



AirTAC

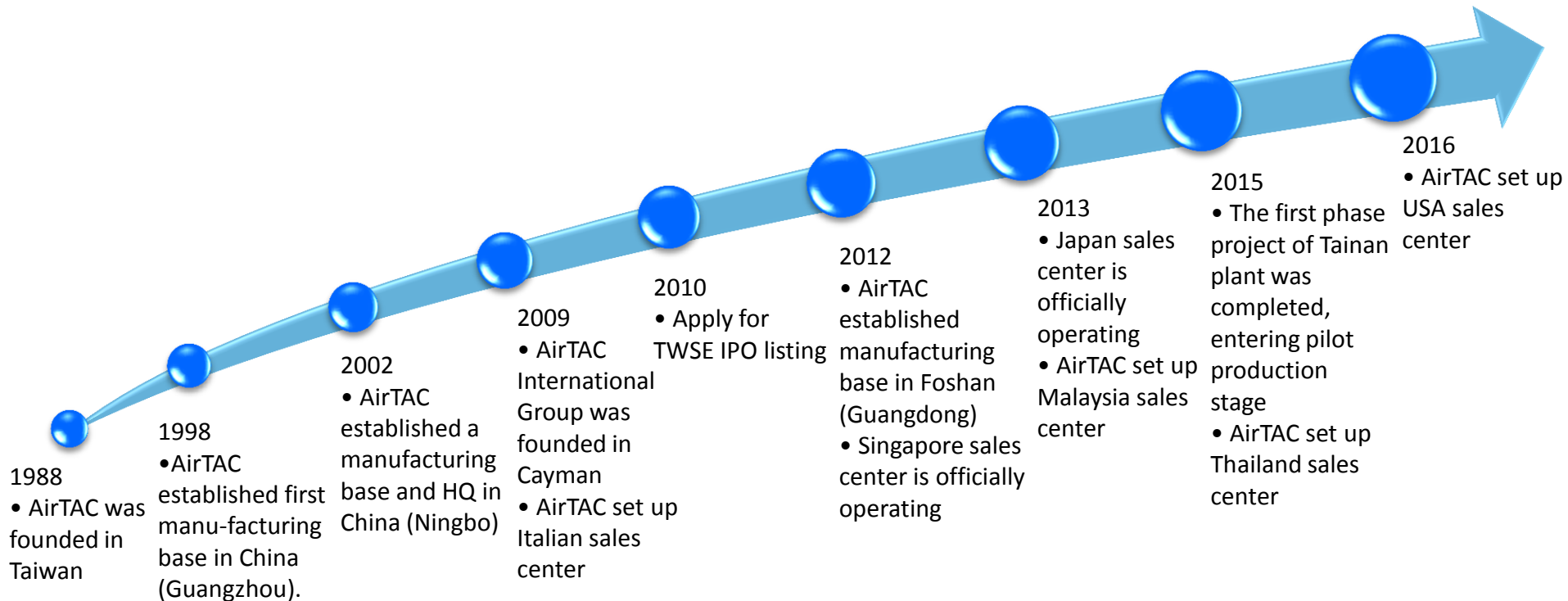
Powered by AIRTAC

Agenda

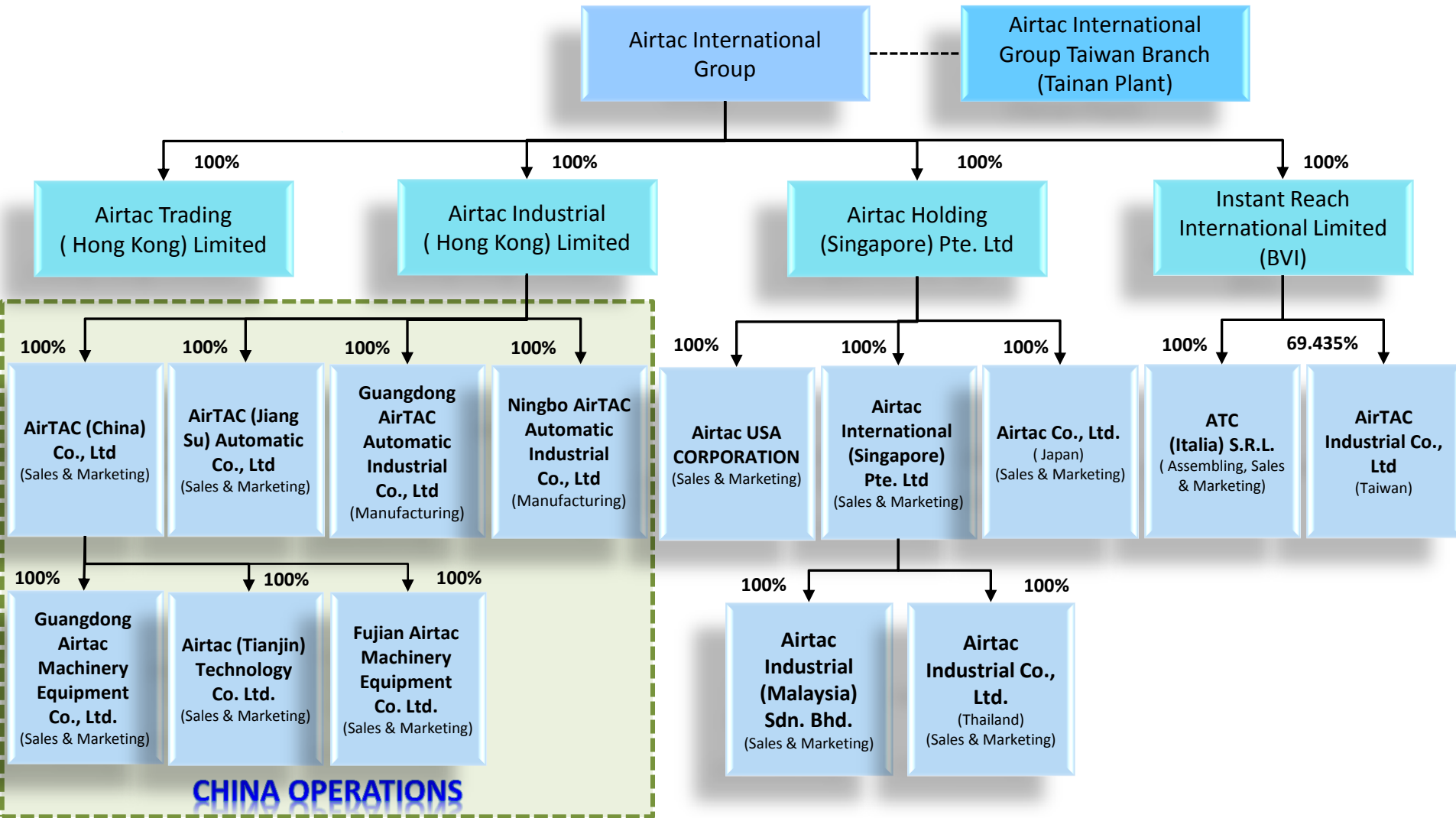
- I Group Overview**
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I · Group Overview

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

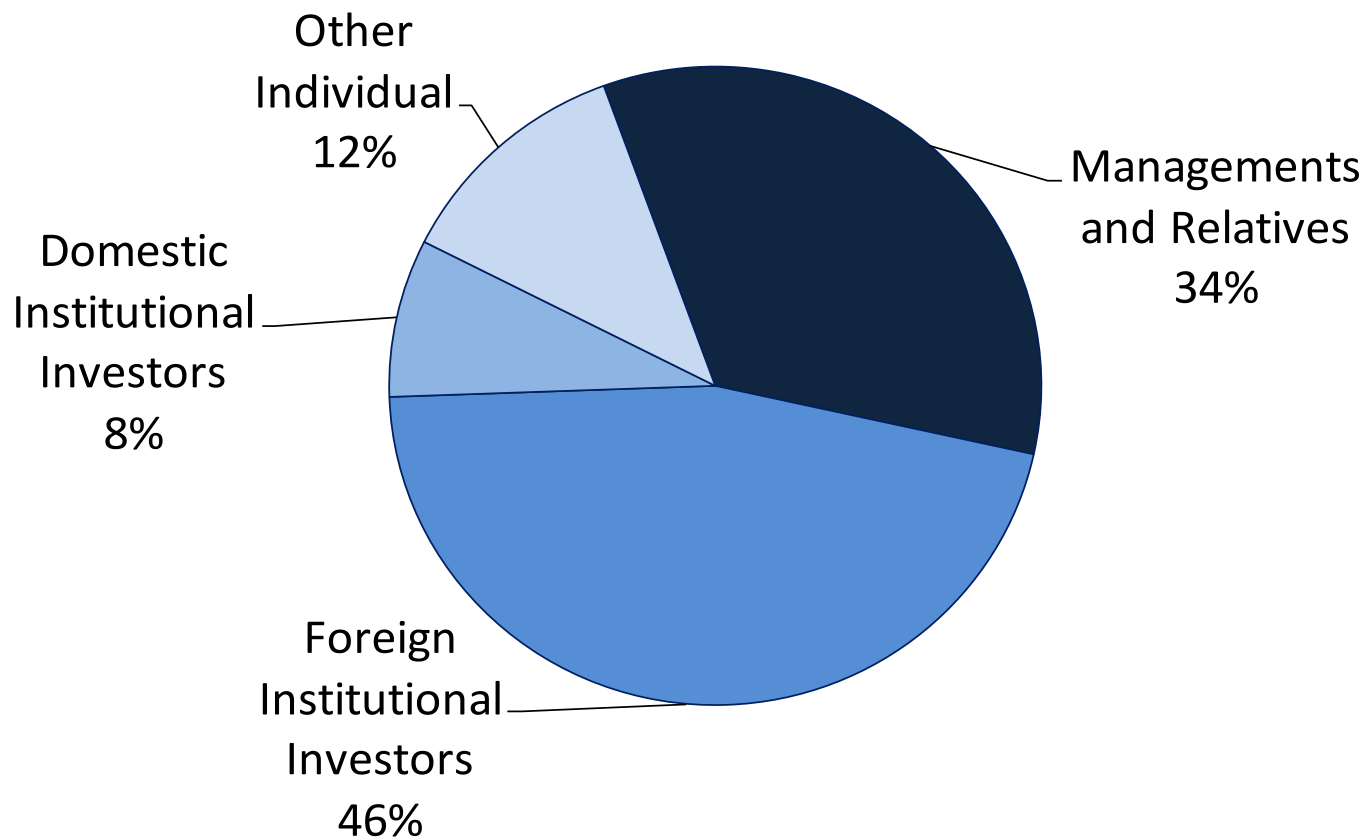
Profit sharing

- 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

► Cylinder



► Air valve & mechanical valve



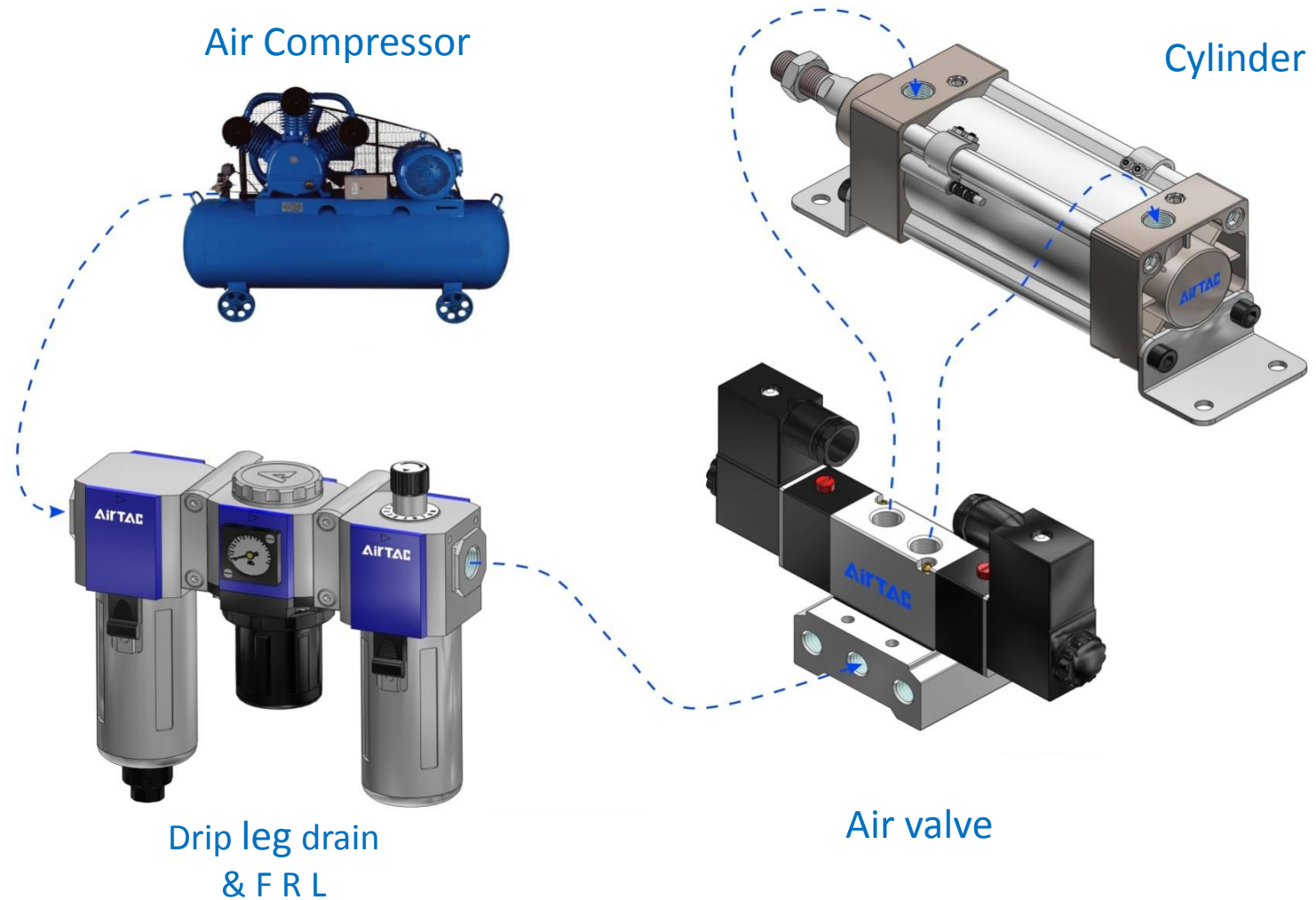
► Drip leg drain & F R L



► 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.

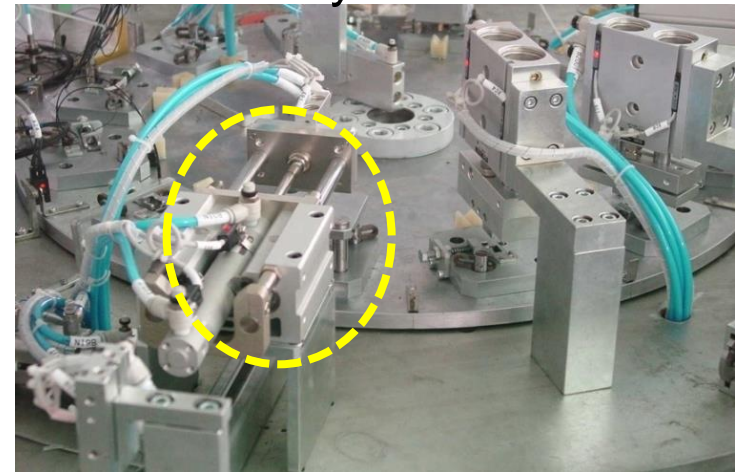
Construction machinery



Environmental processing machinery

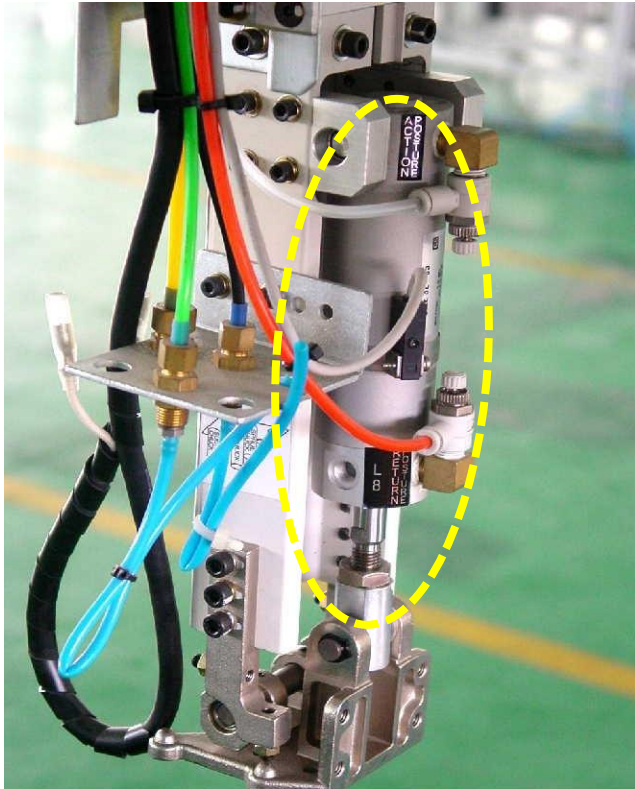


Assembly automation

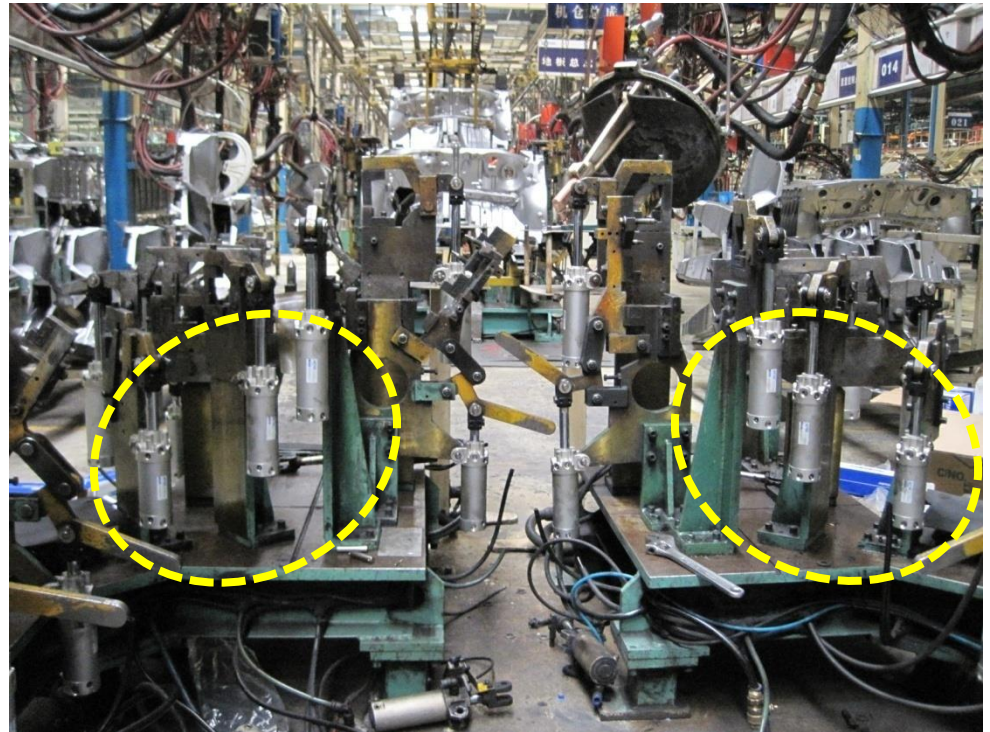


Products Application by Industry

Robot arm

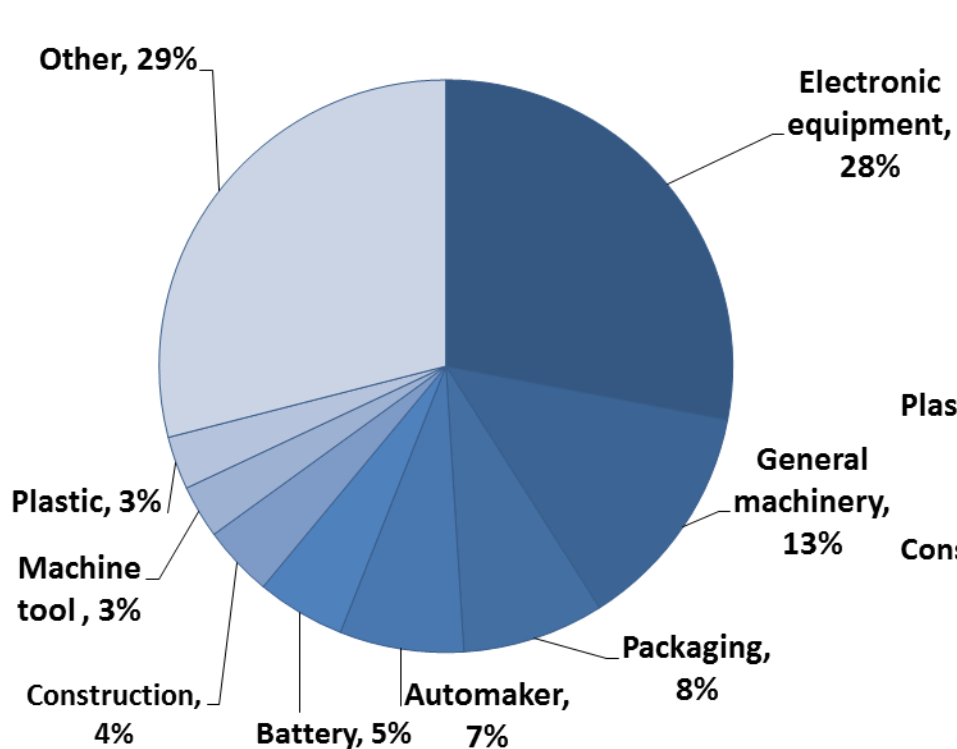


Automobile assembly

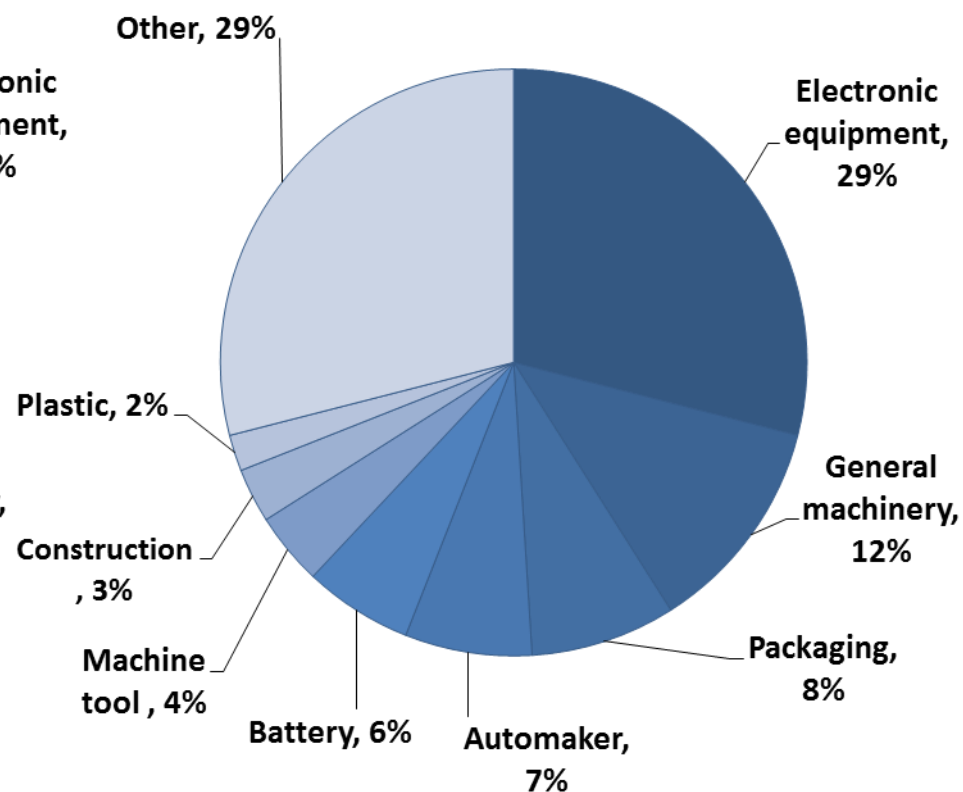


Clients breakdown by industry

2017 Sales



2018 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

- 85% 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.

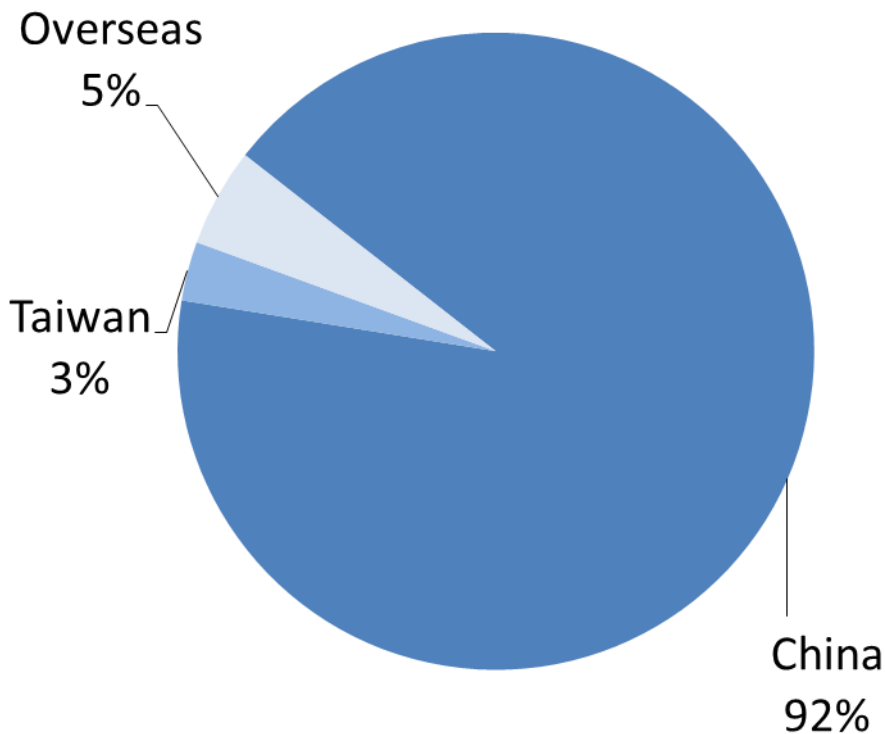
Worldwide manufacturing bases & sales branches



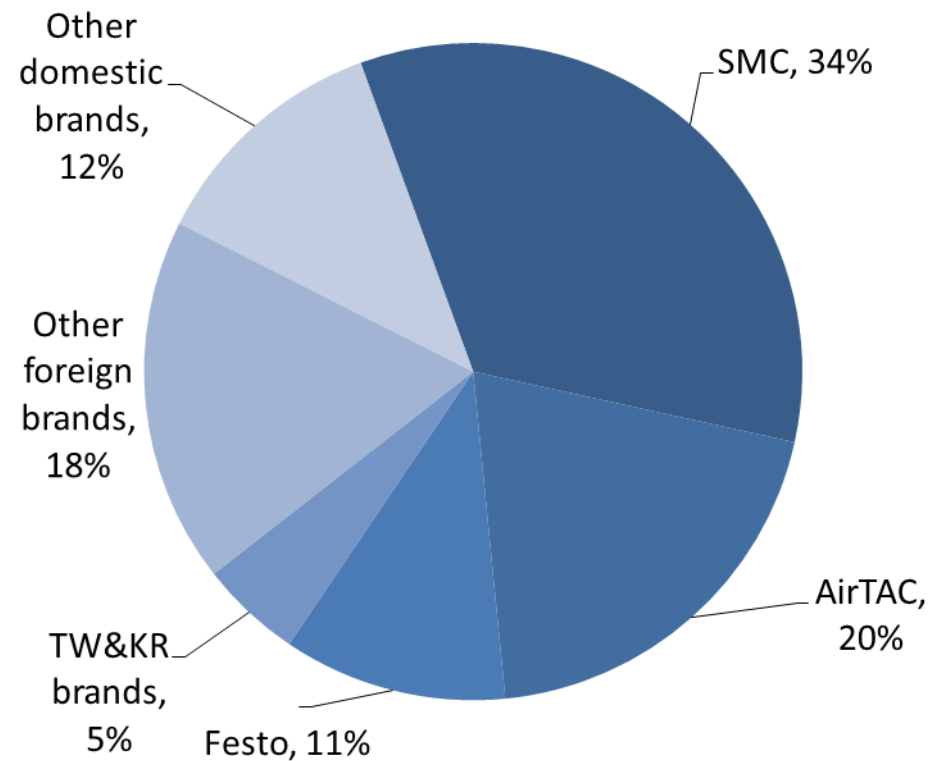
- ◆ Mainland : 2 manufacturing bases; 5 branches, 128 offices
- ◆ Taiwan : 1 manufacturing base and 6 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

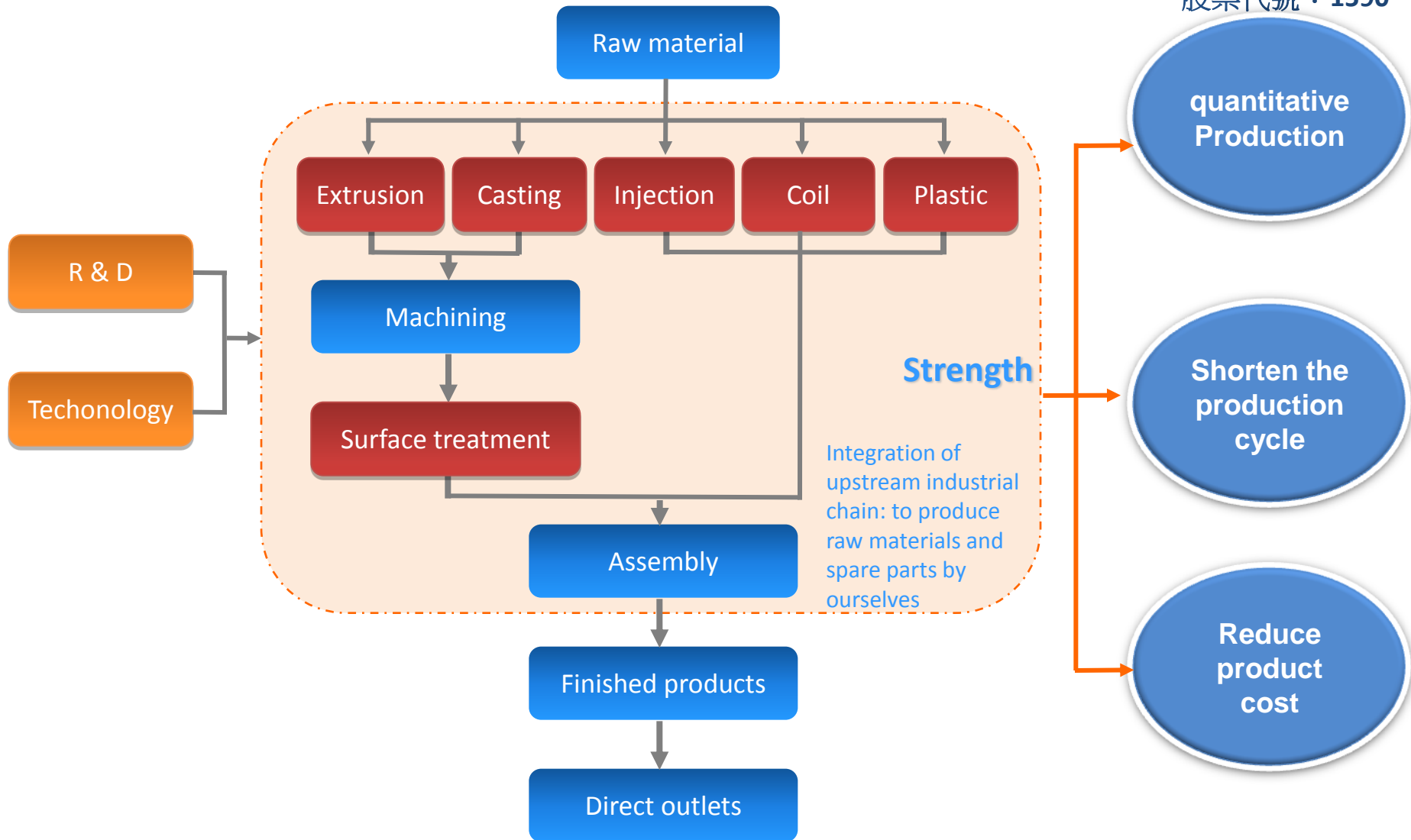
AirTAC Sales by region



Pneumatic equipment - market share in China



Integration of upstream industrial chain

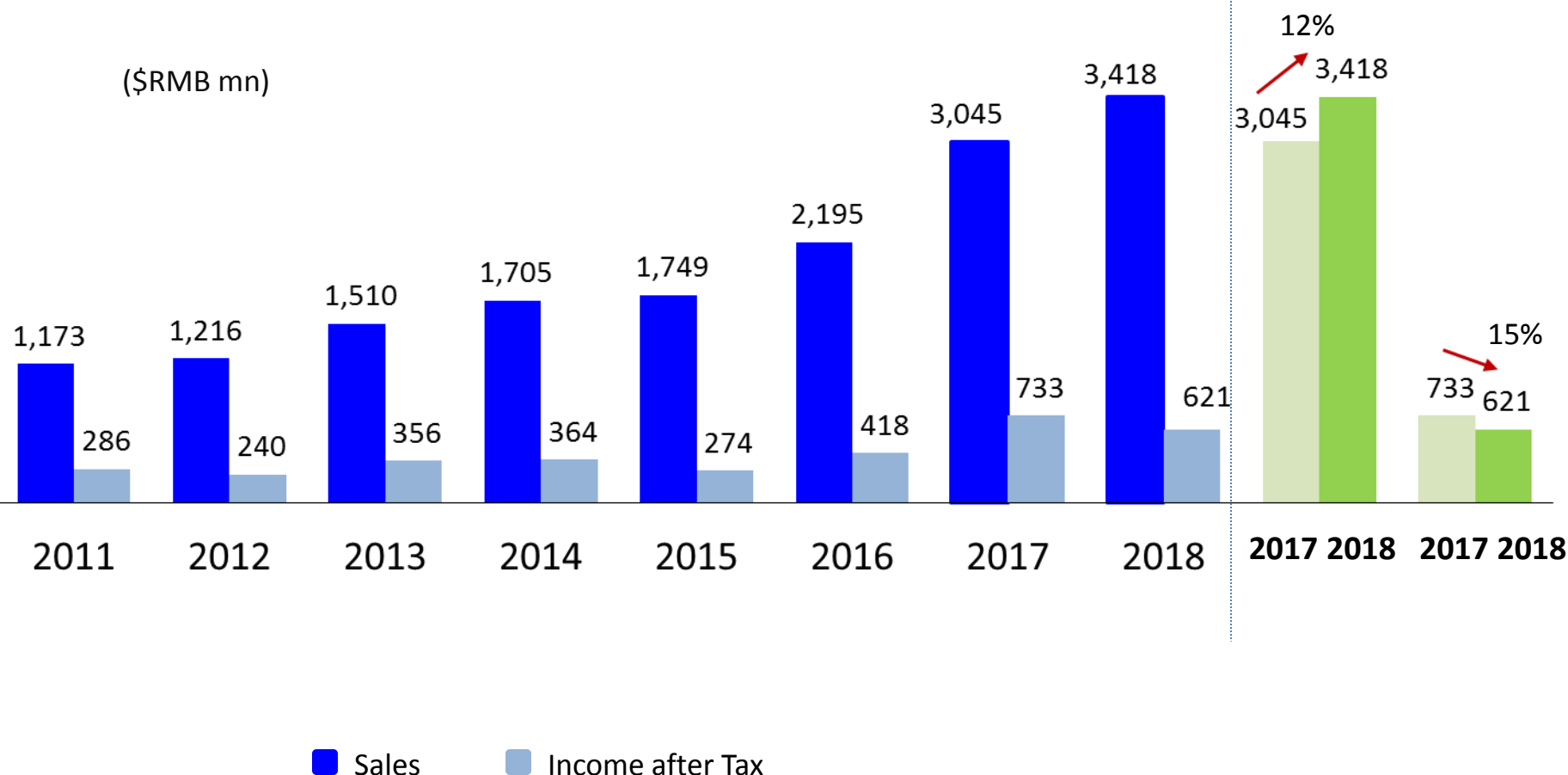


IV · Financial Outlook

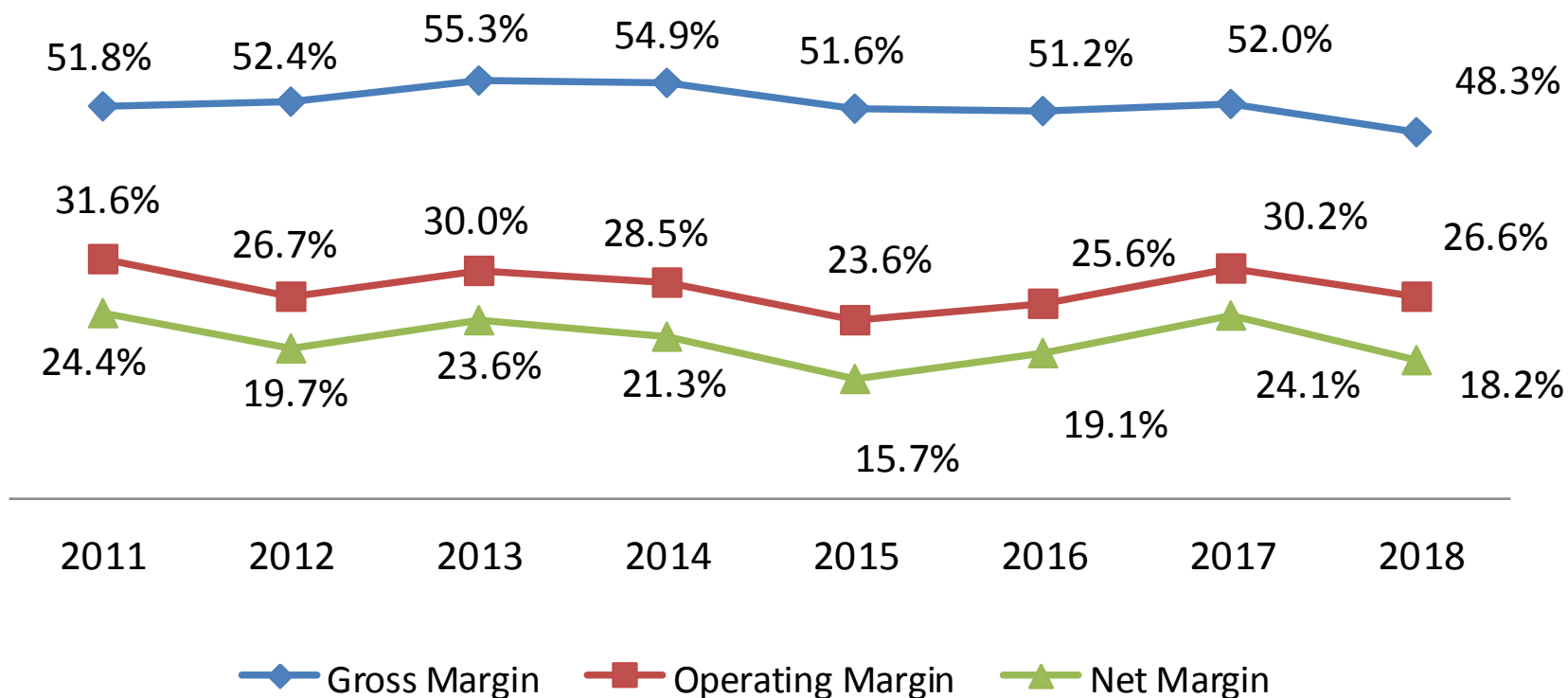
2011~2018 Sales & Income after Tax

(\$RMB mn)

Sales Income after Tax



2011~2018 Profitability Trend



Income Statement

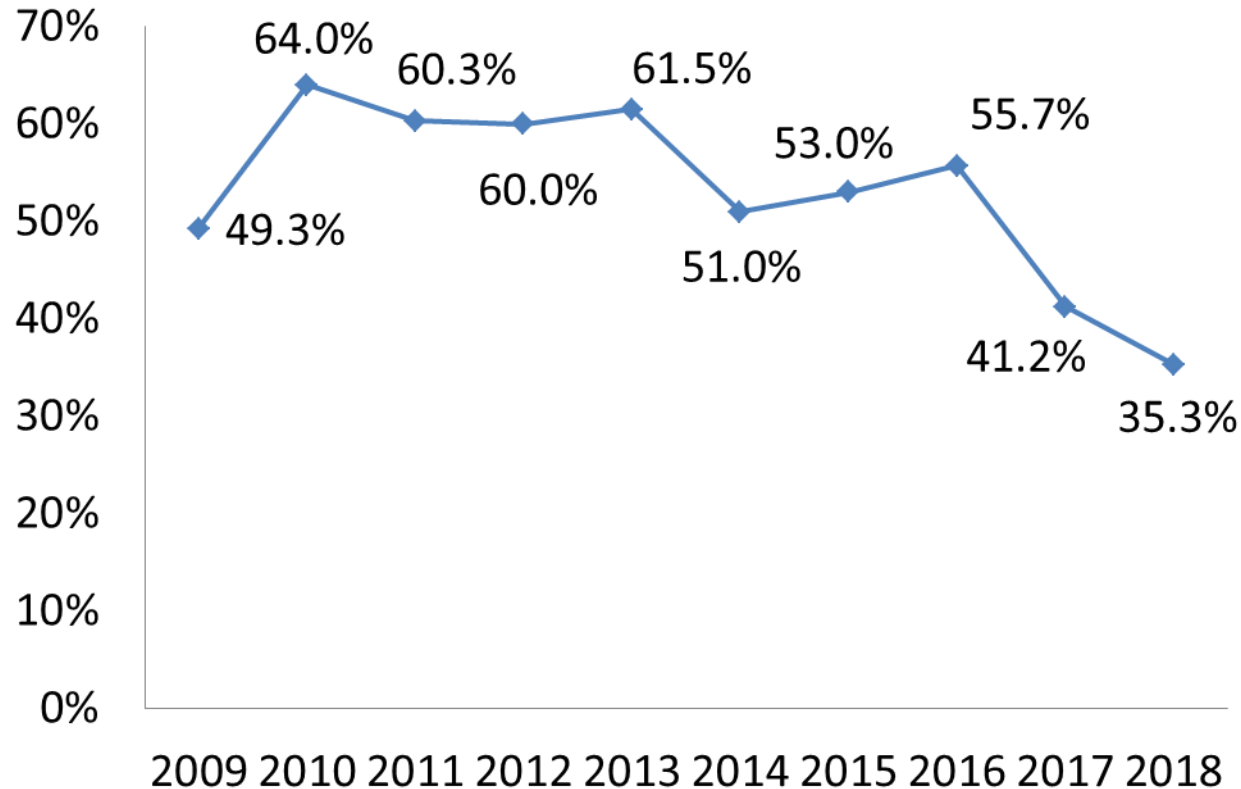
(\$RMB mn)	2015		2016		2017		2018	
Sales	\$1,749	100%	\$2,195	100%	\$3,045	100%	\$3,418	100%
Cost	847	48%	1,071	49%	1,463	48%	1,769	52%
Gross Profit	902	52%	1,124	51%	1,582	52%	1,649	48%
Operating Expenses	490	28%	561	25%	662	22%	740	22%
Income from Operations	412	24%	563	26%	920	30%	909	26%
Non-operating Income & Exp.	-46	-3%	24	1%	48	2%	-76	-2%
EBT	366	21%	587	27%	968	32%	833	24%
TAX	92	5%	169	8%	235	8%	212	6%
Net Income	\$274	16%	\$418	19%	\$733	24%	\$621	18%

Balance Sheet

(\$RMB mn)

	2015		2016		2017		2018	
Cash & Cash Equivalents	\$619	14%	\$798	16%	\$443	7%	\$871	11%
NR & AR	608	15%	816	16%	1,190	19%	1,117	14%
Inventory	393	9%	467	10%	868	14%	913	12%
Other Current Assets	257	6%	53	1%	102	1%	232	3%
Property, plant and equipment, Other	2,419	56%	2,839	57%	3,729	59%	4,703	60%
Total Assets	\$4,296	100%	\$4,973	100%	\$6,332	100%	\$7,836	100%
Bank Debt	\$1,907	44%	\$2,227	45%	\$2,200	35%	\$3,398	43%
Other Current Liabilities	240	6%	340	7%	554	9%	502	6%
Other Long-term liabilities	65	2%	77	1%	81	1%	110	2%
Total Liabilities	\$2,212	52%	\$2,644	53%	\$2,835	45%	\$4,010	51%
Total Equity	\$2,084	48%	\$2,329	47%	\$3,497	55%	\$3,826	49%
Total Liabilities & Equity	\$4,296	100%	\$4,973	100%	\$6,332	100%	\$7,836	100%

Dividend Payout (Include stock dividends)



Expected 2018 Cash dividends to shareholders – RMB 1.16 per share (around NTD 5.33368 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