



AirTAC

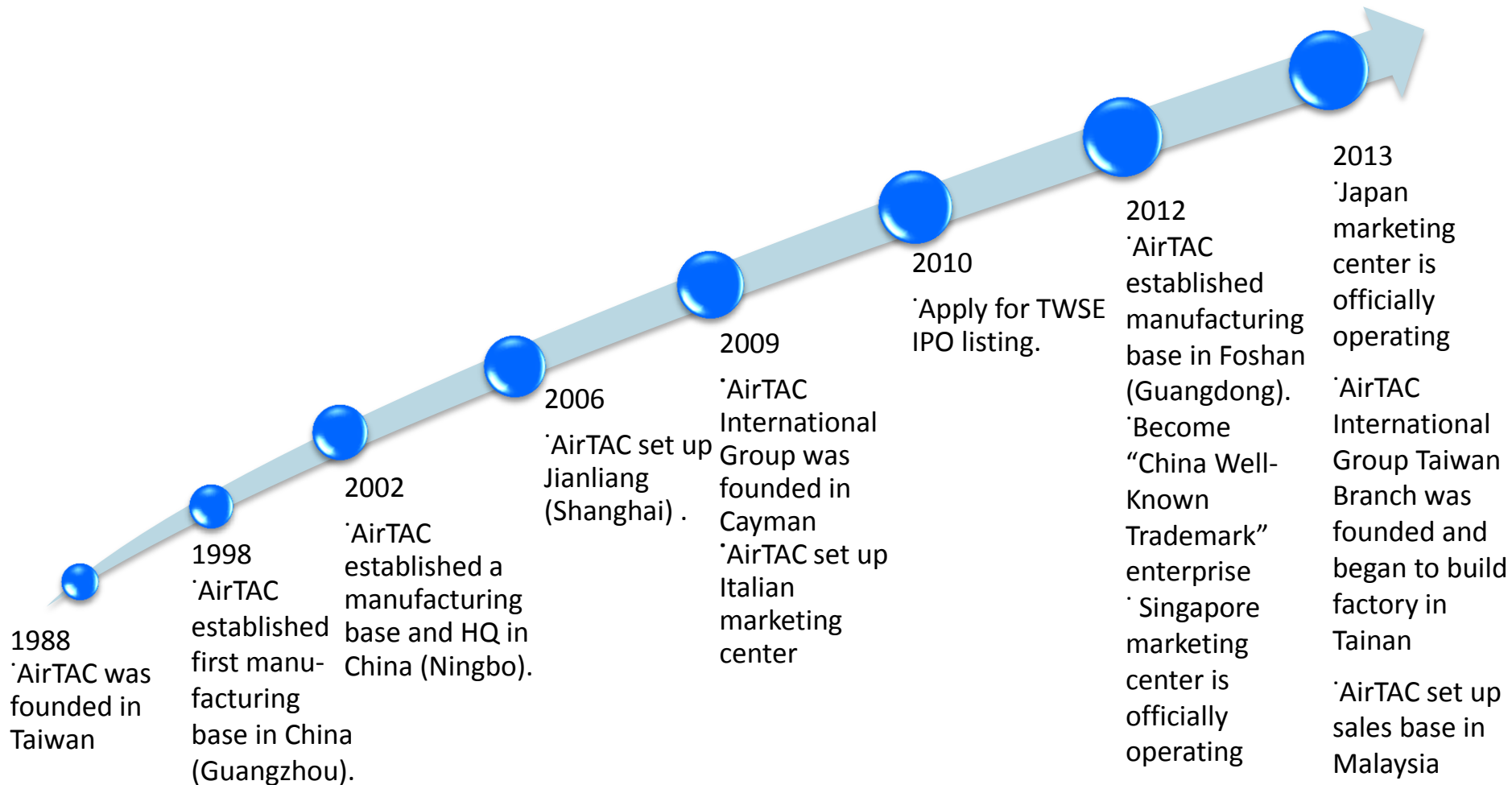
Powered by AIRTAC

Agenda

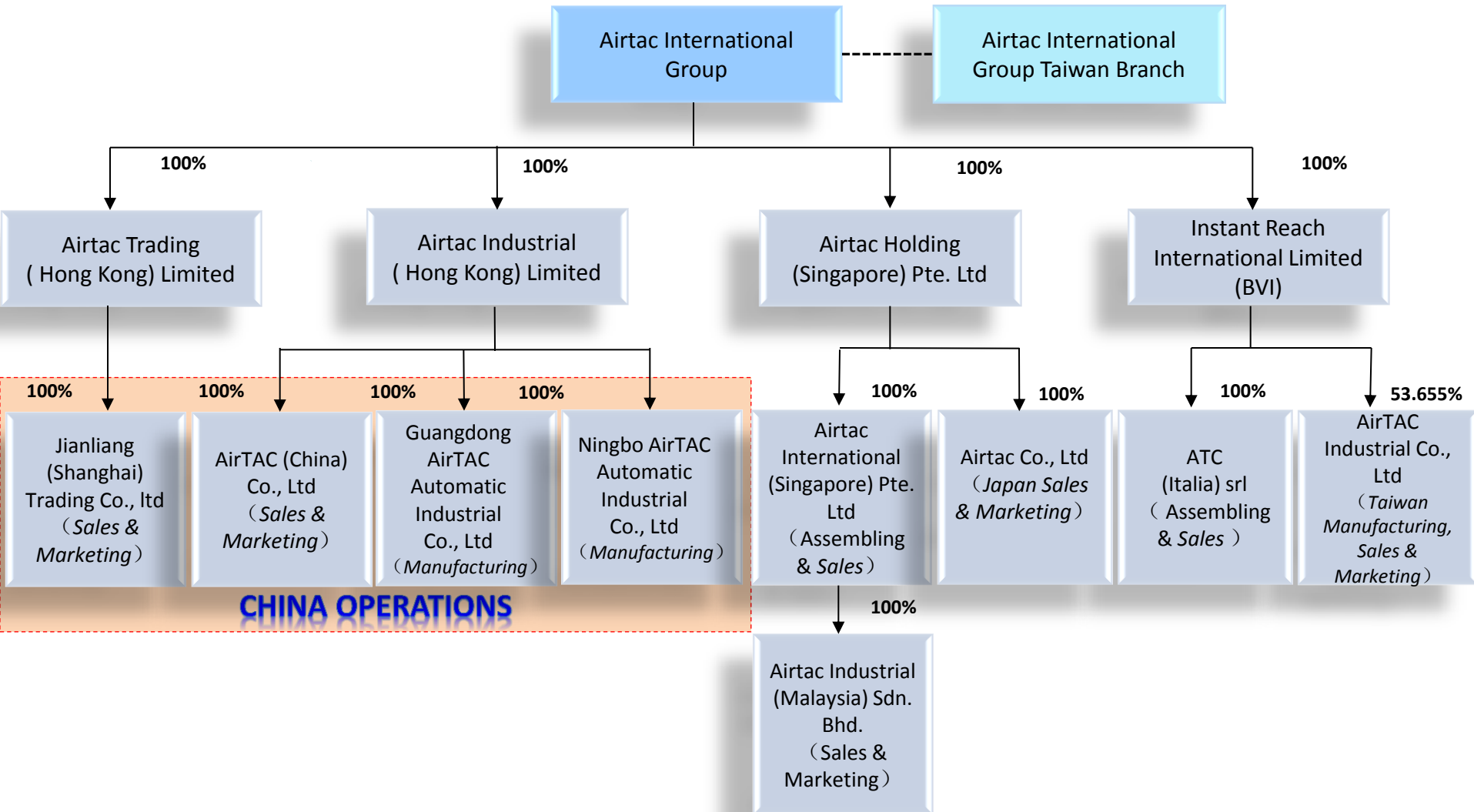
- I Group Overview**
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I · Group Overview

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

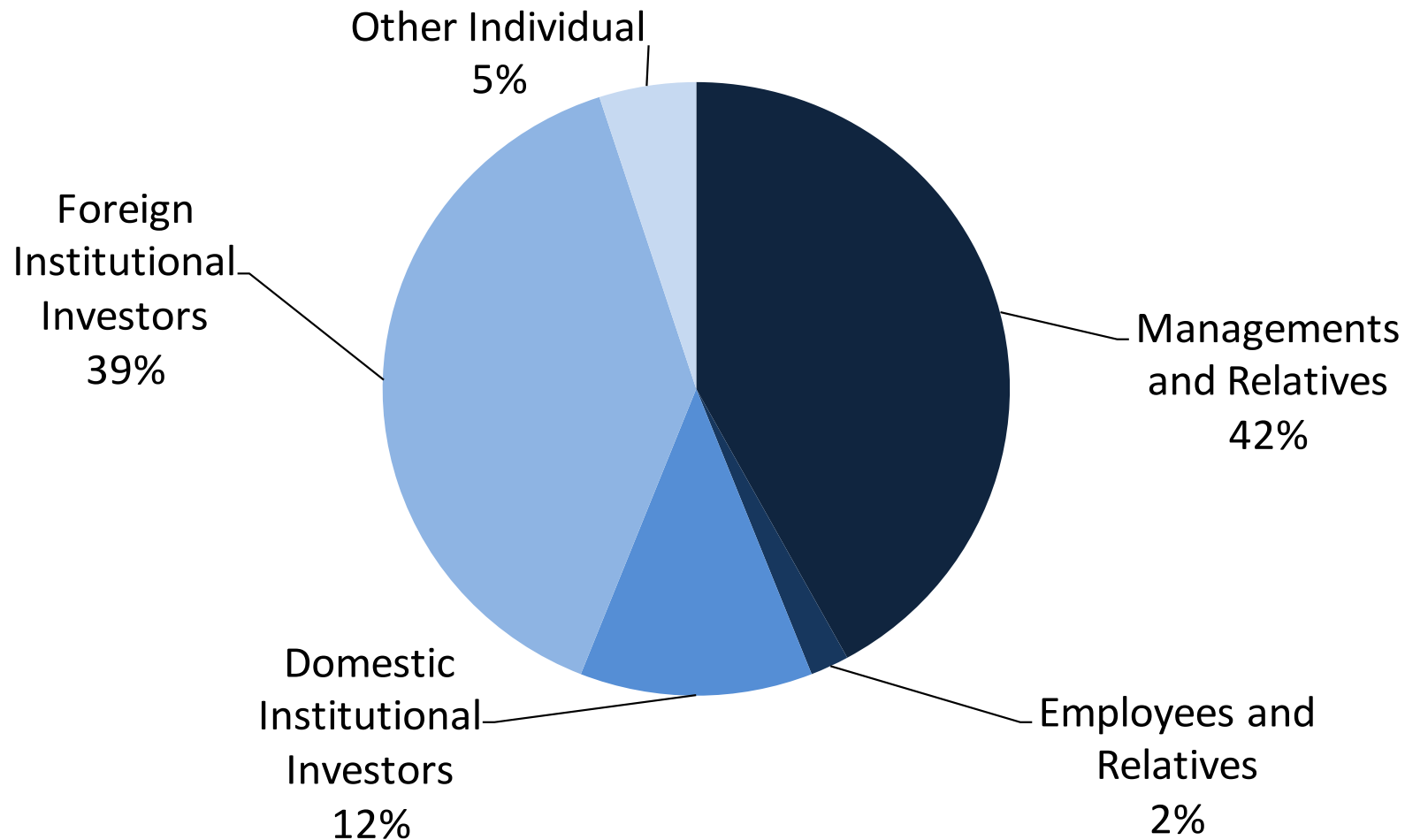
Profit sharing

- 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

AIR TAC

股票代號：1590

► Cylinder



► Air valve & mechanical valve



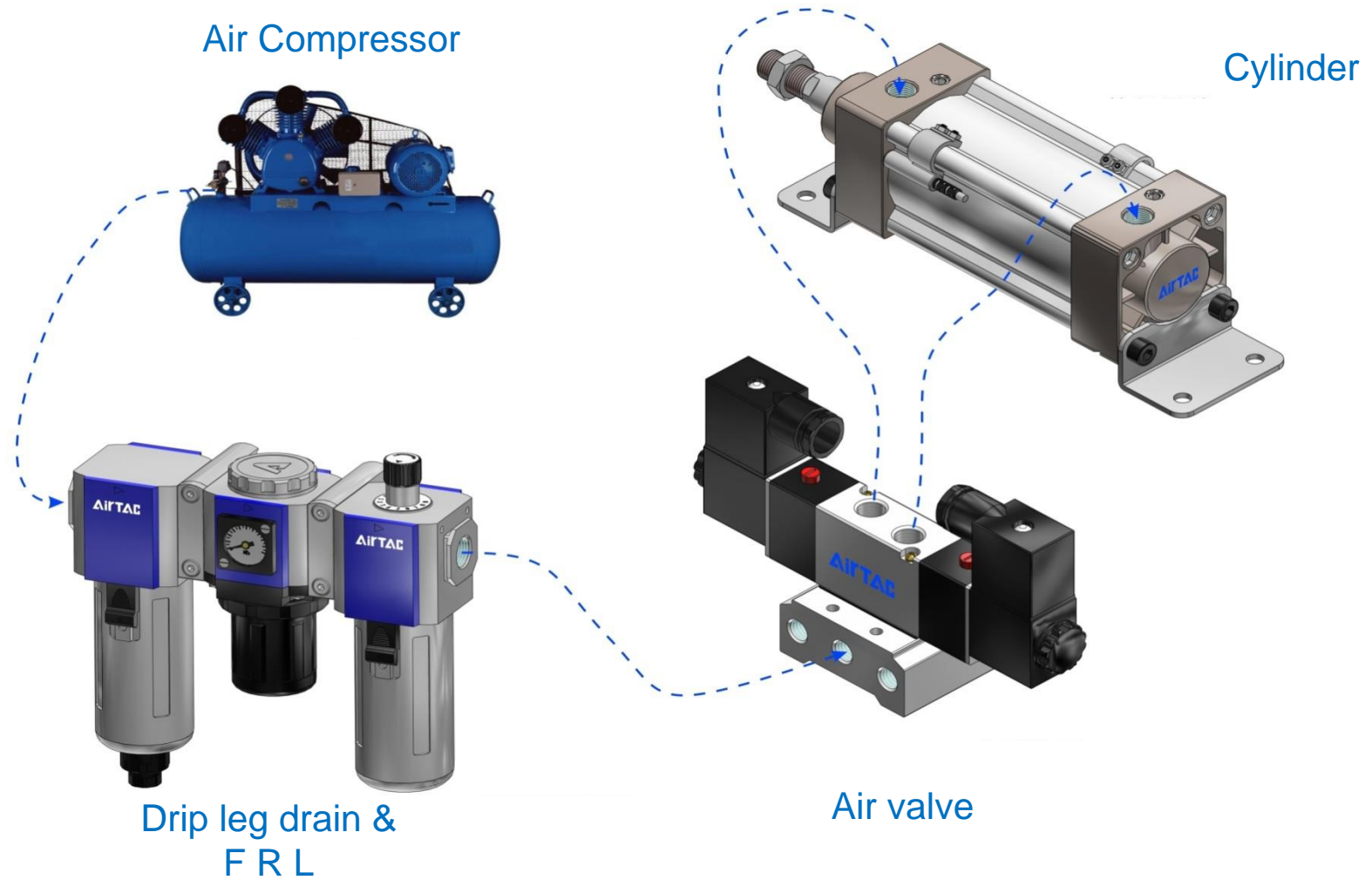
► Drip leg drain & F R L



► 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.

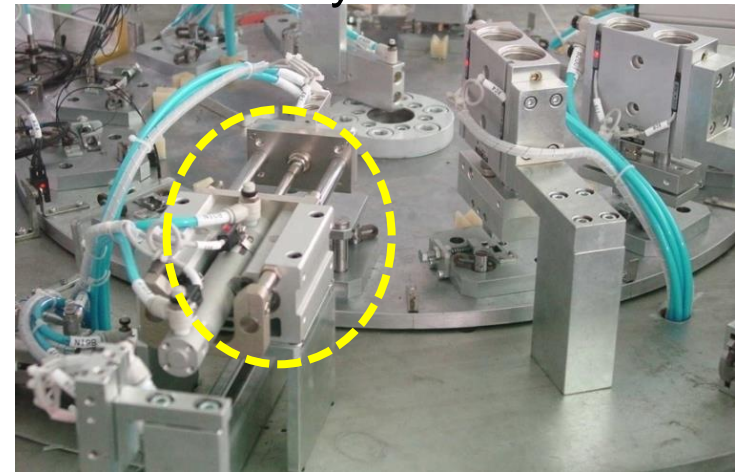
Construction machinery



Environmental processing machinery

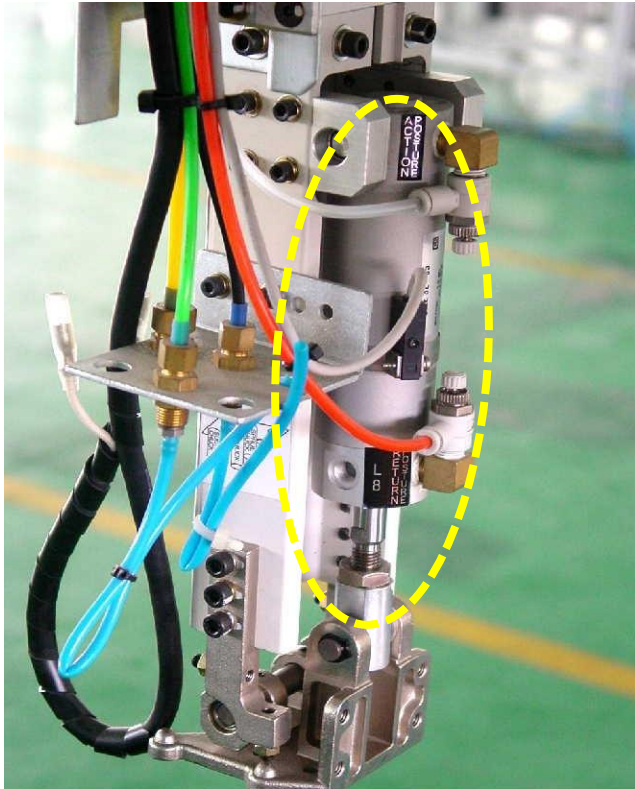


Assembly automation

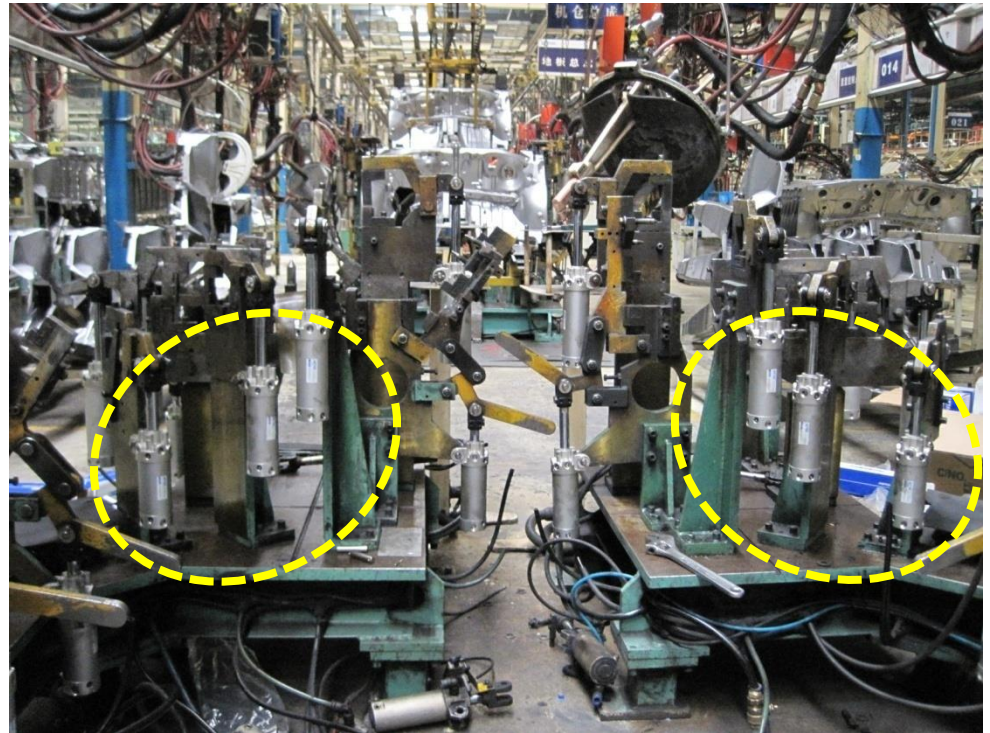


Products Application by Industry

Robot arm

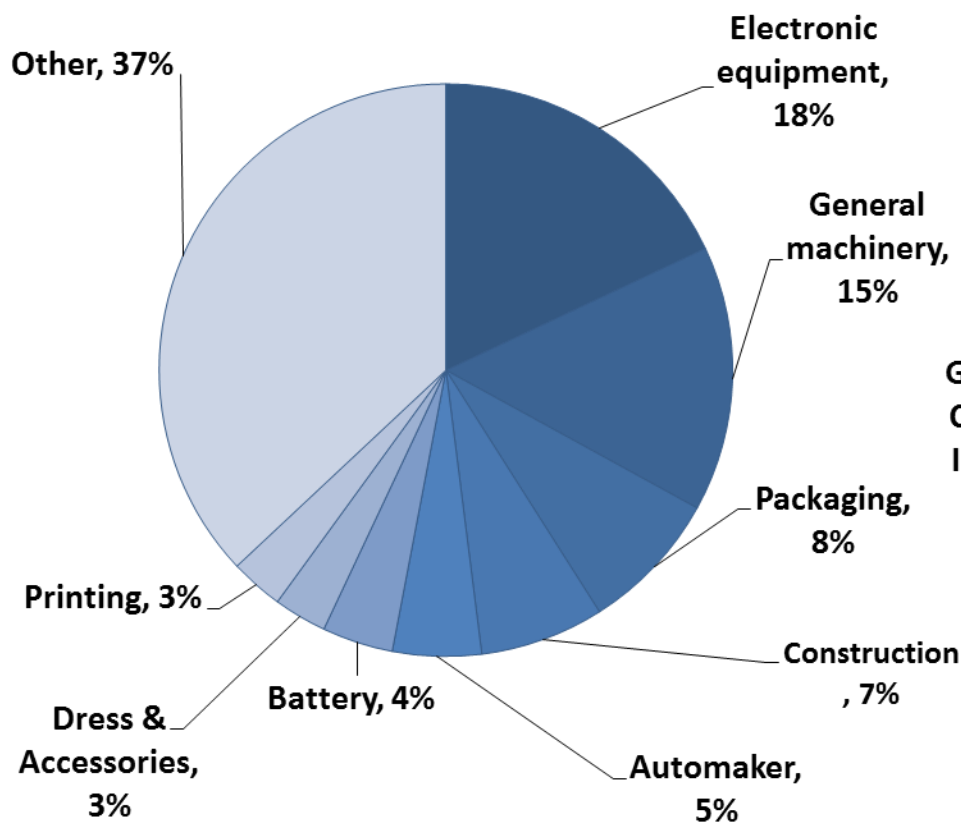


Automobile assembly

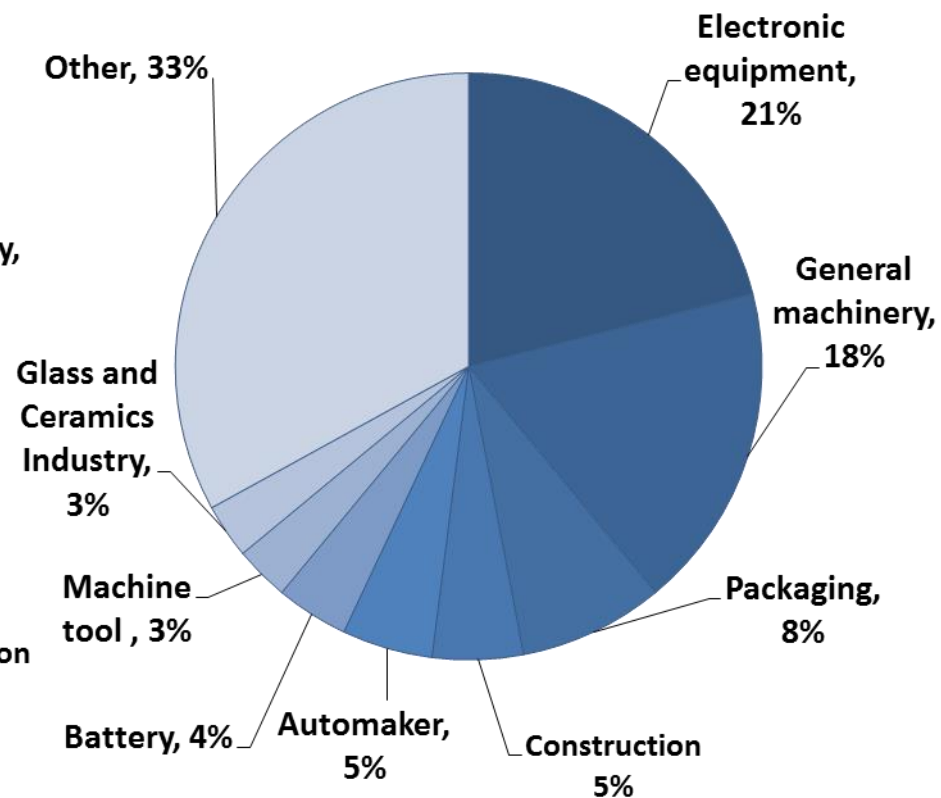


Clients breakdown by industry

2013 Sales



2014 Q1~Q3 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

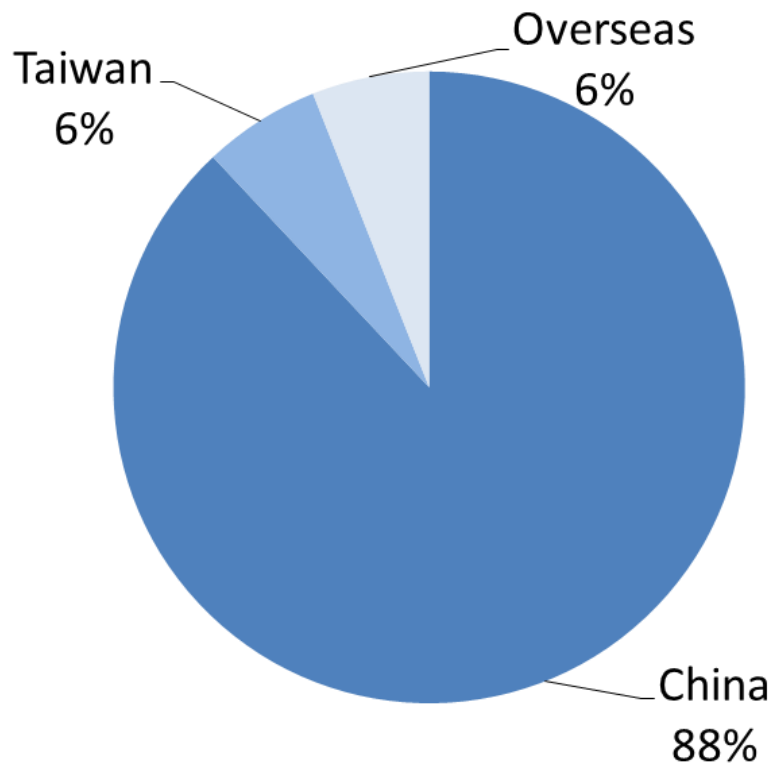
Worldwide manufacturing bases & sales branches



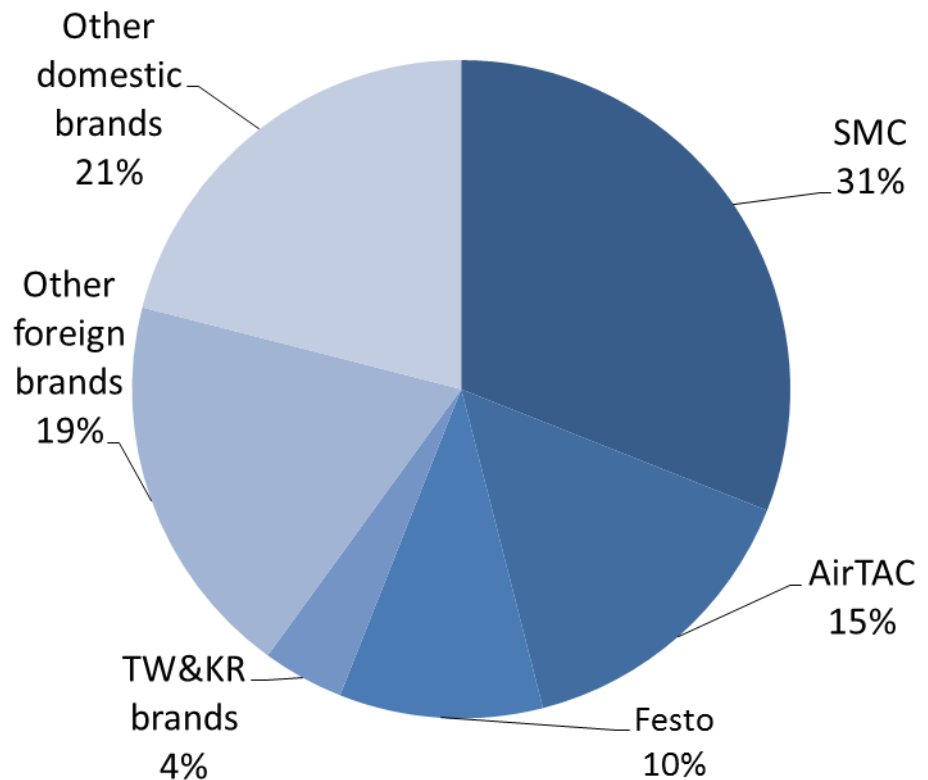
- ◆ Mainland : 2 manufacturing bases; 62 branches, 4 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales subsidiary
- ◆ Overseas : +40 distributors to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

Ranked the second largest market share in China

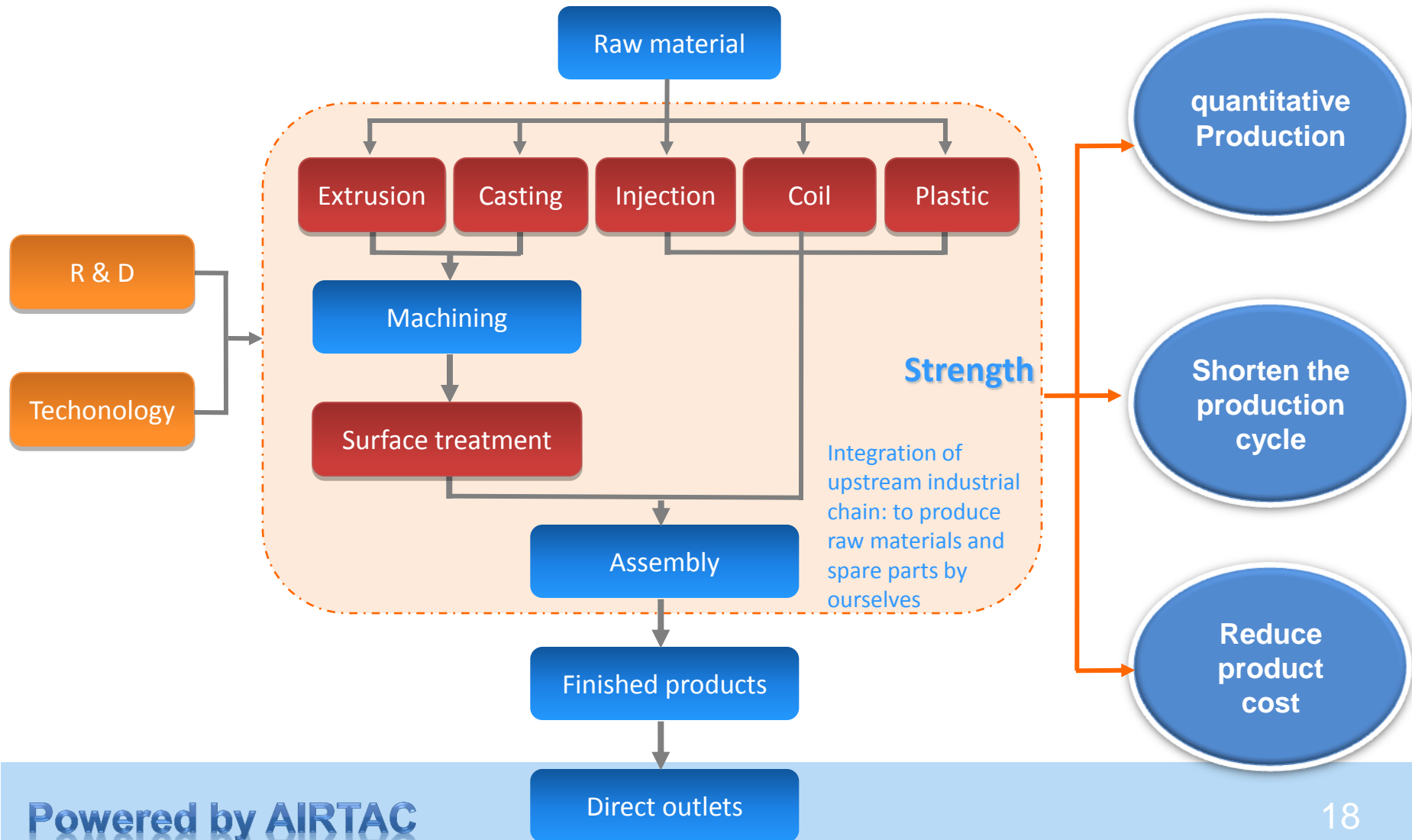
AirTAC Sales by region



Pneumatic equipment - market share in China

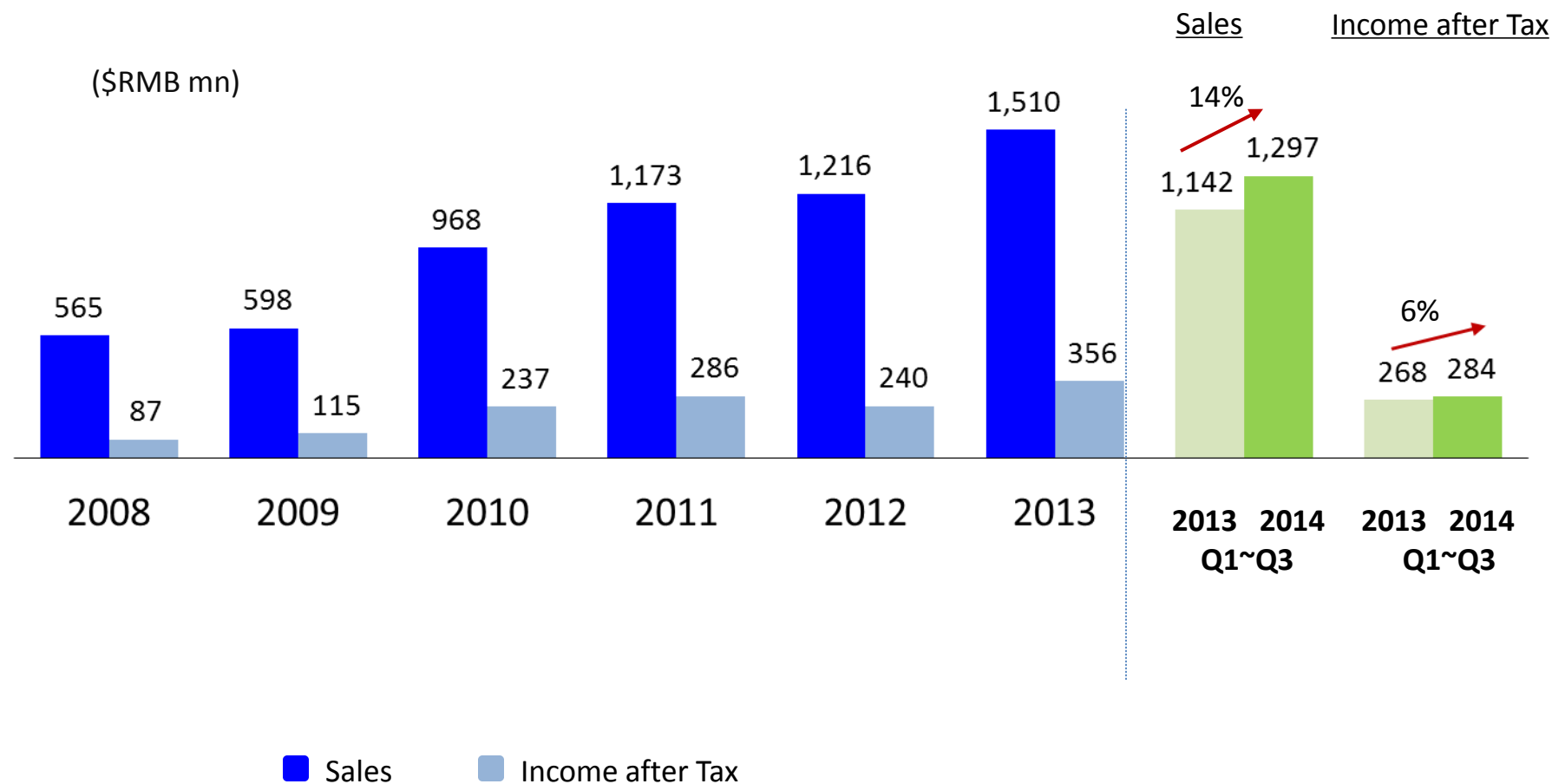


Integration of upstream industrial chain

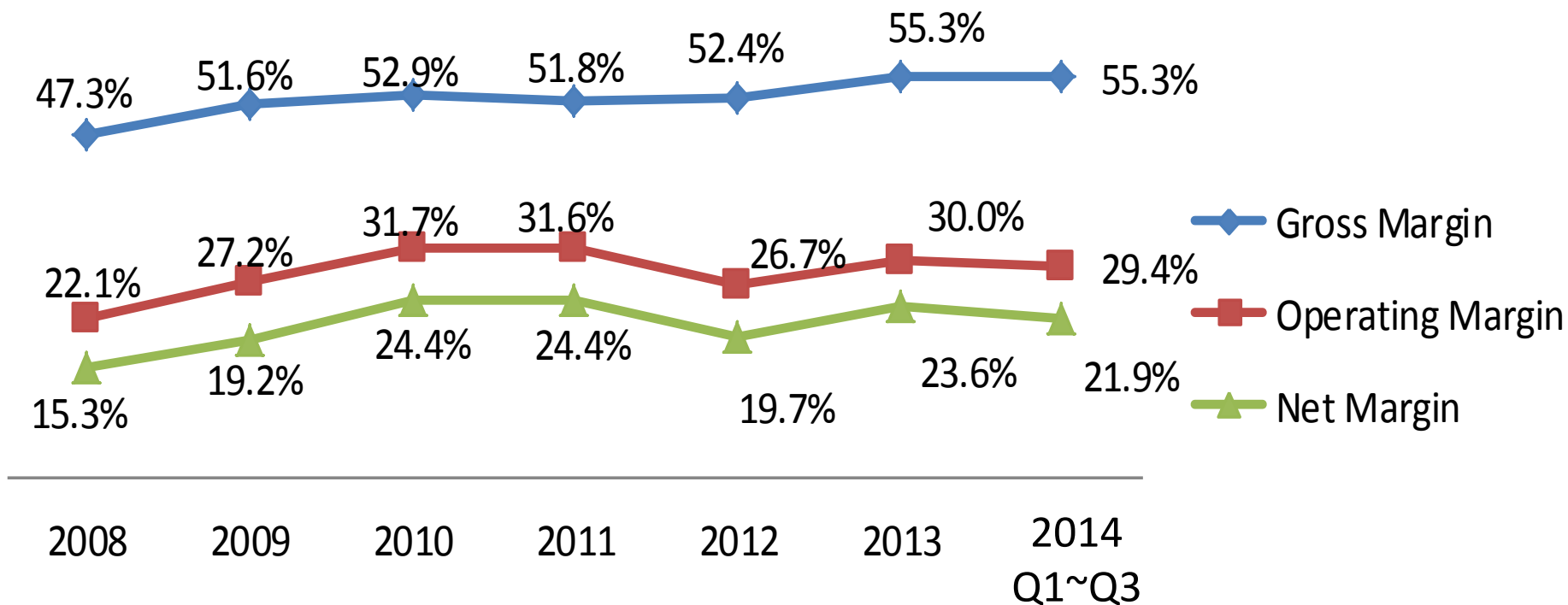


IV · Financial Outlook

2008~2014 Q3 Sales & Income after Tax



2008~2014 Q3 Profitability Trend



Income Statement

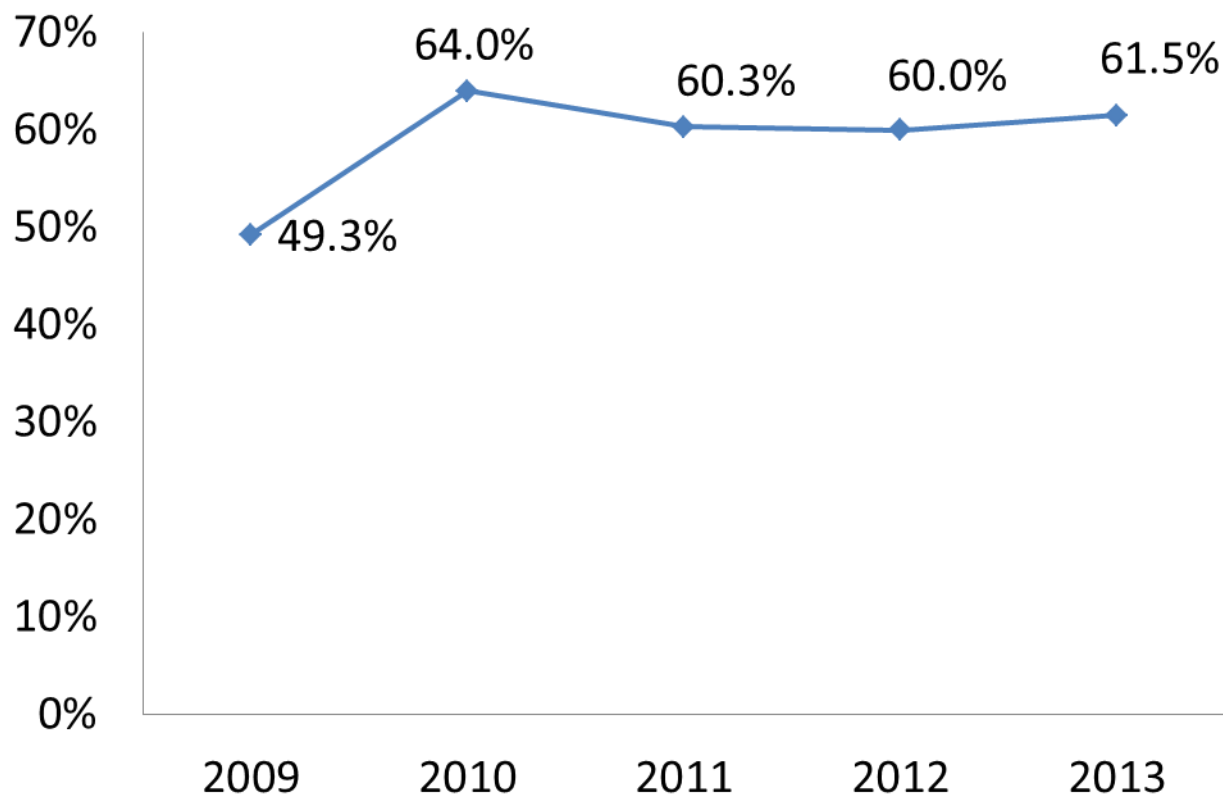
(\$RMB mn)

	<u>2011</u>		<u>2012</u>		<u>2013</u>		<u>2014 Q1~Q3</u>	
Sales	\$1,173	100%	\$1,216	100%	\$1,510	100%	\$1,297	100%
Cost	\$566	48%	\$579	48%	\$675	45%	\$580	45%
Gross Profit	\$607	52%	\$637	52%	\$835	55%	\$717	55%
Operating Expenses	\$236	20%	\$312	25%	\$381	25%	\$336	26%
Income from Operations	\$371	32%	\$325	27%	\$454	30%	\$381	29%
Non-operating Income	\$14	1%	\$16	1%	\$48	3%	\$26	2%
Non-operating Expenses	\$7	1%	\$11	1%	\$13	1%	\$25	2%
EBT	\$378	32%	\$330	27%	\$489	32%	\$382	29%
TAX	\$92	8%	\$90	7%	\$133	8%	\$98	7%
Net Income	\$286	24%	\$240	20%	\$356	24%	\$284	21%

Balance Sheet

(\$RMB mn)	2011		2012		2013		2014 Q3	
Cash & Cash Equivalents	\$304	17%	\$233	11%	\$323	11%	\$429	12%
NR & AR	\$289	16%	\$335	15%	\$448	15%	\$577	16%
Inventory	\$205	11%	\$232	11%	\$314	11%	\$354	10%
Other Current Assets	\$38	3%	\$43	2%	\$37	1%	\$48	1%
Property, plant and equipment, Other	\$945	53%	\$1,335	61%	\$1,829	62%	\$2,230	61%
Total Assets	\$1,781	100%	\$2,178	100%	\$2,951	100%	\$3,638	100%
Bank Debt	\$410	23%	\$710	32%	\$825	28%	\$1,454	40%
Other Current Liabilities	\$174	10%	\$210	10%	\$227	8%	\$217	6%
Other Long-term liabilities	\$50	3%	\$39	2%	\$61	2%	\$64	2%
Total Liabilities	\$634	36%	\$959	44%	\$1,113	38%	\$1,735	48%
Total Equity	\$1,147	64%	\$1,219	56%	\$1,838	62%	\$1,903	52%
Total Liabilities & Equity	\$1,781	100%	\$2,178	100%	\$2,951	100%	\$3,638	100%

Payout Ratio



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

V · Development prospects & Strategic

Goals in our expending schedule

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

Q&A