



AirTAC

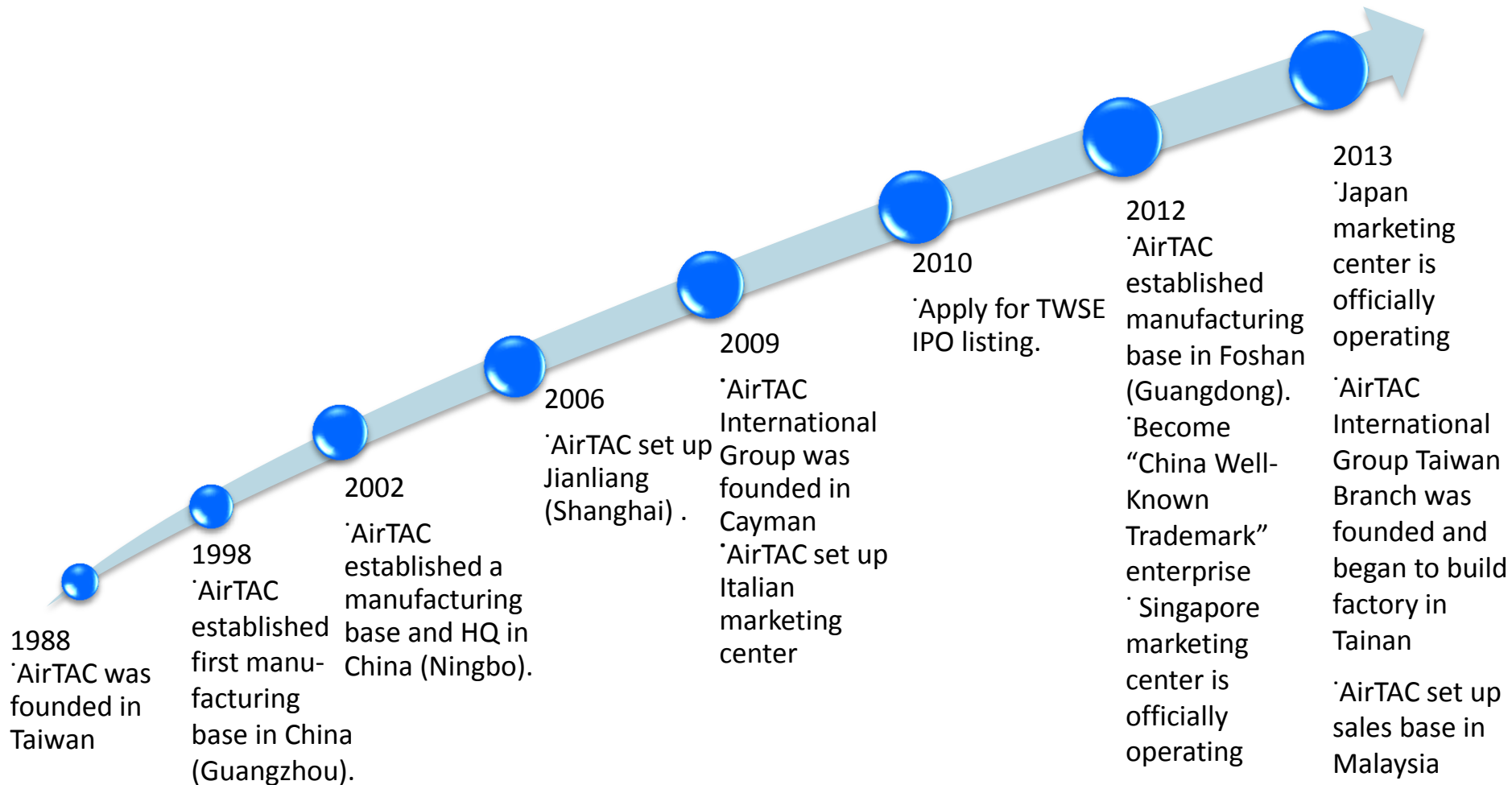
Powered by AIRTAC

Agenda

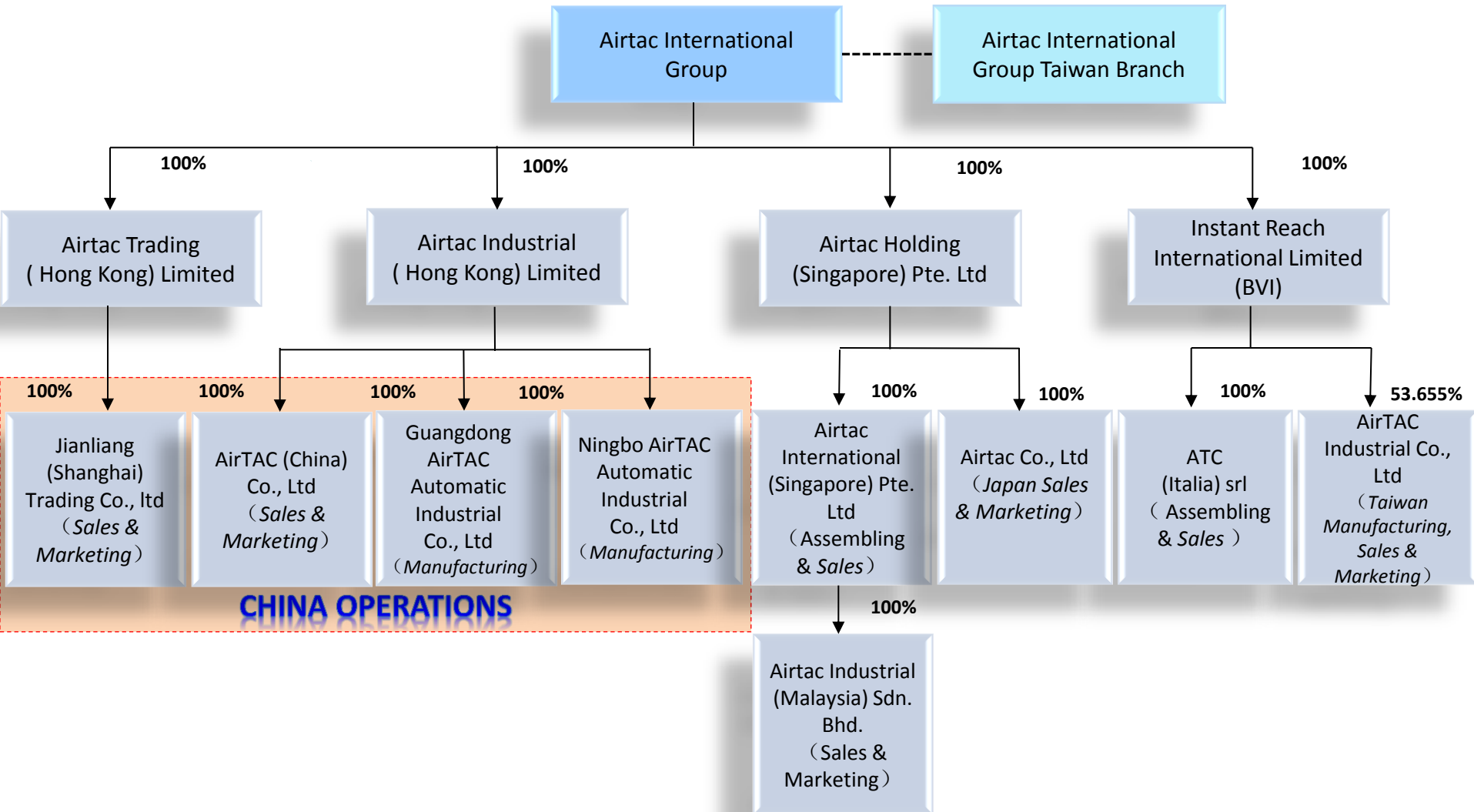
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

I · Group Overview

Group Overview



Organization Chart



Corporate Culture

People-oriented

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

Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

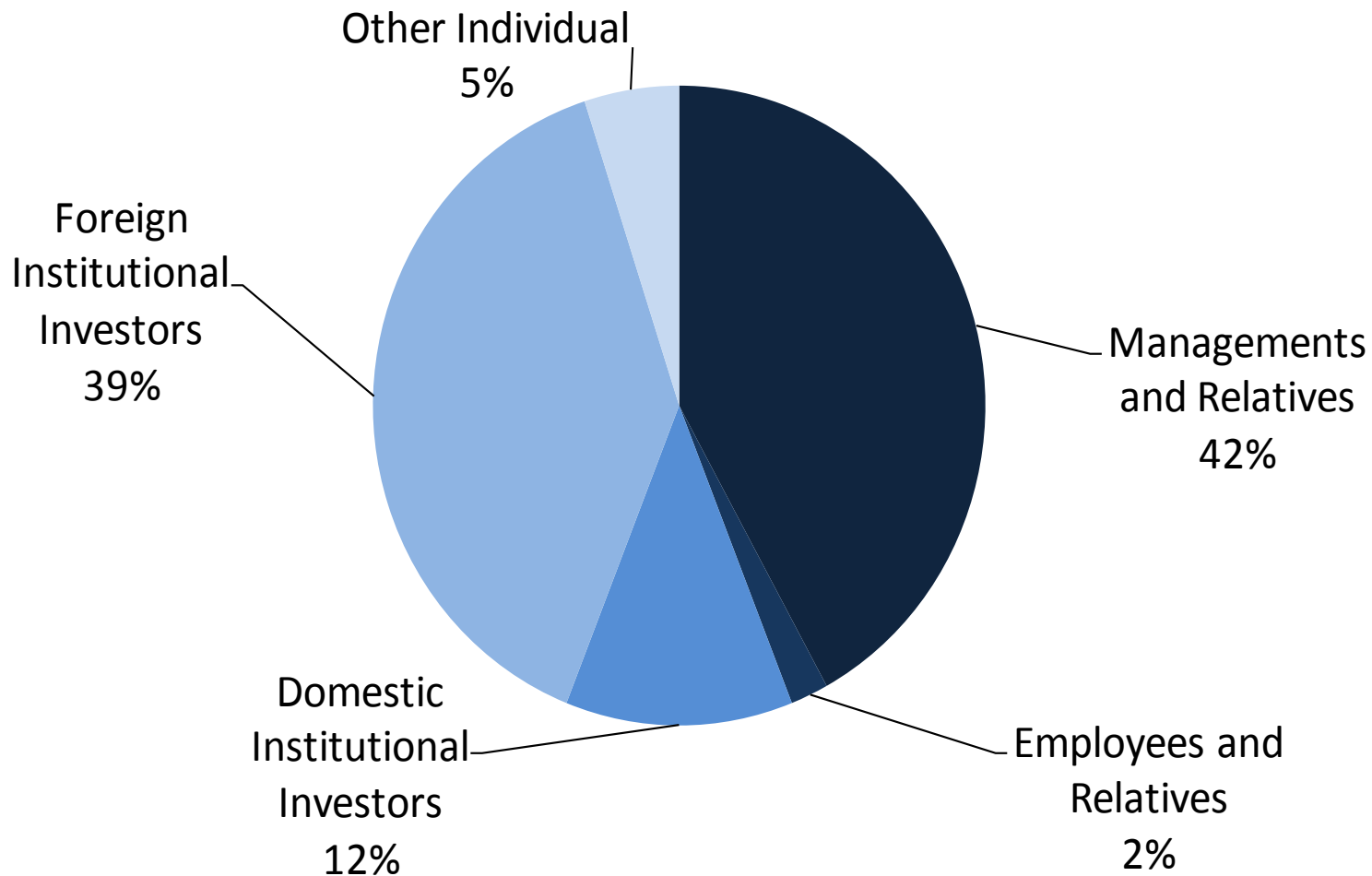
Profit sharing

- 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

➤ Cylinder



➤ Air valve & mechanical valve



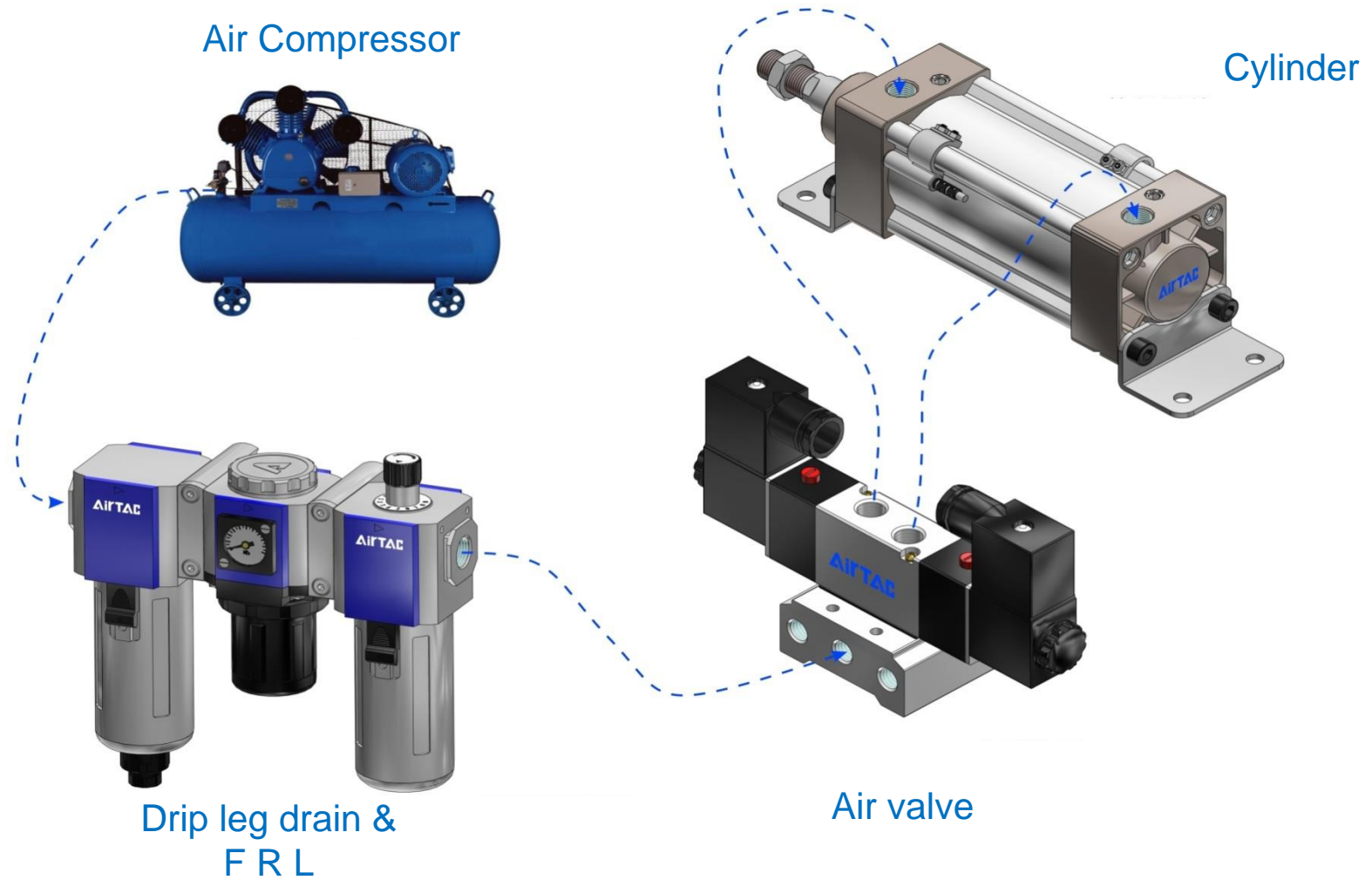
➤ Drip leg drain & F R L



➤ 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.

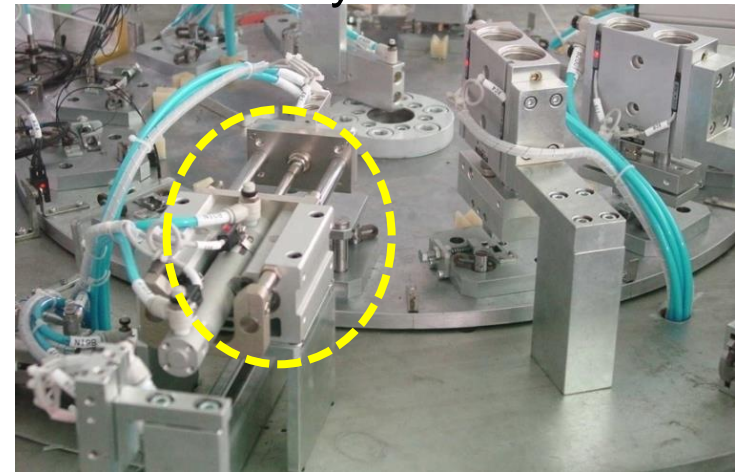
Construction machinery



Environmental processing machinery

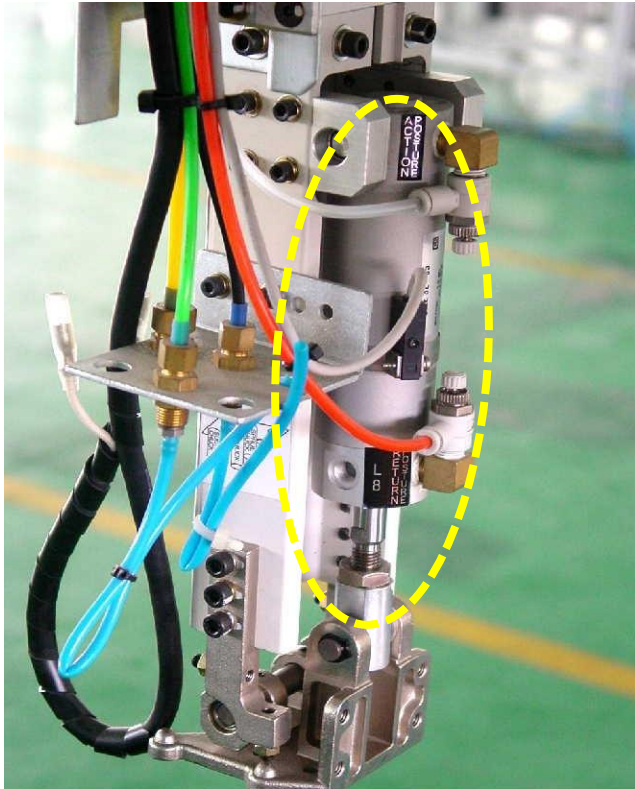


Assembly automation

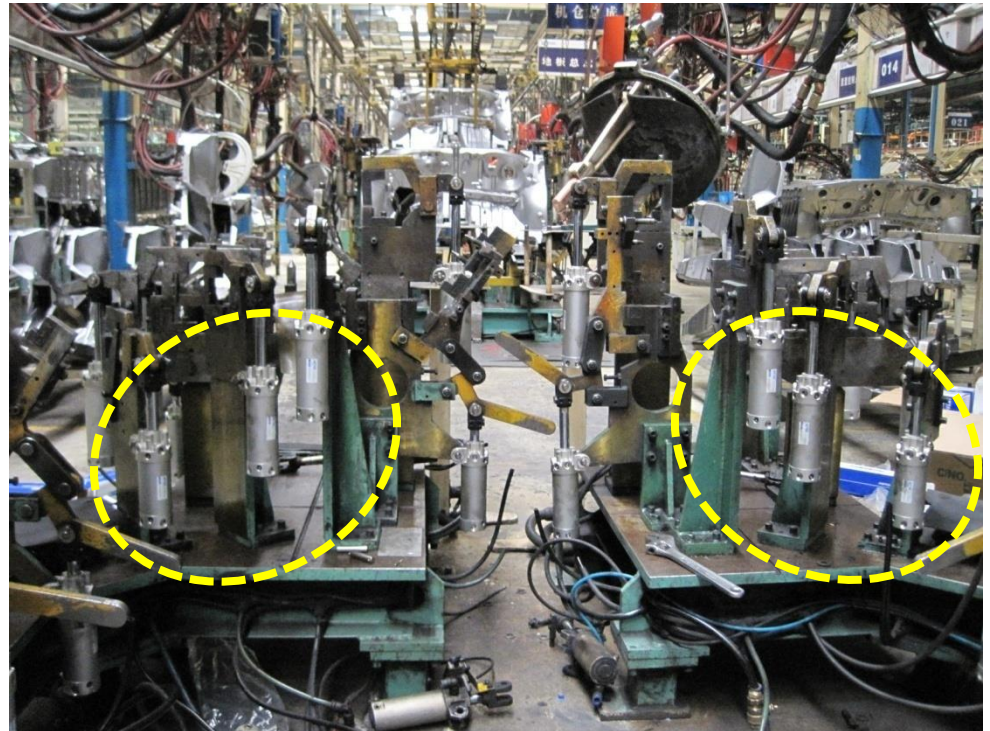


Products Application by Industry

Robot arm

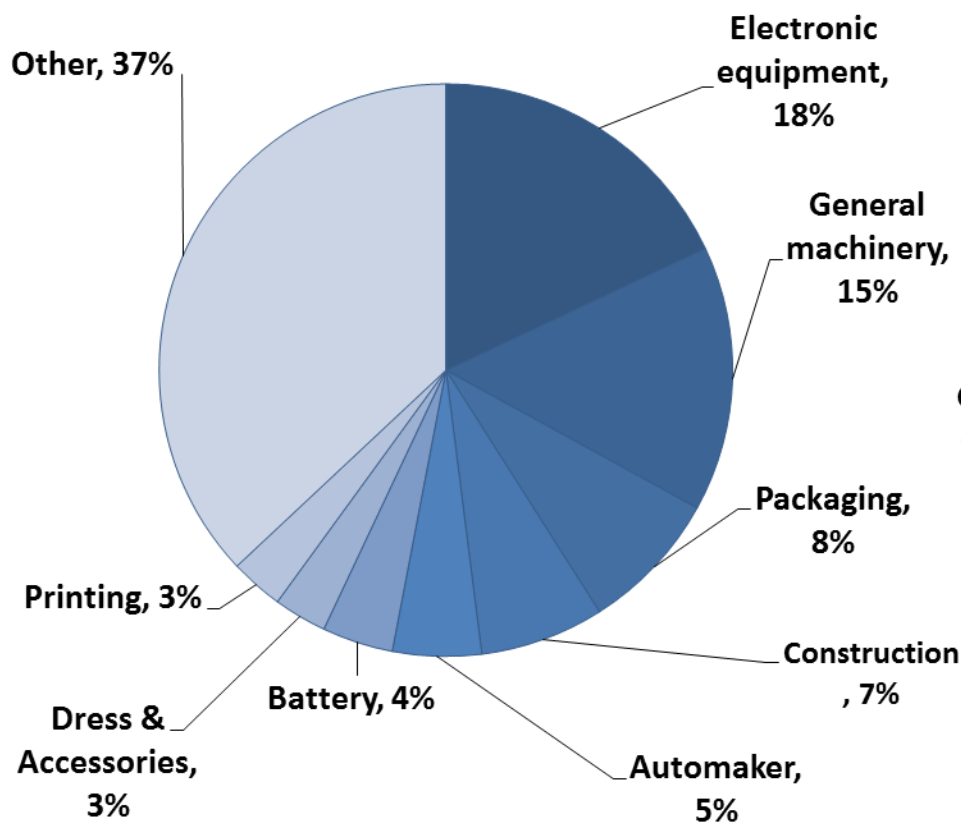


Automobile assembly

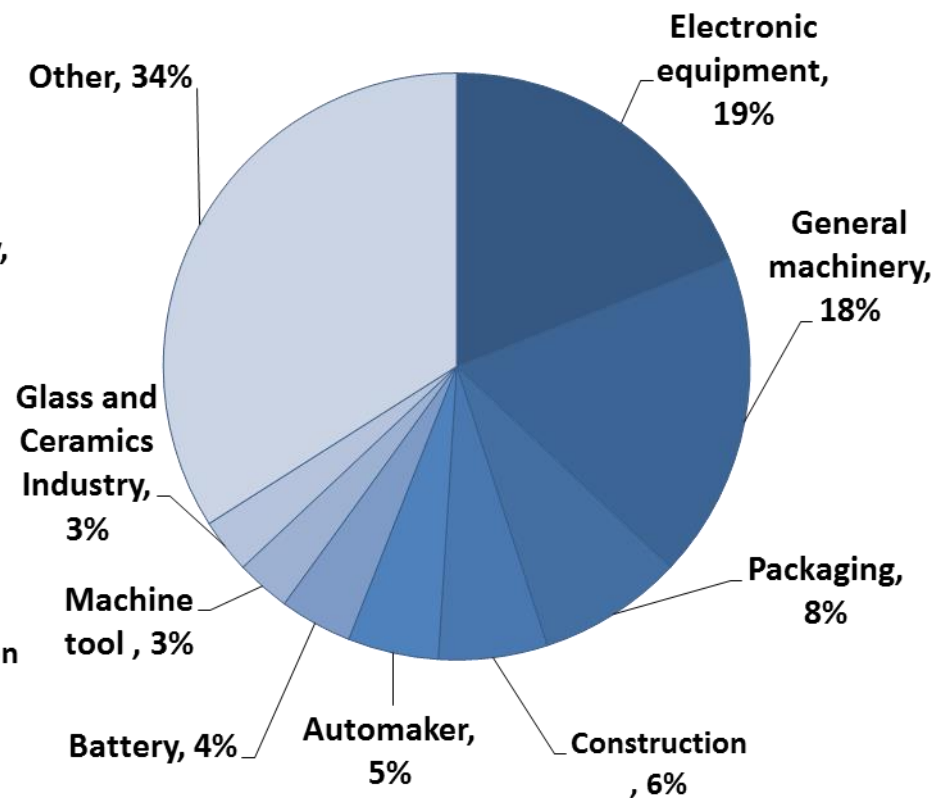


Clients breakdown by industry

2013 Sales



2014 1H 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

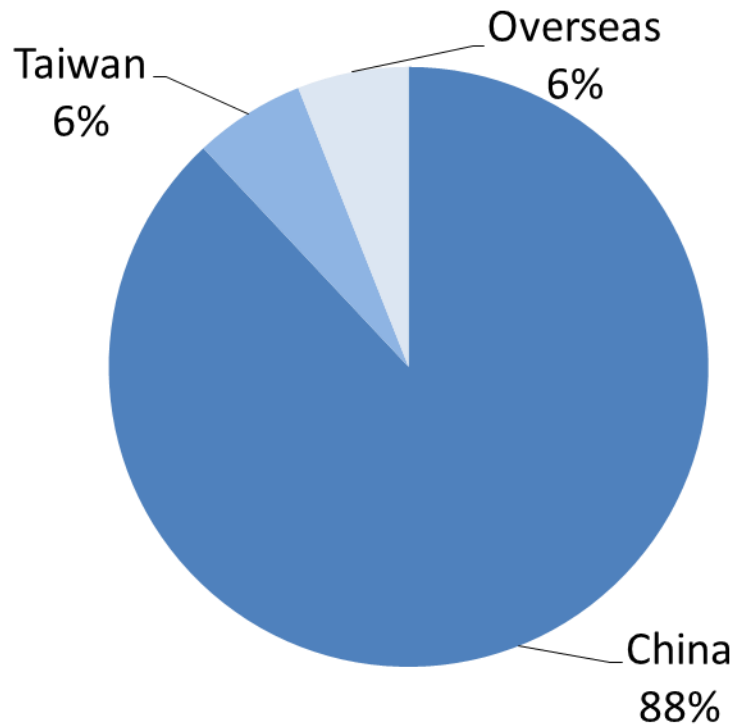
Worldwide manufacturing bases & sales branches



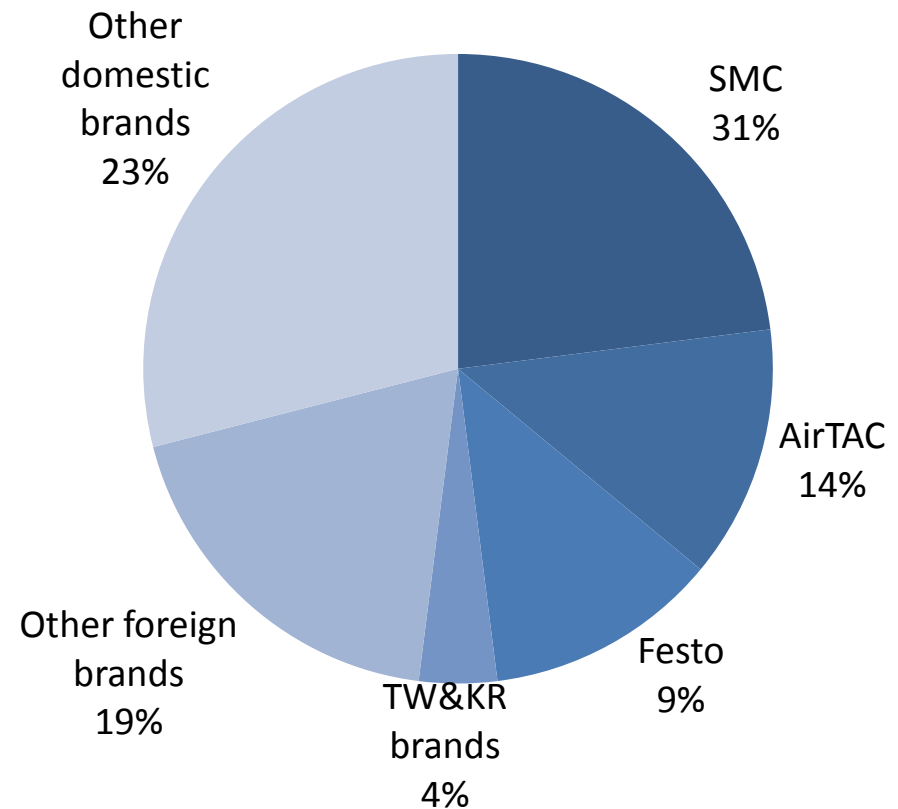
- ◆ Mainland : 2 manufacturing bases; 62 branches, 4 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy.
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

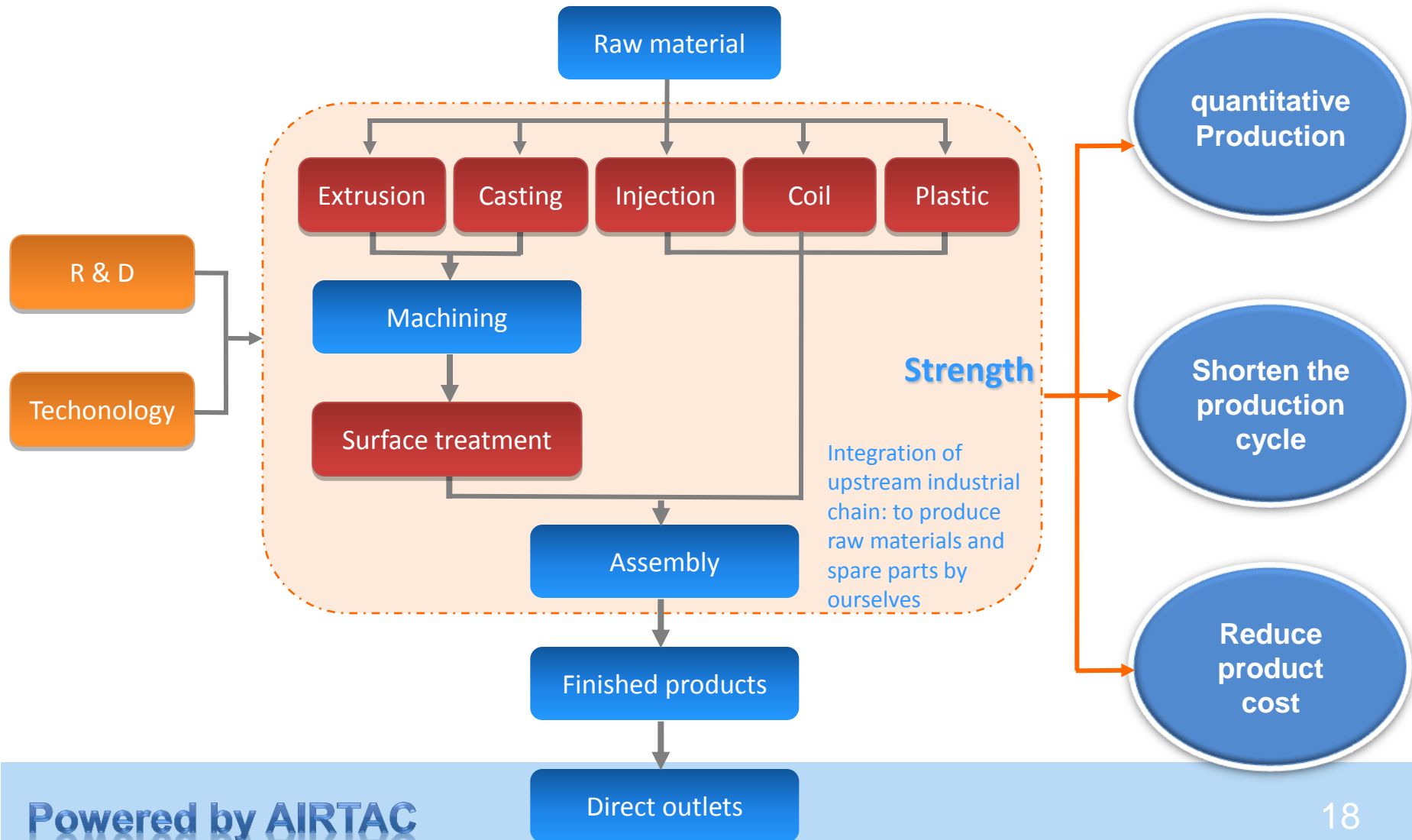
AirTAC Sales by region



Pneumatic equipment - market share in China

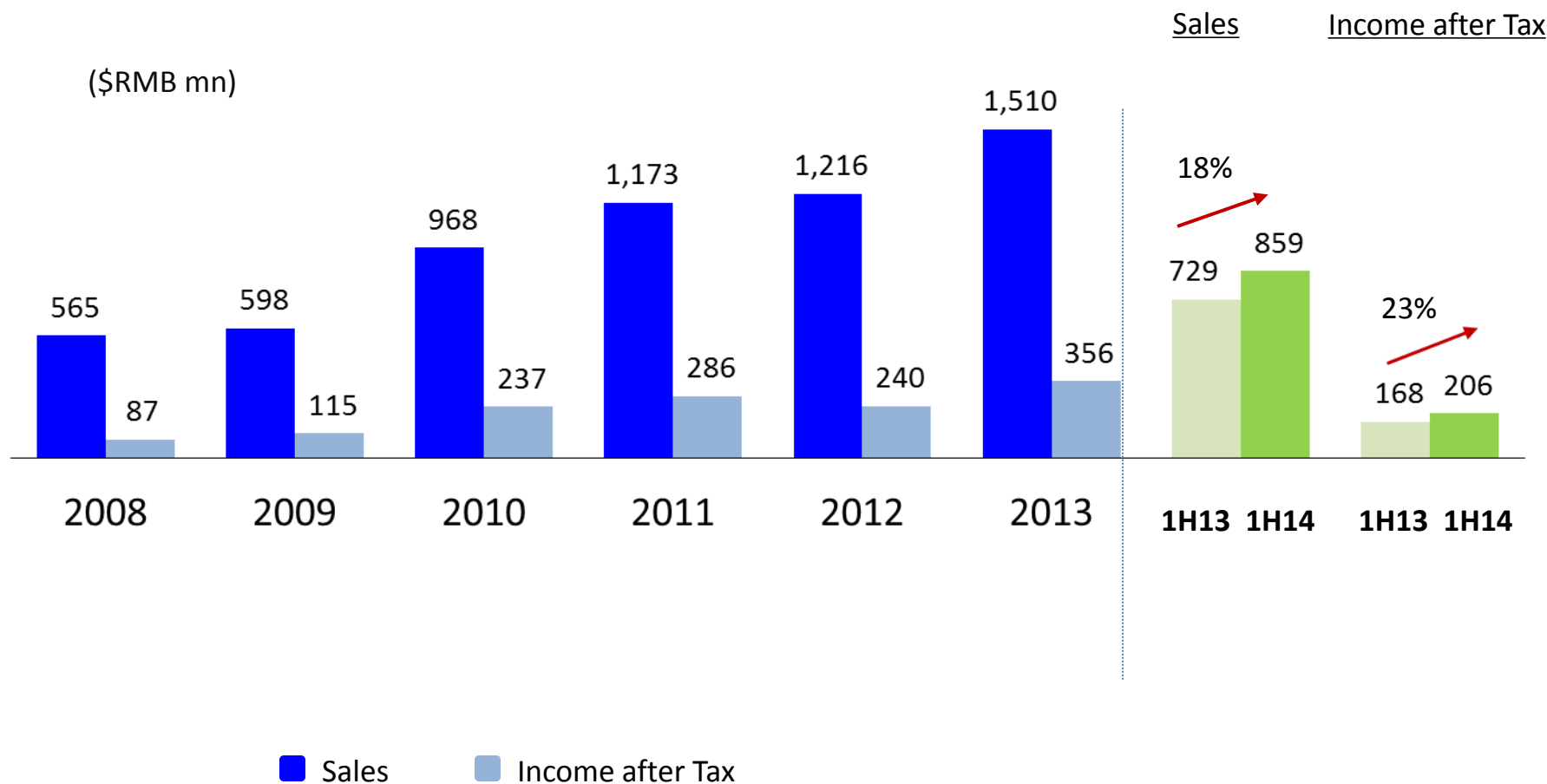


Integration of upstream industrial chain

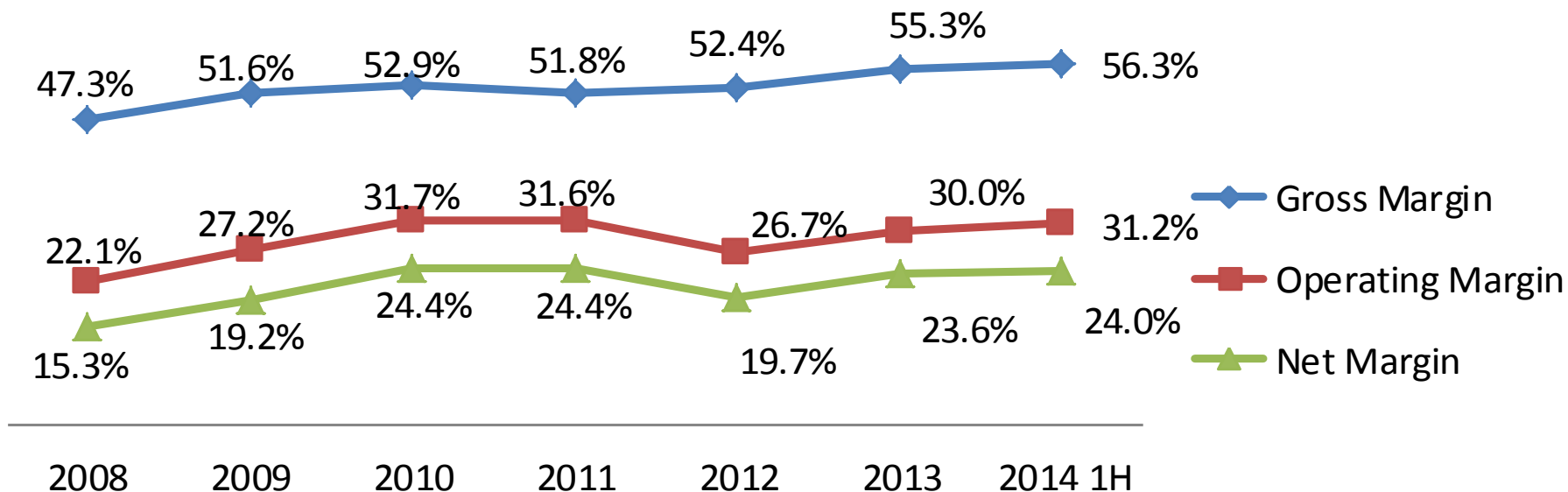


IV · Financial Outlook

2008~2014 1H Sales & Income after Tax



2008~2014 1H Profitability Trend



Income Statement

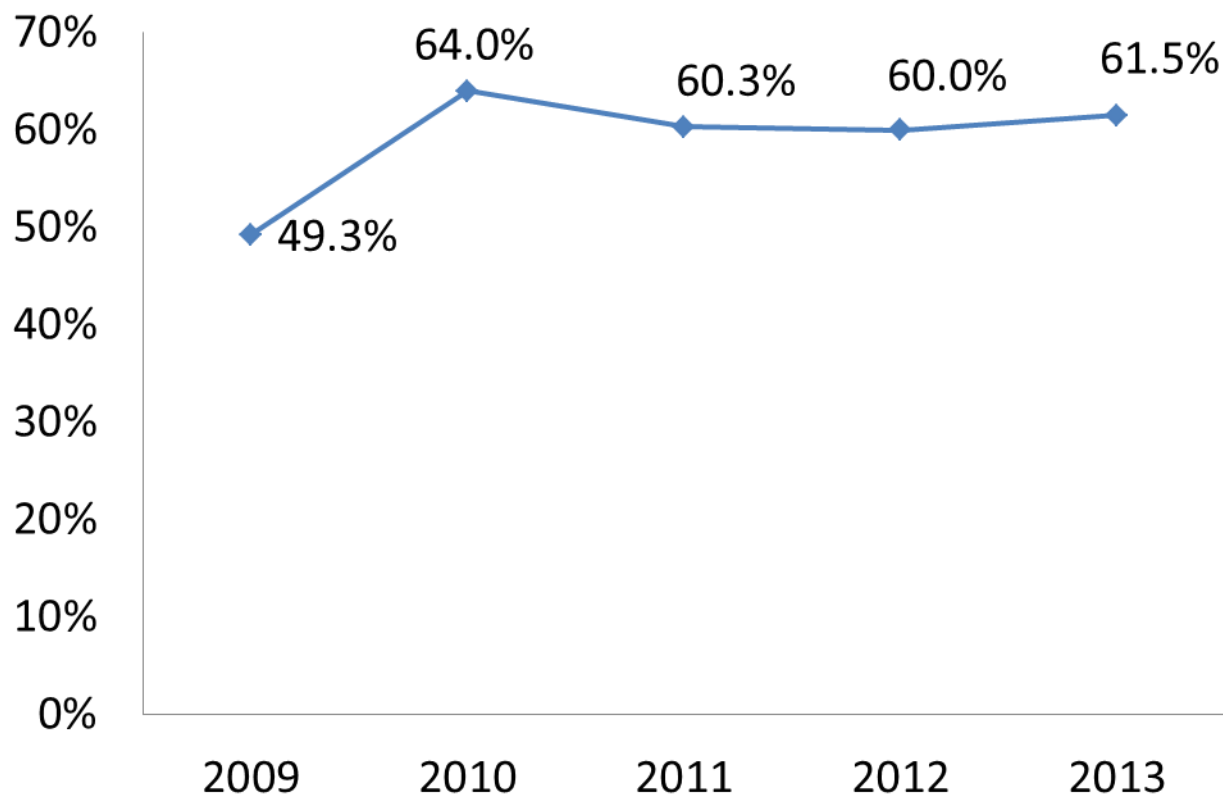
(\$RMB mn)

	2011		2012		2013		2014 1H	
Sales	\$1,173	100%	\$1,216	100%	\$1,510	100%	\$859	100%
Cost	\$566	48%	\$579	48%	\$675	45%	\$375	44%
Gross Profit	\$607	52%	\$637	52%	\$835	55%	\$484	56%
Operating Expenses	\$236	20%	\$312	25%	\$381	25%	\$216	25%
Income from Operations	\$371	32%	\$325	27%	\$454	30%	\$268	31%
Non-operating Income	\$14	1%	\$16	1%	\$48	3%	\$20	2%
Non-operating Expenses	\$7	1%	\$11	1%	\$13	1%	\$15	1%
EBT	\$378	32%	\$330	27%	\$489	32%	\$273	32%
TAX	\$92	8%	\$90	7%	\$133	8%	\$67	8%
Net Income	\$286	24%	\$240	20%	\$356	24%	\$206	24%

Balance Sheet

(\$RMB mn)	2011		2012		2013		2014 1H	
Cash & Cash Equivalents	\$304	17%	\$233	11%	\$323	11%	\$352	10%
NR & AR	\$289	16%	\$335	15%	\$448	15%	\$595	17%
Inventory	\$205	11%	\$232	11%	\$314	11%	\$346	10%
Other Current Assets	\$38	3%	\$43	2%	\$37	1%	\$39	1%
Property, plant and equipment, Other	\$945	53%	\$1,335	61%	\$1,829	62%	\$2,205	62%
Total Assets	\$1,781	100%	\$2,178	100%	\$2,951	100%	\$3,537	100%
Bank Debt	\$410	23%	\$710	32%	\$825	28%	\$1,210	34%
Other Current Liabilities	\$174	10%	\$210	10%	\$227	8%	\$429	12%
Other Long-term liabilities	\$50	3%	\$39	2%	\$61	2%	\$65	2%
Total Liabilities	\$634	36%	\$959	44%	\$1,113	38%	\$1,704	48%
Total Equity	\$1,147	64%	\$1,219	56%	\$1,838	62%	\$1,833	52%
Total Liabilities & Equity	\$1,781	100%	\$2,178	100%	\$2,951	100%	\$3,537	100%

Payout Ratio



2013 Cash dividends to shareholders – RMB 1.27512 per share (NTD 6.3 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