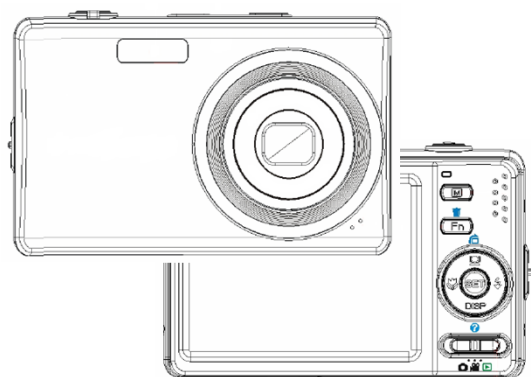


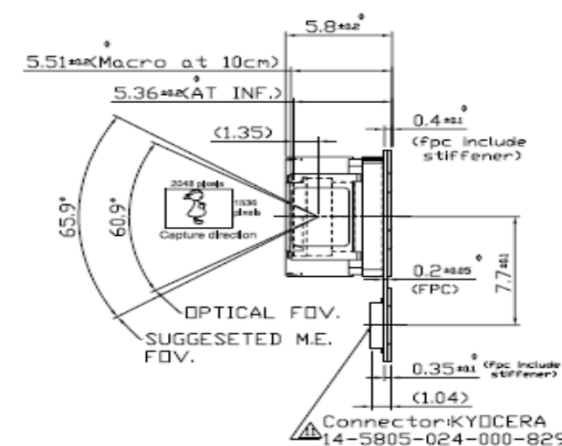


Ability Enterprise Investor Conference 2019

Dec. 30, 2019



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Agenda

- **2019 Q3 Financial Result**
 - **EMS Pro Forma**
- **Outlook**
- **Q&A**



Consolidated IS

EMS Pro Forma

Unit : NT\$ in millions (except EPS in NT\$)

	Jan~Sep '2019		Jan~Sep '2018		YOY	
	Amt	%	Amt	%	Amt	%
Net Sales	4,776	100.0	5,021	100.0	(245)	-4.9%
COGS	4,297	90.0	4,743	94.5	(446)	-9.4%
Gross Margin	479	10.0	278	5.5	201	72.1%
OP Exp	718	15.0	842	16.8	(124)	-14.8%
OP Loss	(239)	(5.0)	(564)	(11.3)	325	57.6%
Net Non-OP	67	1.4	165	3.3	(98)	-59.3%
PBT	(172)	(3.6)	(399)	(8.0)	227	57.0%
Tax	9	0.2	(43)	(0.9)	52	121.0%
Net Loss	(181)	(3.8)	(356)	(7.1)	176	49.3%
After-Tax EPS	(0.64)		(1.26)		0.62	49.2%



Con. Non-OP Items- YOY

EMS Pro Forma

Unit : NT\$ in millions

	Jan~Sep '2019		Jan~Sep '2018		YOY	
	Amt	%	Amt	%	Amt	%
• <i>Interest income</i>	27	0.6	21	0.4	6	28.6%
• <i>Dividend income</i>	84	1.8	88	1.8	(4)	-4.5%
• <i>Rental income</i>	24	0.5	24	0.5	0	0.0%
• <i>Other income</i>	6	0.1	7	0.1	(1)	-19.4%
<i>Total non-operating income</i>	141	3.0	140	2.8	1	0.4%
• <i>Impairment loss</i>	(3)	(0.1)	0	0.0	(3)	-
• <i>Investment income (Loss)</i> <i>accounted for under the equity</i> <i>method</i>	(51)	(1.0)	14	0.3	(65)	-464.3%
• <i>Gain (Loss) on disposal of</i> <i>property, plant and equipment</i>	(9)	(0.2)	56	1.1	(65)	-116.1%
• <i>Gain (Loss) on Exchange</i>	(3)	(0.1)	15	0.3	(18)	-120.0%
• <i>Impairment loss</i>	-	-	(52)	(1.0)	52	100.0%
• <i>Other expenses</i>	(8)	(0.2)	(8)	(0.2)	0	0.0%
<i>Total non-operating expenses</i>	(74)	(1.6)	25	0.5	(99)	-396.0%
<i>Net Non-Operating</i>	67	1.4	165	3.3	(98)	-59.5%



Financial Highlights

EMS Pro Forma

- Consolidated Net Sales : 4.9% on YOY
- Consolidated Gross Margin : .10%, increase 4.5% on YOY
- After Tax EPS: (\$0.64)



Consolidated BS-EMS Pro Forma

Unit : NT\$ in millions

	2019/9/30		2018/12/31		Diff	Diff %
	Amt	%	Amt	%		
Total Current Assets	4,901	49.2	5,183	50.1	(282)	-5.4%
• Cash & cash equivalents, short-term investment	2,815	28.3	2,147	20.7	668	31.1%
• Notes & accounts receivable	862	8.7	908	8.8	(46)	-5.1%
• Inventories	553	5.6	1,222	11.8	(669)	-54.7%
Fund & long-term Investments	989	9.9	951	9.2	38	4.0%
Property , Plant & Equipment	3,220	32.4	3,362	32.5	(142)	-4.2%
Total Assets	9,952	100.0	10,350	100.0	(398)	-3.8%
Total Current Liabilities	3,056	30.7	3,021	29.2	35	1.2%
• Short-term bank loans	740	7.4	240	2.3	500	208.3%
• Notes & accounts payable	1,238	12.4	1,787	17.3	(549)	-30.7%
• Other payables	680	6.8	670	6.5	10	1.5%
Non-current liabilities	70	0.7	67	0.6	3	4.5%
Total Liabilities	3,126	31.4	3,088	29.8	38	1.2%
• Common Stock	2,824	28.4	2,824	27.3	0	0.0%
• Capital Reserve	1,563	15.7	1,563	15.1	0	0.0%
• Legal Reserve	2,082	20.9	1,656	16.0	426	25.7%
• Retained Earnings	897	9.0	1,645	15.9	(748)	-45.5%
• Other Equity	(540)	(5.4)	(426)	(4.1)	(114)	-26.8%
Total Stockholders' Equity	6,826	68.6	7,262	70.2	(436)	-6.0%
Net Worth / Share (NT\$)	24.17		25.72		(1.55)	-6.0%



2019.09.30 B/S Highlights-EMS Pro Forma

- *Debt ratio 31% with 40% payables; 22% accrued exp*
- *Current Ratio is 160%*
- *AP Payment days: 96 days*
- *AR Collection days: 51 days*
- *Inventory turnover days: 56 days*
- *Cash conversion cycle is -11 days*



Consolidated IS

Unit : NT\$ in millions (except EPS in NT\$)

	Jan~Sep '2019		Jan~Sep '2018		YOY	
	Amt	%	Amt	%	Amt	%
Net Sales	5,376	100.0	5,747	100.0	(371)	-6.5%
COGS	4,731	88.0	5,246	91.3	(515)	-9.8%
Gross Margin	645	12.0	501	8.7	144	28.8%
OP Exp	931	17.3	1,021	17.8	(90)	-8.8%
OP Loss	(286)	(5.3)	(521)	(9.1)	235	45.0%
Net Non-OP	127	2.3	166	2.8	(39)	-23.3%
PBT	(159)	(3.0)	(355)	(6.3)	196	55.2%
Tax	17	0.3	(28)	(0.5)	45	159.2%
Cons. Net Loss	(176)	(3.3)	(327)	(5.8)	151	46.2%
Minority interest	5	0.1	30	0.5	(25)	-83.4%
Net Loss (After-mi)	(181)	(3.4)	(356)	(6.3)	176	49.3%
After-Tax EPS	(0.64)		(1.26)		0.62	49.2%



Consolidated BS

Unit : NT\$ in millions

	2019/9/30		2018/12/31		Diff	diff %
	Amt	%	Amt	%		
Total Current Assets	5,404	50.9	5,791	52.4	(387)	-6.7%
• Cash & cash equivalents, short-term investment	3,032	28.6	2,425	21.9	607	25.0%
• Notes & accounts receivable	1,061	10.0	1,127	10.2	(66)	-5.9%
• Inventories	670	6.3	1,336	12.1	(666)	-49.9%
Fund & long-term Investments	786	7.4	688	6.2	98	14.2%
Property , Plant & Equipment	3,409	32.1	3,540	32.0	(131)	-3.7%
Total Assets	10,617	100.0	11,048	100.0	(431)	-3.9%
Total Current Liabilities	3,451	32.5	3,442	31.1	9	0.3%
• Short-term bank loans	860	8.1	439	4.0	421	95.9%
• Notes & accounts payable	1,312	12.4	1,850	16.7	(538)	-29.1%
• Other payables	803	7.6	780	7.1	23	2.9%
Non-current liabilities	85	0.8	83	0.8	2	2.4%
Total Liabilities	3,536	33.3	3,525	31.9	11	0.3%
• Common Stock	2,824	26.6	2,824	25.6	0	0.0%
• Capital Reserve	1,563	14.7	1,563	14.1	0	0.0%
• Legal Reserve	2,082	19.6	1,656	15.0	426	25.7%
• Retained Earnings	897	8.4	1,645	14.9	(748)	-45.5%
• Other Equity	(540)	(5.0)	(426)	(3.9)	(114)	-26.8%
Total equity attributable to owners of parent	6,826	64.3	7,262	65.7	(436)	-6.0%
Net Worth / Share (NT\$)	24.17		25.72		(1.55)	



Q&A

Thank You

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(10)





Safe Harbor Notice

We have made forward-looking statements in the presentation. Our forward-looking statements contain information regarding, among other things, our financial conditions, future expansion plans and business strategies. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, such forward-looking statements are inherently subject to risks, uncertainties, and assumptions about us.

We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events in the conference might not occur and our actual results could differ materially from those anticipated in these forward-looking statements.