



AirTAC

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Agenda

I Group Overview

II Product & Market

III Competitive Advantage

IV Financial Outlook

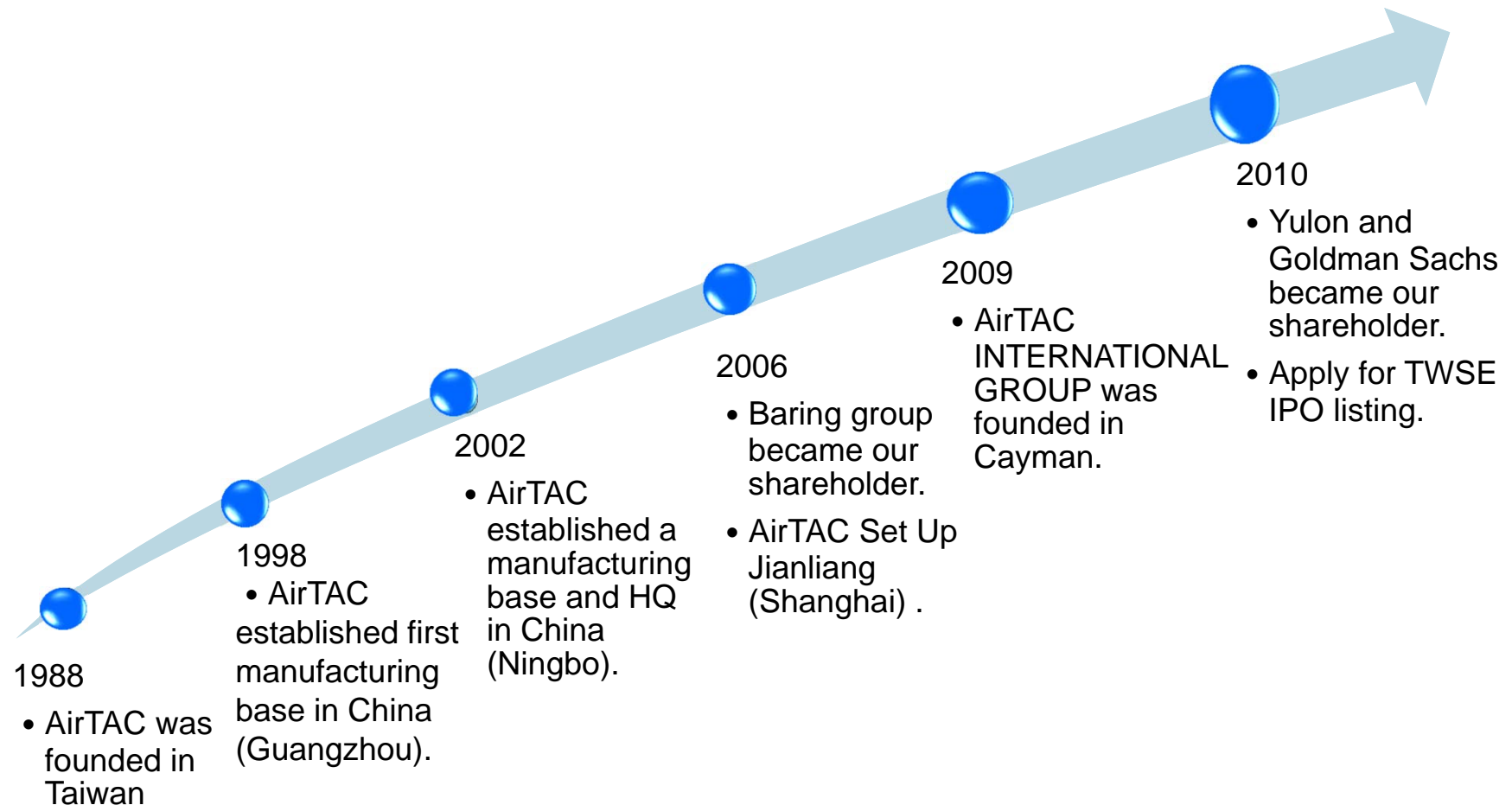
V Development prospects & Strategic

I · Group Overview

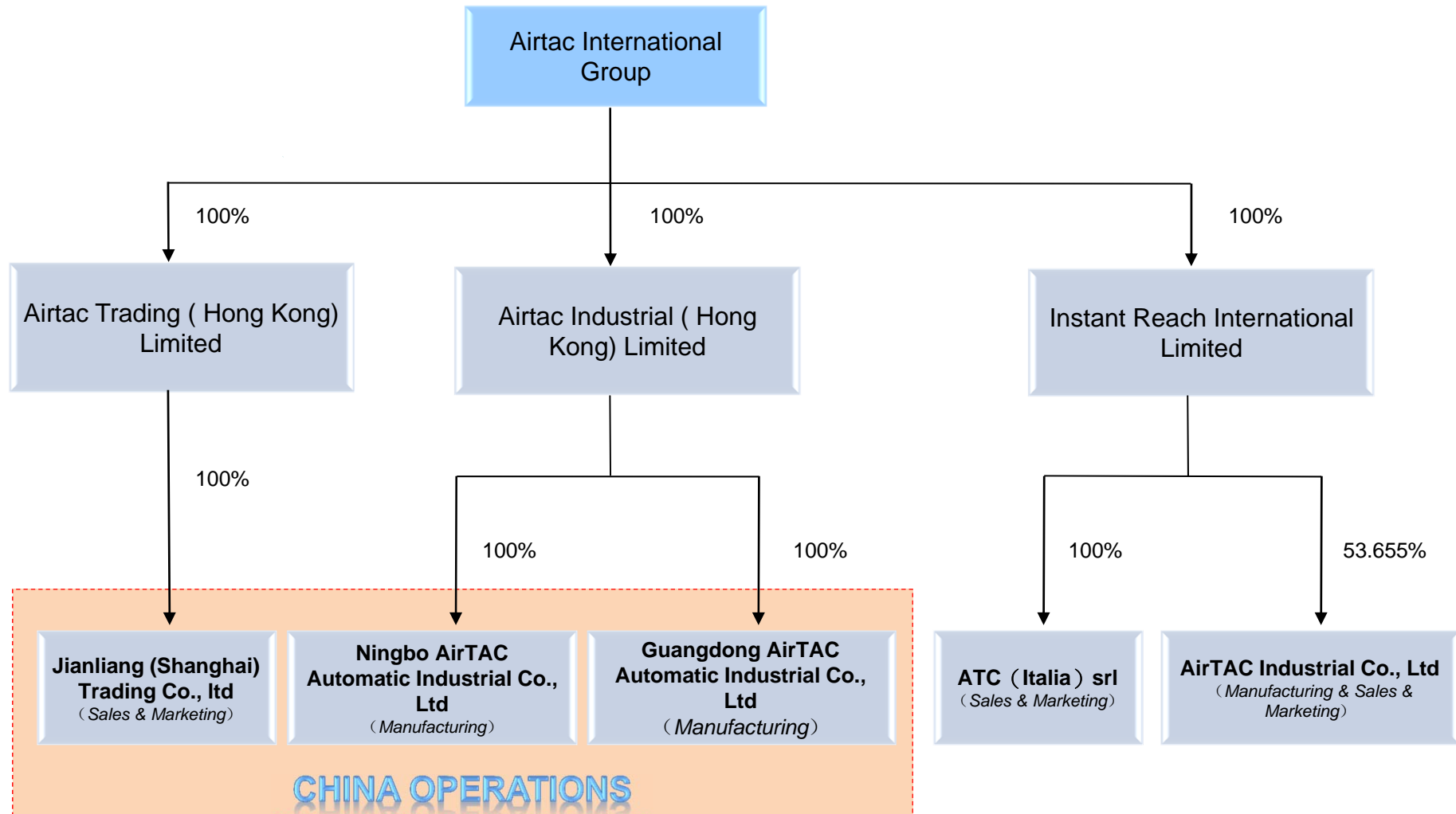
Group Overview

AirTAC

股票代號：1590



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

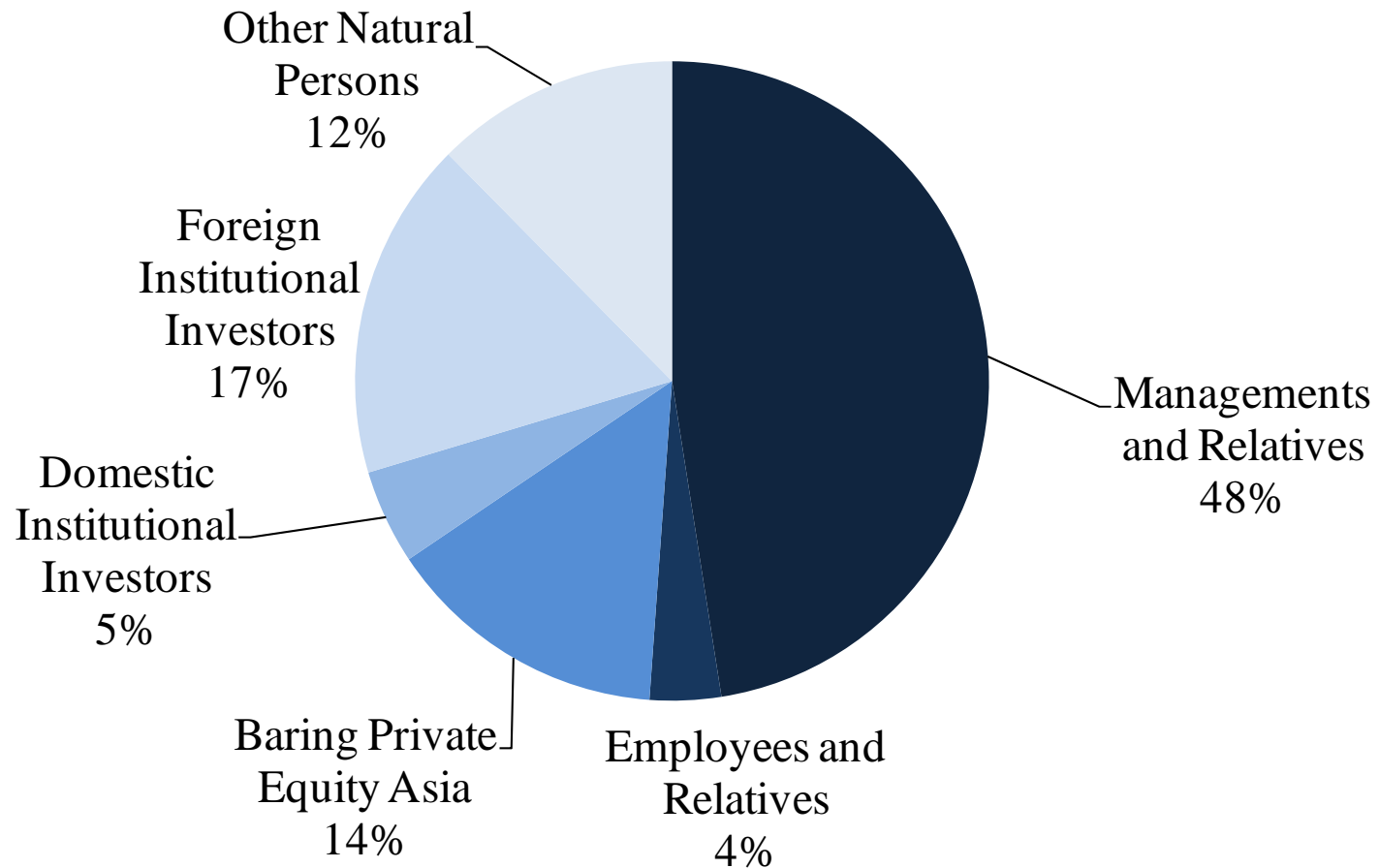
Profit sharing

- 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

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➤ Cylinder



➤ Air valve & mechanical valve



➤ Drip leg drain & F R L

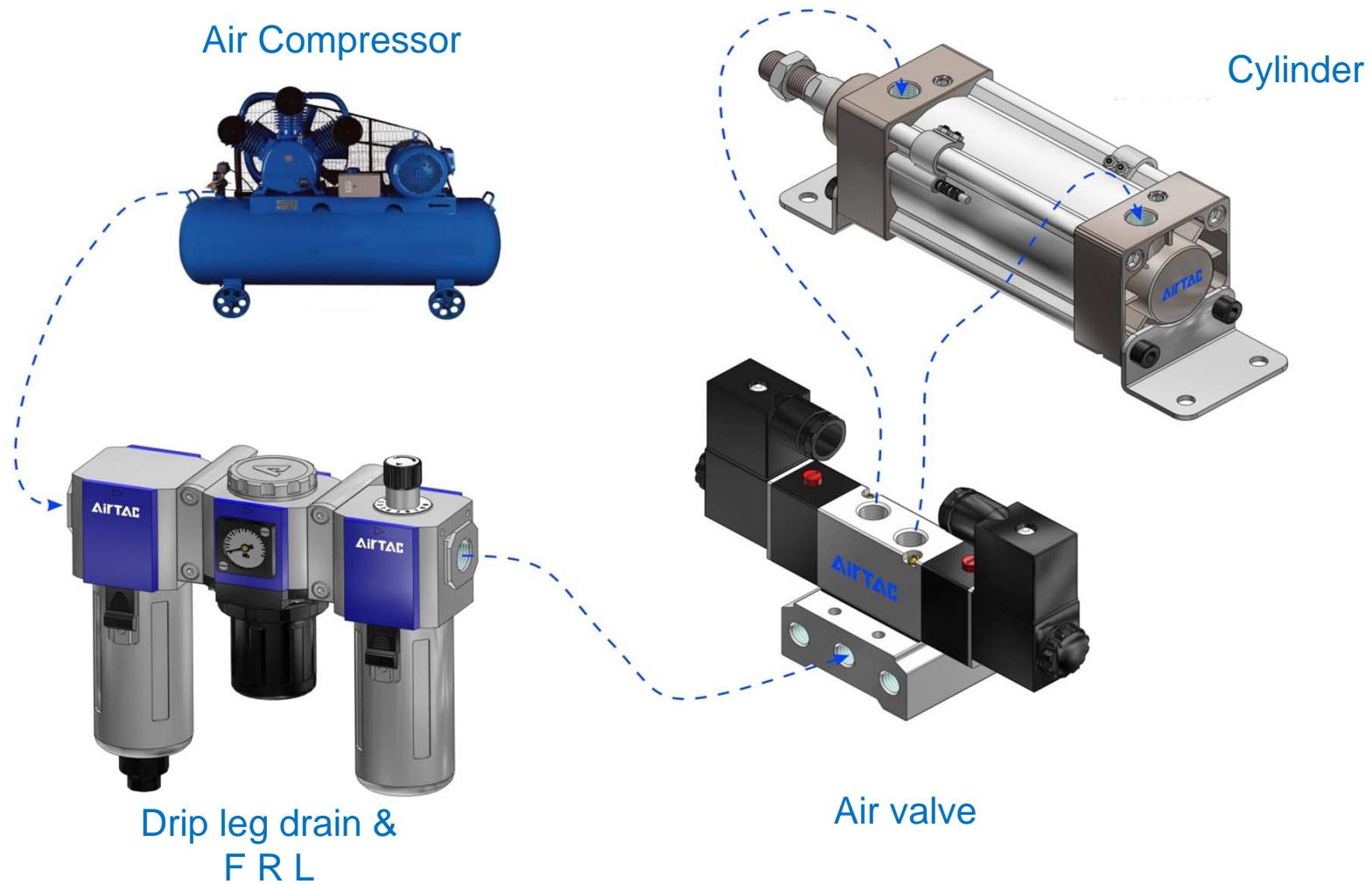


➤ Others



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Pneumatic operation of the process



Products Application by Industry

AirTAC

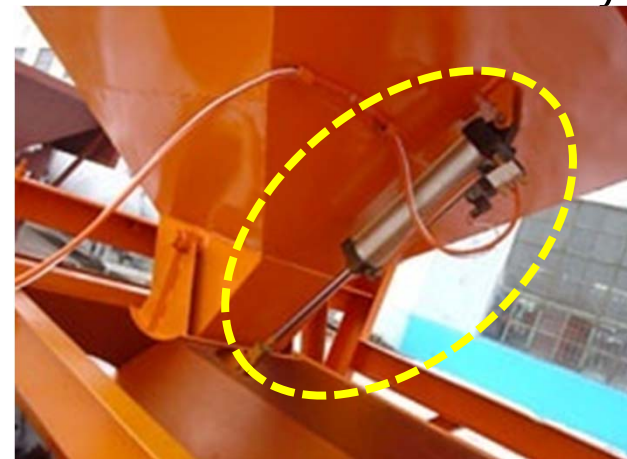
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AirTAC products are applied in various industrial automation equipment and machine, such as environmental protection machinery, construction machinery, electronic industry, automotive assembly line and the robot arm.

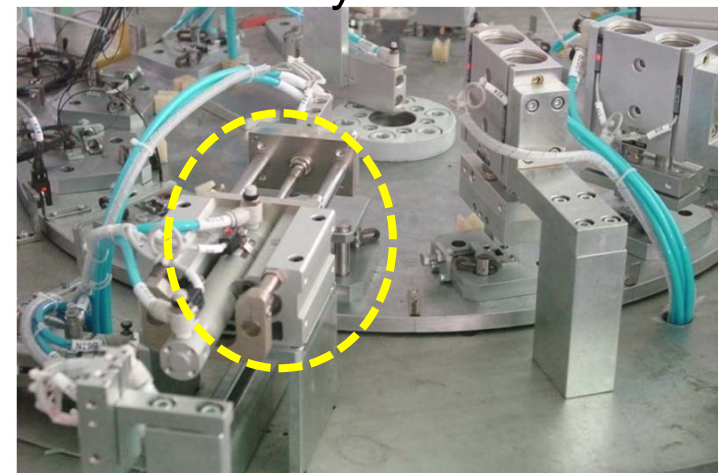
Environmental processing machinery



Construction machinery



Assembly automation

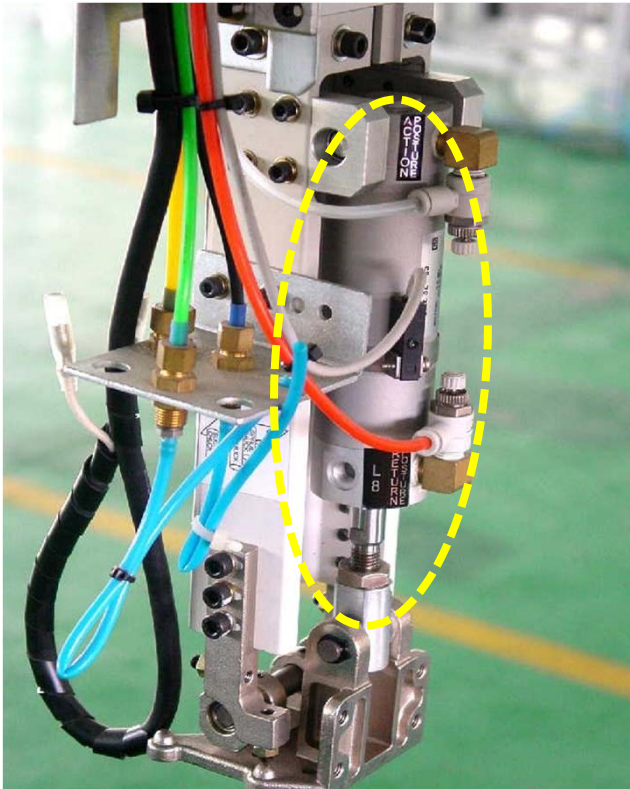


Products Application by Industry

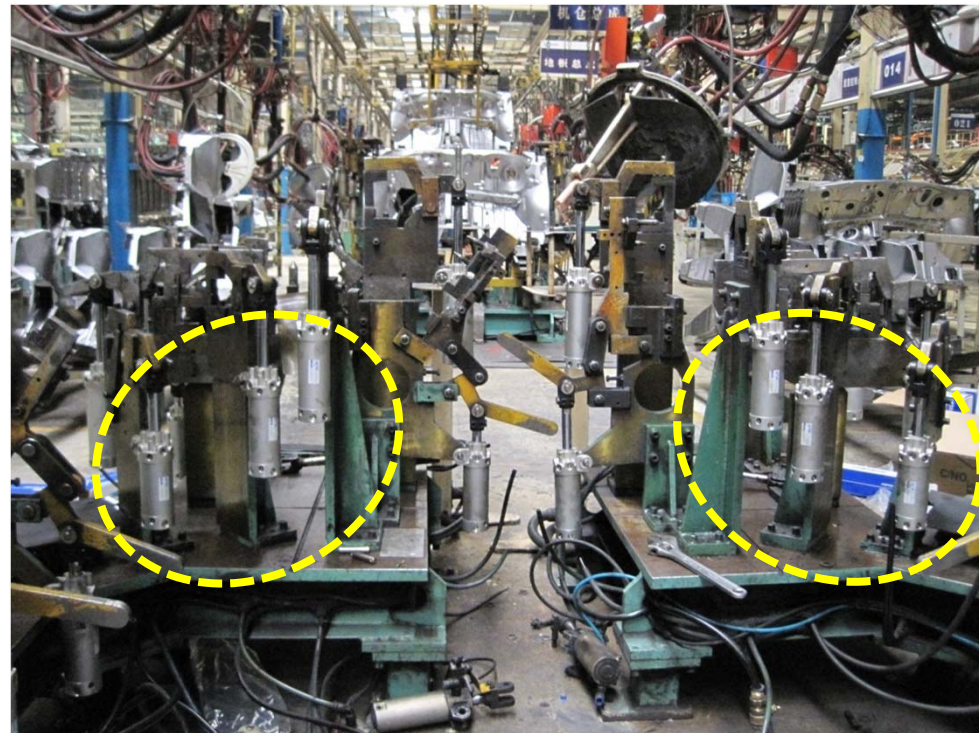
AIRTAC

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Robot arm

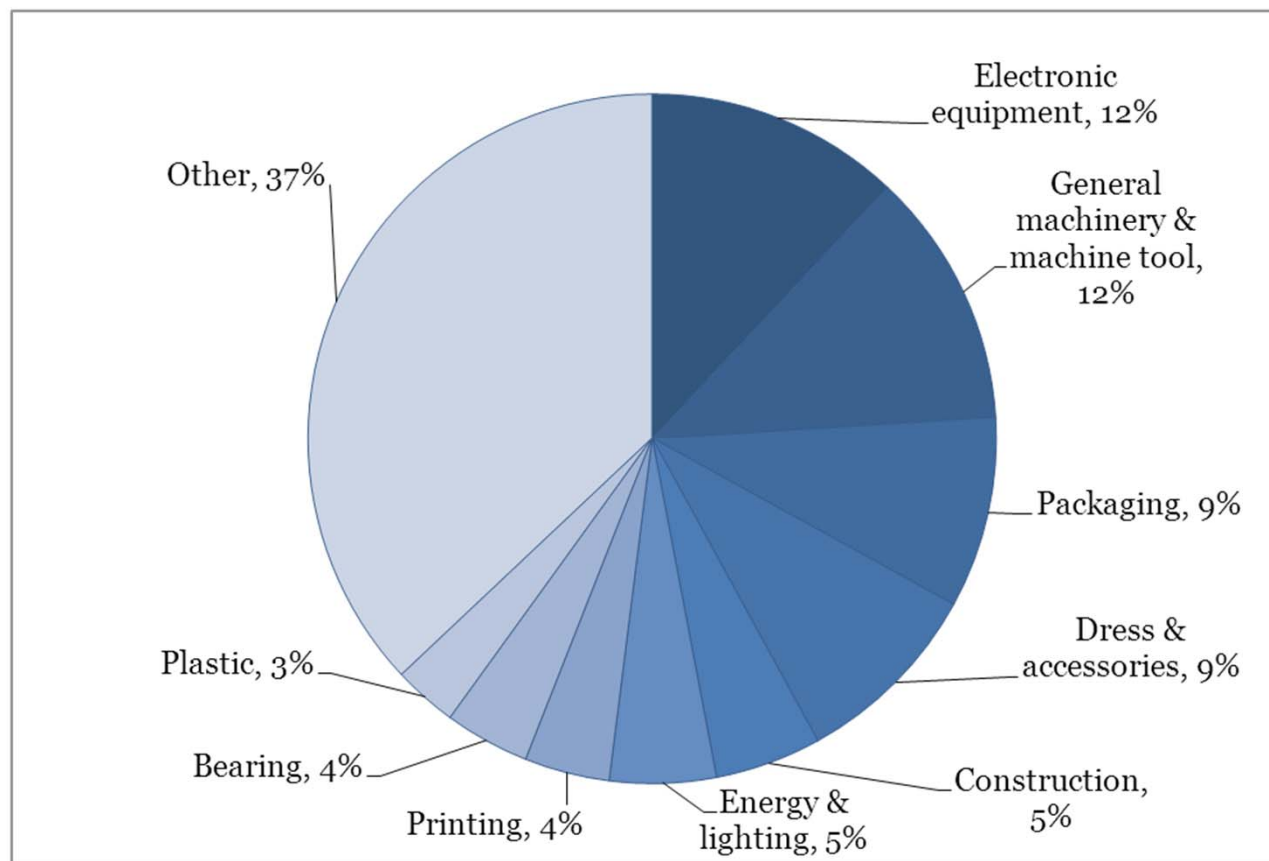


Automobile assembly



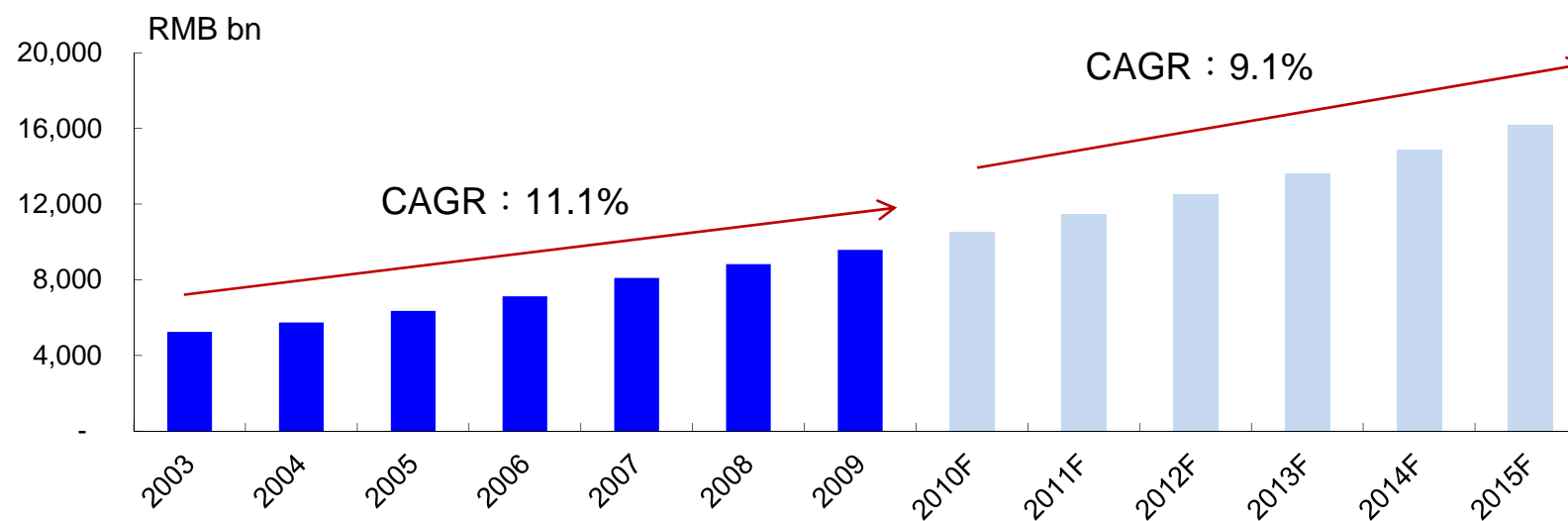
Clients breakdown by industry

2010 Sales



With High Growth in China

China GDP CAGR



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

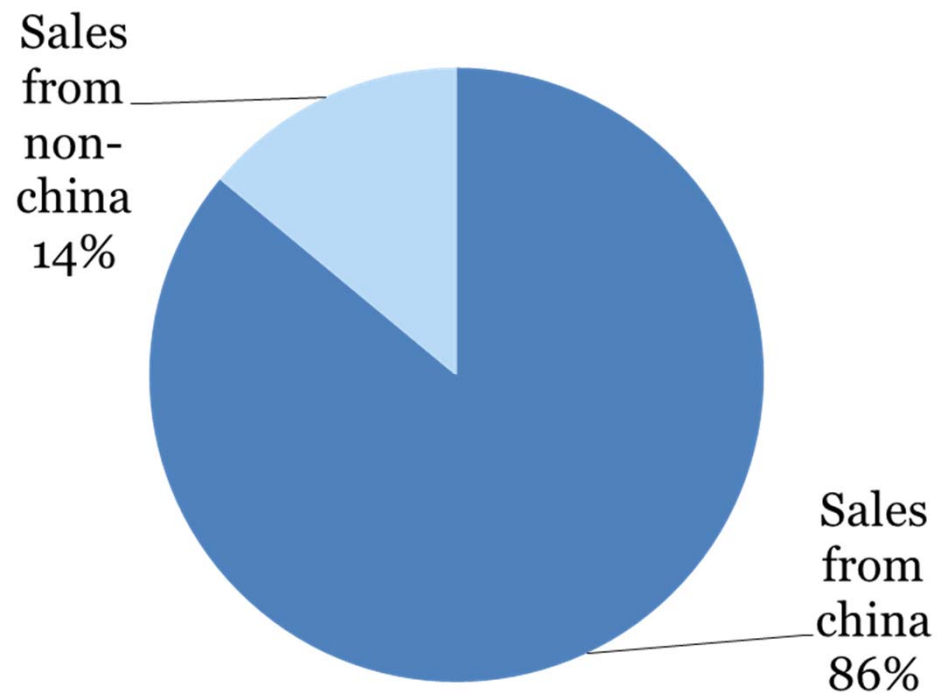
Worldwide manufacturing bases & sales branches



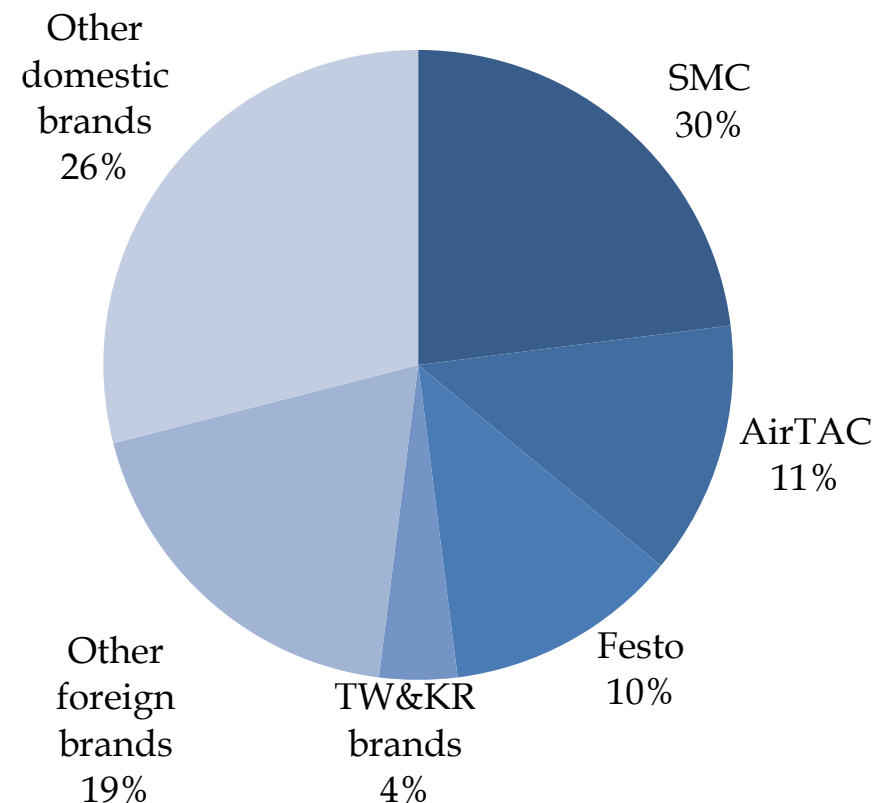
- ◆ Mainland: 2 manufacturing bases; 40 branches, 19 offices
- ◆ Taiwan: 1 manufacturing base and 3 offices
- ◆ Europe: 1 manufacturing and Distribution center in Italy.
- ◆ Overseas: +30 distribution offices to provide comprehensive sales network and service

Ranked the second largest market share in China

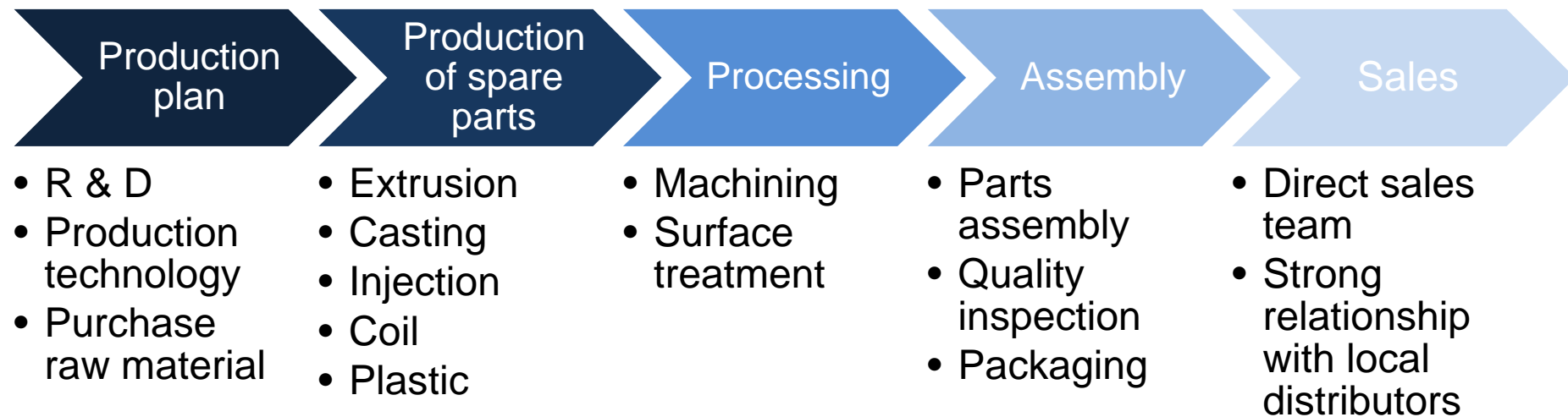
AirTAC Sales by region



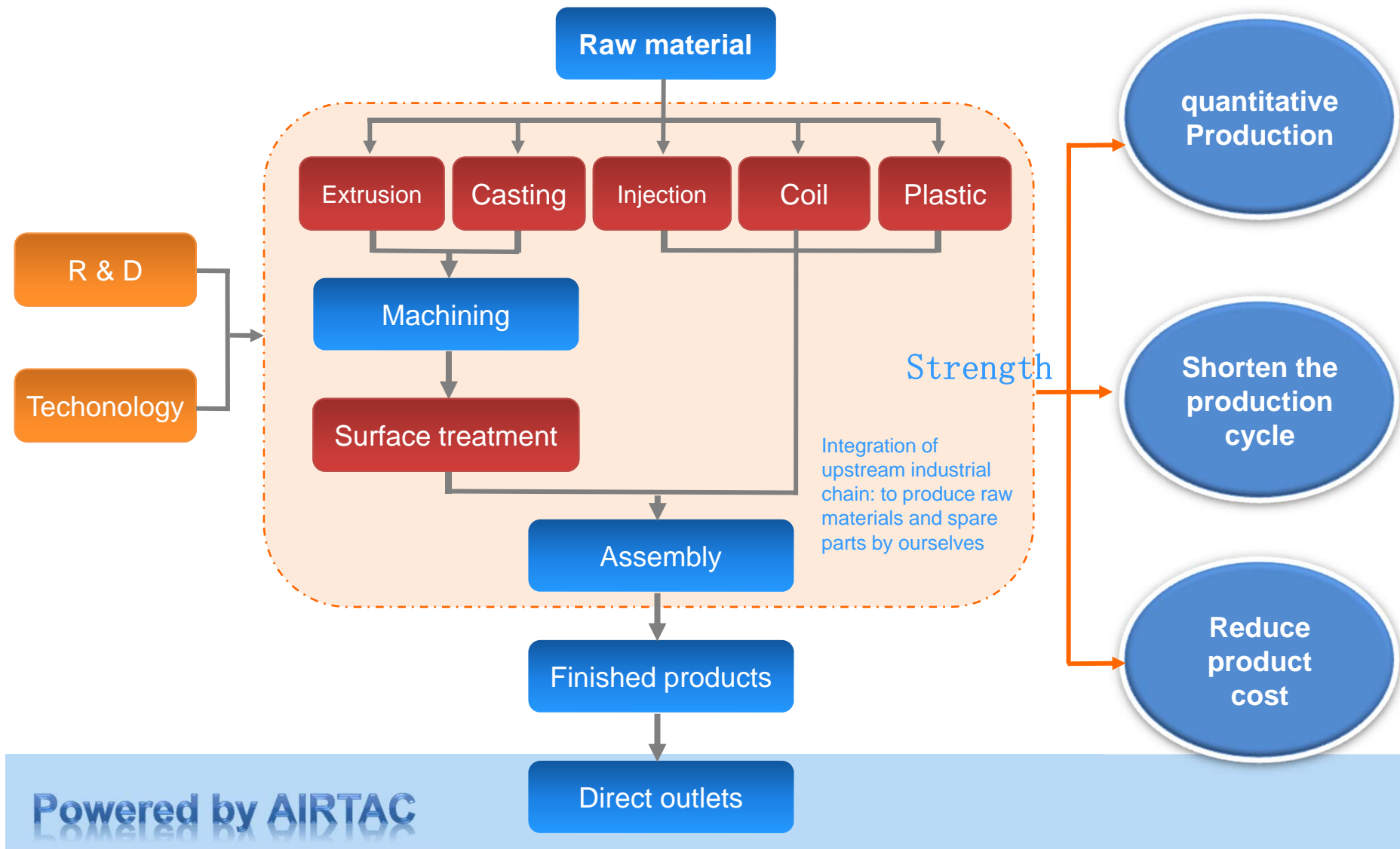
Pneumatic equipment - market share in China



Highly Comprehensive Vertical Integration

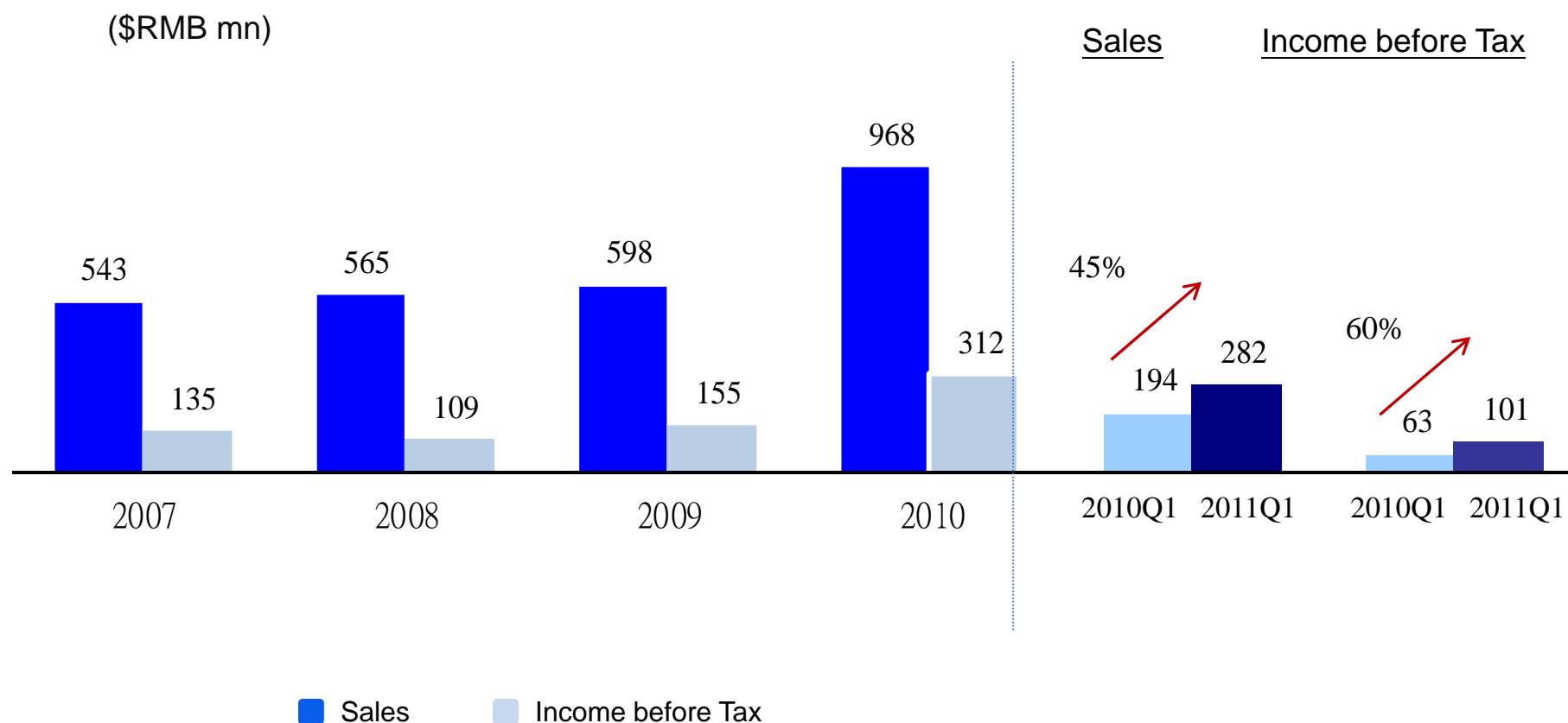


Integration of upstream industrial chain

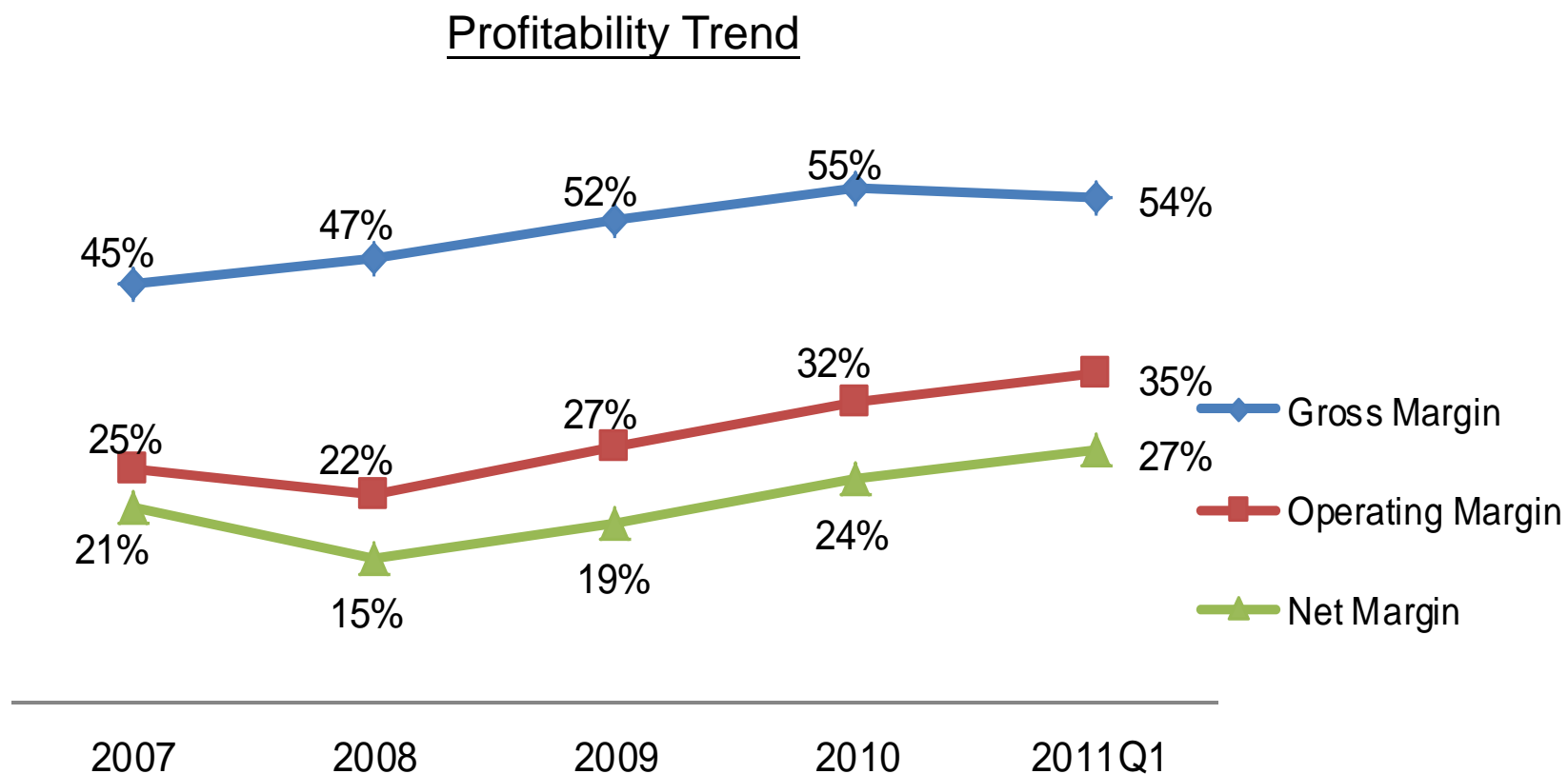


IV · Financial Outlook

2007~2011Q1 Sales & Income before Tax



2007~2011Q1 Profitability Trend



Income Statement



股票代號：1590

(\$RMB mn)

	<u>2008</u>		<u>2009</u>		<u>2010</u>		<u>2011Q1</u>	
Sales	\$565	100%	\$598	100%	\$968	100%	\$282	100%
Cost	\$298	53%	\$289	49%	\$434	45%	\$131	46%
Gross Profit	\$267	47%	\$309	51%	\$534	55%	\$151	54%
Operating Expenses	\$142	25%	\$146	24%	\$227	24%	\$52	19%
Income from Operations	\$125	22%	\$163	27%	\$307	31%	\$99	35%
Non-operating Income	\$3	1%	\$9	2%	\$17	2%	\$4	2%
Non-operating Expenses	\$19	4%	\$17	3%	\$12	1%	\$2	1%
EBT	\$109	19%	\$155	26%	\$312	32%	\$101	36%
TAX	\$22	4%	\$40	7%	\$75	8%	\$26	9%
Net Income	\$87	15%	\$115	19%	\$237	24%	\$75	27%

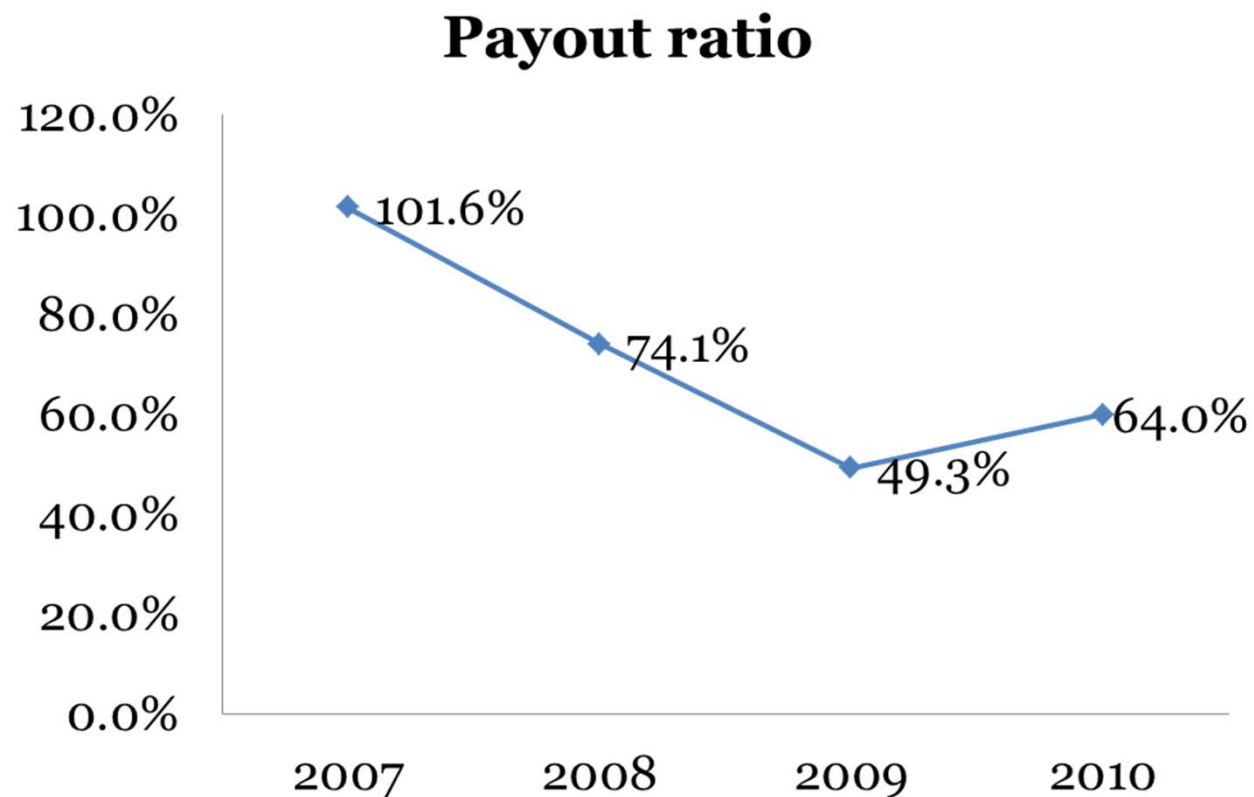
Balance Sheet



股票代號：1590

(\$RMB mn)	2008		2009		2010		2011Q1	
Cash & Cash Equivalents	\$50	6%	\$74	8%	\$431	29%	\$247	17%
NR & AR	\$107	13%	\$155	17%	\$226	15%	\$268	18%
Inventory & Other Current Assets	\$141	16%	\$129	14%	\$188	12%	\$223	16%
Property, plant and equipment, Other	\$557	65%	\$558	61%	\$666	44%	\$740	49%
Total Assets	\$855	100%	\$916	100%	\$1,511	100%	\$1,478	100%
AP, Other Current Liabilities	\$163	19%	\$280	30%	\$294	19%	\$198	13%
Long-term liabilities, Other	\$268	31%	\$126	14%	\$196	13%	\$185	13%
Total Liabilities	\$431	50%	\$406	44%	\$490	32%	\$383	26%
Total Equity	\$424	50%	\$510	56%	\$1,021	68%	\$1,095	74%
Total Liabilities & Equity	\$855	100%	\$916	100%	\$1,511	100%	\$1,478	100%

Payout Ratio



Cash dividends to shareholders – RMB1.00 per share (around NTD4.36 per share)

V · Development prospects & Strategic

Goals in the next three years

1. Expand sales channels
2. Expand overseas markets
3. Expand product portfolio
4. To be global top 3 players in the next three years

Q&A