



# **AirTAC**

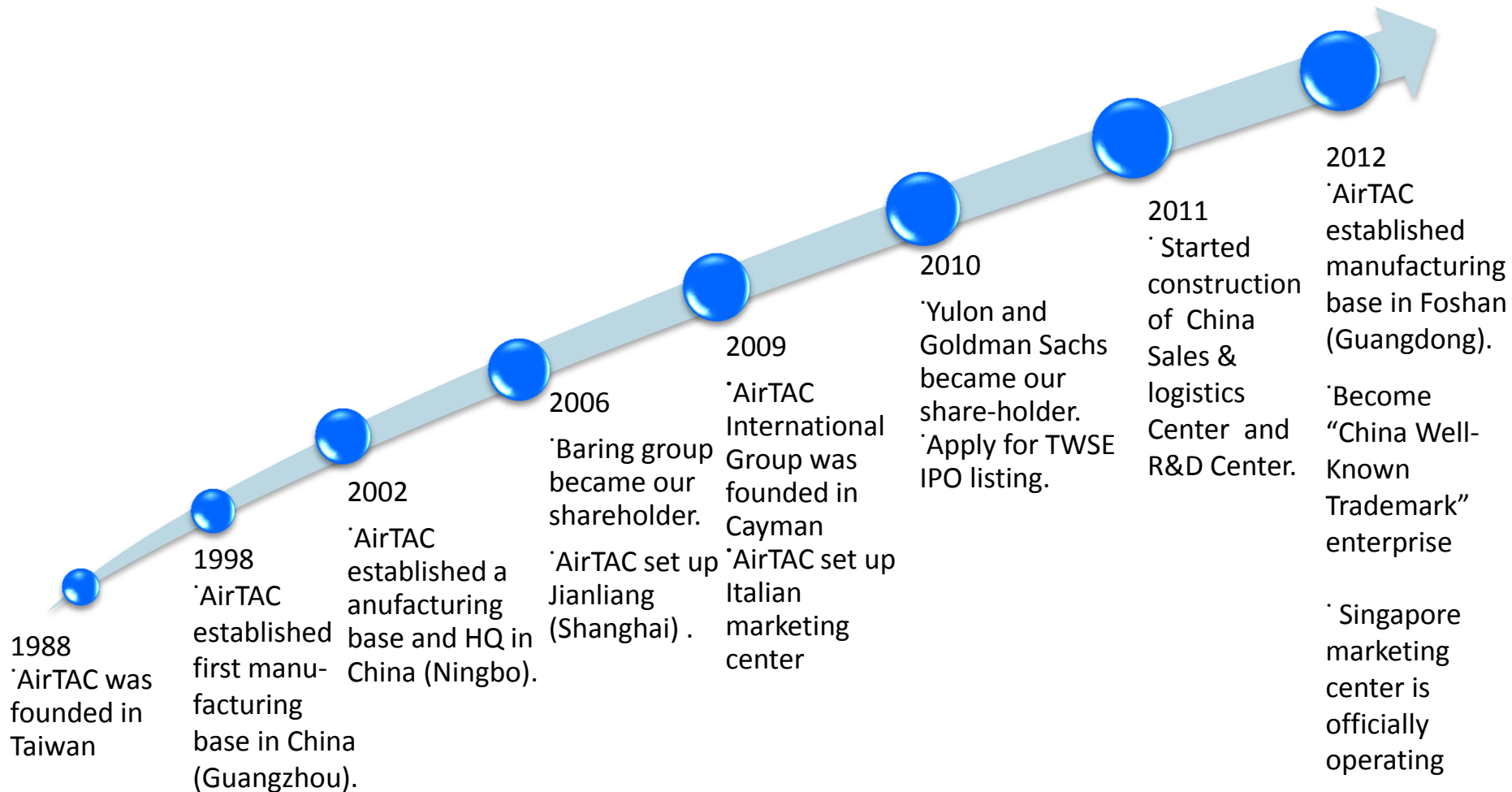
**Powered by AIRTAC**

# Agenda

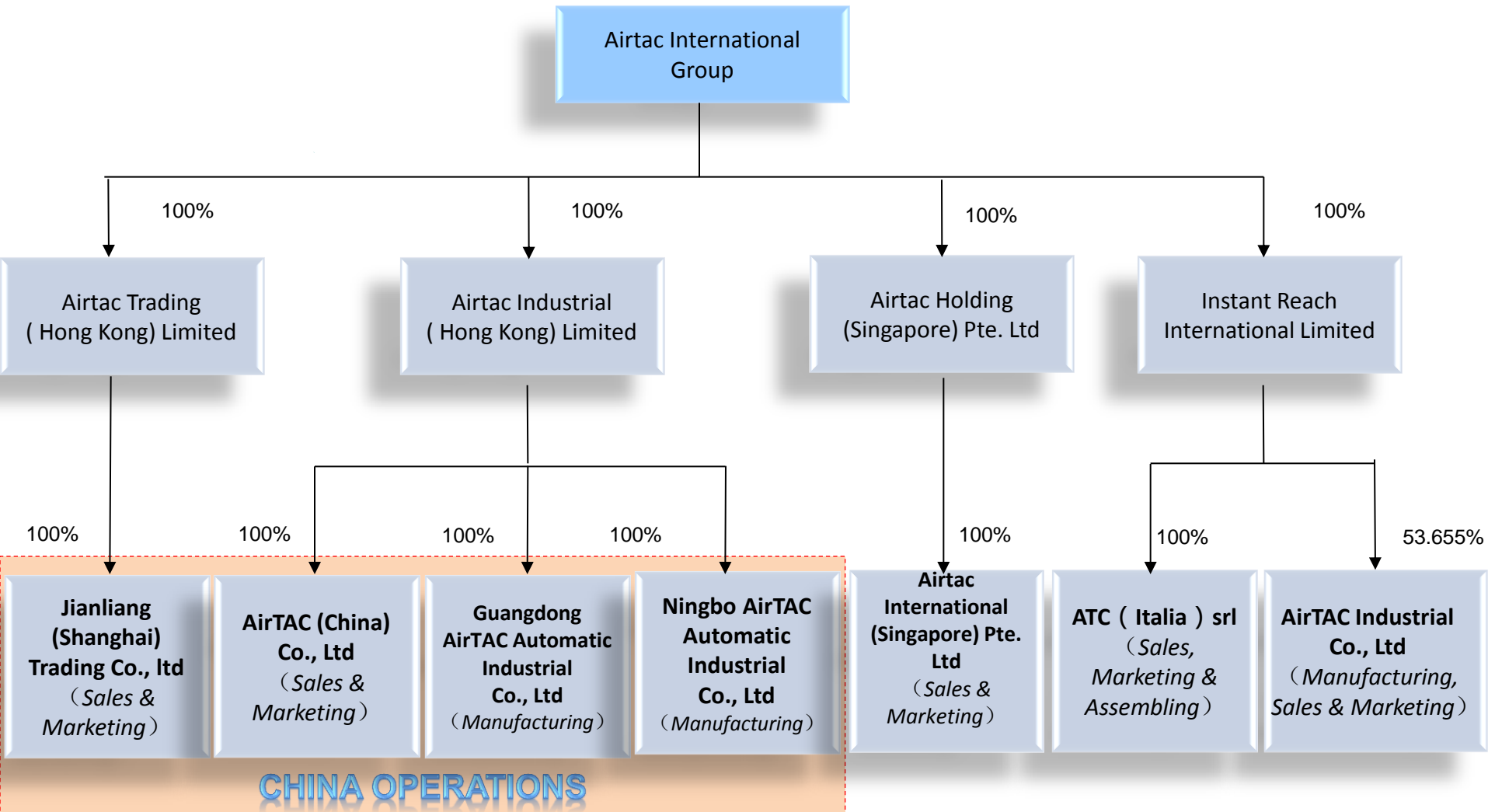
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# I · Group Overview

# Group Overview



# Organization Chart



# Corporate Culture

## People-oriented

- Value employees as the most precious resource.
- Encourage them to glow with company.

## Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

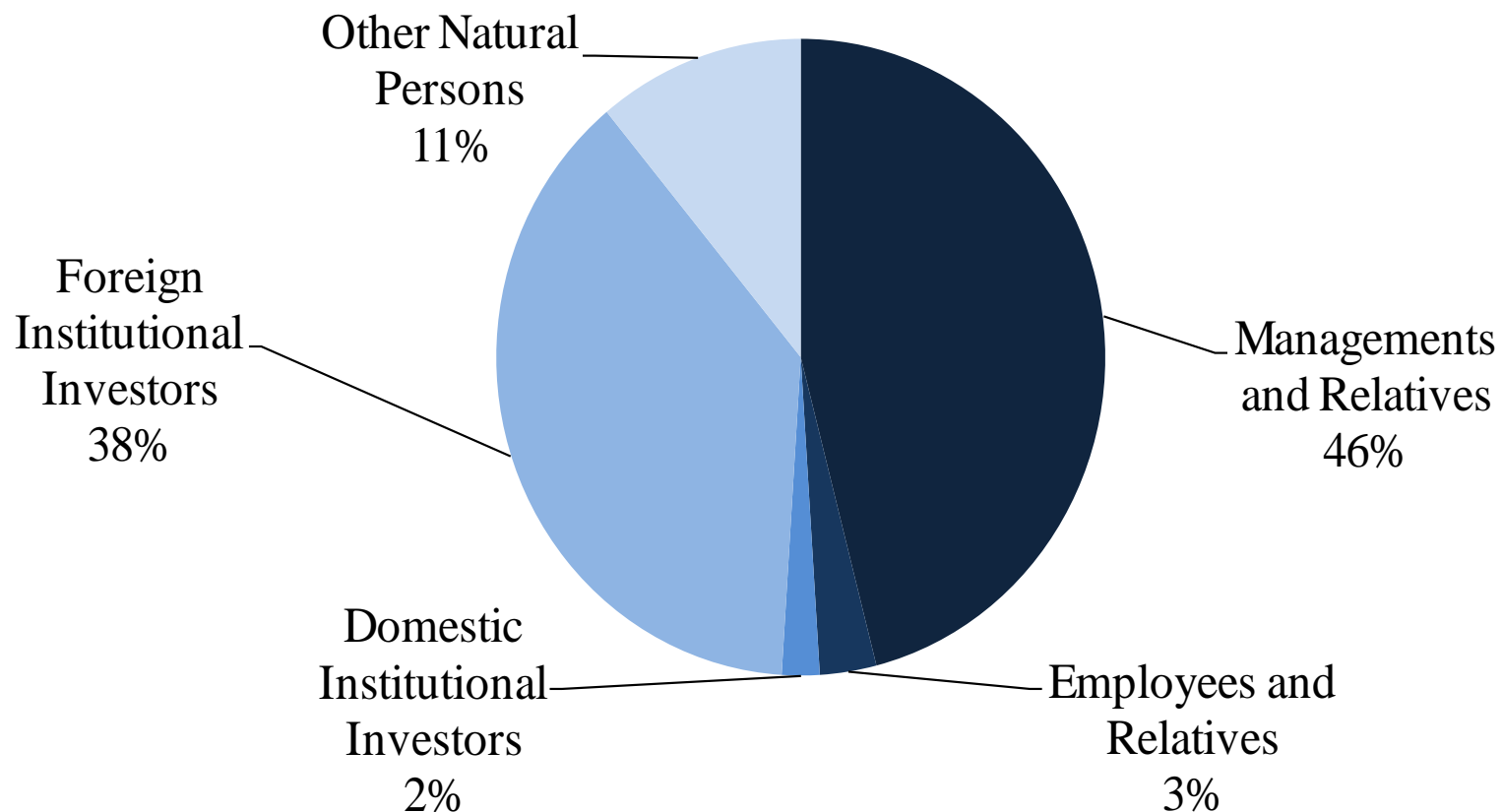
## Profit sharing

- Share the profit with every employees to reward their contribution and efforts.

## Co-development

- Match talent-development with organization development by providing the best career path for talented people with expertise or leadership skills.

# AirTAC Shareholder Structure



## II · Product & Market



# Diversified Product Lines

**AIR TAC**

股票代號：1590

## ➤ Cylinder



## ➤ Air valve & mechanical valve



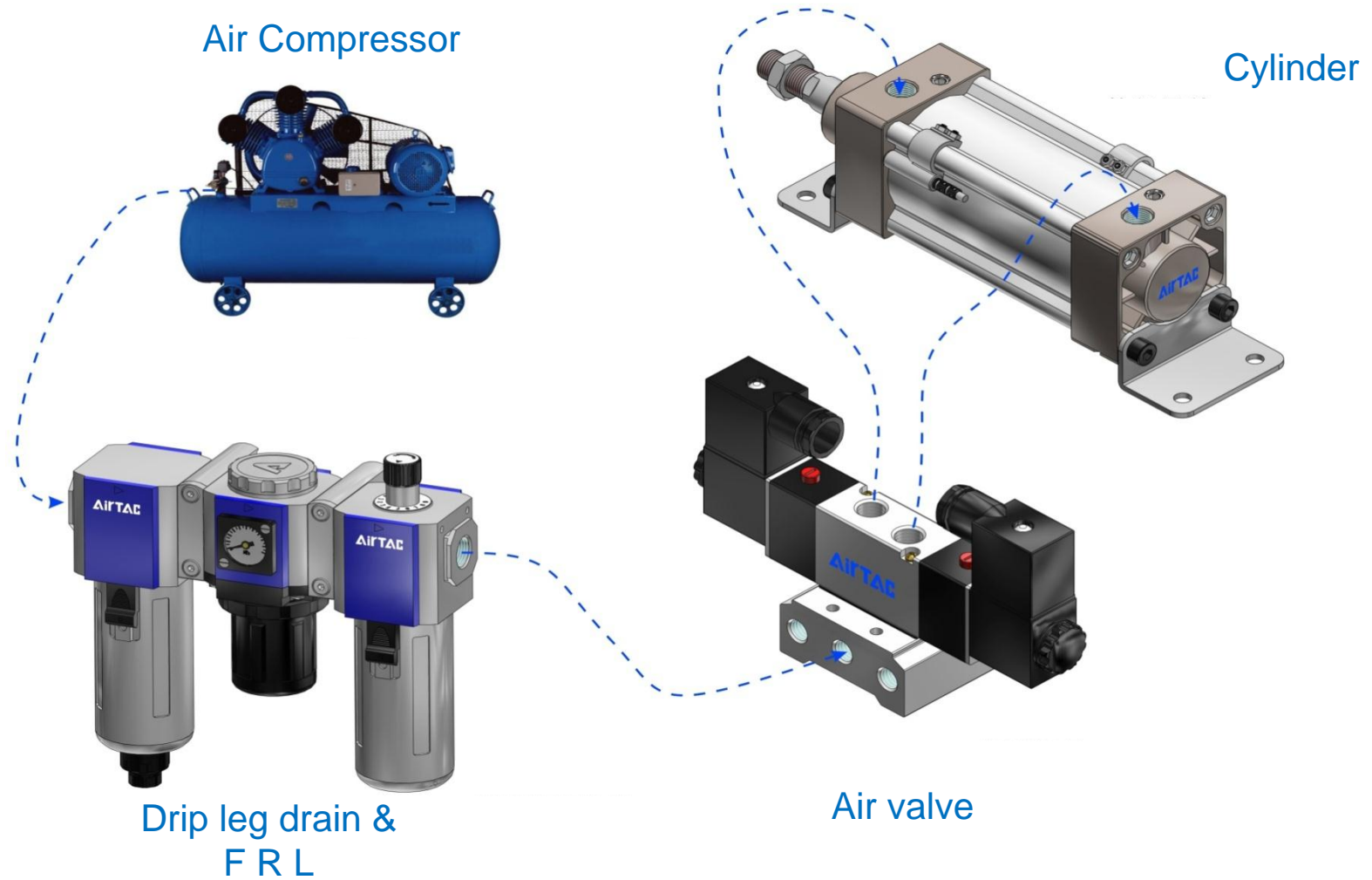
## ➤ Drip leg drain & F R L



## ➤ Others



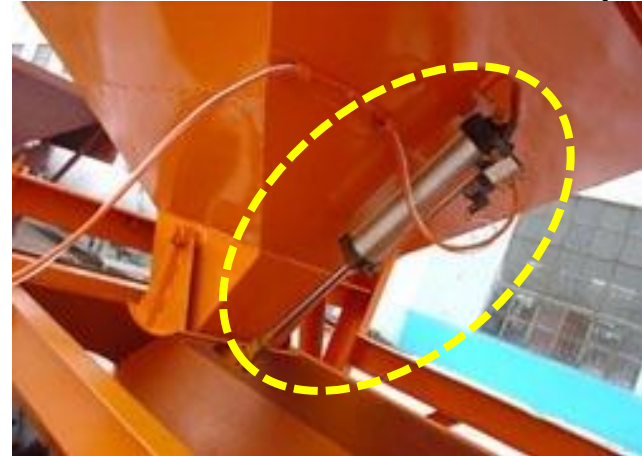
# Pneumatic operation of the process



# Products Application by Industry

AirTAC products are applied in various industrial automation equipment and machine, such as environmental protection machinery, construction machinery, electronic industry, automotive assembly line and the robot arm.

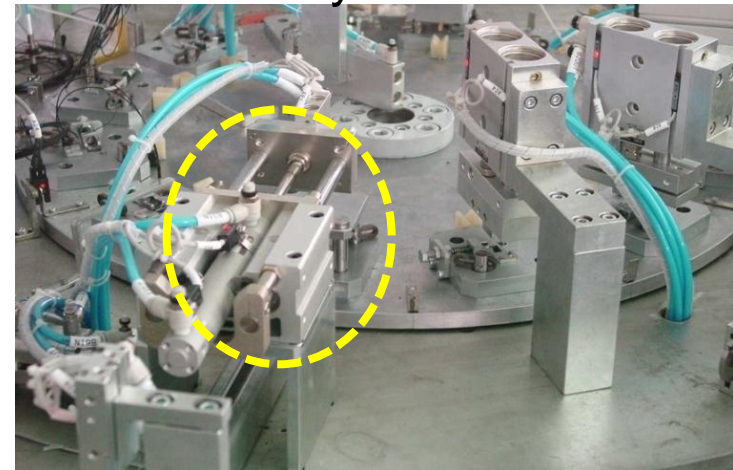
## Construction machinery



## Environmental processing machinery



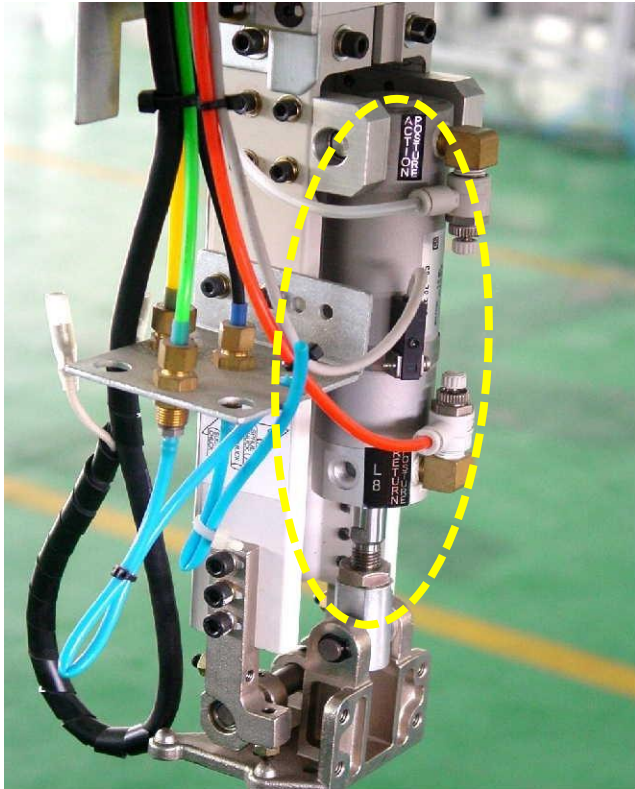
## Assembly automation



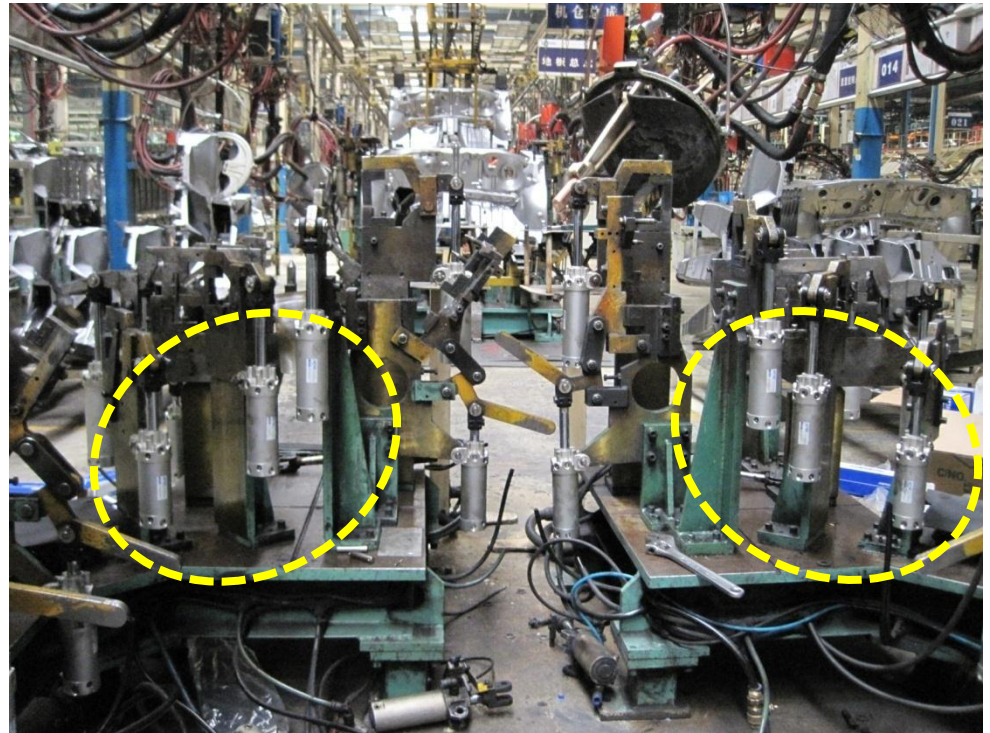


# Products Application by Industry

Robot arm

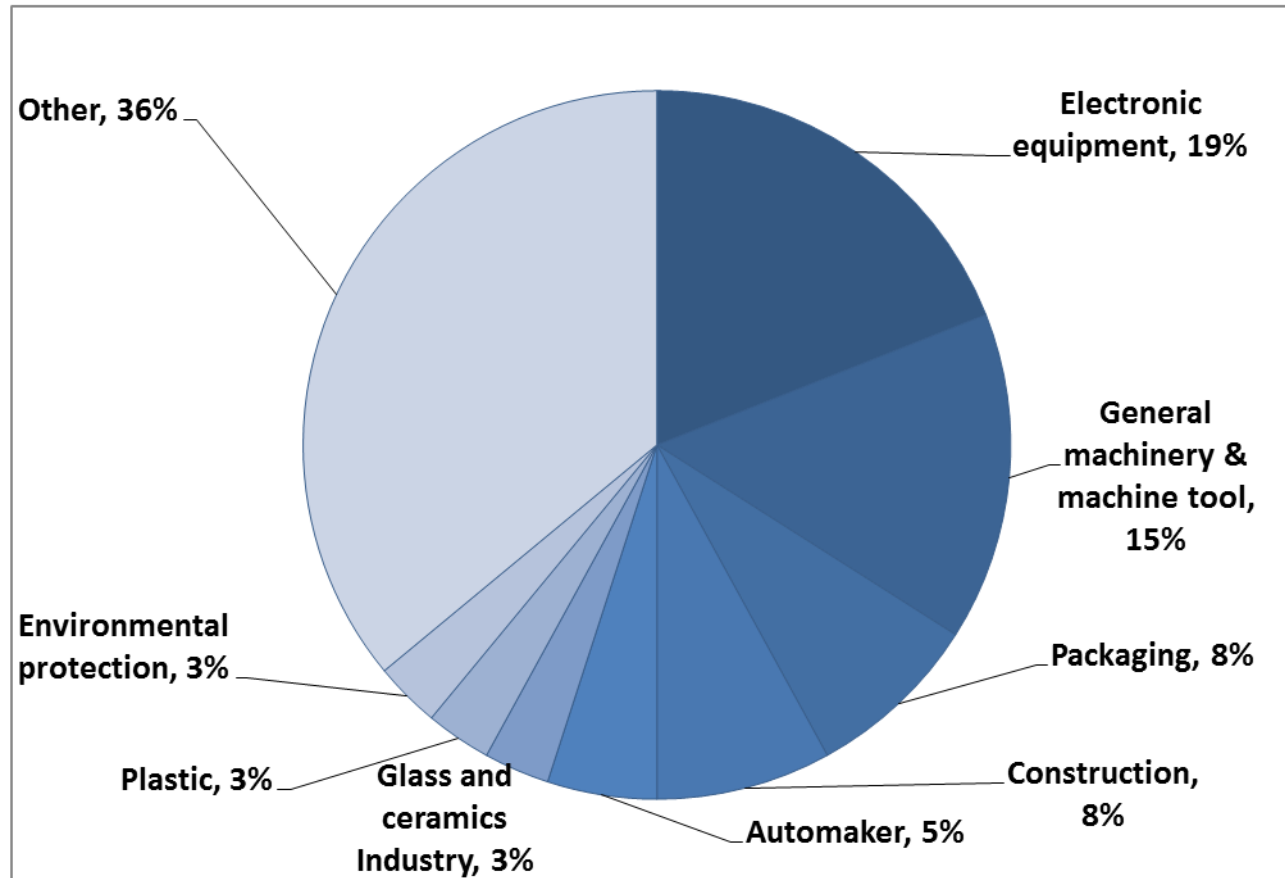


Automobile assembly



# Clients breakdown by industry

## 2012 Sales



## III · Competitive Advantage

# Competitive Advantage

## Own Brand

- Sell products under the **AirTAC** brand.
- Establish spec & price in Greater China.

## Own Sales Channels

- Strong self own sales channels in Greater China.
- Provide nation-wide after-sales service in Greater China.

## Comprehensive Vertical Integration

- 90% of component are manufactured in house.
- Achieve better profitability than its peers

## Tech Innovation

- Maintain high-quality products by sealant technology.
- Improve production process continuously

# Worldwide manufacturing bases & sales branches

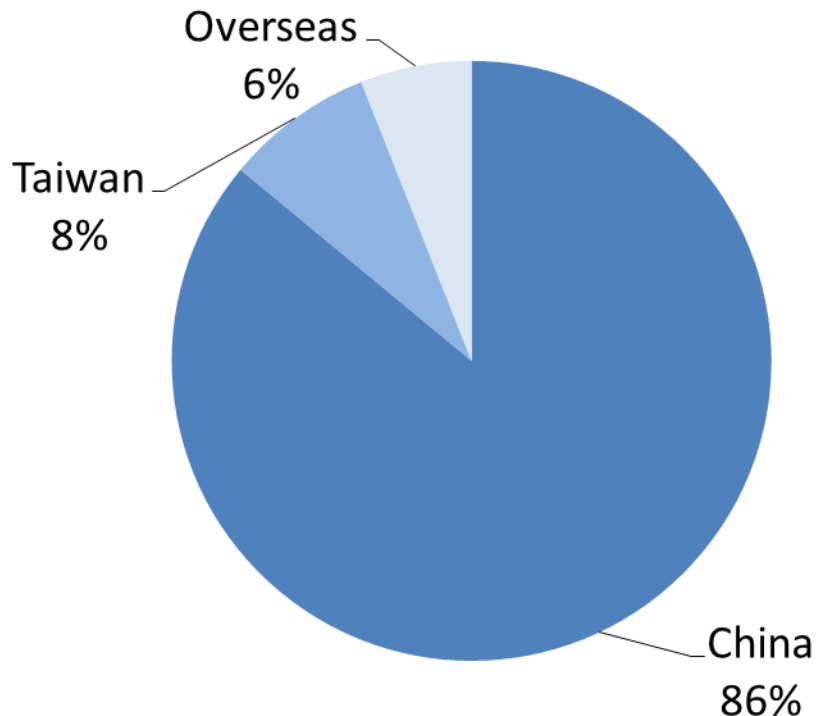


- ◆ Mainland : 2 manufacturing bases; 55 branches, 8 offices
- ◆ Taiwan : 1 manufacturing base and 4 offices
- ◆ Europe : 1 assembling and Distribution center in Italy.
- ◆ Singapore : 1 assembling and sales center
- ◆ Overseas: +30 distribution offices to provide comprehensive sales network and service

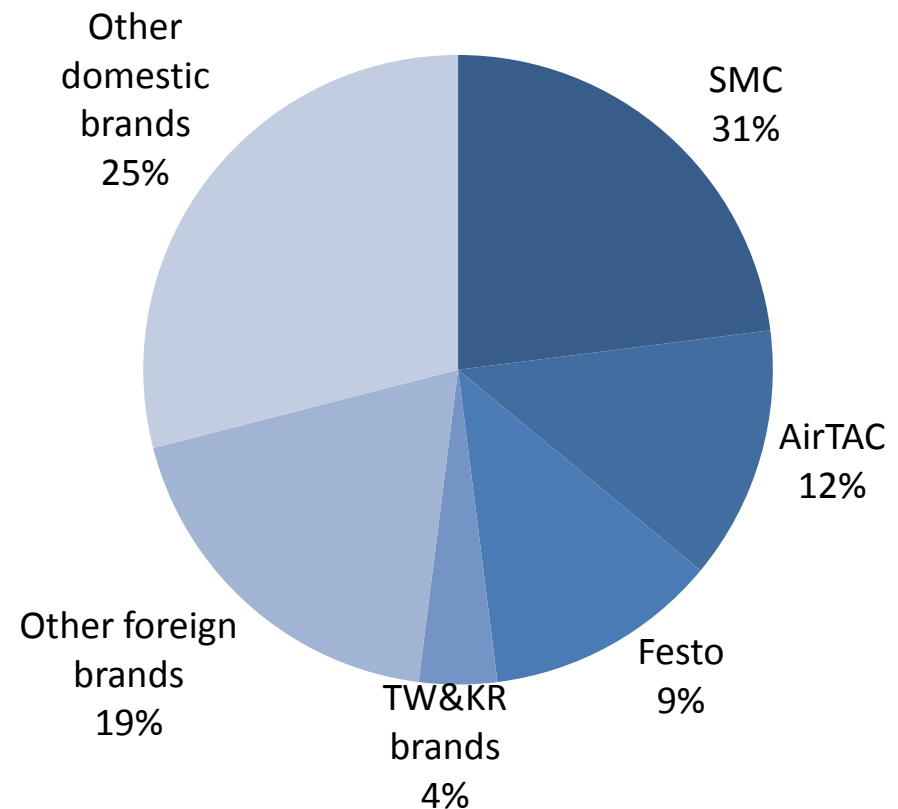


# Ranked the second largest market share in China

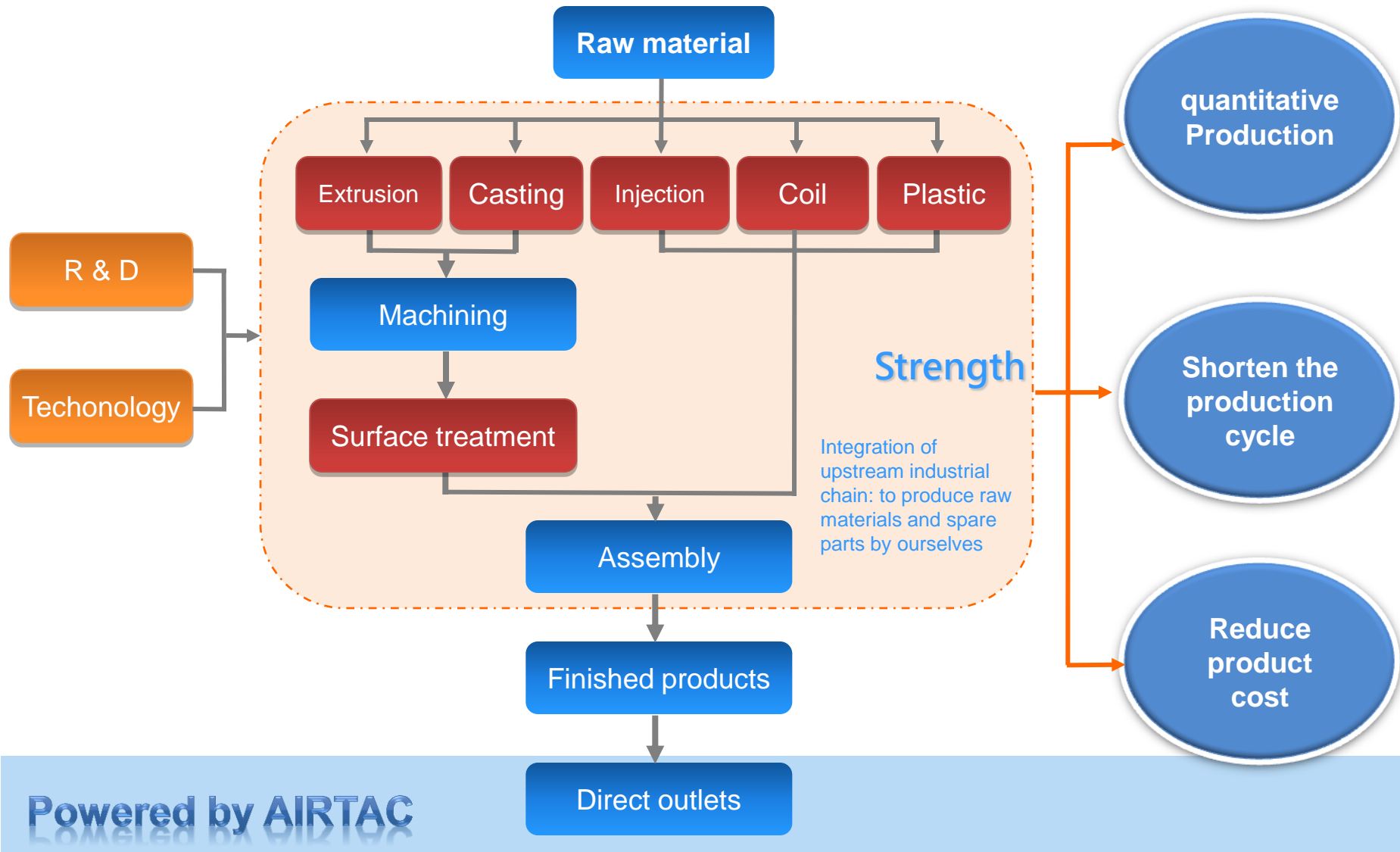
AirTAC Sales by region



Pneumatic equipment - market share in China



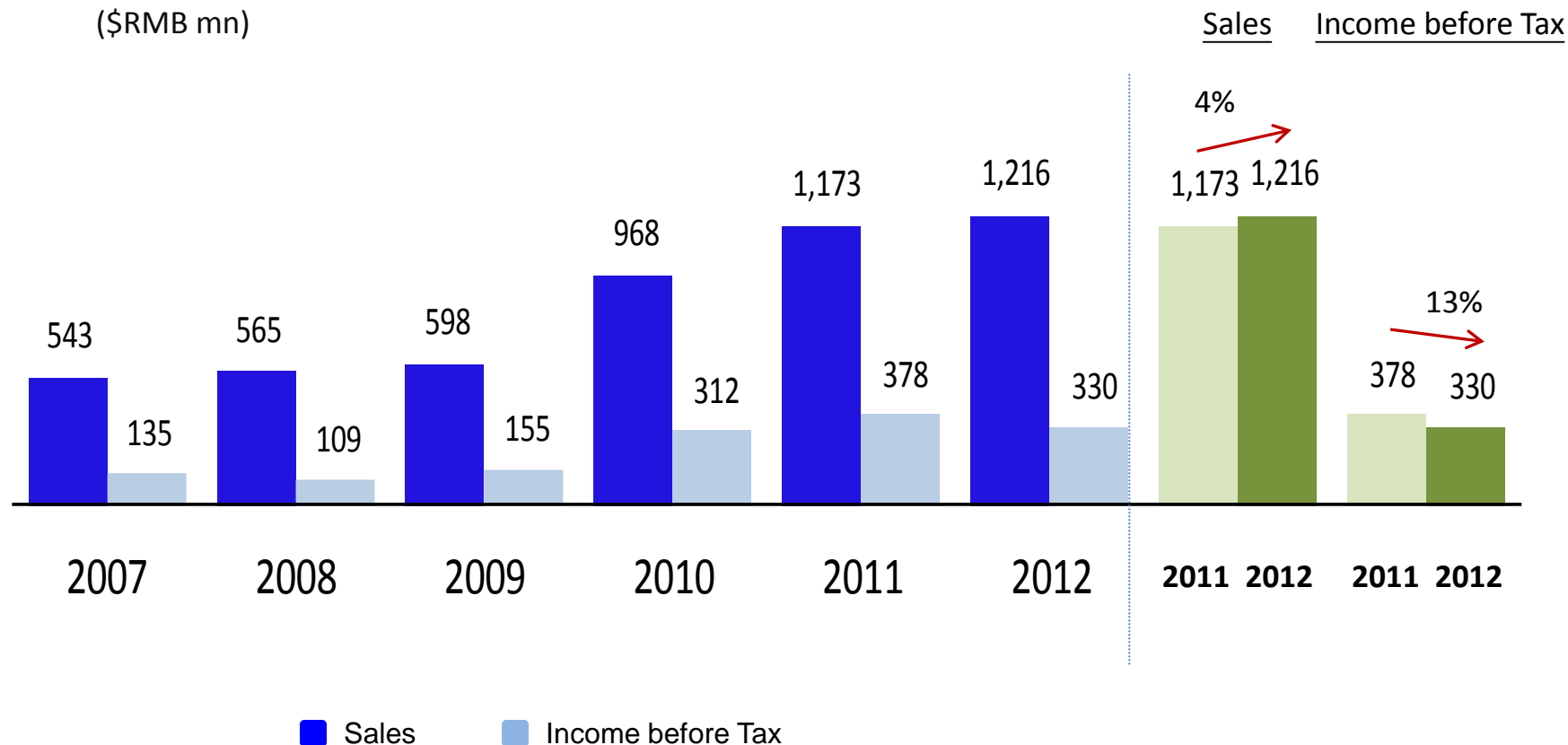
# Integration of upstream industrial chain



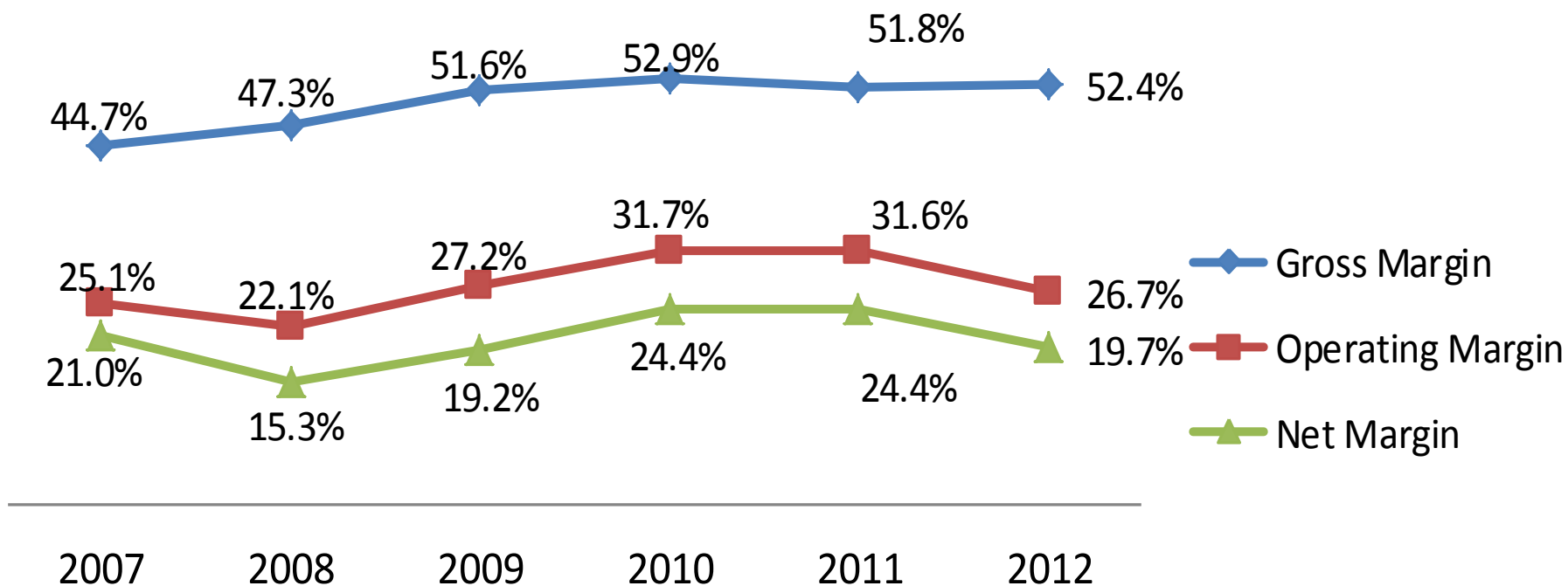
## IV · Financial Outlook

# 2007~2012 Sales & Income before Tax

(\$RMB mn)



## 2007~2012 Profitability Trend



# Income Statement

(\$RMB mn)

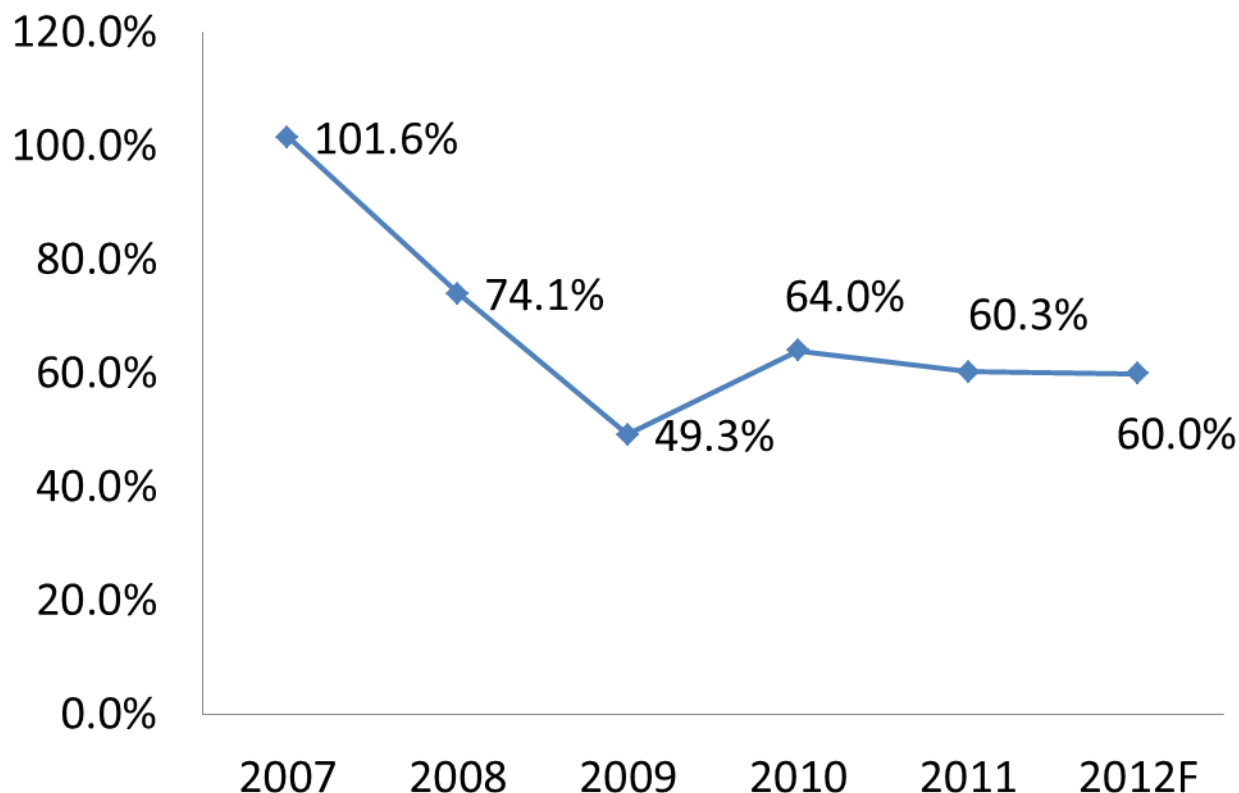
	<u>2009</u>		<u>2010</u>		<u>2011</u>		<u>2012</u>	
Sales	\$598	100%	\$968	100%	\$1,173	100%	\$1,216	100%
Cost	\$289	48%	\$456	47%	\$566	48%	\$579	48%
Gross Profit	\$309	52%	\$512	53%	\$607	52%	\$637	52%
Operating Expenses	\$146	25%	\$205	22%	\$236	20%	\$312	25%
Income from Operations	\$163	27%	\$307	31%	\$371	32%	\$325	27%
Non-operating Income	\$9	2%	\$17	2%	\$14	1%	\$16	1%
Non-operating Expenses	\$17	3%	\$12	1%	\$7	1%	\$11	1%
EBT	\$155	26%	\$312	32%	\$378	32%	\$330	27%
TAX	\$40	7%	\$75	8%	\$92	8%	\$90	7%
Net Income	\$115	19%	\$237	24%	\$286	24%	\$240	20%

# Balance Sheet

(\$RMB mn)

	2009		2010		2011		2012	
Cash & Cash Equivalents	\$74	8%	\$431	29%	\$304	17%	\$233	11%
NR & AR	\$155	17%	\$226	15%	\$289	16%	\$335	15%
Inventory & Other Current Assets	\$129	14%	\$188	12%	\$243	14%	\$275	13%
Property, plant and equipment, Other	\$558	61%	\$666	44%	\$945	53%	\$1,335	61%
<b>Total Assets</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,178</b>	<b>100%</b>
AP, Other Current Liabilities	\$280	30%	\$294	19%	\$530	30%	\$870	40%
Long-term liabilities, Other	\$126	14%	\$196	13%	\$104	6%	\$89	4%
<b>Total Liabilities</b>	<b>\$406</b>	<b>44%</b>	<b>\$490</b>	<b>32%</b>	<b>\$634</b>	<b>36%</b>	<b>\$959</b>	<b>44%</b>
<b>Total Equity</b>	<b>\$510</b>	<b>56%</b>	<b>\$1,021</b>	<b>68%</b>	<b>\$1,147</b>	<b>64%</b>	<b>\$1,219</b>	<b>56%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,781</b>	<b>100%</b>	<b>\$2,178</b>	<b>100%</b>

# Payout Ratio



Expected 2012 Cash dividends to shareholders – RMB 0.8 per share (around NTD 3.8 per share )

Stock dividends to shareholders – RMB 0.148 per share (around NTD 0.7 per share )



# V · Development prospects & Strategic

# Goals in the next five years

1. Expand sales channels
2. Expand overseas markets
3. Expand product portfolio
4. To be global top 3 players

# Q&A