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Cambridge Industries Group (CIG)

Providing high-quality R&D and collaborative manufacturing services for the world's biggest telecom equipment vendors and operators

China's economy rebounded strongly from the Covid-19 pandemic after bucking the global trend throughout 2020-2022, posting a 3% economic growth rate last year, according to the International Monetary Fund (IMF). The IMF now predicts that China's GDP will grow by 5.2% this year, exceeding the government's 5% target, as the country reconnects with the world - welcome news as it accounts for almost a fifth of the global GDP. To put that into perspective, China's largest province, Guangdong, has a higher nominal GDP than Canada, while the Yangtze River Delta, which encompasses Shanghai, has a GDP approximately the size of Germany's, according to the International Trade Administration (ITA).

China has been the world's largest manufacturing hub and a leading R&D powerhouse for more than a decade. China accounted for 30% of the global manufacturing output in 2021, according to government data, and was the second largest R&D spender in 2022 at USD 551.1 billion, contributing to an 18.2% year-over-year rise in high-tech manufacturing output. China's manufacturing industry is in full swing, with its Purchasing Managers' Index (PMI) rising to 52.6 in March - the highest reading in over a decade - from 50.1 in January this year. Looking ahead, China's 14th Five Year Plan (CY2021-2025) continues to supercharge its 'indigenous innovation' system for economic growth across ten key sectors, including robotics and advanced information technology, and promote advanced manufacturing technologies.

Founded in 2005, CIG is an internationally leading ODM, JDM, and OEM vendor for wired access, wireless access, carrier Ethernet, home networking, and optical transceivers for worldwide markets. CIG provides high-quality, end-to-end customer-integrated R&D and collaborative manufacturing services to its global customers.

CIG initially focused on mainly providing R&D services before branching out into manufacturing, starting with the high-volume production of carrier-grade home networking products and solutions. In 2014, CIG relocated its manufacturing site to a 300,000 square feet state-of-the-art facility, which has become a best-in-class manufacturing facility, mixing automation robotics and lean manufacturing techniques with advanced information systems towards a 'dark factory.' In 2016, CIG expanded from the home broadband access market to the wireless market, followed in 2019 by its diversification into the data center and optical transceiver markets - CIG currently offers a wide range of optical transceivers for PON ONT, data center, and telecom applications. "We focus on telecom, data, home access units, broadband, and



Gerald G. Wong
Chairman & CEO

Wi-Fi. Whilst companies produce the main components, we lead the way in manufacturing peripheral products for global network providers. We don't compete with these companies; we work together with them," says CIG's chairman and CEO, Gerald G. Wong, who earned degrees from MIT in the 1980s.

Today, CIG's extensive R&D competencies for industrial and hardware design and software development are met with an ever-expanding large-scale manufacturing, resulting in a market cap of CNY 17 billion (USD 2.5 billion). The company's monthly production capacity stands at 3 million units, and it has recently announced plans to build a manufacturing and logistics facility in the China-Singapore Jiashan Industrial Park near Shanghai. "We're prudent with our growth. Our strategy is to grow from our core and then gradually to our peripherals,

slowly expanding our horizon. We plan to diversify the business with more products, staying within our current scope," says Wong. Every five to seven years, CIG aims for a major acquisition, which Wong believes is integral to moving the company in the right direction and opening new business verticals.

CIG currently exports over 85% of its products - the majority of which goes to the USA and Europe and Southeast Asia - a uniquely high number set to increase further as China continues incentivizing exports. The company has multiple subsidiaries in the US, Japan, Germany, and Malaysia, having established an R&D and operation support center in Silicon Valley in 2006, Japan in 2018, and Malaysia manufacturing center in 2022. CIG is open to strategic partnerships, including joint ventures, with companies designing and manufacturing new products. Future partners can be confident in CIG's exceptional track record - particularly in JDM partnerships - which spans US data centers, international industry giants, and hundreds of suppliers and major telecom operators. "We look for growth potential across a range of sectors, and we're always open to new opportunities," says Wong.

CIG listed on the Shanghai Stock Exchange in 2017 and has registered continuous growth since its inception, illustrated most recently by the astronomical 4.5 times rise in its share price between January-May this year. Such a feat reflects the caliber of high-growth businesses currently operating in Shanghai, a city Wong credits for much of the company's success as its R&D hub and core manufacturing location. "Shanghai is an international city, and the local government is extremely proactive and supportive of entrepreneurs because the relationship is mutually beneficial. One of their main concerns is to promote and support businesses," he says, adding, "People are also key here - the talent pool is excellent, and there's a strong base of hard-working young people coming to Shanghai."

