



AVTECH

2024 Conference

AVTECH Crop.

14, Nov. 2024

Presenter:
Lydia
Accounting Director



Agenda

15:30~16:00 Registration
16:00~17:00 Presentation & Q&A



Table of Content

Section 1. Financial Information

Section 2. Current Business Strategy

Section 3. Conclusion

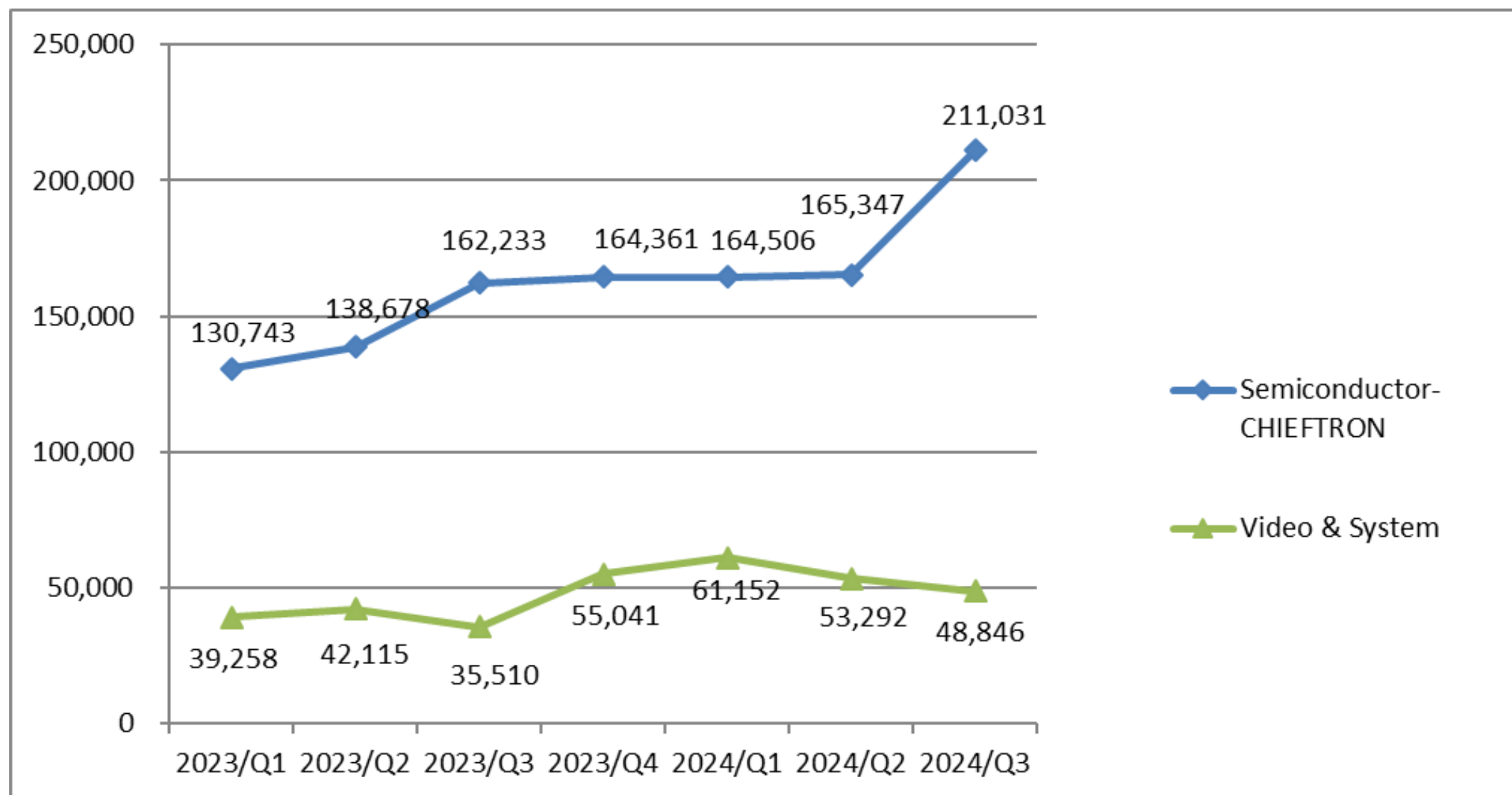


Financial Information



Quarterly Revenue by Business

Unit : Thousand NTD dollars



In November 2023, our company reduced its stake in Anhong from 65% to 36.42%, losing control. The figures in the table exclude Anhong's revenue for easier comparison.



Consolidated Comprehensive Income Statement

Unit : Thousand NTD dollars

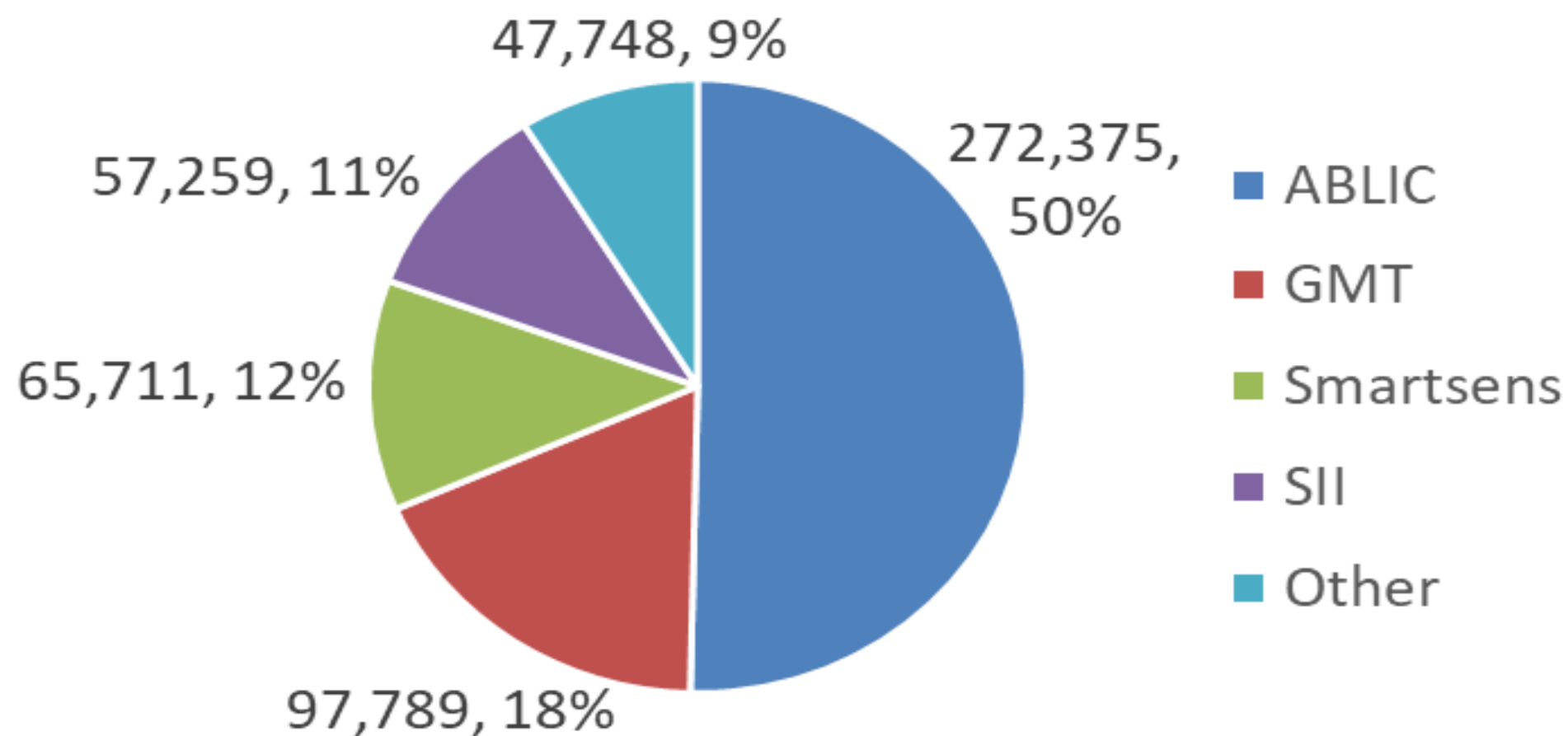
Item	2024Q1		2024Q2		2024Q3	
	AMT	YoY	AMT	YoY	AMT	YoY
Sales Revenue	225,658	-13%	218,639	-21%	259,877	-21%
Gross Profit	39,663	-15%	41,553	-15%	45,146	-25%
Gross Profit Margin	17%	-6%	19%	5%	18%	0%
Operating Expenses	39,163	-12%	39,001	-19%	38,691	-32%
Net Operating Profit	500	-74%	2,552	196%	6,455	112%
Net Profit	31,371	163%	31,734	39%	11,660	-68%
EPS	0.36		0.36		0.12	



Semiconductor Revenue Distribution

Unit : Thousand NTD dollars

January to September 2024





Current Business Strategy



Business and Strategy :



Semiconductor
Agent → One-
stop shopping
for all customer
needs



In-depth
development of
the political
dividend
market
MIT products →
NDAA-compliant
sourcing



Differentiated
product
development
Sell the price
difference → Sell
the differentiation



Industry-
specific
intelligent
applications
AI products → AI
solutions



- In-depth development of the political dividend market: From MIT product value to NDAA-compliant sourcing advantages
 - US and UK regulations: The US NDAA Entity List restrictions on companies, and the UK's national security considerations leading government departments to follow up with a boycott of Chinese goods.
 - Geopolitics: Geopolitical regions such as India, Ukraine, Lithuania, and Taiwan, where political factors have led to the boycott of Chinese goods.
 - Trade protection: National policies of China as the 'world's factory' have led to oversupply and dumping, resulting in tariff protections on origin countries.
 - Inflation effect: Japan's low-interest-rate import-driven inflation weakens consumer purchasing power, shifting from Korean brands to higher cost-performance Taiwanese products.





◆ In-depth development of the political dividend market – Actively exploring opportunities in the political dividend market

- ISWC, US: West Coast Defense Expo, focusing on promoting NDAA/TAA Compliant risk-free lists of non-origin and entity companies.
- SECUTECH, Taiwan: Taiwan Security Expo, focusing on promoting the advantages of 100% MIT products from chip design and R&D to manufacturing.
- NCN-ICT, India: 16th Innovation Product Awards in India, focusing on promoting the value of self-developed software innovation applications.
- IFSEC, UK: International Security Technology Expo in the UK, focusing on promoting product differentiation value and brand market segmentation advantages.



IFSEC
2-4 December 2024
ExCeL London



■ Product Differentiation: From selling price differences to selling value differences.

- ESG Energy-Saving Cameras: Protecting security and the Earth. Every investment in surveillance has ESG value.
- Analog AI NVR: Traditional equipment with smart upgrades. Smart security monitoring investment can be both high-end and affordable.
- VWS Remote Desktop: High-resolution, seamless visual and remote control.
- APPLE TV App: Beyond viewing, an intelligent experience. One-click cloud synchronization for exceptional surveillance smart management.

Sell product price differences

- ✓ High product substitutability
- ✓ Price-cutting is the industry norm
- ✓ Transparent pricing, low profit
- ✓ Prices only go lower
- ✓ Industry reduced to raw materials

Sell value differences

- ✓ Unique product with no direct competitors
- ✓ Sell value, not price
- ✓ Specifications vary, no price comparison
- ✓ Customers don't just need it, they want it
- ✓ Shape brand value



◆ Differentiated products – unique, few competitors, high value

➤ Analog AI Recording System



➤ ETU Custom Interface



➤ VWS Remote Desktop App



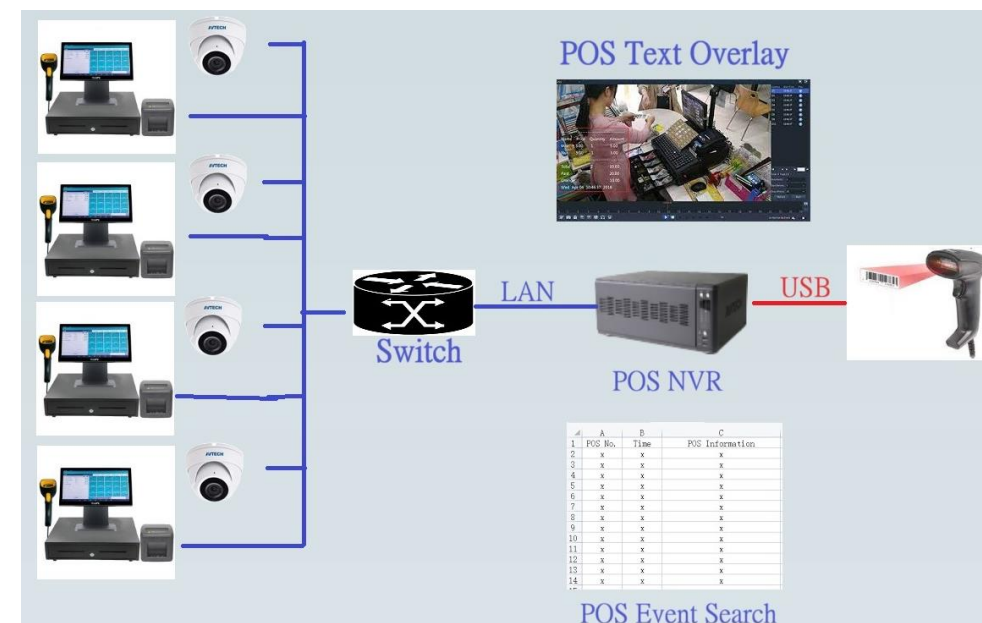
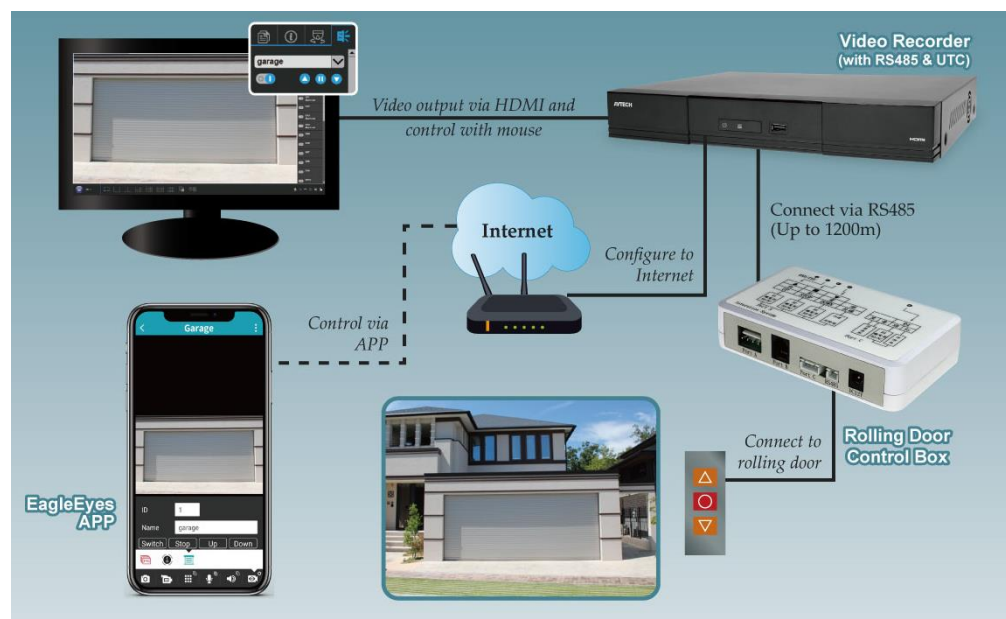
➤ AVTECH+ Apple TV App





■ Industry Intelligence Applications: From AI Products to Solution Deployment

- Core AI Recognition Technology, Integrated Systems, and Application Solutions to Address Industry Needs and Solve Customer Pain Points.
- Core AI Search Technology, Integrated Systems, and Application Solutions to Meet Industry Traceability Needs, Enhancing Sales and Production Management Quality.





■ Industry Intelligence Applications – Empowering Industry Value through Smart Solutions

- Roller Door Control Solution
- Parking Management Solution



- Retail/Warehousing Solution
- Production Traceability Solution





Conclusion



- The value differentiation of intelligent security control and extended image applications provide solutions.
- Expand semiconductor channels with complementary product lines, enabling customers to purchase everything in one go.



Thanks!