



**AGS-TECH Inc.**

***“Information on Global Custom Manufacturing, Integration,  
Consolidation and Outsourcing”***

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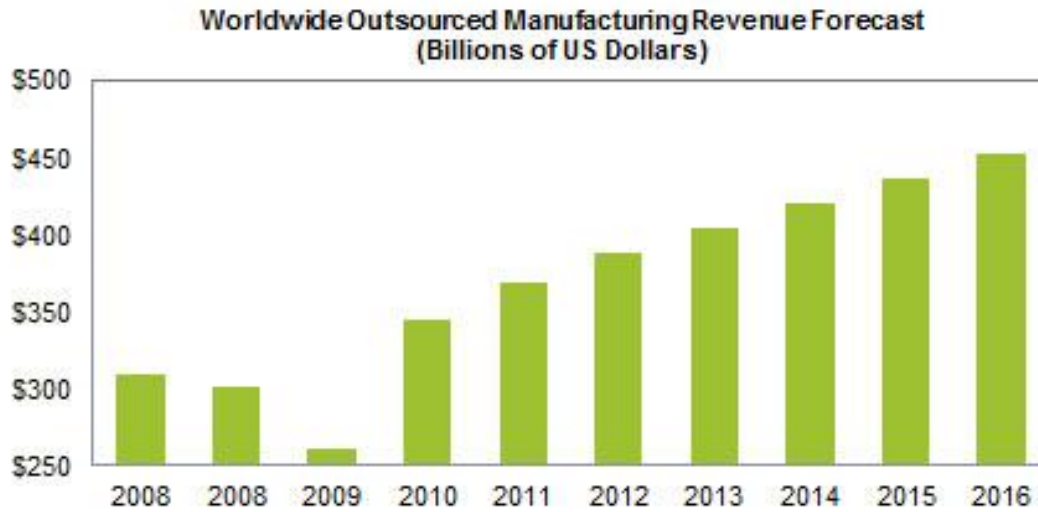
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There is much information everywhere on this topic, but much of the available information is either incomplete, wrong, misleading or even worse, it is intentionally serviced propaganda.

Here is a chart showing worldwide outsourced manufacturing revenue forecast. This chart clearly shows that global outsourcing is in no way diminishing or getting outdated. Those who are blindly against outsourcing will either go out of business soon or they will smartly drive their competitors out of business by using such propaganda and making business cost-prohibitive for them in a World of fierce competition.

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*Source: IHS iSuppli Research, February 2013*

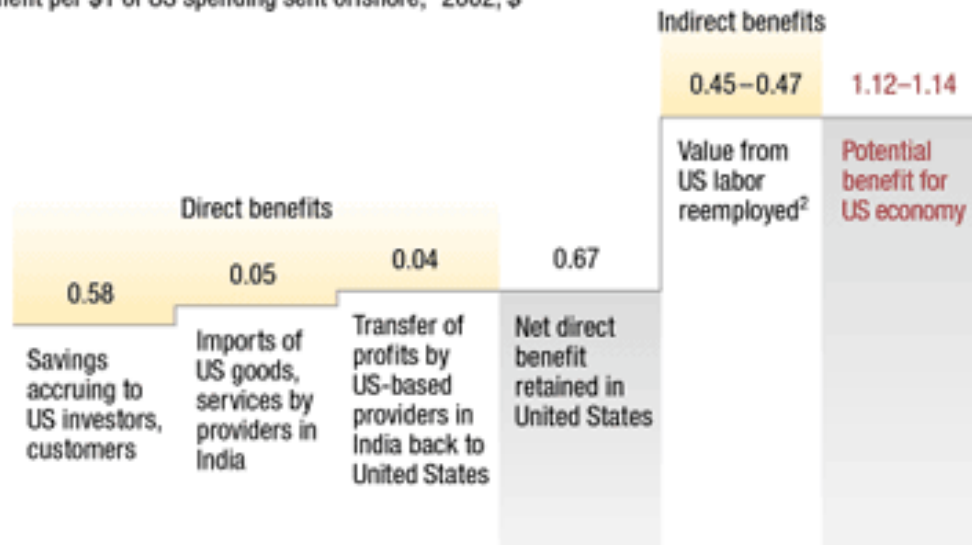
Global outsourcing of manufactured products is the healthy road to take and is to the advantage of both the buyers and sellers.

Below is an example of some estimates of the value of offshoring to the United States. Offshoring should not be regarded with prejudice as having a negative effect on the domestic economy.

EXHIBIT 2

**Offshoring's value to the United States**

Benefit per \$1 of US spending sent offshore,<sup>1</sup> 2002, \$



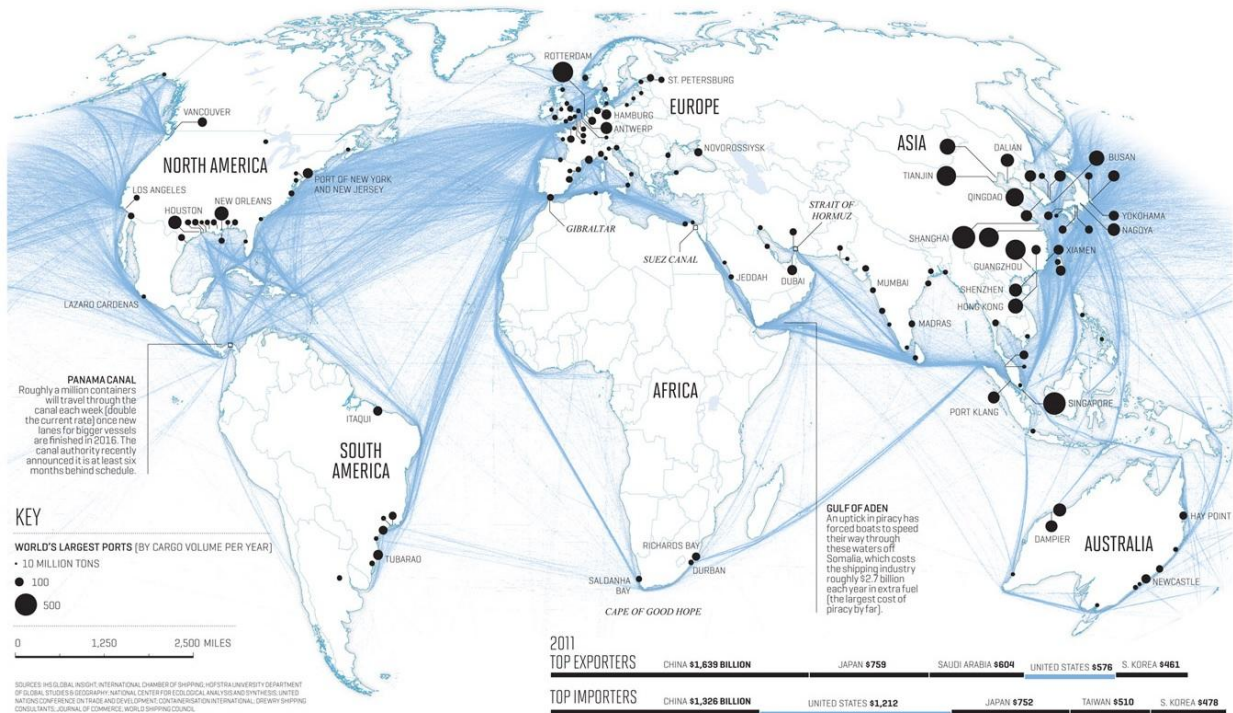
<sup>1</sup>Estimated; India offshore services industry example.

<sup>2</sup>Conservative estimate based on historical reemployment and wage levels; value created from improved global competitiveness of US companies and multiplier effect of increased savings would likely increase amount of value created.

***Our Motto is: "Outsource smartly to save on costs and remain competitive"***

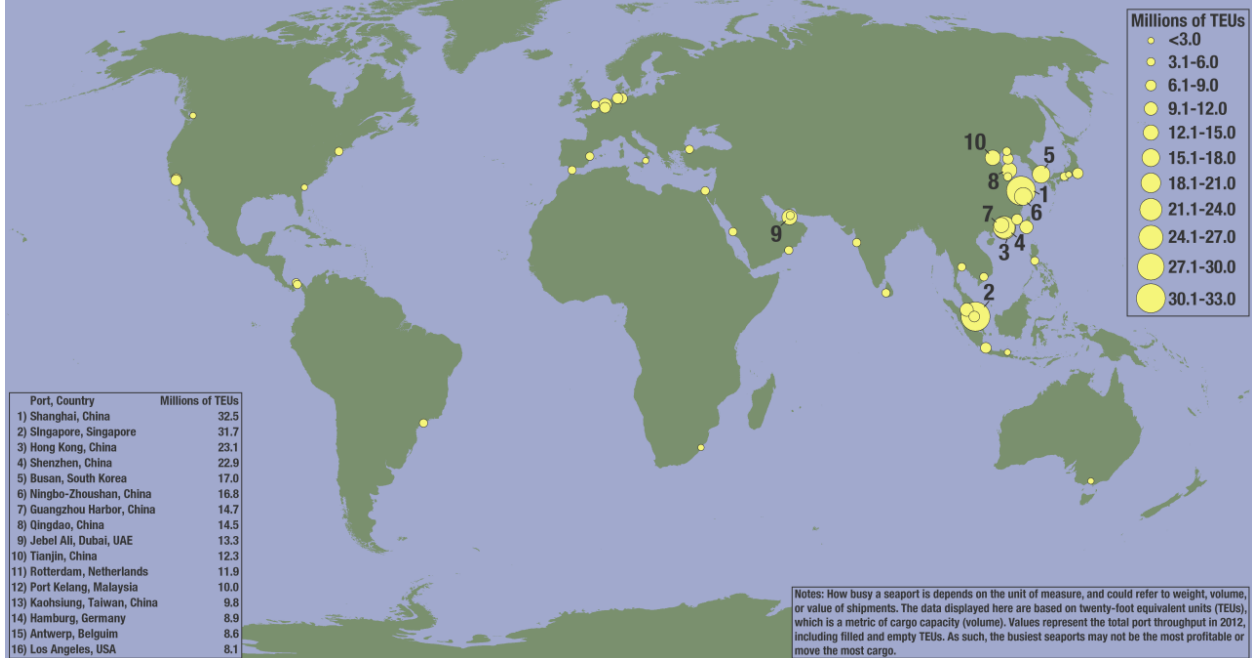
Most AGS-TECH Inc. high volume manufacturing facilities and large warehouses are located close to global shipping ports. Some warehouses however are located at strategic inland hubs for geographic proximity to our customers. **Expert systems software is deployed to calculate distances, cost of shipping/storage and determining the best manufacturing and warehousing location for a particular customer. Shipping and load transfer times as well as costs are minimized using an expert system computer program. Our program takes into account also Just-In-Time (JIT) requests in which case a minimization of these parameters may not be necessarily needed.**

## The World's Major Seaports by Outgoing Container Numbers and Shipping Routes



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## The World's 50 Busiest Container-Shipping Seaports in 2012



About 80% of AGS-TECH Inc.'s production facilities and warehouses are located within close distance to seaports numbered 1 to 10 with the exception of seaport 9 shown with yellow circles. Consolidation of different shipments destined to the same customer takes place at the nearest warehouse facility to the shipping port or in some cases when logistically advantageous it takes place at the nearest warehouse to the arrival port.

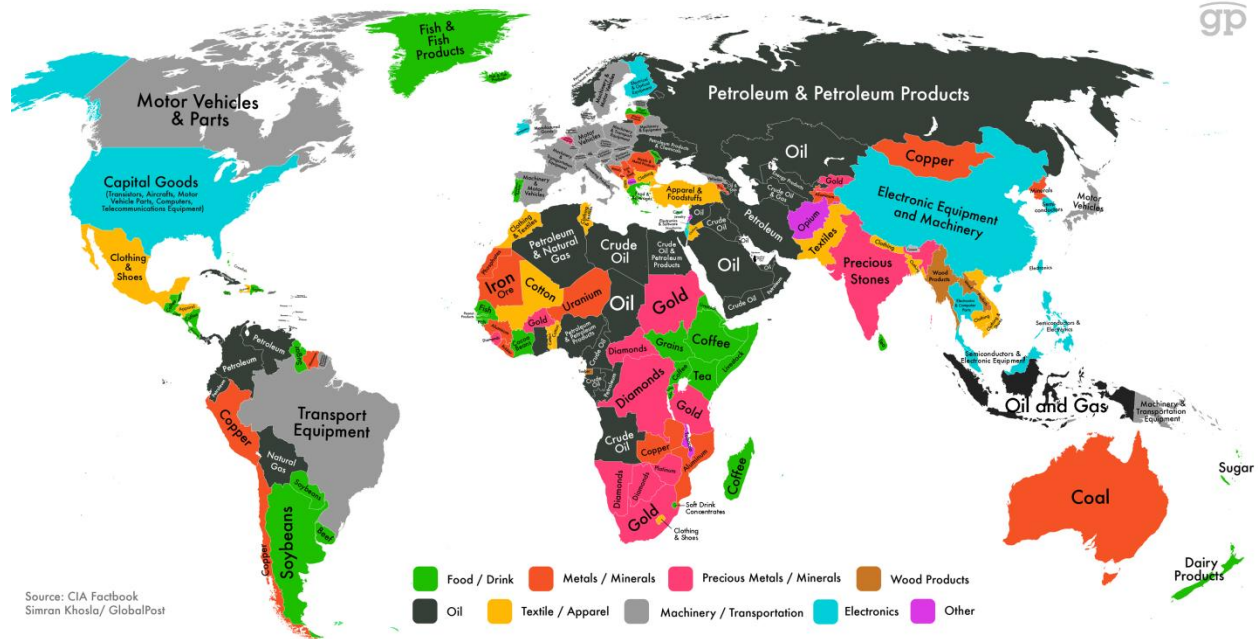
## World Major Airports



Airports are at least as important as seaports for AGS-TECH Inc., because most of our shipments (in terms of shipping frequency / number of shipments) are by air. This is mostly due to the fact that most of our manufactured products are high value added components of relatively small dimensions and weight that need to be shipped with a few days to customer's door.



## World Primary Export by Country



The above map gives you roughly an idea about the competitive advantage of each country's industrial infrastructure. The same map should also give you an idea about where AGS-TECH Inc. manufactures its products. Here is a brief summary of where our products are made:

***Plastic and rubber molds, metal castings, CNC machined components, forgings, stampings and sheet metal formed products, extrusion, glass and ceramic components, metal manufactures, powder metallurgy parts, parts made of composite materials, machine elements & fasteners:*** For our customers in the US, Canada, Australia, Africa, we manufacture the majority of these in Southeast Asia, including countries such as China, Taiwan, Hong Kong, Malaysia, Thailand, Japan, Singapore, India, Sri Lanka, Philippines. For high end precision components with special surface treatments and coatings, manufacturing is in the USA (such as aerospace components). For our customers in the EU, due to geographic proximity, lower shipping costs and customs free trade opportunity, we manufacture these products also at plants located in Poland, Czech Republic, Slovakia, Turkey, Bulgaria, Germany, Italy. A third source for these components are South America's industrial centers including Brasil, Mexico and Argentina.

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***Electric / electronic components and assemblies such as PCBA, cable harness, power transformers, regulators, solenoids, relays, energy producing devices, optical components and assemblies, fiber optic devices and assemblies, optomechanical, optoelectronic devices, electromagnetic devices, automation hardware, industrial computers, single board computers, advanced test equipment:***

We manufacture the majority of these in Southeast Asia, including countries such as China, Taiwan, Hong Kong, Malaysia, Thailand, Japan, Singapore, Philippines. Higher end components and devices are also produced in USA & Canada, Germany, Czech Republic, Slovakia, Sweden, Switzerland, UK, France, Turkey.

***Non-conventional fabrication such as Electrochemical Fabrication (also called Electrochemical Machining or ECM), Electrical Discharge Machining or EDM, Water Jet Cutting, Abrasive Water Jet Cutting (WJ, AWJ), Laser Beam Machining (LBM), Electron Beam Machining (EBM), Ultrasonic Machining (USM), Plasma Machining, Photochemical Machining (abbreviated as PCM or also called Chemical Etching, Metal Etching, Chemical Milling, Chemical Machining), Soldering, Brazing, Welding, Specialty Bonding:***

Our production plants for these are mostly in the USA, Southeast Asia including China, Taiwan, Hong Kong, Malaysia, Thailand, Japan, Singapore, Philippines. For our customers in the EU, due to geographic proximity, lower shipping costs and customs free trade opportunity, we manufacture these products also at plants located in Poland, Czech Republic, Slovakia, Turkey, Bulgaria, Germany, Italy, United Kingdom.

***Microscale & Nanoscale & Mesoscale Manufacturing, including Surface Treatments and Modification, Functional Coatings / Decorative Coatings / Thin Film / Thick Film, Nanoscale Manufacturing / Nanomanufacturing, Microscale Manufacturing / Micromanufacturing, Mesoscale Manufacturing / Mesomanufacturing, Microelectronics Manufacturing, Microfluidics***

***Manufacturing, Micro-Optics Manufacturing, Micro Assembly and Packaging, Soft Lithography:*** These are carried out in the US & Canada, China, Taiwan, Singapore, Hong Kong, Japan, Germany, UK, France.