

**ABOUT CHUNGHONG**

Established in 1996, Chunghong Holdings Limited is a major service provider of one-stop PCBA and OEM solutions for the electronics industry.



**OUR BUSINESS ACTIVITIES**

We provide PCBA and OEM services on either a turnkey (sourcing of parts and components) or consignment basis (parts and components supplied by our customers).

We do not manufacture any products for sale but undertake for others the contract manufacturing of products using the following assembly lines:

**PCBA**

- Auto Insertion
- Manual Insertion
- Surface Mounting Technology



**OEM**

- End product encasing



In addition to the assembly and manufacturing of OEM products, we plan to expand into the provision of OEM services to develop completed products. An example of a current OEM service provided by our Company is the manufacture of digital photo frames.

**OUR MAJOR CUSTOMERS**

Our major customers are global players in the electronics industry such as:

- Samsung Group
- LG Group
- Logitech
- TPV

**OUR PRODUCT SEGMENTS**

**Computer Peripherals:**

- Monitor - CRT and LCD
- Mouse
- Keyboard
- Computer power supply



**TV and Home Appliances:**

- CRT TV
- Flat panel display TV (LCD/ Plasma)
- DVD player



**Mobile Displays, Devices and Others:**

- Digital camera
- Mobile phone
- Digital photo frame



**OUR PRODUCTION FACILITIES & CAPABILITIES**



Our production facilities are located in the PRC and our products are sold to customers in the PRC, Korea and Taiwan, and Canada.

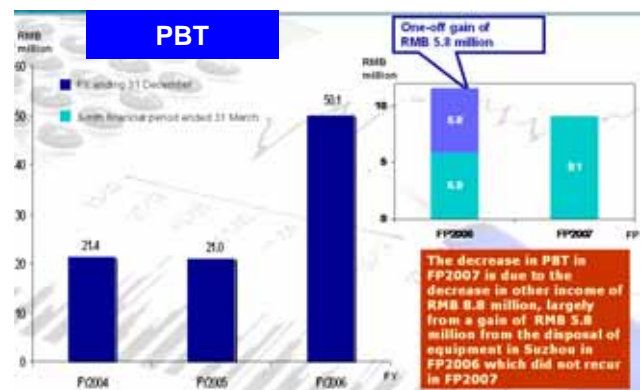
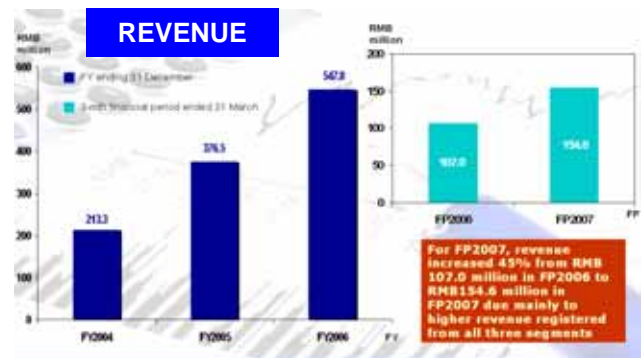
We have a total of six production facilities in the PRC located in Suzhou, Shenyang, Tianjin, Qingdao and Yantai, which are in close proximity to our major customers. To expand our manufacturing capacity, we are in the process of setting up a production facility in Poland by the end of 2007.

**OUR COMPETITIVE STRENGTHS**

- Experienced management team with extensive knowledge and experience to secure new business in the PCBA industry
- Ability to deliver quality services to our customers
- Strong business relationships with major customers who are leading players in the electronics industry
- Strong process engineering capability to provide complete and fully customisable PCBA in-house services within a short time frame
- Wide network of strategically located PCBA and OEM production facilities in close proximity to our customers



**OUR FINANCIAL HIGHLIGHTS**



**OUR GROWTH PROSPECTS**

- Continued trend towards the outsourcing of manufacturing process as OEMs focus on product development, proprietary technology and reduction of manufacturing costs
- Trend of international OEMs relocating manufacturing operations to locations such as the PRC and eastern Europe to take advantage of lower operating costs
- Expected increase in manufacturing volume of LCD products due to increase in functionality, complexity and sophistication of LCD products such as in monitors, TVs, digital photo frames and instant messenger players



**OUR FUTURE PLANS**

- Expand our production capacity with acquisition of new PCBA equipment and more advanced SMT equipment
- Widen our market reach through our investment in Poland for the provision of PCBA and OEM services
- Focus on developing LCD related products
- Further enhance our technical capabilities for process engineering to differentiate us from our competitors
- Provision of services in relation to other products, which may not be one of our main products, such as the digital photo frame, for customers who are industry leaders with large orders





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**CHUNGHONG**

## **CHUNGHONG HOLDINGS LIMITED**

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### **SUMMARY**

- A major service provider of one-stop PCBA and OEM solutions for the electronics industry
- Established track record with major customers who are leading players in the electronics industry such as the Samsung Group, the LG Group, TPV and Logitech
- Expansion into the provision of OEM services to develop completed products such as the digital photo frame
- Strong network of six production facilities in the PRC and currently in the process of setting up a production facility in Poland which will be completed by the end of 2007 to take advantage of international OEMs relocating manufacturing operations to PRC and eastern Europe
- Well positioned to capitalise on the continuing trend to outsource the manufacturing process and the expected increase in manufacturing volume of products such as LCD TV panels that are required in LCD TVs