



SEPTEMBER 18, 2018

To All Our Valued Partners:

As you are well aware US government recently levied new tariffs on certain China origin goods as part of the efforts toward negotiating a new trade agreement with Chinese government. The Office of the United States Trade Representative (USTR) has released their first list of \$34 billion worth of imports from China that are subject to a 25% additional tariff effective on July 6, 2018, and the second list of \$16 billion subject to a 25% additional tariff effective on August 23, 2018, and the third list of \$200 billion subject to a 10% additional tariff effective on September 24, 2018, which will be increased to 25% on January 1, 2019 if no new agreement has been reached between US and China by then. We all hope that the negotiation between US and China will come to a swift conclusion. However, the enforcement of these new tariffs impacts all products we are currently supplying to our customers and partners. Techtop values the relationships with our partners and understands the need for sharing burden in tough time, therefore we will not simply pass all cost increases on to our customers. Through cutbacks in expenditures, deferment of certain investments and other internal conservative measures without sacrificing the quality of our products, services and support, we have been able to share the cost of this new tariff and reduce its impacts on our customers. The reduced impact is now being passed on as a surcharge for only your purchases after the New Tariff policy has been enacted. All tariff surcharges will be removed immediately on the date the New Tariff policy is nullified. We understand that it would be much easier to have an across the board percentage increase in pricing, but we feel that it would unfairly impact certain customers and eliminate the customers' ability to choose the most effective solution for their needs. We therefore have created for each of our customer account a personalized part by part, model by model listing of the impact new tariff policy will have on their purchase. Please contact our customer service staff or your local sales representative for the details of your tariff surcharge list.

We all have concerns and if you have any questions or concerns about the implementation of this new tariff surcharge, please do not hesitate to contact me, our customer service staff or your local sales representative. We will do our best to help you to navigate and continue to provide you exceptional values for the long term health and growth of your business.

As always, we thank you very much for partnership and your understanding.

A handwritten signature in black ink, appearing to read "Li Zheng", is written over a white background.

Li Zheng

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PRESIDENT



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