






SUN MAX TECH LIMITED

2019 3Q

Disclaimer

- ▶ The following pages contain projections & estimates of financial information as well as market and product developments for future periods. These projections & estimates are based on information currently available which we believe to be reliable, but they involve risks and uncertainties.
- ▶ Our actual results of operations and financial condition may differ significantly from those contained in the projections & estimates. These projections & estimates should not be interpreted as legally binding commitments, but rather as flexible information subject to change occasionally.

Contents

-  **Company Profile**
-  **Operation Results**
-  **Core Competitiveness**
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Company Profile

- ▶ Established Date: Nov. 28, 2013
- ▶ President : Vincent Hsu
- ▶ Paid in Capital : NT\$263 mn
- ▶ Main Business : DC brushless cooling fan development, manufacturing and sales
- ▶ Highlights: Sun Max is the world's leading provider of gaming PC cooling fans with tailor-made and high efficient products. And it is aiming at the niche market ex: green energy, automotive and gaming NB

Company Profile

2019 Power Logic (Jiang Xi Tai Yi) CO.,LTD established 100% owned by Power Logic Holdings Inc.

2017/12/28 Power Logic Listed in TSE, Stock Code (6591)

2014 Power Logic (Tai Yi) Co., Ltd. Established-
100% owned by Power Logic Holdings Inc.

2013-SUN MAX TECH LIMITED(The Parent Company) established, and
proceeded group reorganization

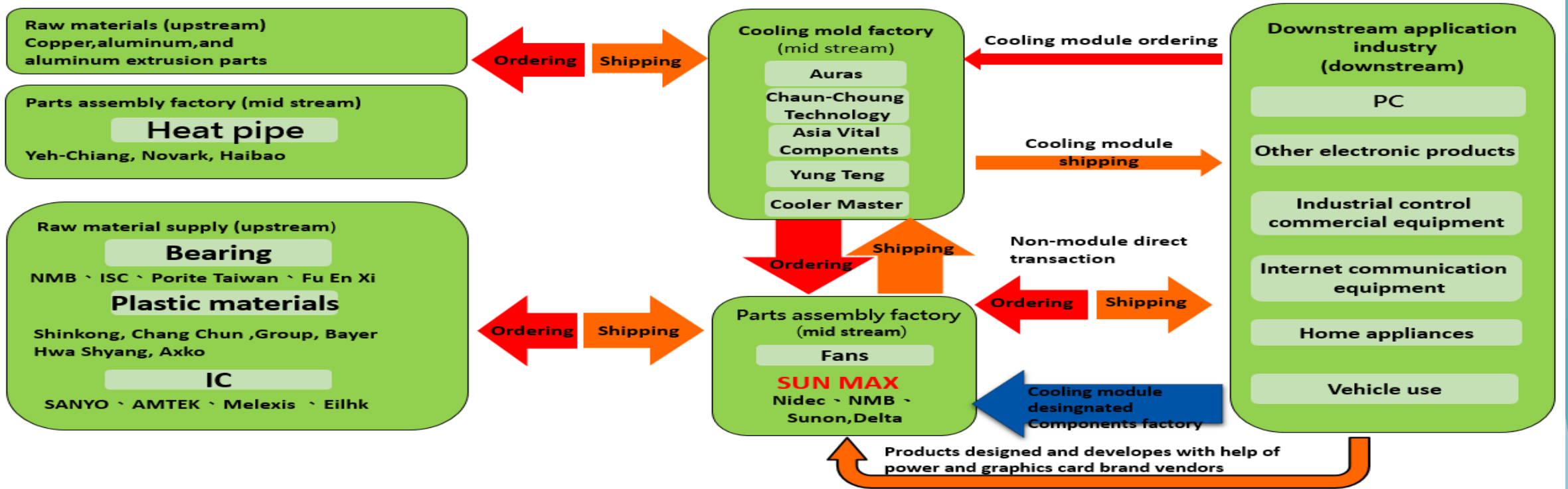
2003-Dong Guan Dong Li Dian Zi Co. Ltd. Established-100% owned
by UNITED STRATEGY INC.

1998-Power Logic Tech. Inc. was established in Taipei

Company Profile

<p>位置 Location</p>	<p>動力科技/台灣 Sun Max Tech Limited (New Taipei City, Taiwan)</p>	<p>東莞動利/中國 Dong Guan Dong Li Dian Zi CO., LTD (Dong Guan, China)</p>	<p>東莞漆奕/中國 Power Logic Tech.(TAIYI) CO.,LTD (Dong Guan, China)</p>	<p>漆奕(江西)/中國 Power Logic (Jiang Xi Tai Yi) CO.,LTD (Jiang Xi, China)</p>
<p>照片 Photos</p>		 <p>Production Base (DONG GUAN DONG LI DIAN ZI CO. LTD.)</p>	 <p>Production Base (POWER LOGIC TECH (TAI YI) CO., LTD.)</p>	

Supply Chain of Cooling System



- Major Clients include first-tier graphics card brands such as ASUS, MSI, Gigabyte, and EVGA. The product lines cover the majority of mid- to high-end pc cooling . All the products are self- developed with outstanding quality
- The total demand for mid-to high end graphics cards increased significantly. The main reasons are as follows: (1) popular eSport and on-line games with high-quality picture and sound effects; (2) 4K resolution becomes the mainstream; (3) the emergence of virtual reality application.

Major Products

Major Products:

Cooling Fan for VGA card, power supply, computer cases, CPU cooler, and other customized products

DC Fan for automotive (cooling or ventilation), industrial application (inverter and transformer cooling), home appliances, etc.

POWERLOGIC

High-End High-Quality OEM/ODM Oriented

DC Brushless Fan Maker

Most Extreme DC Brushless FAN Products
Silent, Powerful and Efficient

Standard Range of DC Brushless Axial and Blowers
High Performance DC Pump for Water Cooling System
CPU Cooler Fans Provide Assembly and Design
Digital Card Fans Development Assembly and Design
Inverter and Promotor HDB (Hydro-Dynamic Bearing)

WE ALWAYS MAKE THE COOLING SYSTEM COOL

POWERLOGIC

We always make the cooling system cool

Most Extreme Products
Silent, Powerful and efficient.
Our unique range of design and high performance gives you countless possibilities for your demanding application.

Featuring New Design
The new generation of HDB products
High Precision Bearing Structure
Low Noise Expression
Extra Life Time, Reliability > 70,000hrs
Efficient Anti-Shock

WE ALWAYS MAKE THE COOLING SYSTEM COOL

Major Products (PC Related)



MSI X570 Creator PC
MSI M.2 Fan



Gigabyte Creator PC
(AERO 17) Fan



ASUS RTX2060s Super Fan



Gigabyte RTX 2060 Fan



EVGA RTX 2070 Fan



MSI RTX2080 TI Fan



Gigabyte ATC800 Fan



Be quiet! Pure Base 500 Fan

Major Products(Niche Market)



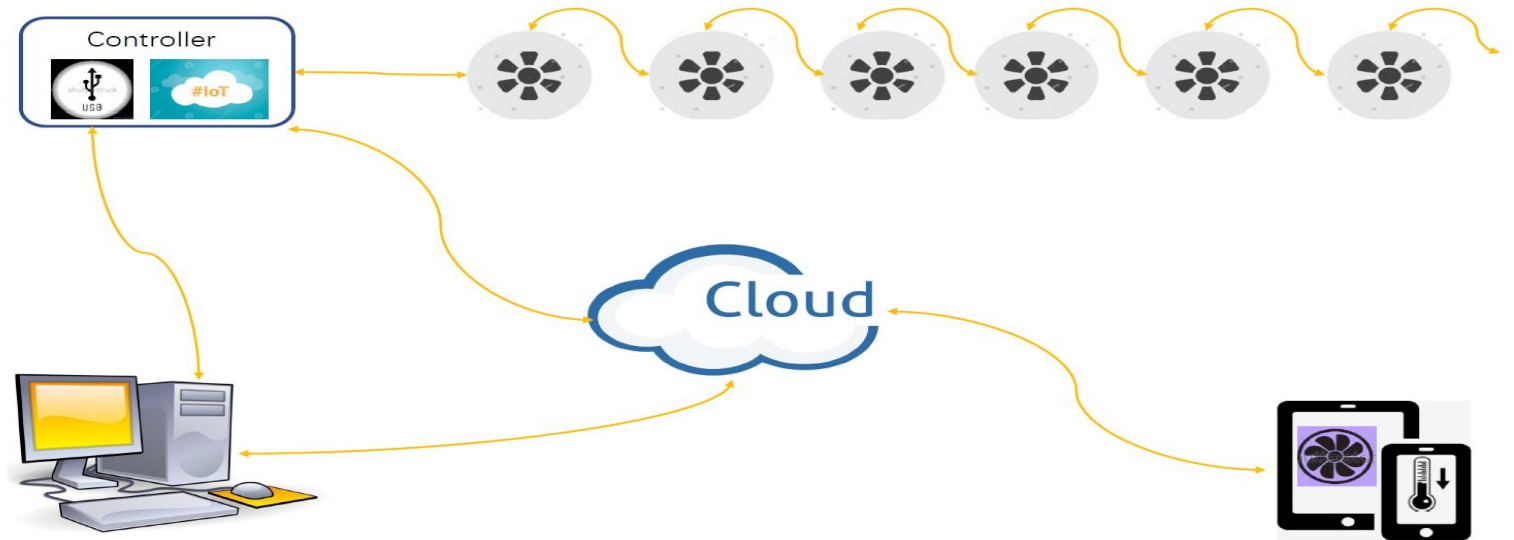
Blueair JOY'S
Air purifier Fan



Coral One
Sweeping Robot Fan

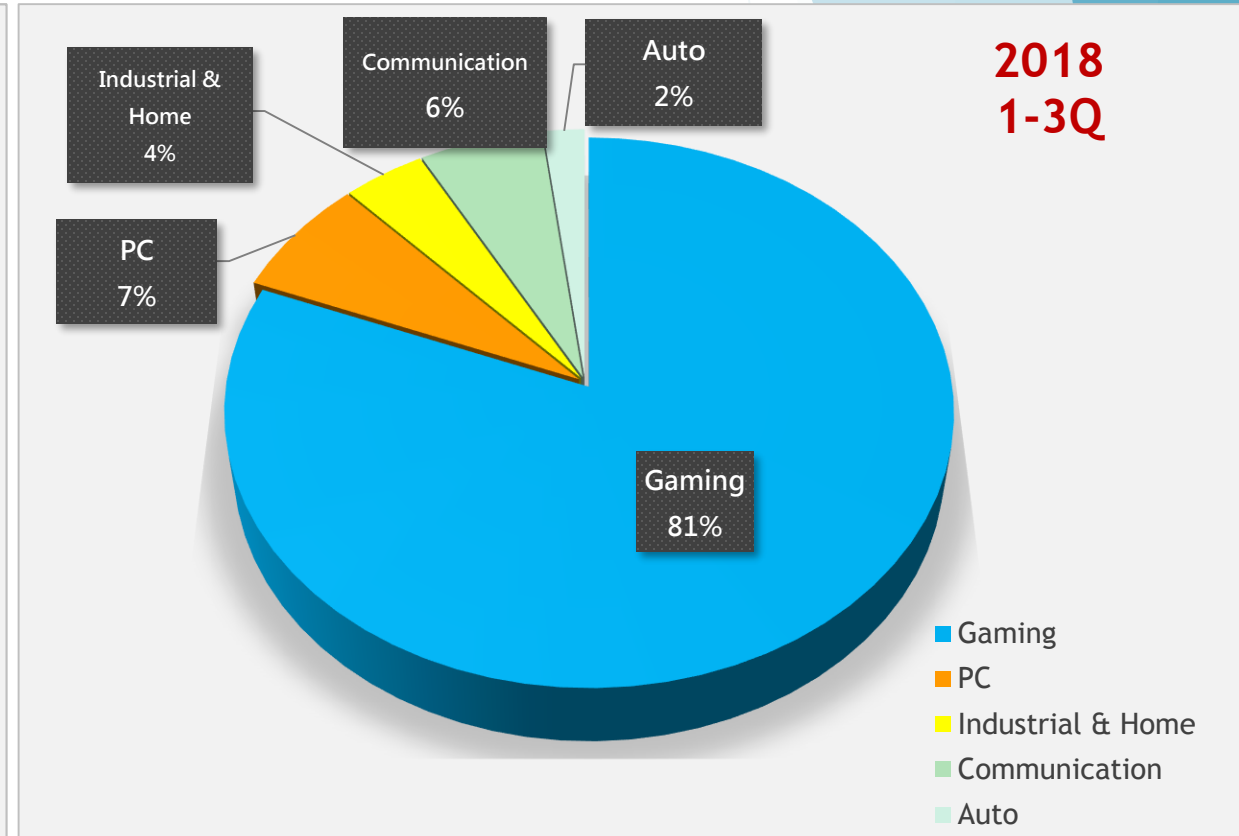
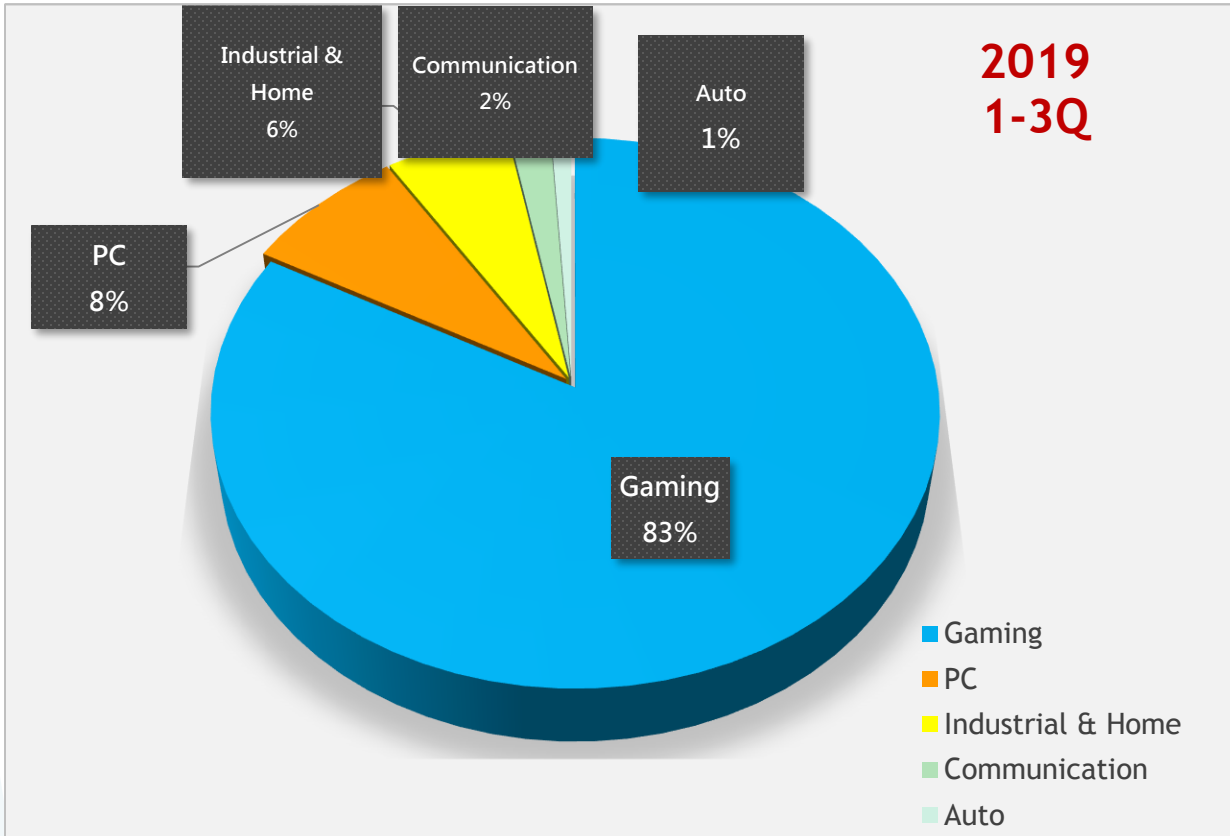


PC connection and IOT remote access solution:



AI Fan

Product Mix (By Application)



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2019 Q3 Income Statement(QoQ)

Unit: NT\$ Thousands/ NT\$






(NT\$ Thousands)	3Q 2019	%	2Q 2019	%	QoQ (%)
Total Revenue	356,283	100%	219,272	100%	62%
Gross Profit	113,590	32%	31,304	14%	263%
Operation Expenses	45,857	13%	44,839	20%	2%
Operation Income	67,733	19%	-13,535	--	--
Non-Op Income	11,228	3%	11,721	5%	--
Pre-Tax Profit	78,961	22%	-1,814	--	--
Net Income	50,400	14%	2,166	1%	2,227%
EPS (NT\$)	1.94		0.08		

2019 3Q Income Statement(YoY)

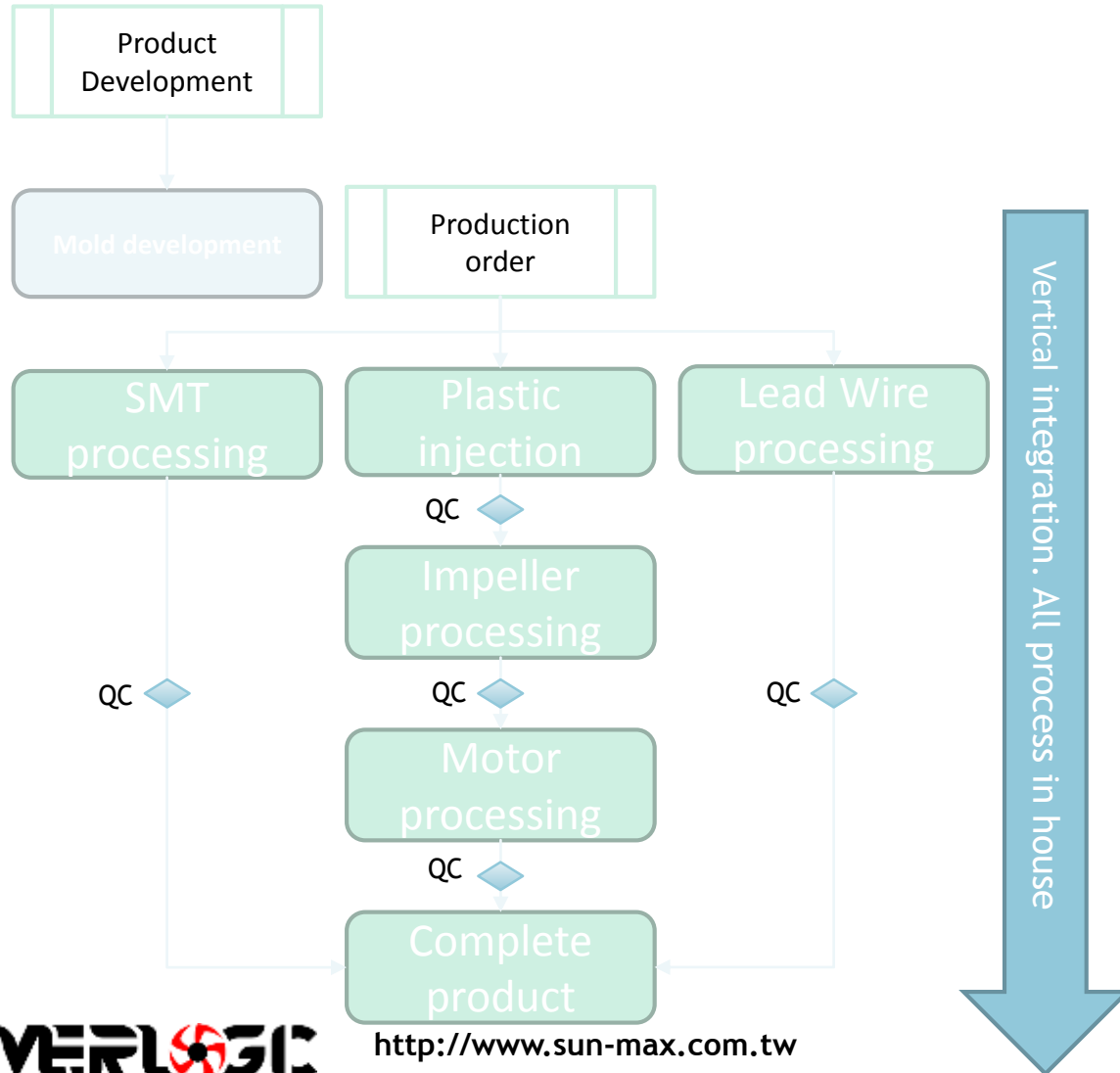
Unit: NT\$ Thousands/ NT\$

(NT\$ Thousands)	3Q 2019	%	3Q 2018	%	YoY(%)
Total Revenue	356,283	100%	243,450	100%	46%
Gross Profit	113,590	32%	35,860	15%	217%
Operation Expenses	45,857	13%	35,881	15%	28%
Operation Income	67,733	19%	-21	--	--
Non-Op Income	11,228	3%	10,475	4%	7%
Pre-Tax Profit	78,961	22%	10,454	4%	655%
Net Income	50,400	14%	6,781	3%	643%
EPS (NT\$)	1.94		0.29		

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Vertical Integration



Leading professional vendor in cooling fan manufacturing. To improve management of the cost , quality, lead time, and transportation, Sun Max highly integrated the production processes and key resources, including product design, mold development, plastic injection, wire processing, motor processing, and transportation. The vertical integration helps to maintain the product quality and to provide all customers the comprehensive cooling technology applications. It also helps the customers significantly shorten the new products development and production in response to the rapidly changing nature of the IT industry, and effectively improve the customers satisfaction and core competitiveness.

Automated Manufacturing

射出成形設備
Injection molding machine



SMT 設備
SMT machine



馬達繞線設備
Motor winding machine



PCB 點錫設備
PCB add solder machine



葉片平衡設備
Blance machine



風扇自動組立設備
Fan assembling machine








風扇電測設備
Fan function test equipment



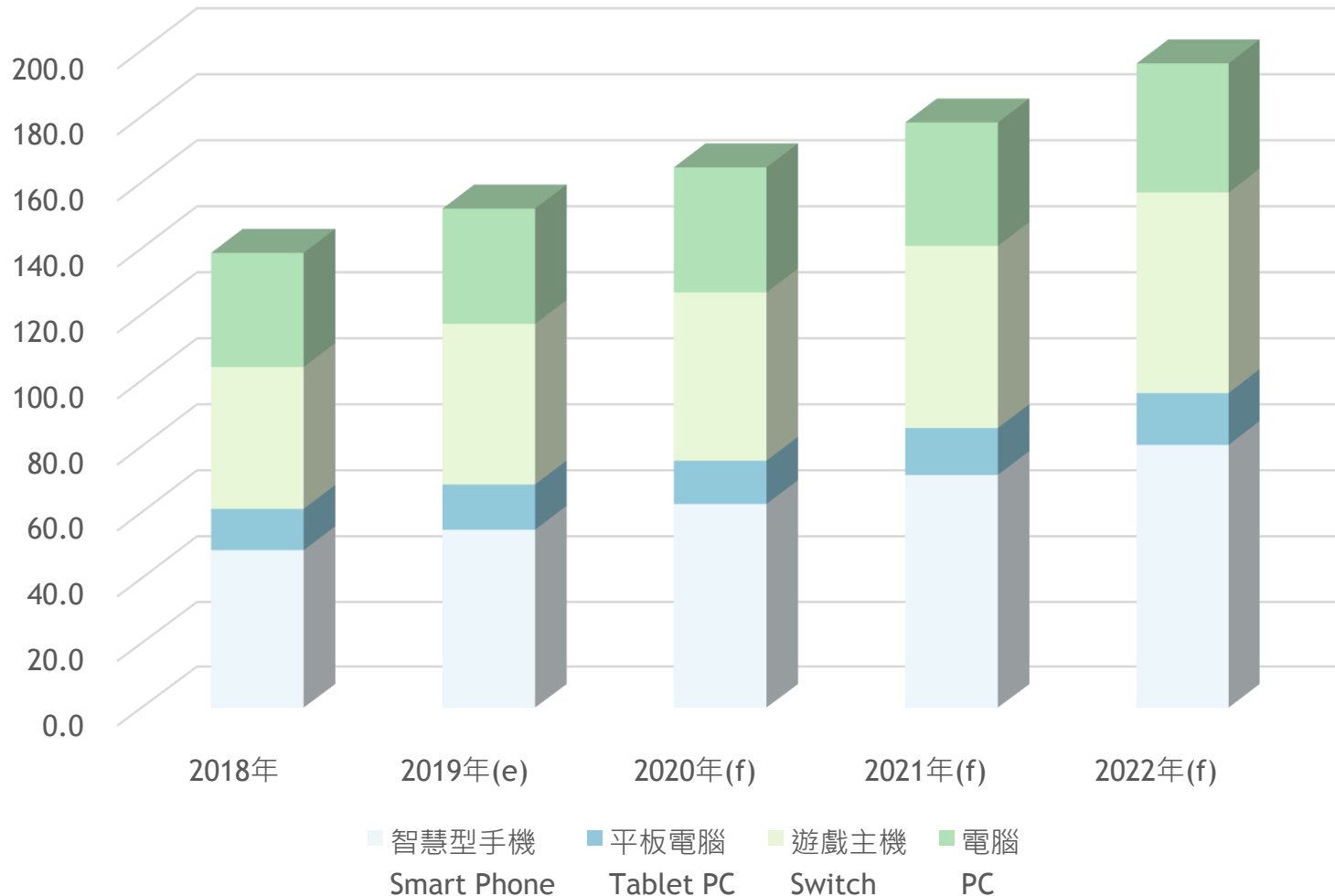
產線燒機設備
Burning machine



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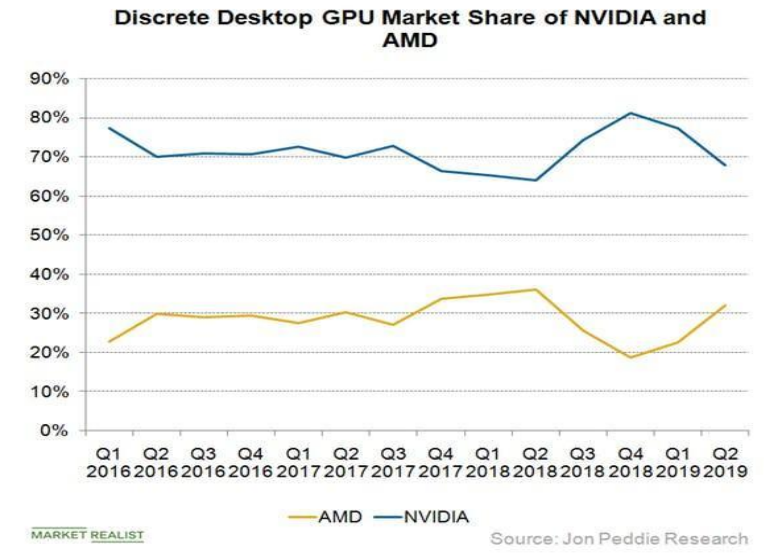
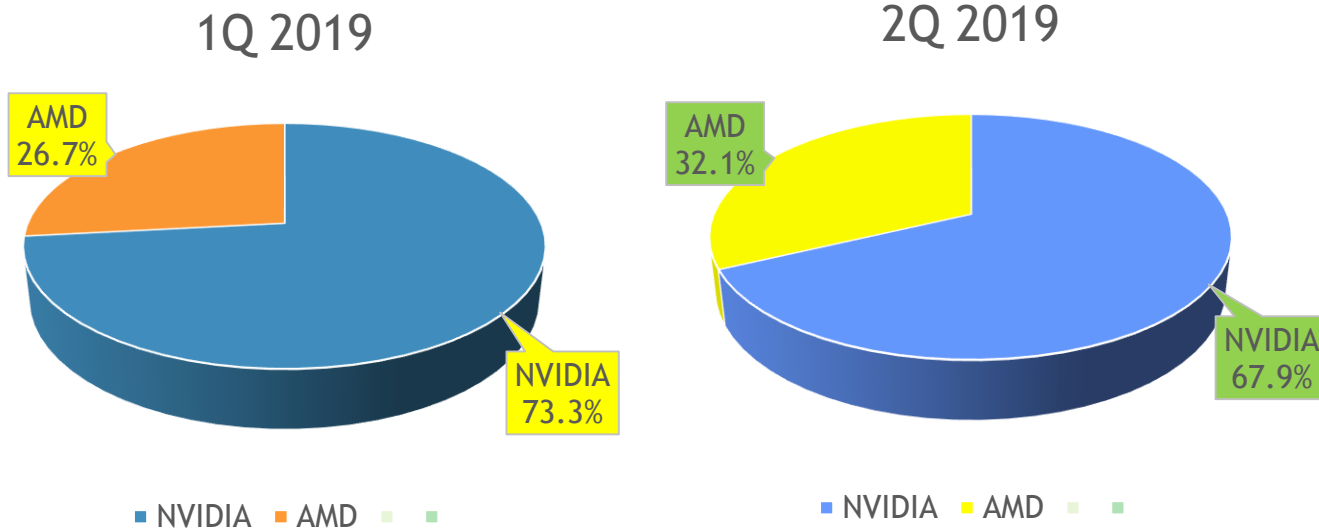
Gaming Industry Forecast



According to the latest report from New Zoo, the total spending in the gaming industry is up to \$152.1bn contributed by 2.5 bn worldwide players in 2019, up 9.6% YoY.

And it is estimated that the market scale will grow to 196 bn in 2022 with CAGR 9.0%(2018-2022)

GPU Industry Forecast



The JPR data showed that the overall discrete GPU market was weak in 2Q 2019. AIB shipments down 16.6% QoQ and drop 39.7% YoY, which reflects the impact of excess GPU inventory after the crypto bubble burst.

The latest Jon Peddie Research report showed that AMD discrete GPU market share rose by 940 basis points QoQ to 32.1% in 2Q 2019. Due to AMD promoted the previous generation GPUs in deep discount.

The 7nm Navi GPU gives AMD a process node advantage over NVIDIA which is still using the 12nm process. In the current market review, the performance of AMD mid-range RX 5000 series seemed more competitive than NVIDIA GeForce RTX 2070 (excluding ray tracing function). AMD is ready to launch more Navi series GPUs in the next few months and even lead the ray-tracing technology into the future GPUs.

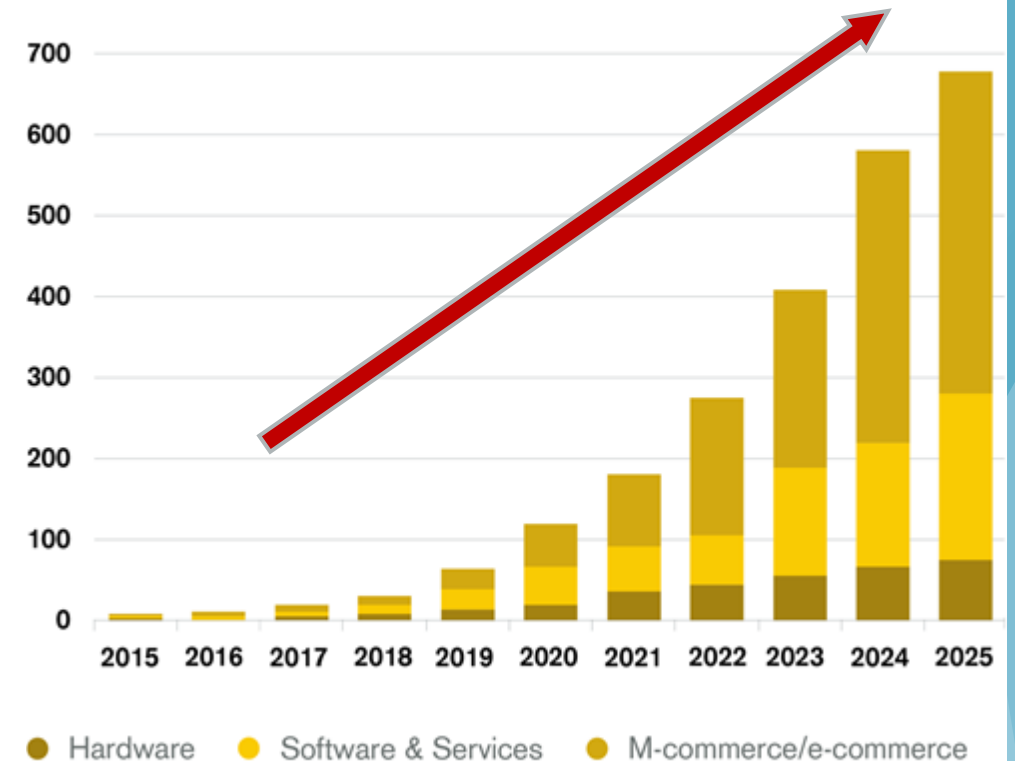
VR Industry Forecast

2015-2018	2018-2023	2023-2030
Gaming (VR)	Interaction(VR/AR)	Commerce(VR/AR)
VR Helmet Gaming PC eSports	AR/VR 3D/4D Interaction Tools	Housing, Shopping And Retail Industry
Market Value(E) USD 8 billion	Market Value(E) USD 68 billion	Market Value(E) USD 600 billion

Gartner Research suggests VR/AR applications will gradually expand from gaming to commercial applications. The number of devices embedded with the graphics card will also sequentially increase. Sun Max will continue to develop the new products in the GPU cooling system

VR application: video games, digital entertainment (television and movies), live concerts, interactive exhibitions, education, communication, medical, military

VR/AR market could potentially grow to the size of the current smartphone market in USD bin



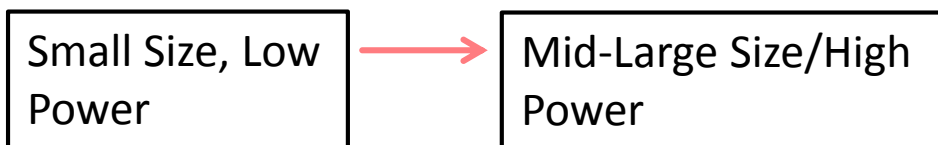
Source: Gartner

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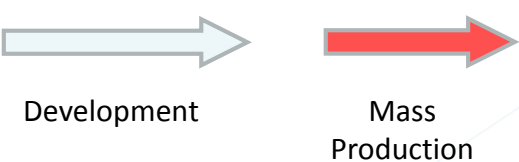
R&D Road Map (Niche Market)

Application		2017	2018	2019	2020	2021	2022	2023
AI Fan	Gaming			Development	Qualification	Mass Production	Mass Production	Mass Production
	Home Appliances			Development	Qualification	Mass Production	Mass Production	Mass Production
5G	Server			Development	Qualification	Mass Production	Mass Production	Mass Production
	Communication			Development	Qualification	Mass Production	Mass Production	Mass Production



R&D Road Map (Niche Market)

Application		2017	2018	2019	2020	2021	2022	2023
Autos	AVN		Development			Mass Production		
	HVAC		Development		Mass Production			
Home	Sweeping Robot		Development		Mass Production			
	Air purifier		Development			Mass Production		



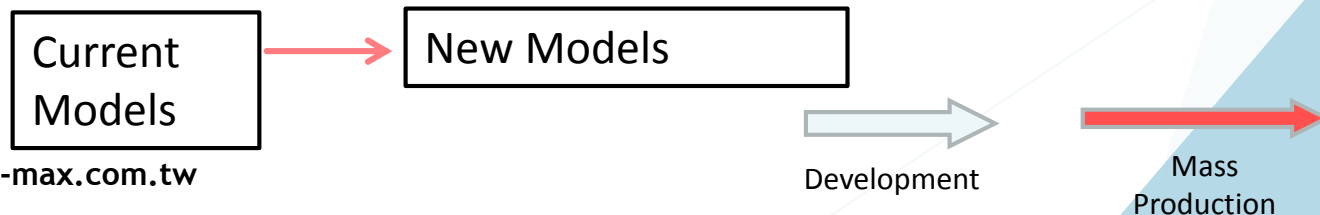
AVN: audio video navigation 影音導航
 HVAC: Heating, Ventilation and Air Conditioning 供熱通風與空氣調節



<http://www.sun-max.com.tw>

R&D Road Map (PC Related)

Application		2017	2018	2019	2020	2021	2022	2023	
Gaming	VGA/CPU/ NB	Development							
		Mass Production							
LED	Gaming	Development			Mass Production				



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Thank You Very Much