



JULY 6, 2018

**To All Our Valued Partners:**

As you are well aware, US government recently levied an additional 25% tariff on certain China origin goods effective on July 6, 2018 as part of the efforts toward negotiating a fair-trade agreement with Chinese government. The list of products to be charged with the new tariff includes some AC motors you are currently purchasing from Techtop. We all hope that the negotiation will come to a swift conclusion. However, the enforcement of this new tariff will inevitably impact us and our customers negatively for the time being. Techtop values the relationships with our partners and understands the need for burden sharing in tough times, therefore we will not simply pass this 25% cost increase 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 greatly reduce its impact on our customers. If you are an existing customer, you should have received a personalized part by part, model by model listing of the impact this new tariff will have on your Techtop pricing, effective on July 6, 2018. You will see that we have been successful in reducing or eliminating the impact of this new tariff in many cases. In no case have we passed the entire impact of this new tariff on to our customers and we hope that the overall impact will be minimal. We understand that it would be much easier to have an across the board percentage increase in pricing, but we feel this would unfairly impact certain customers by possibly reducing their ability to choose the most effective solution for their needs. This reduced impact is being passed on as a surcharge for only products you will purchase after July 6, 2018. All tariff surcharges will be removed immediately on the date this policy is nullified.

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 value 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**

**(678)436-5539**

PRESIDENT



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