

Jiuzhou's Four Points

Alexander Wiese



Is there a satellite company that can be found on top of a subway train station? Yes there is: Jiuzhou in ShenZhen, China. Once you step off of Metro line #1 at the CheGongMiao station, simply proceed to the "D" exit and you will find yourself in the foyer of one of the largest office buildings on Shennan Avenue in the Futian section of ShenZhen; the free trade zone directly across from Hong Kong.

Unfortunately, the employees of Jiuzhou won't be able to enjoy the short walk to the Metro station much longer. "In a few months we will be moving into our own new office building", explains Linda Lee, Marketing Director Assistant from Jiuzhou. Erman Tang, Marketing Director Manager, comments, "We are constantly growing".

In addition to administration, there are also 250 engineers, software developers and programmers. They are all tasked with the development of DVB and IP-TV (DSL only) products as well as a new product line - namely LCD TV's with built-in DVB receivers.

In addition to Jiuzhou's offices in Shen-Zhen, they also have branch offices in Beijing employing 50 DVB-C software specialists and also in Miam Yang where 100 programmers are kept busy. Production facilities are located in ShenZhen. This extensive R&D team is 80% occupied with software and 20% with hardware. Jiuzhou does all of its own design work; only the chipset is obtained from a sub-contractor, as is standard. Technical Director David Liu provides a glimpse: "For HDTV it is the chipsets from ST and ATI; for SD we are using the chips from NEC and Conexant for medium-priced



Marketing Director Assistant Linda Lee in the center surrounded by her colleagues Overseas Sales Manager Huang Wei (right) and Technical Director David Liu (left) in front of a wall display with receivers that are marketed by Jiuzhou under the name DION.

products and those from Cheertek for the lower-priced segment." PayTV operators are a much more critical customer base for Jiuzhou: they purchase receiver equipment in very large numbers. According to David Liu, "We are currently able to deliver boxes for NDS, Irdeto, Viaccess and Conax. Nagravision is coming soon".

Despite the numerous large-quantity

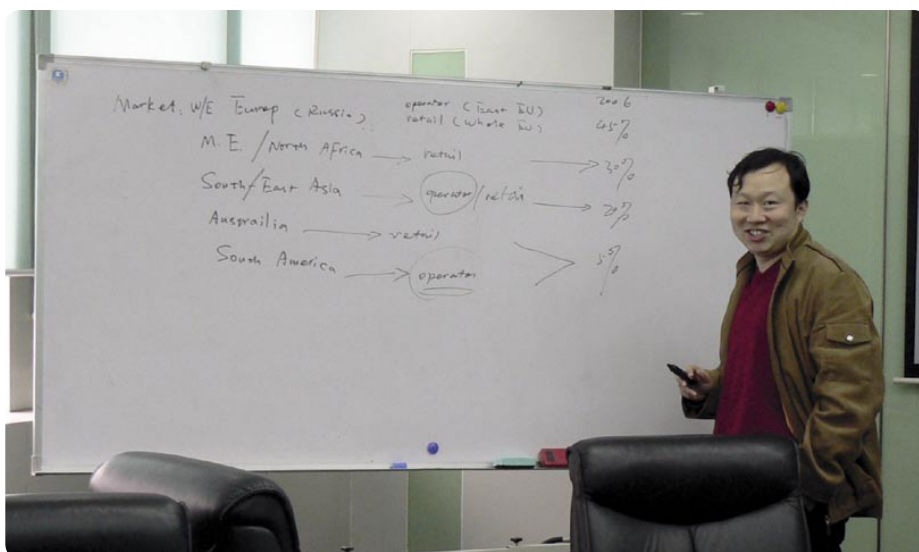
PayTV customers, 70% of their total production is geared towards simple FTA receivers, while 20% of their boxes are CI/CA equipped and 10% come with a PVR. Huang Wei, Overseas Sales Manager, has this to say: "In the year 2005, our exported products accounted for roughly 80% of our total output. In 2006 it was more like 65% while in 2007 we are expecting a 50% export ratio."

What do these numbers really mean? Demand at home in China is growing dramatically! Despite the decline in export percentage, Jiuzhou is expecting an increase in overseas sales for 2007.

Huang Wei is also helping to move things along: "We are planning to participate in many trade shows during 2007", including ANGA Cologne, SCat India, NBA USA, CeBIT Istanbul, CCBN Beijing and CommunicAsia Singapore. In addition there are the twice-yearly super trade shows Canton Fair (15-20 April and 15-20 October) and the nearly parallel running Hong Kong Electronics Show (12-17 April and 12-17 October).

To help facilitate its growth, Jiuzhou has adopted four points as its motto: 1. Best Quality, 2. Quick Decisions, 3. The Customer is Our Partner and 4. Fair Prices. For 2007 Jiuzhou promises a DVB-S2 HDTV receiver by the beginning of the second quarter and an LCD TV with built-in DVB-S2 receiver as well as a DVB-S2 receiver with integrated PVR by the end of 2007.

We can't wait!



Overseas Sales Manager Huang Wei displays the geographical distribution of exports: 45% of Jiuzhou's products go to Europe (including Russia), 30% find their way to the Middle East, 20% to Southeast Asia with the remaining 5% divided between Australia and South America.



The sales team at work. Orders for Jiuzhou products land here and are handled by the employees.



A peek into a cubicle of one of the software developers



There would be no progress without sample units. Prototypes are assembled and tested here.



The actual production: picture shows part of the assembly line for satellite receivers.