



AirTAC

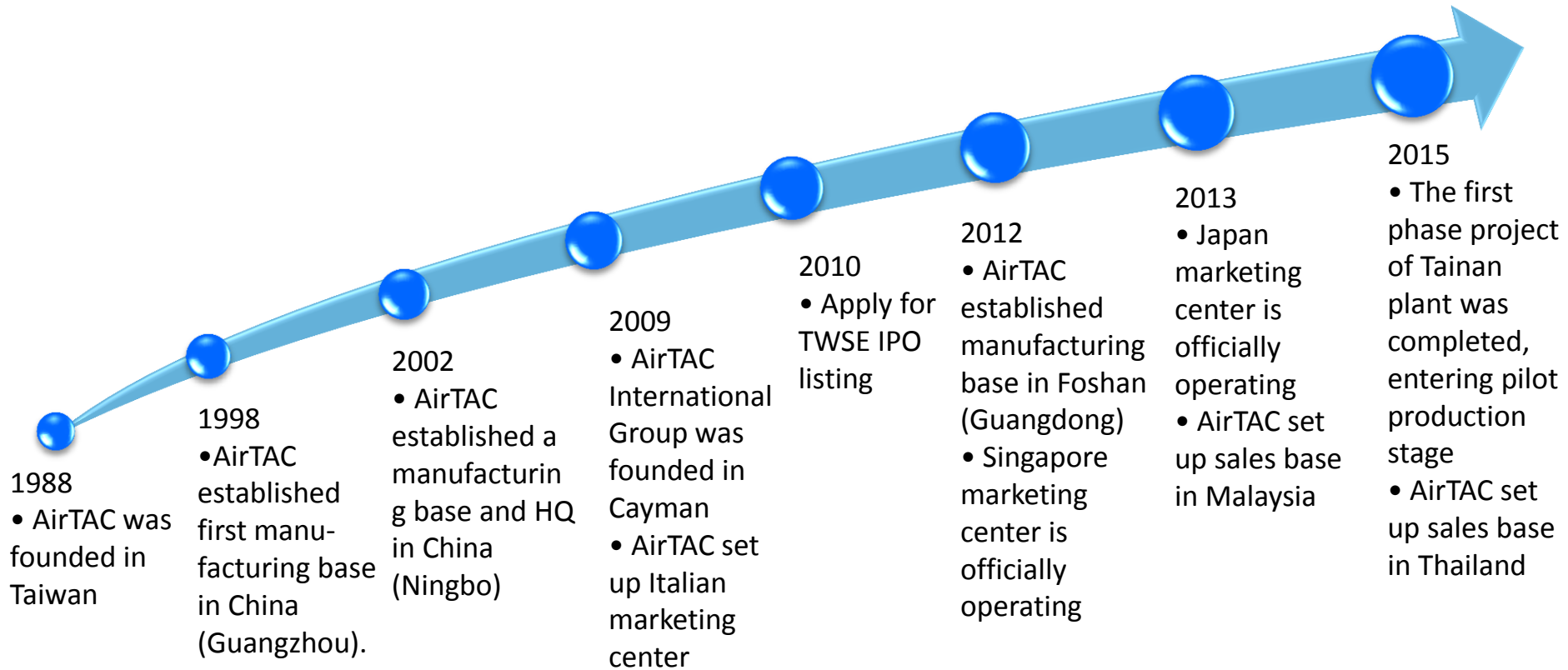
Powered by AIRTAC

Agenda

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

I · Group Overview

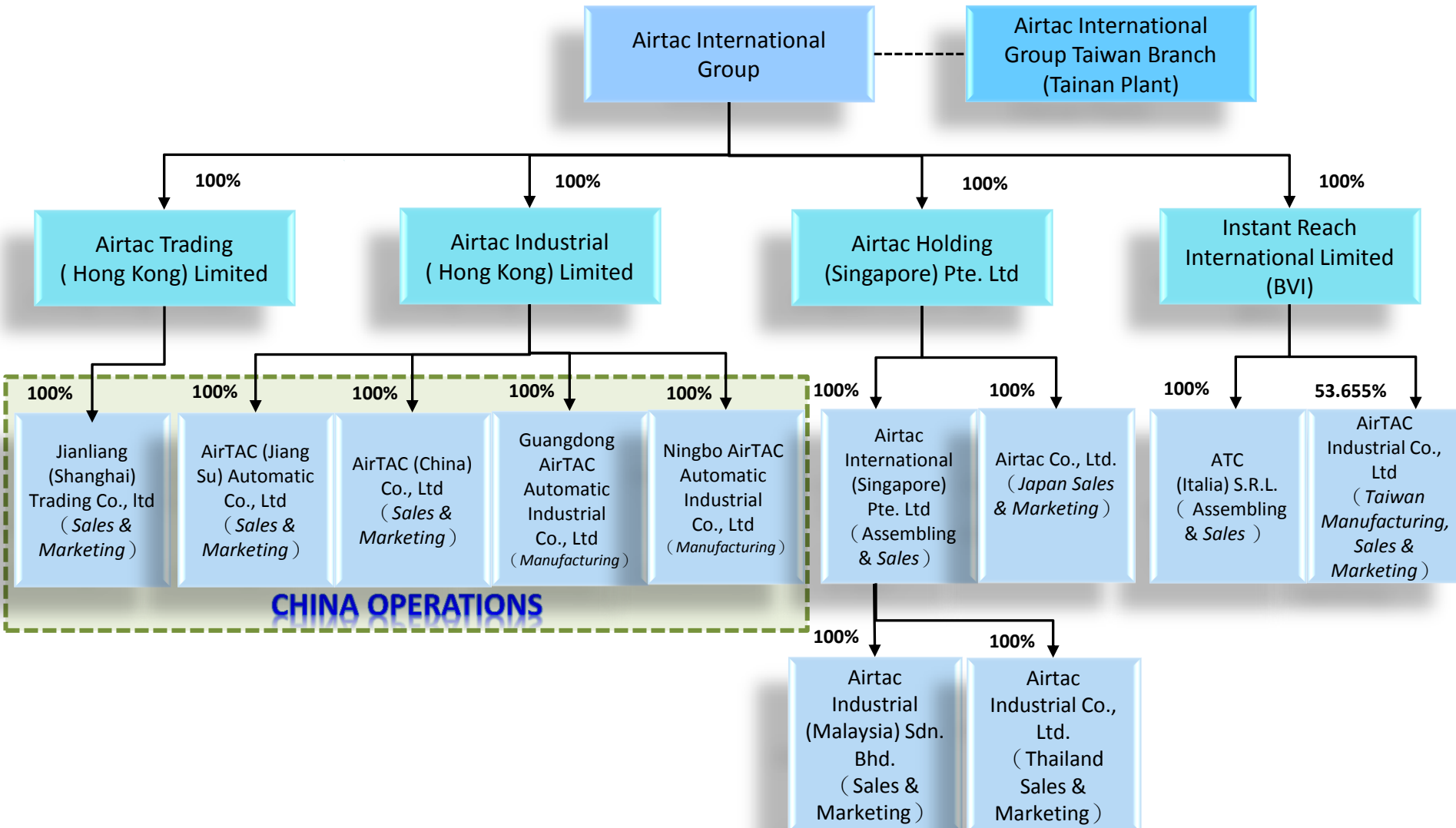
Group Overview



Organization Chart

AirTAC

股票代號：1590



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

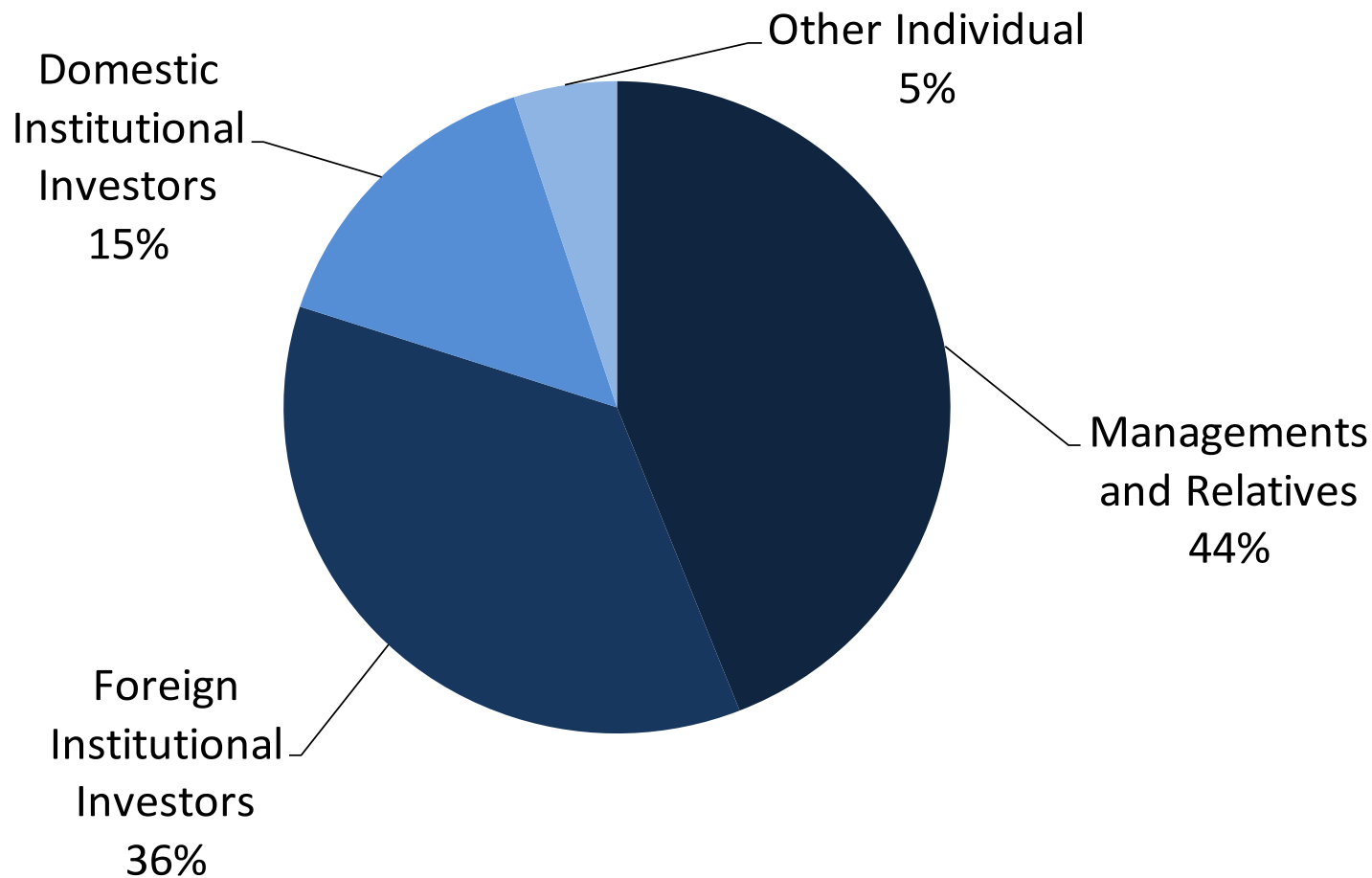
Profit sharing

- 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

AIRTAC

股票代號：1590

► Cylinder



► Air valve & mechanical valve



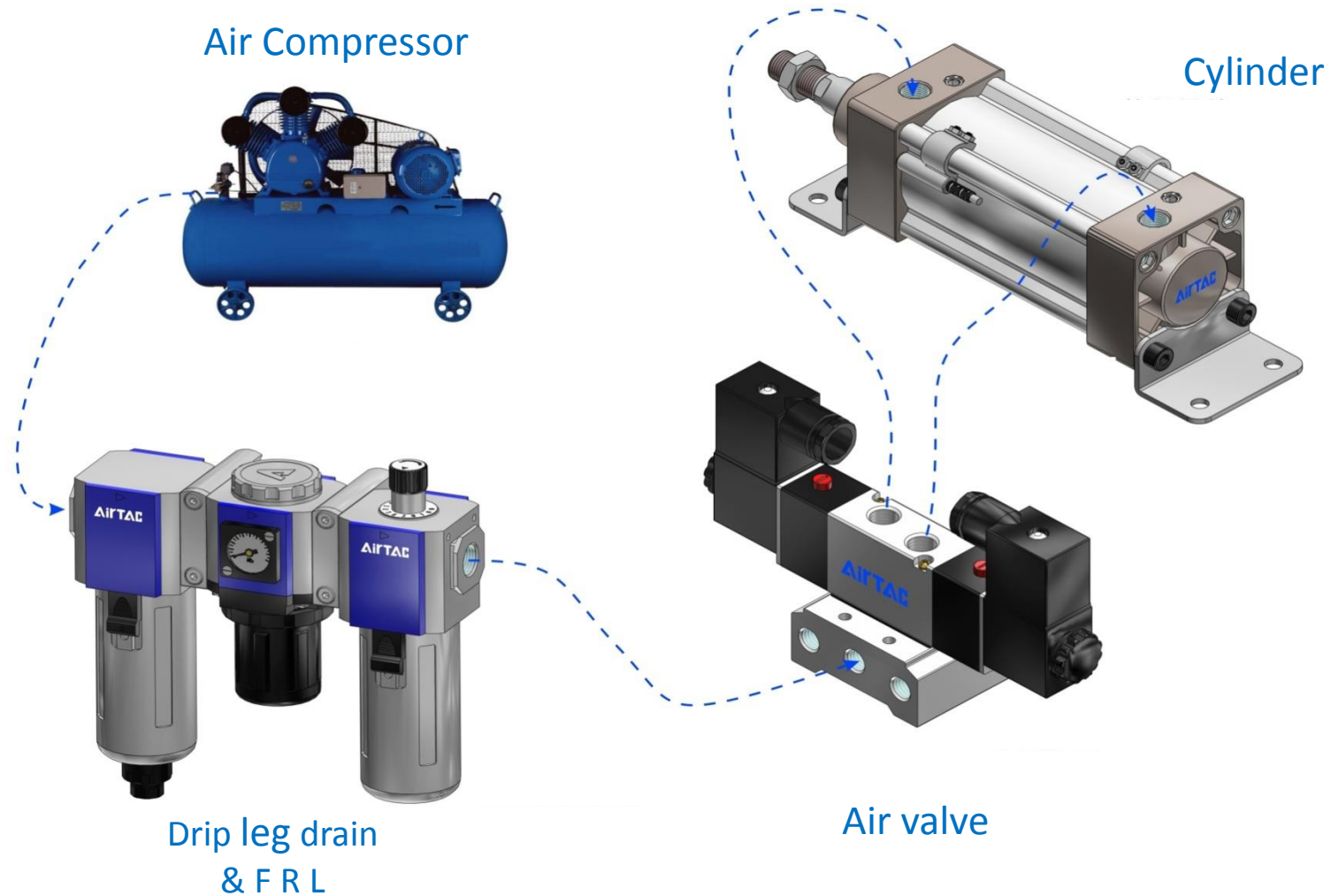
► Drip leg drain & F R L



► 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.

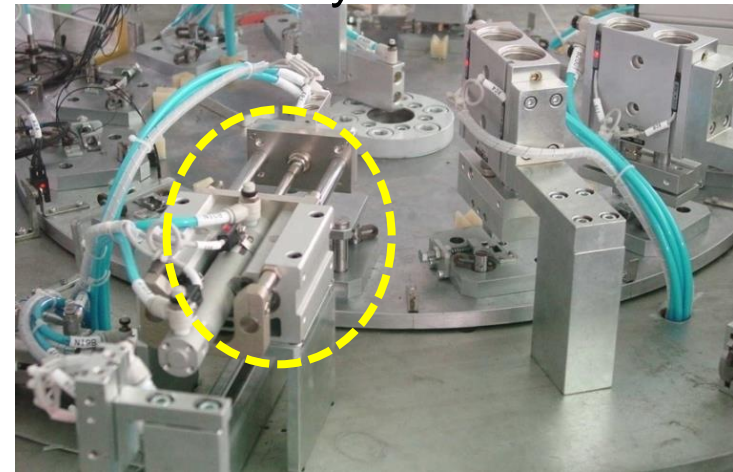
Construction machinery



Environmental processing machinery

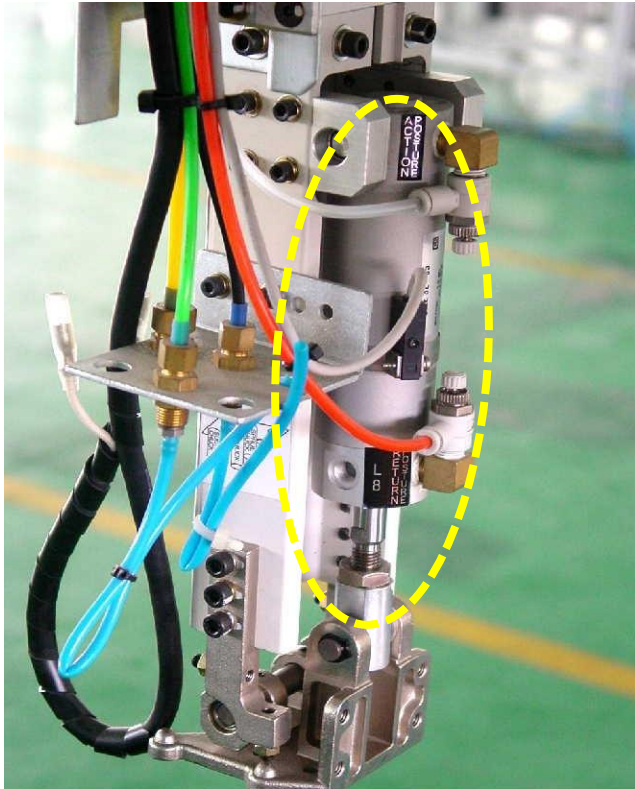


Assembly automation

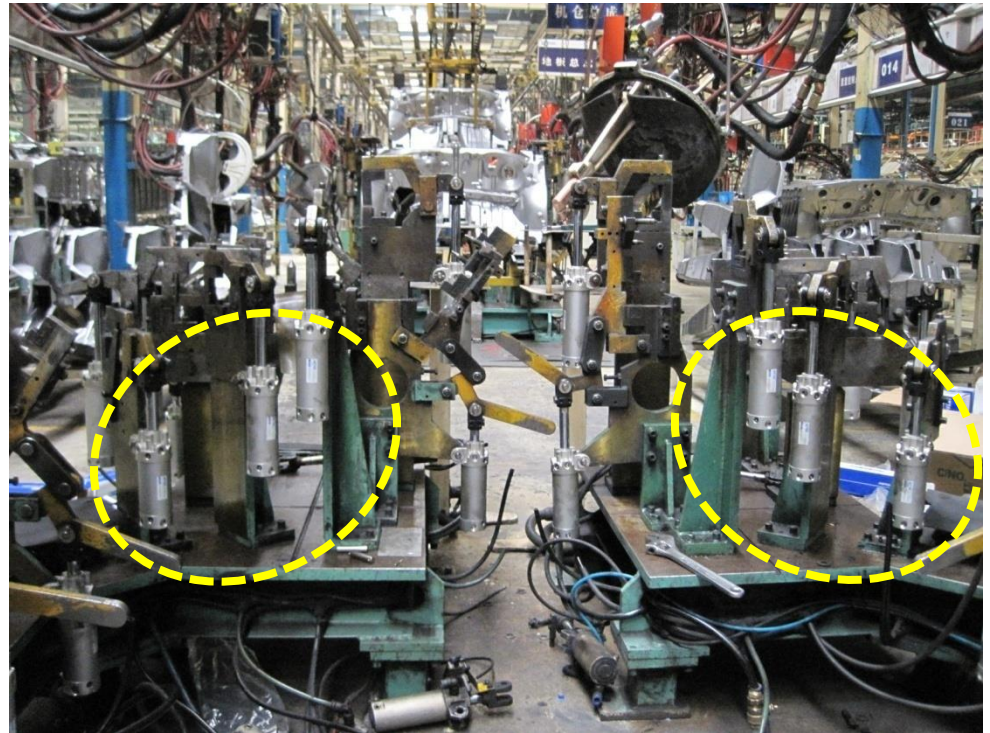


Products Application by Industry

Robot arm

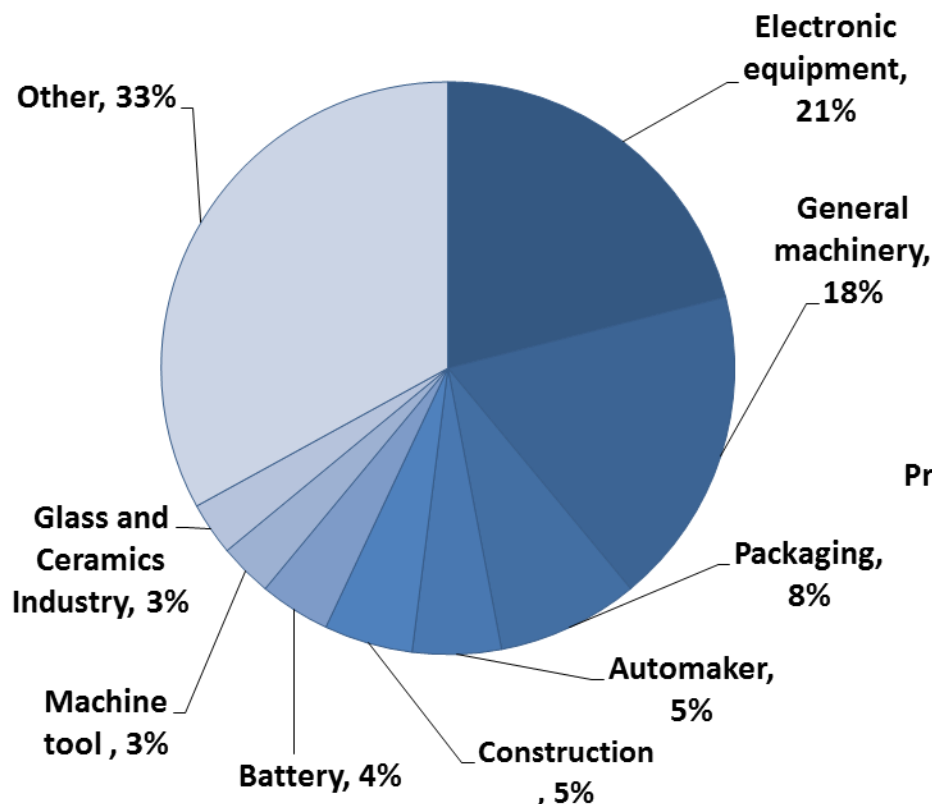


Automobile assembly

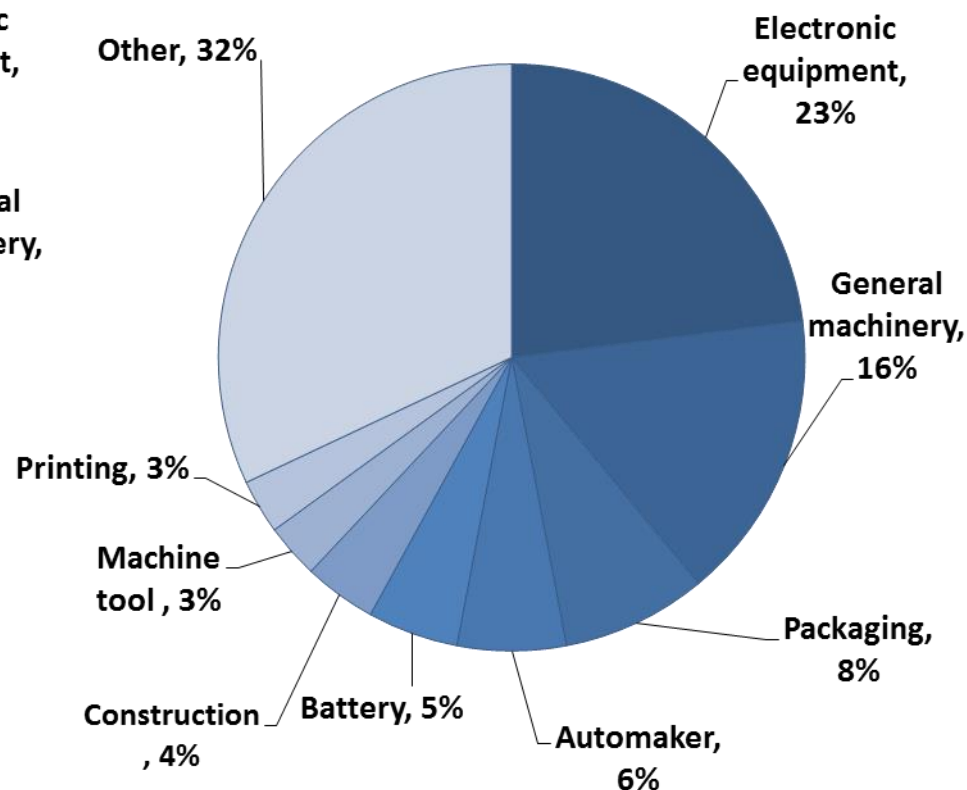


Clients breakdown by industry

2014 Sales



2015 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

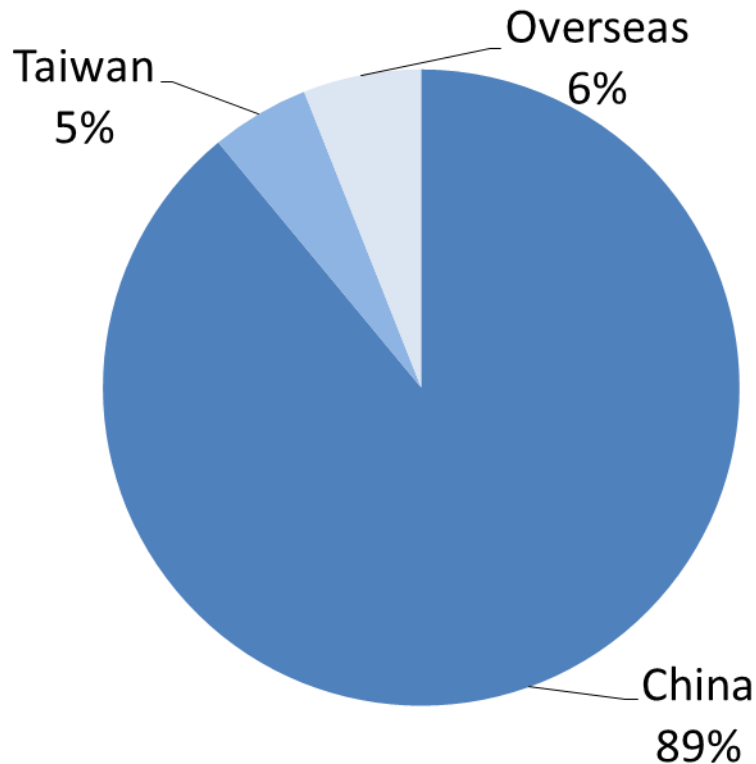


- ◆ Mainland : 2 manufacturing bases; 55 branches, 26 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales subsidiary
- ◆ Thailand : 1 sales subsidiary
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

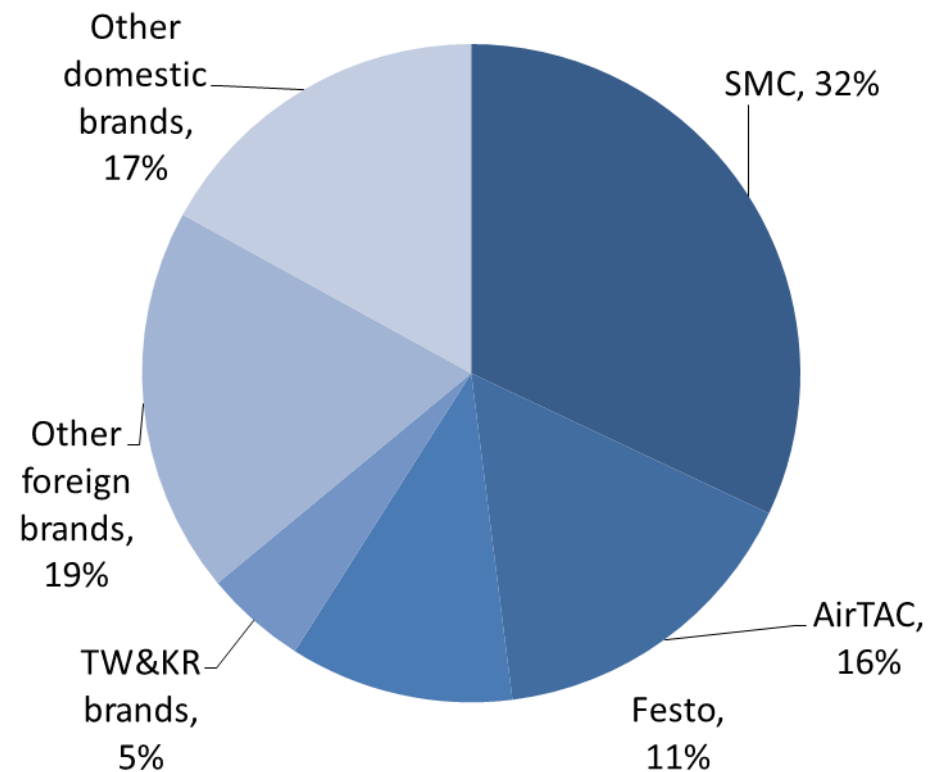
● Manufacturing Base
 ● Overseas Subsidiaries
 ● Sales Channels

Ranked the second largest market share in China

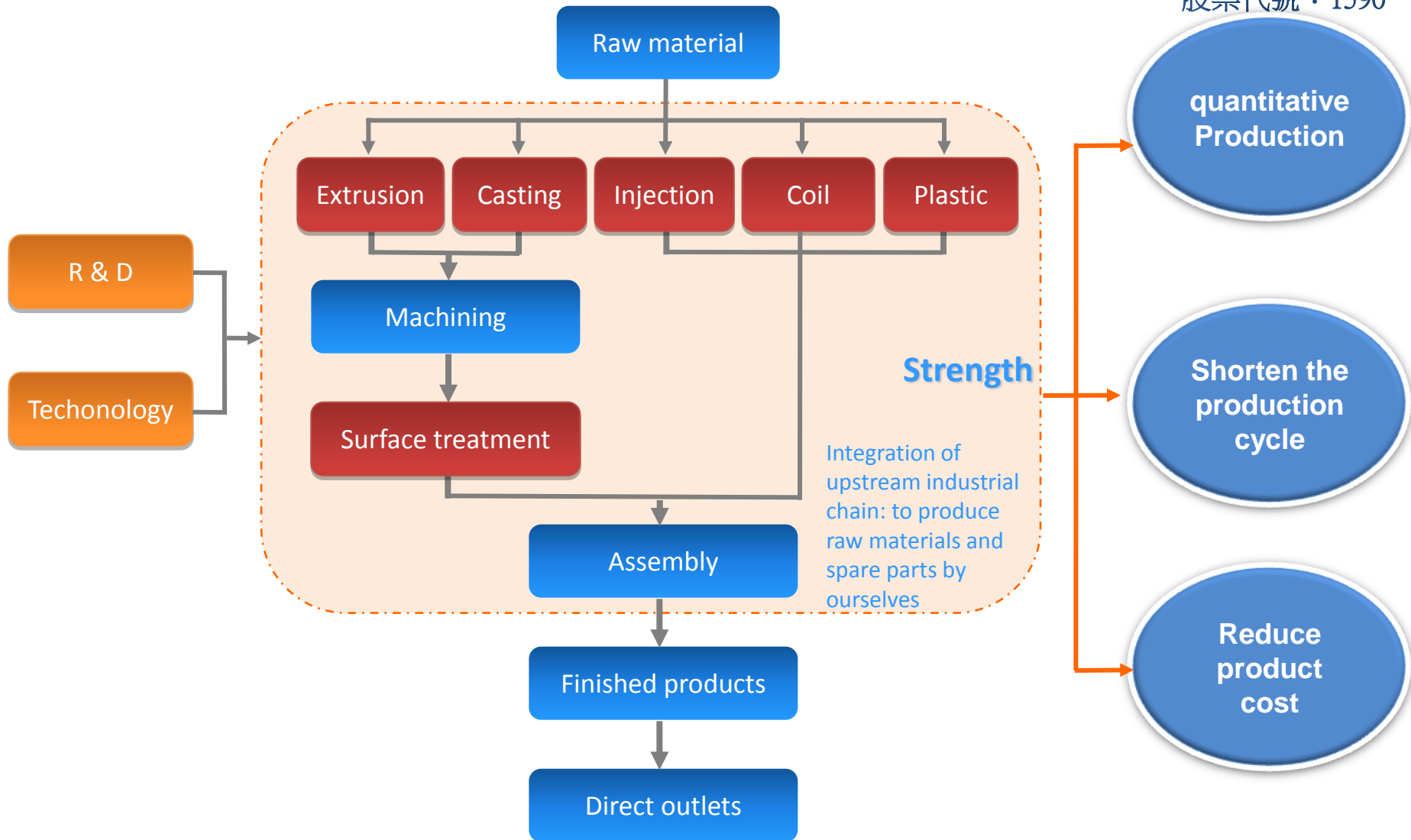
AirTAC Sales by region



Pneumatic equipment - market share in China

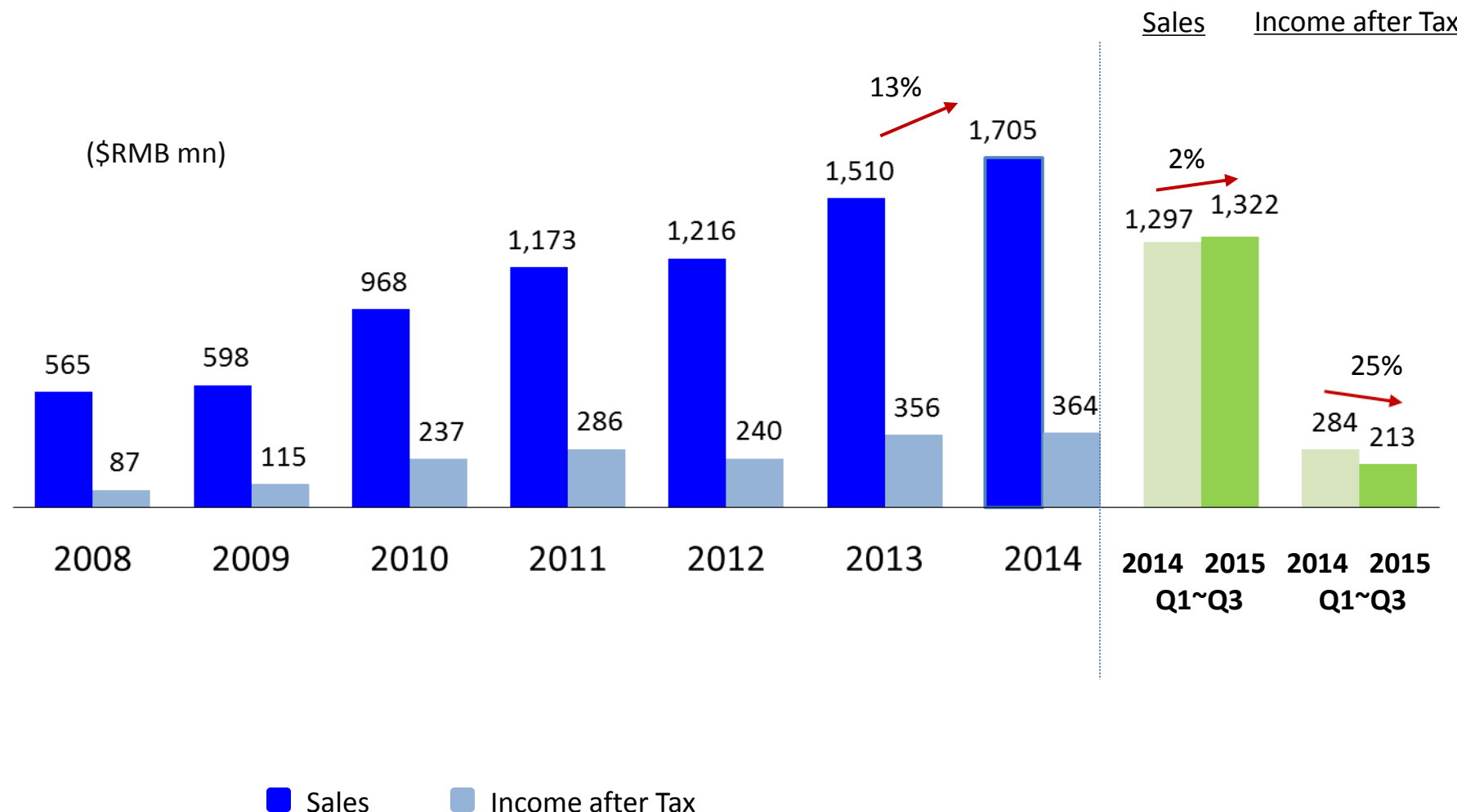


Integration of upstream industrial chain

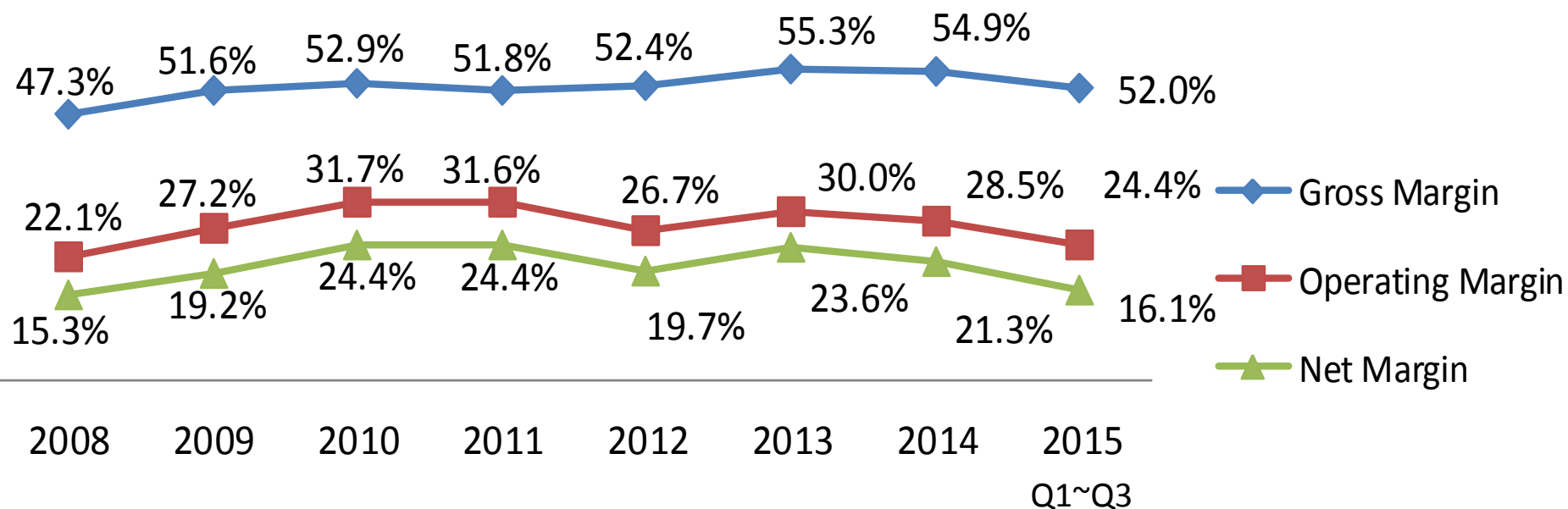


IV · Financial Outlook

2008~2015 Q3 Sales & Income after Tax



2008~2015 Q3 Profitability Trend



Income Statement

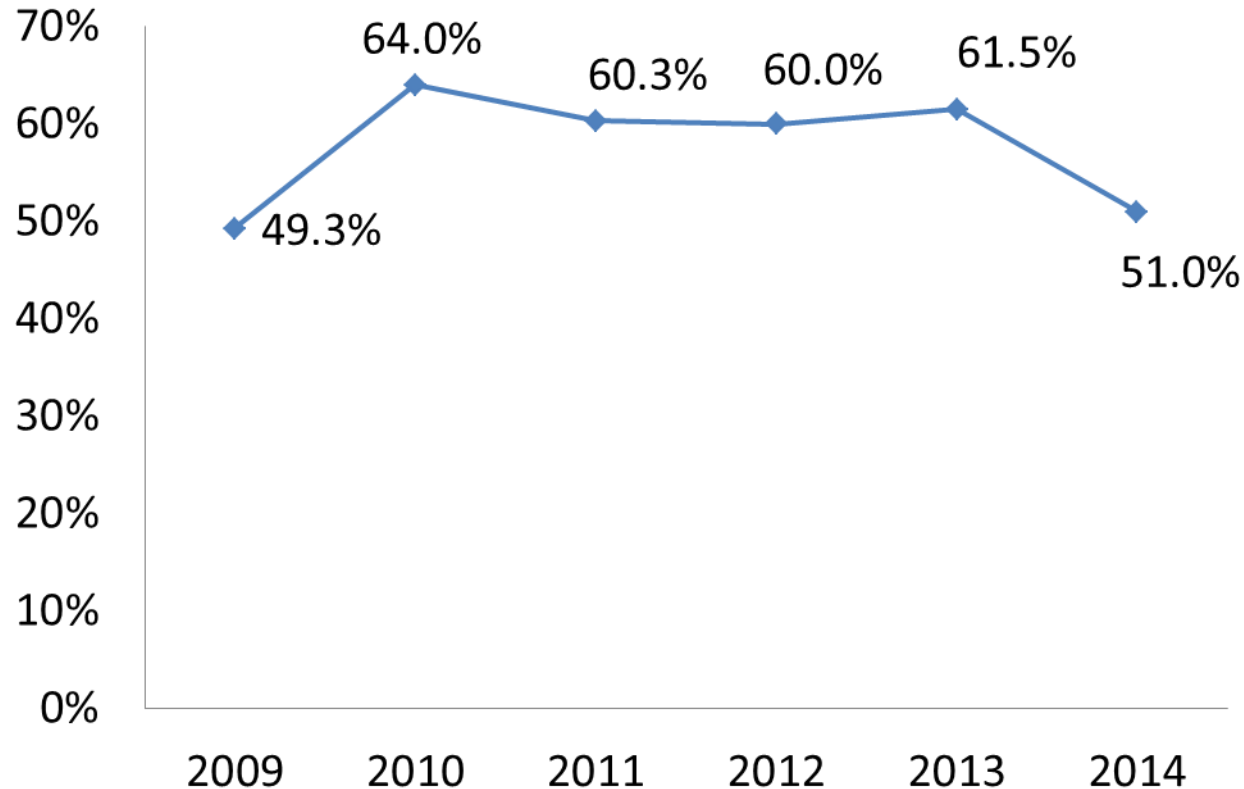
(\$RMB mn)

	2012		2013		2014		2015 Q1~Q3	
Sales	\$1,216	100%	\$1,510	100%	\$1,705	100%	\$1,322	100%
Cost	\$579	48%	\$675	45%	\$768	45%	\$635	48%
Gross Profit	\$637	52%	\$835	55%	\$937	55%	\$687	52%
Operating Expenses	\$312	25%	\$381	25%	\$450	27%	\$365	28%
Income from Operations	\$325	27%	\$454	30%	\$487	28%	\$322	24%
Non-operating Income & Exp.	\$5	-%	\$35	2%	\$-	-%	\$-25	-2%
EBT	\$330	27%	\$489	32%	\$487	28%	\$297	22%
TAX	\$90	7%	\$133	8%	\$123	7%	\$84	6%
Net Income	\$240	20%	\$356	24%	\$364	21%	\$213	16%

Balance Sheet

(\$RMB mn)	2012		2013		2014		2015 Q3	
Cash & Cash Equivalents	\$233	11%	\$323	11%	\$490	13%	\$586	14%
NR & AR	\$335	15%	\$448	15%	\$545	14%	\$618	15%
Inventory	\$232	11%	\$314	11%	\$363	10%	\$374	9%
Other Current Assets	\$43	2%	\$37	1%	\$61	2%	\$68	2%
Property, plant and equipment, Other	\$1,335	61%	\$1,829	62%	\$2,260	61%	\$2,487	60%
Total Assets	\$2,178	100%	\$2,951	100%	\$3,719	100%	\$4,133	100%
Bank Debt	\$710	32%	\$825	28%	\$1,436	39%	\$1,826	44%
Other Current Liabilities	\$210	10%	\$227	8%	\$241	6%	\$224	5%
Other Long-term liabilities	\$39	2%	\$61	2%	\$67	2%	\$70	2%
Total Liabilities	\$959	44%	\$1,113	38%	\$1,744	47%	\$2,120	51%
Total Equity	\$1,219	56%	\$1,838	62%	\$1,975	53%	\$2,013	49%
Total Liabilities & Equity	\$2,178	100%	\$2,951	100%	\$3,719	100%	\$4,133	100%

Dividend Payout (Include stock dividends)



2014 Cash dividends to shareholders – NTD 4.8 per share (around RMB 0.9778 per share)

Stock dividends to shareholders – NTD 0.5 per share (around RMB 0.1019 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