Valuetronics Holdings Limited

A pictorial tour of our Daya Bay facility

- **In early 2006, we acquired the land use rights to a 110,200 sqm land parcel in the Daya Bay Technology District, Huizhou City, Guangdong Province, the PRC**
- **The Daya Bay facility is a mere 15 minutes drive from our existing Danshui facility**
- **The construction of Phase 1 comprised the factory building, 2 workers' dormitory & workers' recreation block**
- **Phase 1 of the construction for the 35,000 sqm factory building began in February 2007 till March 2008. Internal renovation was completed by June 2008**

Valuetronics' Daya Bay Plant (Phase 1 completed)

- **Systematic project transfers of major customers to the Daya Bay facility commenced in July 2008**

- **Relocation of back office functions (including General Management, Finance, IT support centre, Design & Development centre and Reliability Laboratory) was completed in January 2009**

- **70% of the Group's total production capacity is now located to the Daya Bay facility**
- **50% of the existing leased Danshui facility will be released back to the landlord**
- **The Daya Bay facility was officially opened on 26 February 2009**

Phase 1 Production Area

In the SMT operation area , we have 3 fully automated SMT lines (from automated PCB loader, solder screen printer, Fuji SMT machines, reflow oven to automated optical inspection).

To minimise the risk of contamination during the SMT assembly process, visitors and customers can view the SMT process from the viewing gallery.

An operator at the Ball Grid Array (BGA) X-ray inspection machine. A BGA is a type of surface-mount packaging used for integrated circuits.

The In-Circuit Test (ICT) is conducted to verify the circuit connectivity of the Printed Circuit Board assembly (PCBA) .

Operators using the wire bonding machine inside a Class 100k clean-room. This is part of the Chip On Board (COB) process where the machines bond the ICs onto the PCB with aluminum wires.

Close-up of the operator conducting the functionality test for electrical functionality before the PCBAs are moved to the next stage of processing.

This is the PTH assembly lines where production operators manually insert components onto precise locations on the plated through-holes of the PCB.

The PCBs undergo (Lead-free) wave soldering process where molten solder filled up the plated through holes, creating solder fillet between the component leads and the PCB. The PCBs are then subjected to a visual inspection followed by electrical functional test.

The box-build assembly is where operators assemble completed PCBAs and other mechanical components such as plastic housing and metal parts into the finished product.

The finished product is then inspected visually and tested for its functionality.

Testing of functionality of finished transaction printers.

Box-build assembly of baby monitors by operators.

We offer vertically integrated manufacturing services. This includes metal machining, plastic injection, PCBA and box-build.

This picture shows our operator handling the CNC machine centre inside our machining shop.

Operators assembling the plastic injection moulds which are used to in the injection molding machines.

Operator handling the wire electrical discharge machine, which can be used to cut metal plates that are as thick as 200mm.

Operator handling the electrical discharge machine, which is used to cut small or odd-shaped angles on hard metals.

Our in-house plastic injection capabilities enable us to produce components and casings for a wide range of products.

Each plastic injection machine is fitted with a robotic arm, which enhances safety and efficiency.

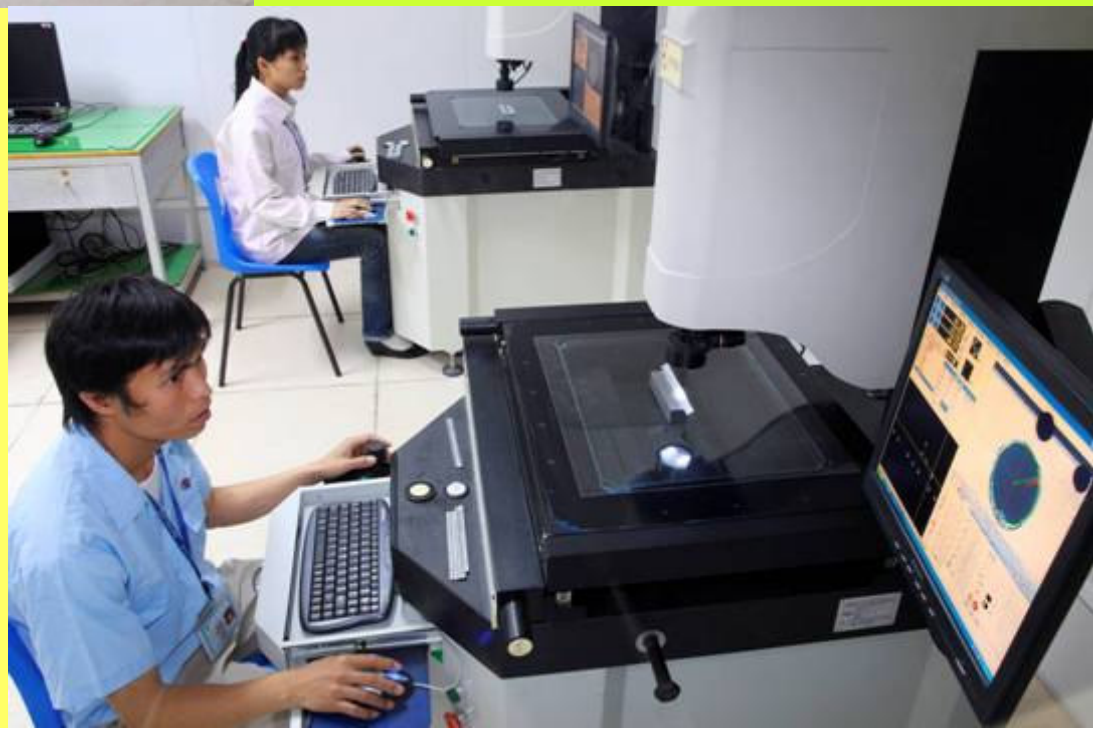
Plastic components and casings produced are then sent for spray painting.

We work closely with our customers in their Design & Development process.

Product development begins with engineers using computer-aided drafting software to design products.

A team of software and mechanical design engineers supports our overall ODM capabilities.

Engineers taking precise 3-D measurements of a product design before it is sent for rapid prototyping.



Product prototypes for customers can be made in a fraction of the time using the Rapid Prototype Machine.

Our customers are brand owners of some of the world-leading brands, where quality assurance of the products we manufacture are maintained at the highest standards.

Components used in our products are checked to ensure ROHS compliance.

Subjecting the products in temperature and humidity environmental conditions in the Reliability laboratory

Products undergo extreme temperature swing (- 40 to 150 degrees) in the thermal shock chamber.

Dear Shareholders,

The new Daya Bay facility puts us in good stead to better manage our production activities. We are able to achieve more effective shop floor supervision and better integration and communication within the production engineering teams in our new facility. It also helps to enhance our internal controls and efficiency and enables us to maximise the utilisation of our operating resources.

With this note, this brings us to the end of our pictorial tour.

We hope you have enjoyed it.

Yours sincerely,

Ricky Tse Chong Hing
Chairman and Managing Director

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