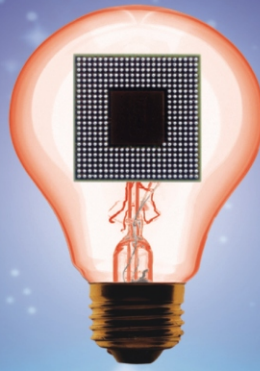


Finally, a new idea in
electronics supply chain
management in China!



New Approach to Managing the Electronics Supply Chain in China

SinoHub at a Glance

(As of Aug 14, 2009)

- **Headquarters:**
Shenzhen, PRC
- **Founded:**
2000
- **NYSE Amex:**
SIHI
- **Market Cap:**
\$100 million
- **Revenues (TTM)**
2.5X vs. Year-ago:
\$104 million
- **Net Income (TTM)**
3.5X vs. Year-ago:
\$12 million
- **EPS (TTM):**
\$0.51
- **Working Capital:**
\$27 million
- **ROE:**
41.8%

For more information about
SinoHub, please visit our website
at www.sinohub.com

Electronics Supply Chain in China

After 20 years of supply chain management (SCM) status quo in China following the electronics industry business model that was invented in the US 40 years ago (before the Internet), something new is evolving. SinoHub has invented a new business model for electronics SCM in China and has created a platform that makes the entire supply chain transparent for all industry participants. The many benefits of SinoHub's platform for suppliers, manufacturers, design houses and integrators include increased speed, efficiency and cost savings. Simply put, by revitalizing China's electronics supply chain management industry, SinoHub is positioned to take a dominant position in China, the biggest and fastest growing electronics product producer in the world.

Unique New Business Model

SinoHub has disrupted the status quo by delivering a new model that provides a one-stop-shop solution which enables manufacturers and suppliers to optimize their supply chains. This business model creates a unique position for SinoHub in the value chain of the electronics industry. From this position many new opportunities have arisen, such as components sales and mobile phone motherboard production, that are mutually reinforcing with the company's SCM services. The visibility SinoHub has into electronic component pricing and availability give the company a big

advantage in its electronic component sales business lines.

SinoHub focuses exclusively on electronics. The fact that our online system, SinoHub SCM, was built specifically to handle electronics means that our customers have exactly the information they need, and only what they need, 24x7 to manage their businesses more efficiently. See what is being said about us below for an example of the benefits our customers receive from using our platform.

China Centric

China produced nearly US\$400 billion of electronic products in 2008 and in the process consumed approximately US\$117 billion of electronic components, according to Reed Elsevier and Global Sources.

According to the China Market Intelligence Center (CMIC), China is responsible for half of the worldwide mobile phone manufacturing capacity, which resulted in production of 527 million units in 2008. The Market Intelligence & Consulting Institute (MIC) said in a report in early 2009 that in the second quarter of 2009 the industry expected to see slight growth. Overall it appears that China's production of mobile phones will be flat to up slightly in 2009 and sales of non-branded mobile phones like the ones SinoHub's customers produce will account for one third of the total market. This represents a big shift in the second-tier market where price and functionality have replaced brand as the primary market driver. Large local manufacturers of mobile phones, which are sold into the second-tier market, are starting to

outsource procurement and SCM functions to reduce overhead and time to market.

According to the China Internet Network Information Center (CINIC), the number of Internet users in China jumped nearly 42% to 298 million by the end of 2008 from the previous year. Internet usage is now the backbone of business in China and is driving rapid growth in the network equipment sector. In 2009 and 2010, the build out of the 3G communication network in China will provide a big bonus for network equipment manufacturers and mobile phone producers alike.

Our focus on China has yielded a huge benefit for our customers in the area of customs clearance. SinoHub has been granted Client Coordinator Enterprise status at the main border crossing between Hong Kong and China (Huanggang) for electronic component imports and electronic product exports. This means that SinoHub can import components and export products much more quickly than other import/export agents using the "green lane", by inputting all of our documentation online instead of having to wait on line with paper in hand. We also have 14 days to pay the tax bureau for the VAT which we advance to customers and collect from them in 1 to 5 days. Additionally, in early 2009, SinoHub was awarded AA High Credit Enterprise status throughout China which allows us to have a dedicated official at every major border crossing who helps resolve issues for enterprises like SinoHub, who have been granted this important status.

SinoHub SCM™

SinoHub SCM is a proprietary, online software system built specifically by SinoHub software engineers to manage every aspect of the electronics supply chain in China. It enables suppliers and manufacturers to manage their supply chains with ultimate flexibility and provides up-to-date information on all of

their orders and open bills of material. SinoHub SCM is the core of the SinoHub platform and delivers tremendous value to our customers.

SinoHub's Platform will Become the Industry Standard

SinoHub's platform consists of our online MIS system (SinoHub SCM), our physical infrastructure (warehouses in Hong Kong, Shenzhen, Shanghai Wai Gao Qiao, Shanghai Pudong and Hangzhou) as well as more than 140 dedicated, electronics-savvy professionals. In fact, only SinoHub has an online system that is open to third parties, combined with the ability to provide procurement-fulfillment and end-to-end, integrated SCM services to make our customers' supply chains as efficient as possible. As we grow our business, and more manufacturers in a given industry niche begin using the SinoHub platform, we expect that other industry participants will also switch to SinoHub to remain competitive.

Financial Results

Audited. US\$ millions except EPS

	2007	2008
Revenue	\$28.8	\$79.5
Gross profit	\$6.7	\$16.2
Net income	\$3.5	\$8.5
EPS – basic	\$0.22	\$0.41
Shares (millions)	15.8	20.9
EPS – diluted	\$0.22	\$0.40
Shares (millions)	15.9	21.5

SinoHub believes it can increase top line revenue by 50% organically in 2009. The main reason for this assumption is that we are still only a small percentage of the markets we serve and have a lot of room for additional growth. Also, our customers only sell "have-to-have"

products, and 90% of the products they sell are sold into the local Chinese market, which recorded 6.9% growth in the second quarter of 2009.

For the six months ended June 30, 2009 SinoHub reported revenue of \$49.5 million, net income of \$5.2 million and fully diluted EPS of \$0.21. At 6/30/2009, we had \$5.0 million of unrestricted cash and \$2.7 million of restricted cash, accounts receivables stood at \$30.5 million and accounts payables were \$5.5 million, bank borrowings of \$7.0 million. Shareholders' equity was \$28.8 million and trailing twelve months net income was \$12.0 million yielding a return on equity of 41.8%.

What They are Saying About Us



Before moving to SinoHub's SCM platform, we had a lot of inventory because we had no way to balance electronic components between projects. The SinoHub SCM online system lets us move common parts between projects reducing time to complete fulfillment for projects and saving us a lot of money in inventory costs. What's more, SinoHub SCM makes our entire supply chain transparent so that we can see exactly where we stand with parts staging and speed up project completion, which has helped us reduce the time our production cycle takes by 33%.



Jiang Qin Lin, Purchasing Director of Shanghai HuaQin Telecom Technology Company, Ltd.

SinoHub, Inc.

6/F, Bldg 51, Rd 5, Blvd
Qiongyu, Technology Park,
Nanshan District Shenzhen, PR
China 518057
+86-755-2661-2106

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