

2018 Investor Conference

Date: 27 June 2018

Presented by: Associated Industries China, Inc.

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Agenda



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What we are doing?

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What we are planning?

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AG Neovo Way

Financial Information – 2013-2017 Consolidated I/S

In NT thousands	2013	2014	2015	2016	2017
Operating revenue	625,078	684,372	681,116	757,963	744,271
Cost of sales	(462,411)	(480,050)	(529,055)	(554,011)	(530,228)
Gross profit	162,667	204,322	152,061	203,952	214,043
Operating expense	(194,991)	(196,496)	(210,872)	(210,553)	(201,841)
Net operating income(loss)	(32,324)	7,826	(58,811)	(6,601)	12,202
Non-operating income and expense	35,519	(6,384)	2,675	(1,946)	2,315
Profit(loss) before income tax	3,195	1,442	(56,136)	(8,547)	14,517
Income tax expense	(21,279)	(829)	(307)	292	(5,923)
Profit(loss)	(18,084)	613	(56,443)	(8,255)	8,594
EPS (NT Dollar)	(0.35)	0.01	(1.08)	(0.16)	0.16

Financial Information – Consolidated I/S

In NT thousands	1Q 2018		4Q 2017		QoQ	1Q 2017		YoY
	Amount	%	Amount	%	%	Amount	%	%
Operating revenue	183,359	100	207,834	100	(12)	160,858	100	14
Cost of sales	(125,552)	(69)	(145,748)	(70)	(14)	(113,065)	(70)	11
Gross profit	57,807	31	62,086	30	(7)	47,793	30	21
Operating expense	(53,398)	(29)	(50,981)	(25)	5	(47,851)	(30)	12
Net operating income(loss)	4,409	2	11,105	5	(60)	(58)	0	(7,702)
Non-operating income and expense	(720)	0	435	0	(266)	1,253	1	(157)
Profit(loss) before income tax	3,689	2	11,540	6	(68)	1,195	1	209
Income tax expense	(918)	(1)	(4,680)	(2)	(80)	(323)	0	184
Profit(loss)	2,771	1	6,860	3	(60)	872	1	218
EPS (NT Dollar)	0.05		0.13			0.02		

Financial Information – 2013-2017 Consolidated B/S

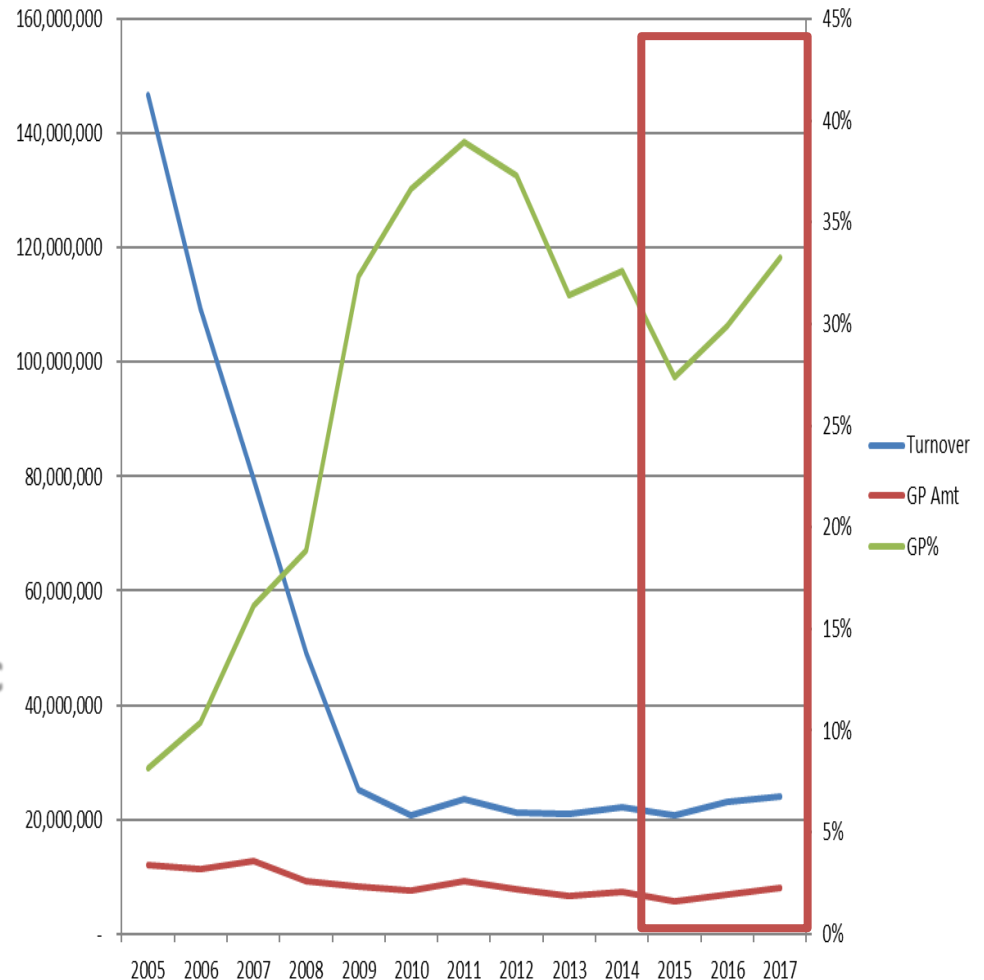
In NT thousands	2013/12/31	2014/12/31	2015/12/31	2016/12/31	2017/12/31
Cash & cash equivalents	487,711	171,885	96,716	94,787	108,369
Accounts receivable	85,831	62,056	81,366	89,378	86,269
Other receivables	407	2,006	937	222	406
Inventories	186,815	211,809	278,384	184,064	210,915
Prepayments	16,068	28,408	10,655	7,238	6,045
Other current assets	2,621	1,154	883	1,167	1,705
Current assets	779,453	477,318	468,941	376,856	413,709
Non-current assets	135,699	379,587	397,324	383,790	378,283
Total Assets	915,152	856,905	866,265	760,646	791,992
Short-term borrowings	0	40,000	173,528	89,729	88,299
Accounts payable	90,299	66,840	63,716	63,762	66,681
Other payables	78,550	53,908	48,309	46,024	61,113
Current provisions	6,214	4,807	7,678	5,024	4,108
Other current liabilities	4,943	3,788	3,222	3,472	4,169
Current liabilities	180,006	169,343	296,453	208,011	224,370
Non-current liabilities	35	945	945	945	945
Total Liabilities	180,041	170,288	297,398	208,956	225,315
Total Equity	735,111	686,617	568,867	551,690	566,677

Financial Information – Consolidated B/S

In NT thousands	2018/03/31		2017/12/31		2017/03/31	
	Amount	%	Amount	%	Amount	%
Cash & cash equivalents	106,285	12	108,369	14	79,146	10
Accounts receivable	92,120	10	86,269	11	76,758	10
Other receivables	461	0	406	0	231	0
Inventories	261,066	29	210,915	27	213,516	28
Prepayments	11,630	2	6,045	1	10,663	2
Other current assets	2,390	0	1,705	0	3,062	0
Current assets	473,952	53	413,709	53	383,376	50
Non-current assets	427,903	47	378,283	47	380,196	50
Total Assets	901,855	100	791,992	100	763,572	100
Short-term borrowings	85,837	10	88,299	11	95,673	13
Accounts payable	130,929	15	66,681	8	77,111	10
Other payables	65,401	7	61,113	7	39,546	5
Current provisions	2,589	0	4,108	1	3,991	1
Other current liabilities	1,664	0	4,169	1	3,214	0
Current liabilities	286,420	32	224,370	28	219,535	29
Non-current liabilities	945	0	945	0	945	0
Total Liabilities	287,365	32	225,315	28	220,480	29
Total Equity	614,490	68	566,677	72	543,092	71

Review (2002~2018/3/31)

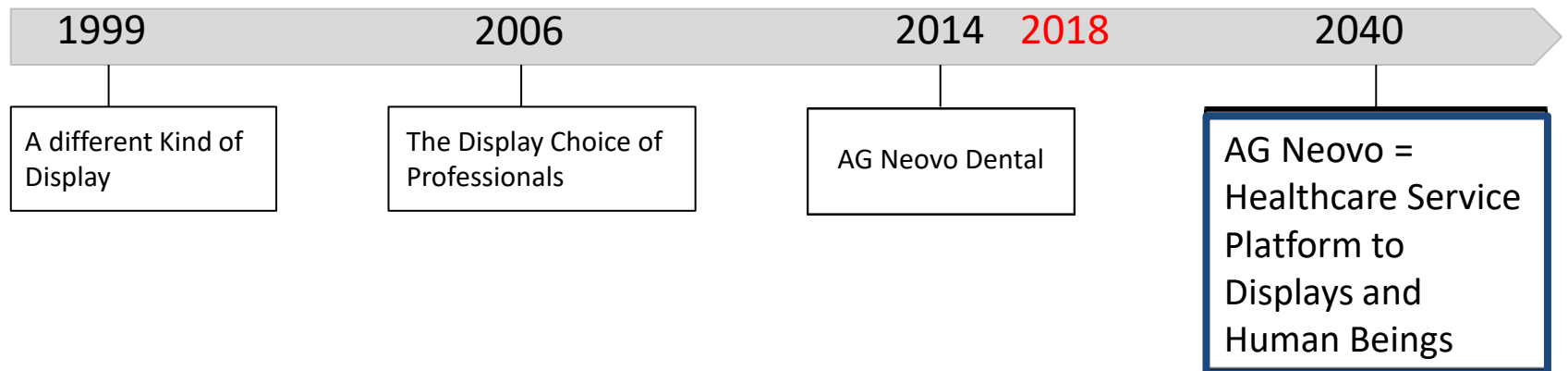
- 3,077,958 Units sold
 1. 244 SKU in Display, 75 SKU in accessory
 2. 84 Countries
 3. 2,051 Customers
 4. Users: 1,200,000 ~ 1,300,000
 5. **Viewers: N/A (Public Environment)**
- USD 770,565,197 in Turnover
- USD 656,344,002 in Procurement



Associated Industries China (Established on 1978.5.18)



子曰：“吾十有五而志於學，三十而立，四十而不惑，五十而知天命，六十而耳順，七十而從心所欲，不踰矩。”

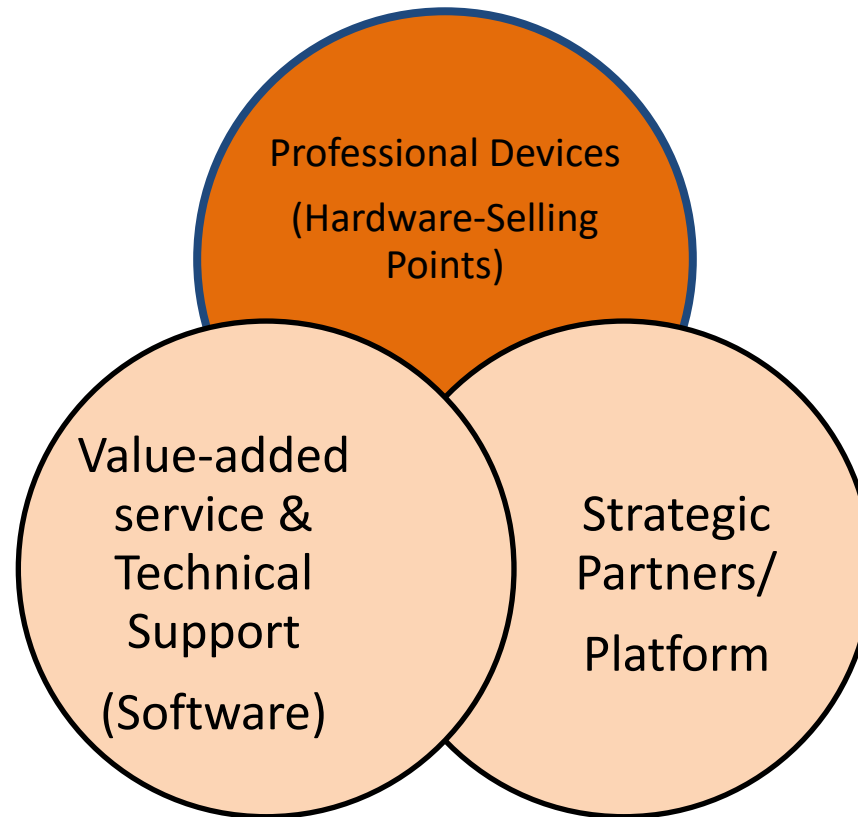


Vision/Mission

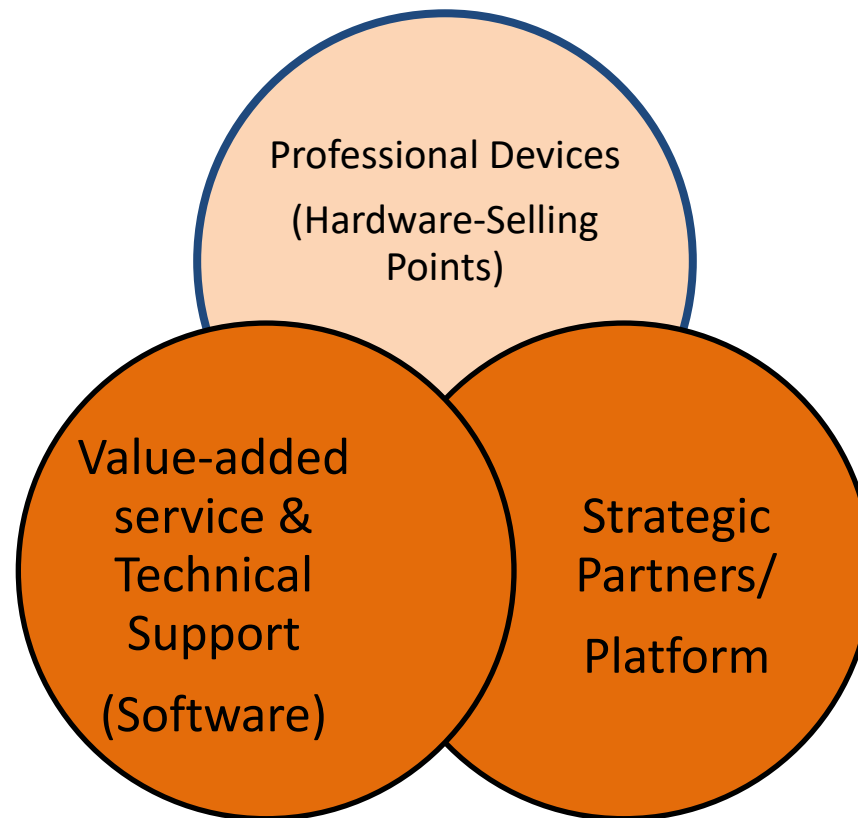
- **Vision:** 成為能充分彰顯AG Neovo價值鏈中所有關係人價值的商業平台. (Business platform which fairly presents all stakeholders at the value chain)
- **Mission:** 建立有效連結前端需求與後端供給的服務平台, 與平台上所有關係人共創並共享利潤. (Effectively and efficiently link all stakeholders at the value chain, which all together generate and share the long-term profitability)

A Platform, A Service Provider

Strategy (Direction) – Before 2018.6



Strategy (Direction) – 2040



Revolution in Products/Service – Object



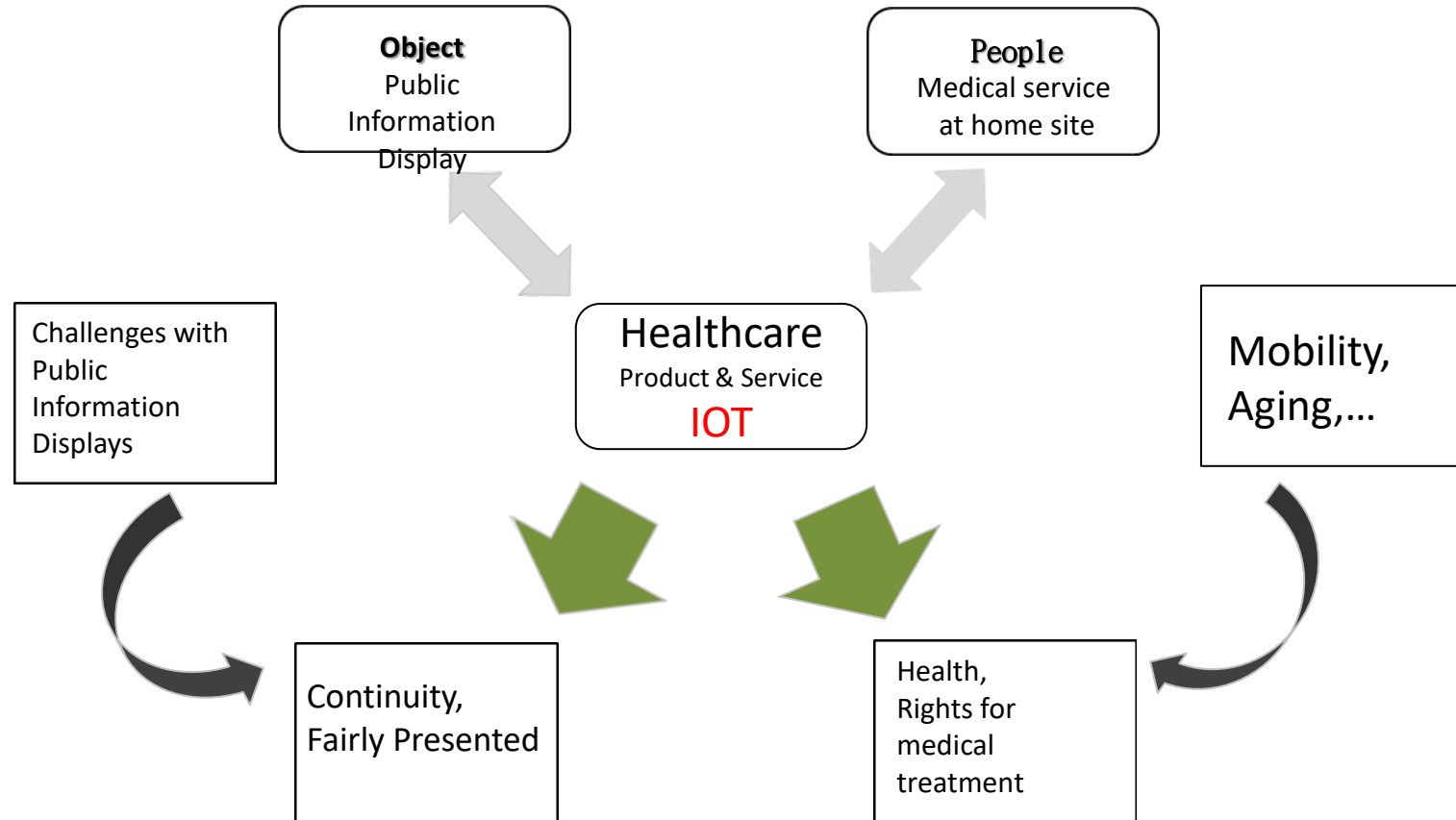
Effectiveness, Efficiency, and Total Cost considerations

AG Neovo PID Control Command Tool



國際線到站航班即時資訊(Arrival Schedule)							14 59
航空公司	班次	起飛地	預定到站	實際到站	狀態		
Airlines	Flight	From	STA	ETA	Status		
華信航空	AE996	杭州 Hang Zhou	13:00	13:00	抵達	Arrived	
HO1316		上海 Shanghai	13:50	13:46	抵達	Arrived	
DRAGONAIR	KA436	香港			抵達	Arrived	
CATHAY PACIFIC	CK6754	香港			抵達	Arrived	
EVA AIR	BR830	澳門 Macau	14:30	14:26	抵達	Arrived	
春秋航空	9C8877	上海 Shanghai	14:30	14:32	抵達	Arrived	
Vietnam Airlines	VN582	胡志明 Ho Chi Minh	14:30	14:30	取消	Cancelled	
CHINA AIRLINES	CI167	關西 Kansai	14:55	14:51	抵達	Arrived	
EVA AIR	BR795	寧波 Ningbo	15:00	15:00	準時	On Time	
EVA AIR	BR107	成田 Narita	15:45	15:30	準時	On Time	
祝您旅途愉快 HAVE A NICE TRIP 歡迎免							

Strategy (Direction)



**We have a Dream!
We desire to change
the world, since we have
Passion, Courage,
and ability to Dream!**

禮運大同篇

矜、寡、孤、獨、廢疾者，皆有所養」

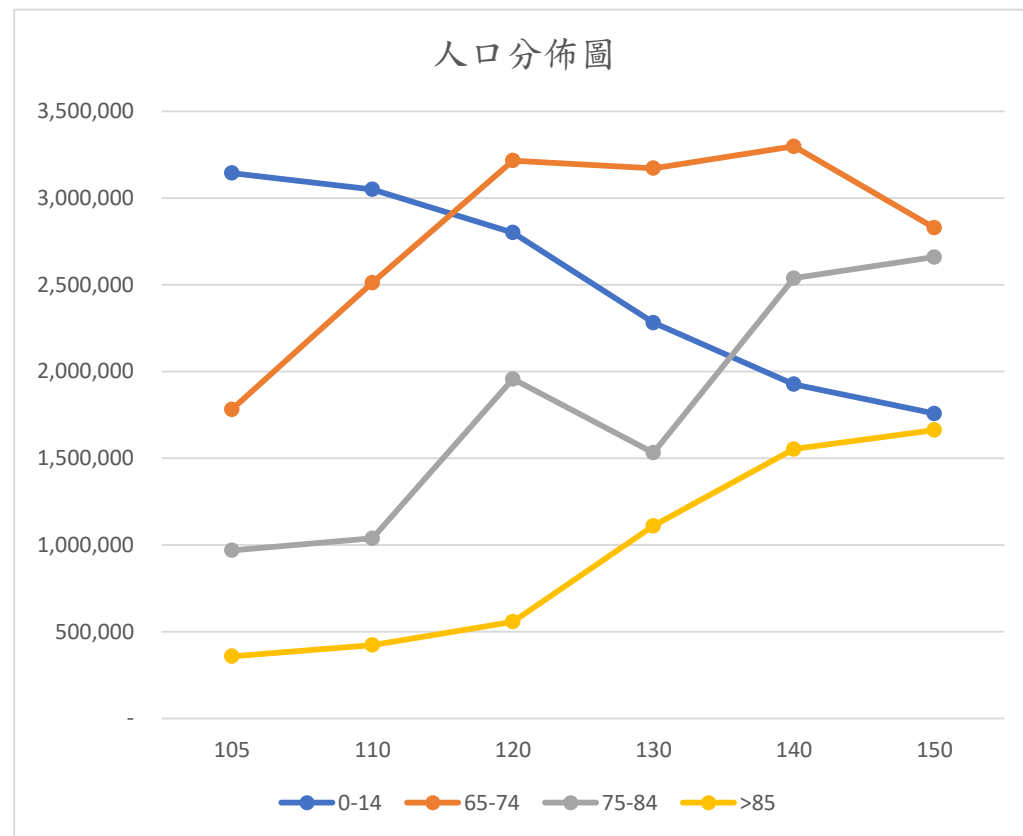
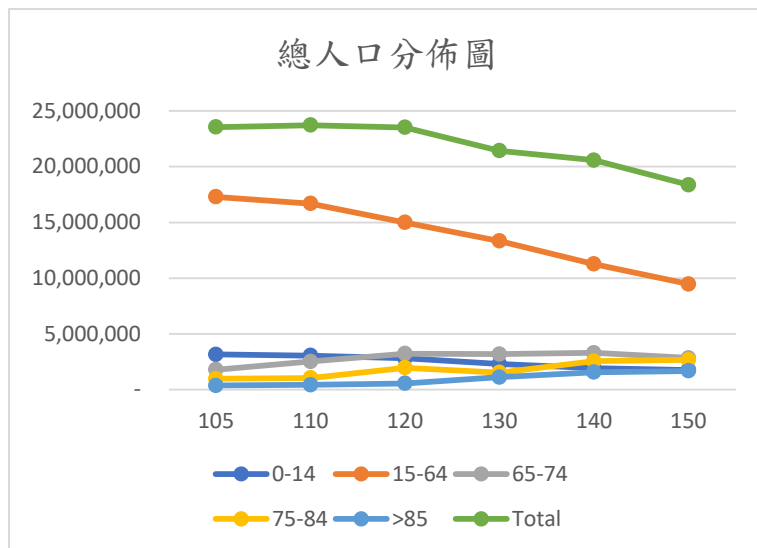
「使老有所終，壯有所用，幼有所長，



Strategy Focus – People



Trend of Population Structure in Taiwan ROC



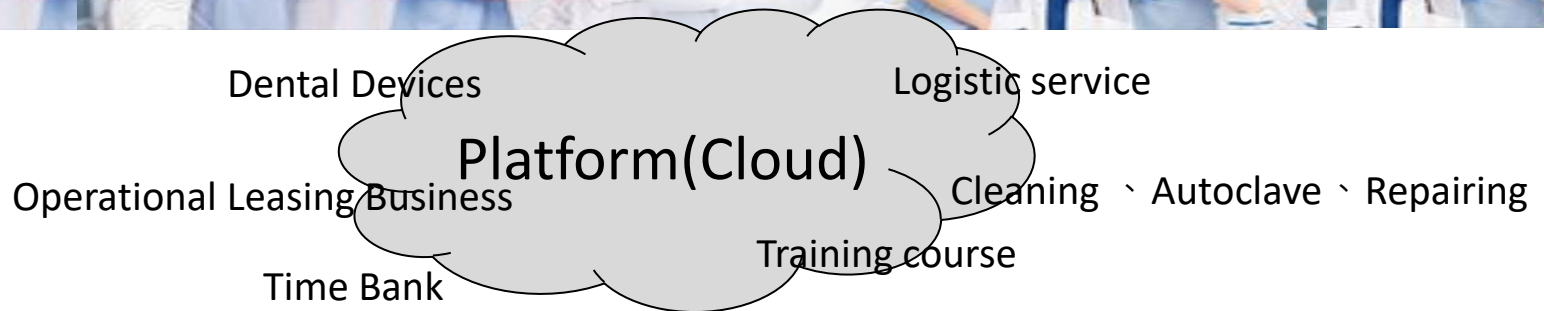
民國	幼年人口	青壯年人口	老年人口				合計
	(0-14歲)	(15-64歲)	65-74歲	75-84歲	85歲以上	小計	
105	13%	73%	8%	4%	2%	13%	100%
110	13%	70%	11%	4%	2%	17%	100%
120	12%	64%	14%	8%	2%	24%	100%
130	11%	62%	15%	7%	5%	27%	100%
140	9%	55%	16%	12%	8%	36%	100%
150	10%	52%	15%	14%	9%	39%	100%

資料來源:國家發展委員會於民國105年8月發行「中華民國人口推估」

Vision - From the perspective of a Social Enterprise (從社會企業的觀點)

Build up a platform to efficiently and effectively provide the oral-health care

From our Dentist members (2,000 Dentists)



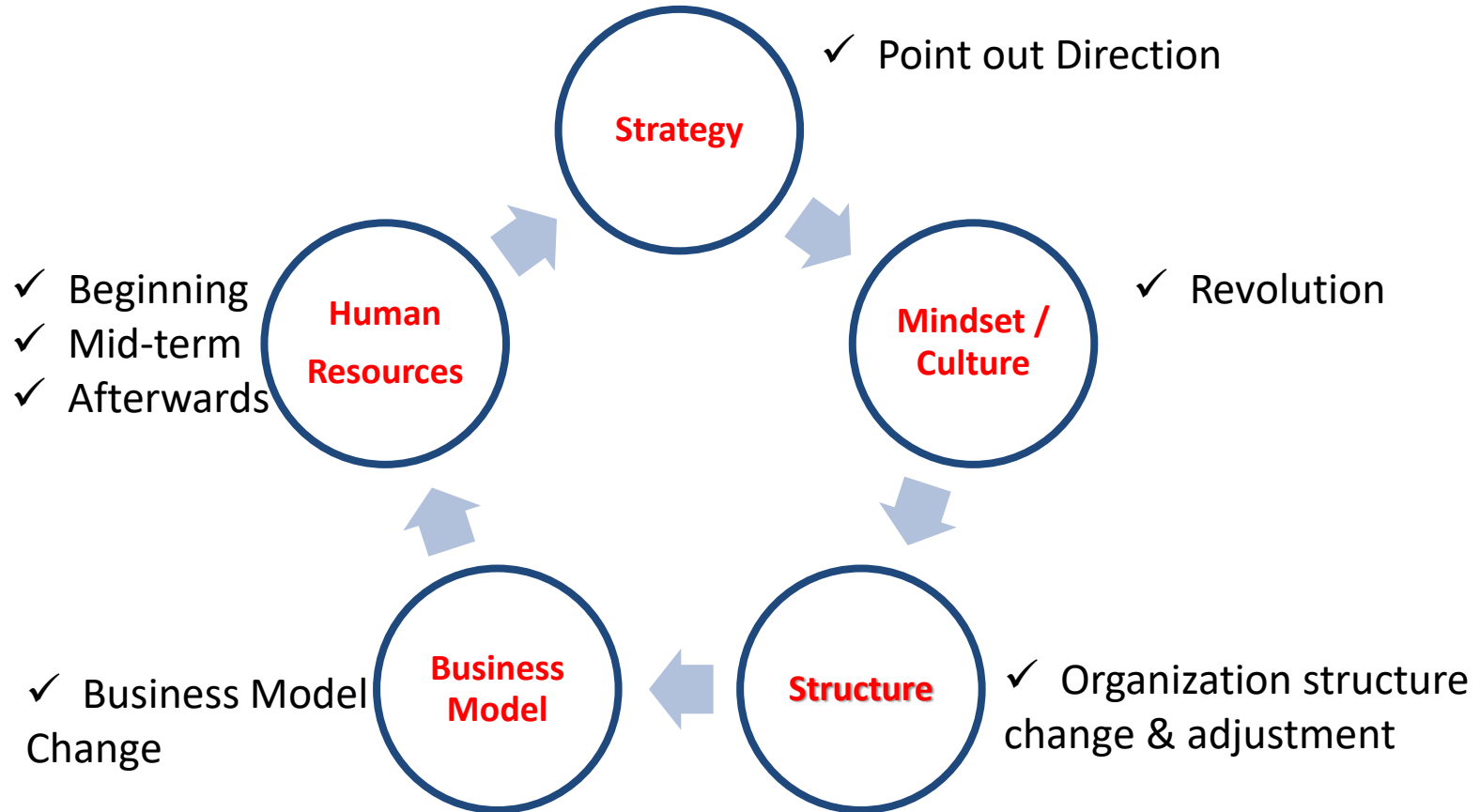
To the people at their residential locations (homes)



Demand – Dental service at home site

民國(年)	全台灣總人口數	五歲以上失能人數總計	%	牙齒總檢查數 (每年2次)	健保給付額	每年所需牙醫數 79人次 / 每月	40人次 / 每月
100	23,000,000	668,933	2.91%	1,337,866	NT\$7,625,836,200	1,411	2,787
104	23,548,000	754,800	3.21%	1,509,600	NT\$8,604,720,000	1,592	3,145
109	23,718,000	863,566	3.64%	1,727,132	NT\$9,844,652,400	1,822	3,598
119	23,530,000	1,174,071	4.99%	2,348,142	NT\$13,384,409,400	2,477	4,892
129	21,422,000	1,600,774	7.47%	3,201,548	NT\$18,248,823,600	3,377	6,670
139	20,578,000	1,908,798	9.28%	3,817,596	NT\$21,760,297,200	4,027	7,953
149	18,373,000	1,966,339	10.70%	3,932,678	NT\$22,416,264,600	4,148	8,193
資料來源：經建會99-149年台灣人口推計					市場/金額越來越大 牙醫師供給足夠嗎		
Note 1: 每年2次							
Note 2: 每次NTD5,700							
Note 3: 每位牙醫師每個月最多不超過80人, 暫不考慮健保給付折扣的限制							

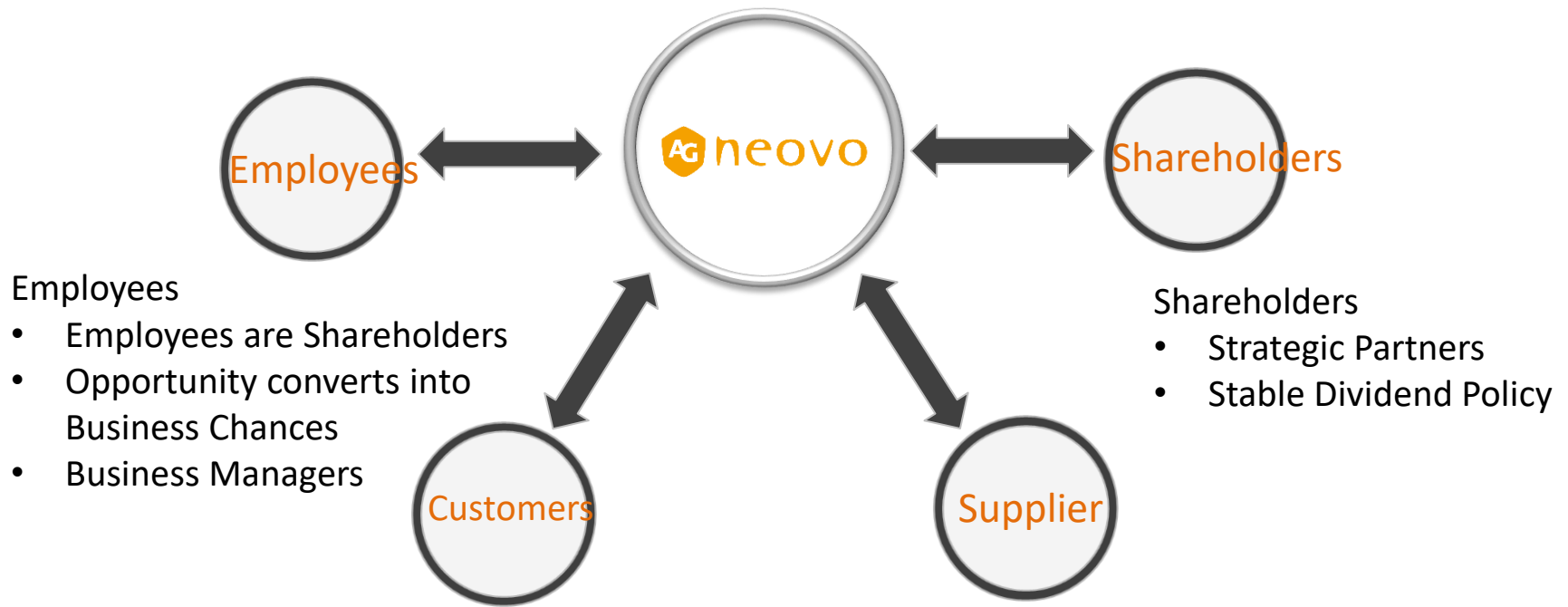
Elements of Strategy Transformation



Software (Mindset, Culture, Values) > Hardware (Products, Technology)

AG Neovo Way

It is you who make AG Neovo turn to be a better business organization;
It is AG Neovo that assure your benefits to be optimized.



客戶(使用者)與供應商都因參與AG Neovo價值鏈而能穩定獲利



Thank You

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