancun East Road No.18, Haidian District, Beijing, Post:100083**  
**Tel: 0086-10-82600828, 82600893**  
**Fax: 0086-10-82600829**  
**Mail: report@researchinchina.com**

---