



(NASDAQ : SGOC)



Corporate Overview

Capital Market

- NASDAQ: SGOC; Listed in December 2010
- Approximately 17.4mil shares outstanding as of Mar 31, 2014

Background

- Founded in 2005
- Headquartered in Hong Kong

Main Operations

- In-house development and distribution for branded products
- Outsource manufacturing to quality suppliers

Main Products

- LCD/LED monitors
- Portable display products (all-in-one PCs, e-boards, tablet PCs, etc.)
- ASPs targeting industry customers

Primary Market

- Focus on China's rapid-growing Tier 3 and 4 cities
- Sales through regional distributors across 16 provinces in China

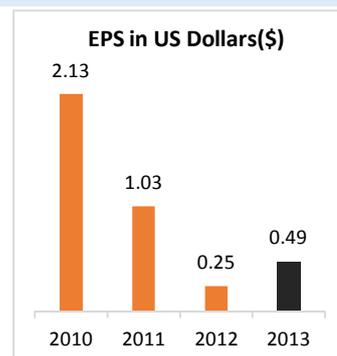
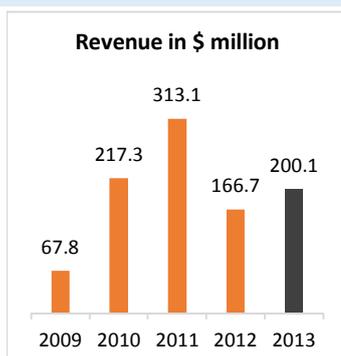
Investment Highlights

Financial results of fiscal year 2013:

- Revenue of \$ 201.0 mil (20.6% YoY growth)
- Gross profit of \$ 15.9 mil (27.6% YoY growth)
- Gross margin 7.9%
- Net income of \$ 8.4 mil (100.4% YoY growth)
- Net income margin of 4.2%
- Basic & Diluted EPS of \$0.49

Balance Sheet as of December 31, 2013:

- Cash position of \$ 13.5 mil
- Working capital of \$ 87.6 mil



Operation Highlights

Business Strategy

- Upward transitioning in value chain to improve margin

- Transition from "heavy asset" business model to "light asset" business since November 2011
- Focus shift from manufacturing to brand development & distribution channel expansion

• Brand development for higher-margin products

- Focus on developing own-branded products and application-specific-products with higher margin

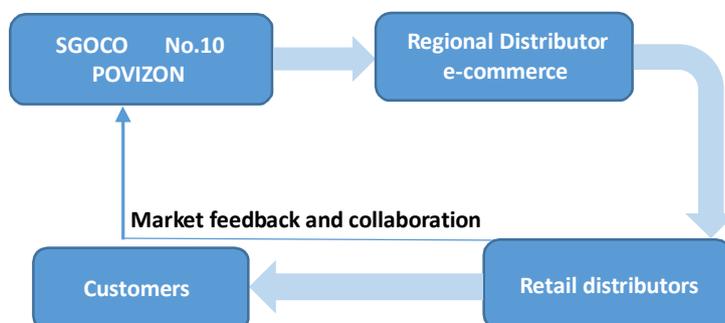
• Distribution channel expansion in fast-growing cities

- Focusing on China's Tier 3 and 4 cities

• Strong management and board with overseas and local experience

- Tin Man Or (Chairman), David Xu (CEO), Johnson Lau (CFO), Tony Zhong (VP of Finance), Shi-bin Xie (VP of Sales) and Jin-Feng Li (VP of Product Development) etc

SGOCO sales



SGOCO products

LCD/LED Monitors

- Core of SGOCO's product
- Mainly distributed through SGOCO controlled and licensed brands



LED



3D TV



LCD



LED/LCD TV



Touch-screen Monitor

Other display products



All-in-one PCs



Tablet PC



Part-in-one PCs

Application-Specific Products (ASPs)

- Under development
- Focus on institutional sales



Advertising LCD



CCTV Monitor



Touch Screen



E-board



Extensive channel network:

- Regional sales coverage by SGOCO includes 16 of 34 provinces
- Continue to expand in the traditional distribution network and optimize Cross-channel synergies
- Look into emerging channels such as e-commerce to capture the shift of consumer behaviors in the market
- Strong presence in rural display market. Low-tier cities comprise 87% of China's population and 64% of retail sales
- Identified high growth industries, such as budget hotel chains - provide them with tailored display products for their boutique size

Brands Strategy

- Offering brand products with rich feature sets at competitive prices
- Targeting China's rapidly developing Tier 3 and Tier 4 cities
- Increase overall brand awareness for SGOCO and clients to capture additional market share
- Own-branded products represented 69.2% of sales for fiscal year 2013



Growth Opportunities

Urbanization:

- Urbanization rate is 53.7% in 2013 and is expected to reach 65% by 2025
- 390 mil people will move to urban areas by 2030

Middle Class potential:

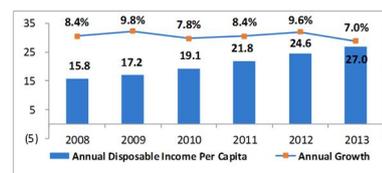
- About 55 mil Chinese households in 2010 had middle-class standards of living
- It is estimated to reach 280 mil by 2025

Increasing market demand:

- Chinese internet penetration is only 45.8% compared to more than 70% in mature markets
- Internet population has reached 618 mil in 2013 and is estimated to reach 750 to 800 mil by 2015. Mobile internet users up 19% yoy to 500 mil in 2013

Growing urban consumption and income:

- In 2013, disposable income per capita of urban household grew 7%
- China's share of global consumption is predicted to rise to 23.1% in 2020 and become the largest consumer market



Disposable Income of Urban Households 2008 - 2013

Investor Relations Contact:

Kathy Ko
 SGOCO Group, Ltd.
 Direct Line: +852 2501 0128
 Email: ir@sgoco.com

This file contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements are made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical fact, including, without limitation, those with respect to the objectives, plans and strategies of the Company set forth herein and those preceded by or that include the words "believe," "expect," "anticipate," "future," "will," "intend," "plan," "estimate" or similar expressions, are "forward-looking statements". Forward-looking statements in this release include, without limitation, the effectiveness of the Company's multiple-brand, multiple channel strategy and the transitioning of its product development and sales focus and to a "light-asset" model. Although the Company's management believes that such forward-looking statements are reasonable, it cannot guarantee that such expectations are, or will be, correct. These forward-looking statements involve a number of risks and uncertainties, which could cause the Company's future results to differ materially from those anticipated. These forward-looking statements can change as a result of many possible events or factors not all of which are known to the Company, which may include, without limitation, requirements or changes adversely affecting the LCD and LED market in China; fluctuations in customer demand for LCD and LED products generally; our success in promoting our brand of LCD and LED products in China and elsewhere; our ability to have effective internal control over financial reporting; our success in designing and distributing products under brands licensed from others; management of sales trend and client mix; possibility of securing loans and other financing without efficient fixed assets as collaterals; changes in government policy in China; the fluctuations and competition in sales and sale prices of LCD and LED products in China; China's overall economic conditions and local market economic conditions; our ability to expand through strategic acquisitions and establishment of new locations; compliance with government regulations; legislation or regulatory environments; geopolitical events, and other events and/or risks outlined in SGOCO's filings with the U.S. Securities and Exchange Commission, including its annual report on Form 20-F and other filings. All information provided in this press release and in the attachments is as of the date of the issuance, and SGOCO does not undertake any obligation to update any forward-looking statement, except as required under applicable law.