



AirTAC

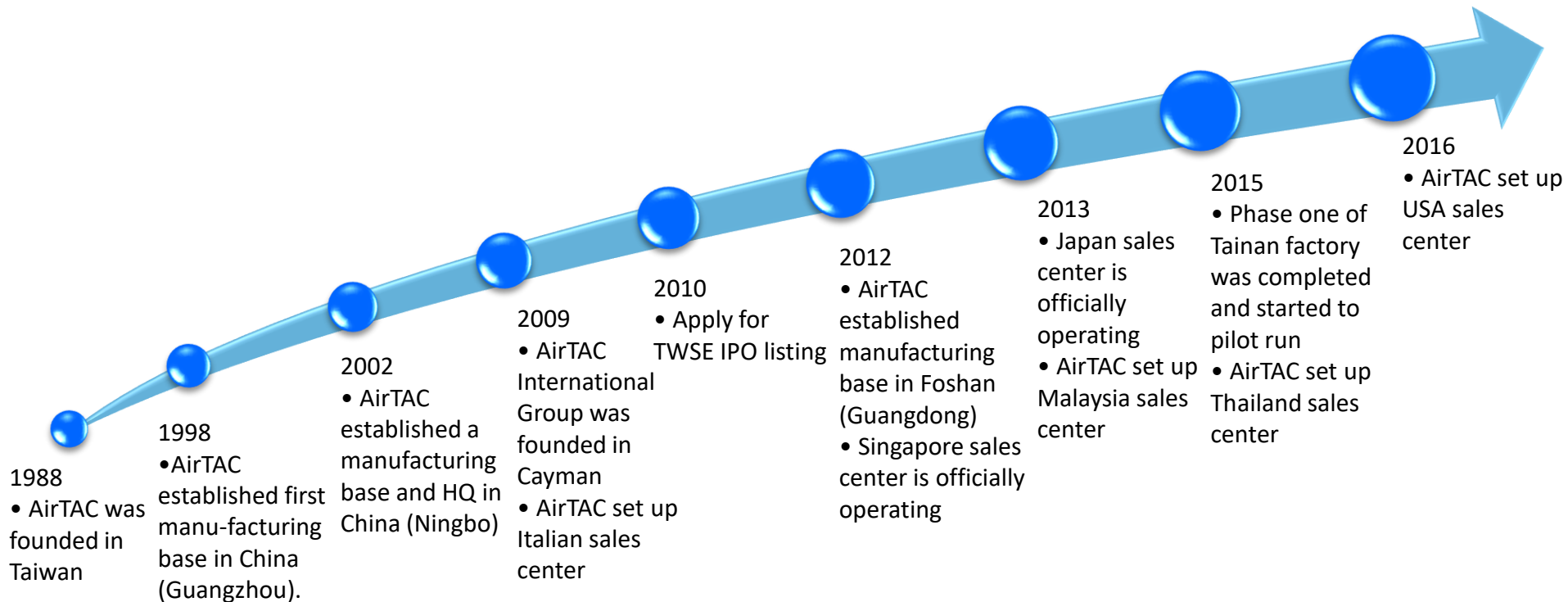
Powered by AIRTAC

Agenda

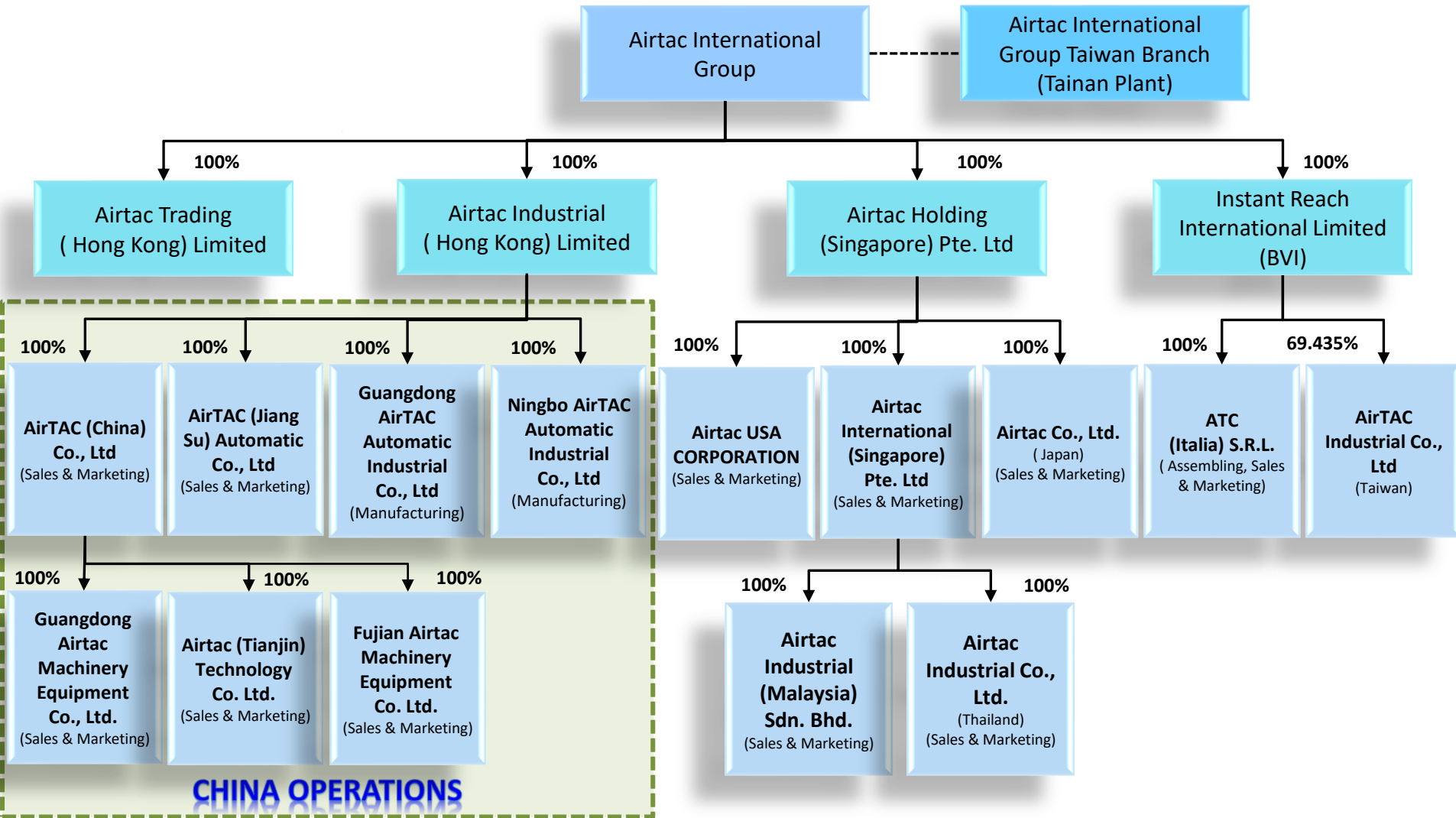
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

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

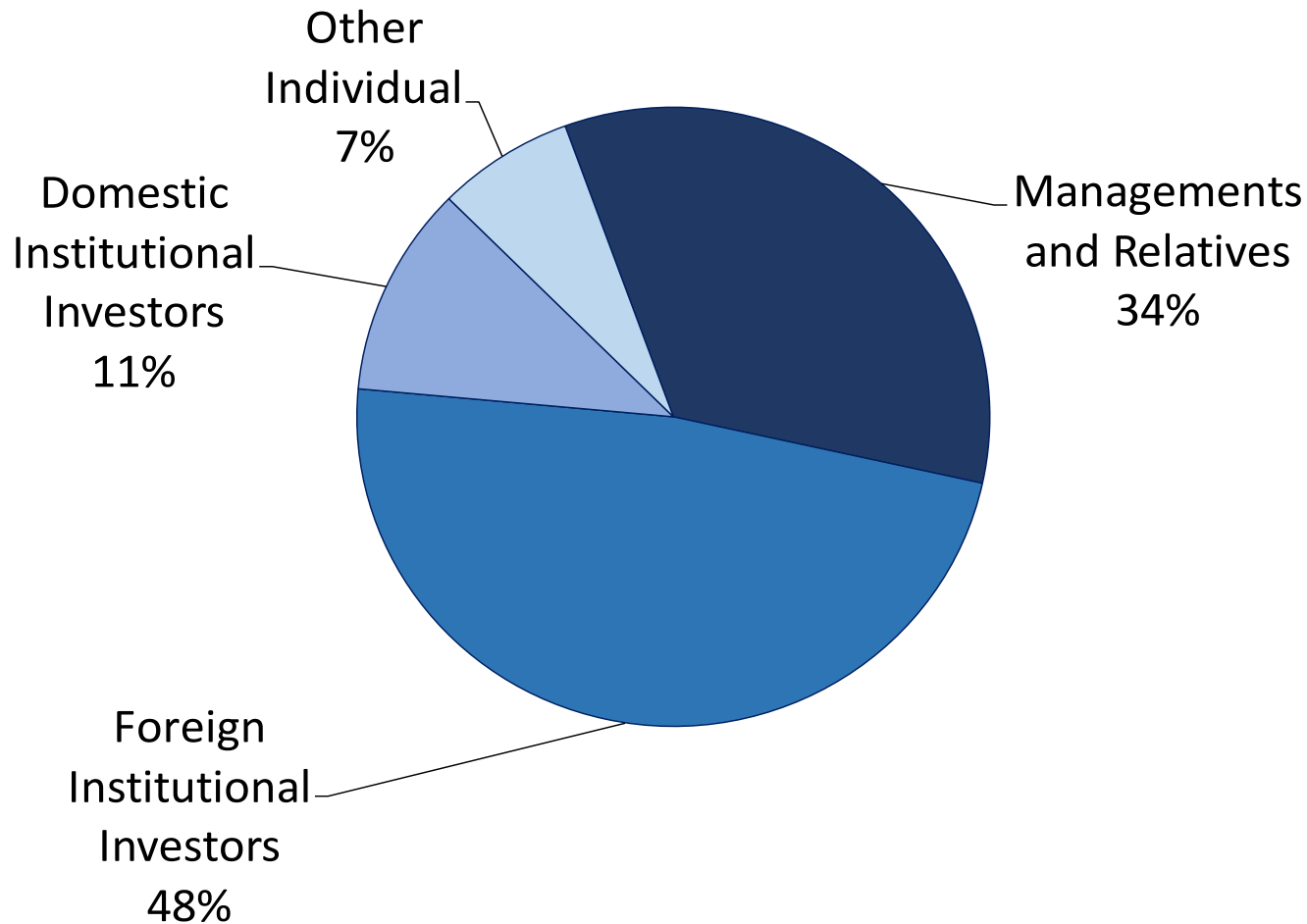
Profit sharing

- 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



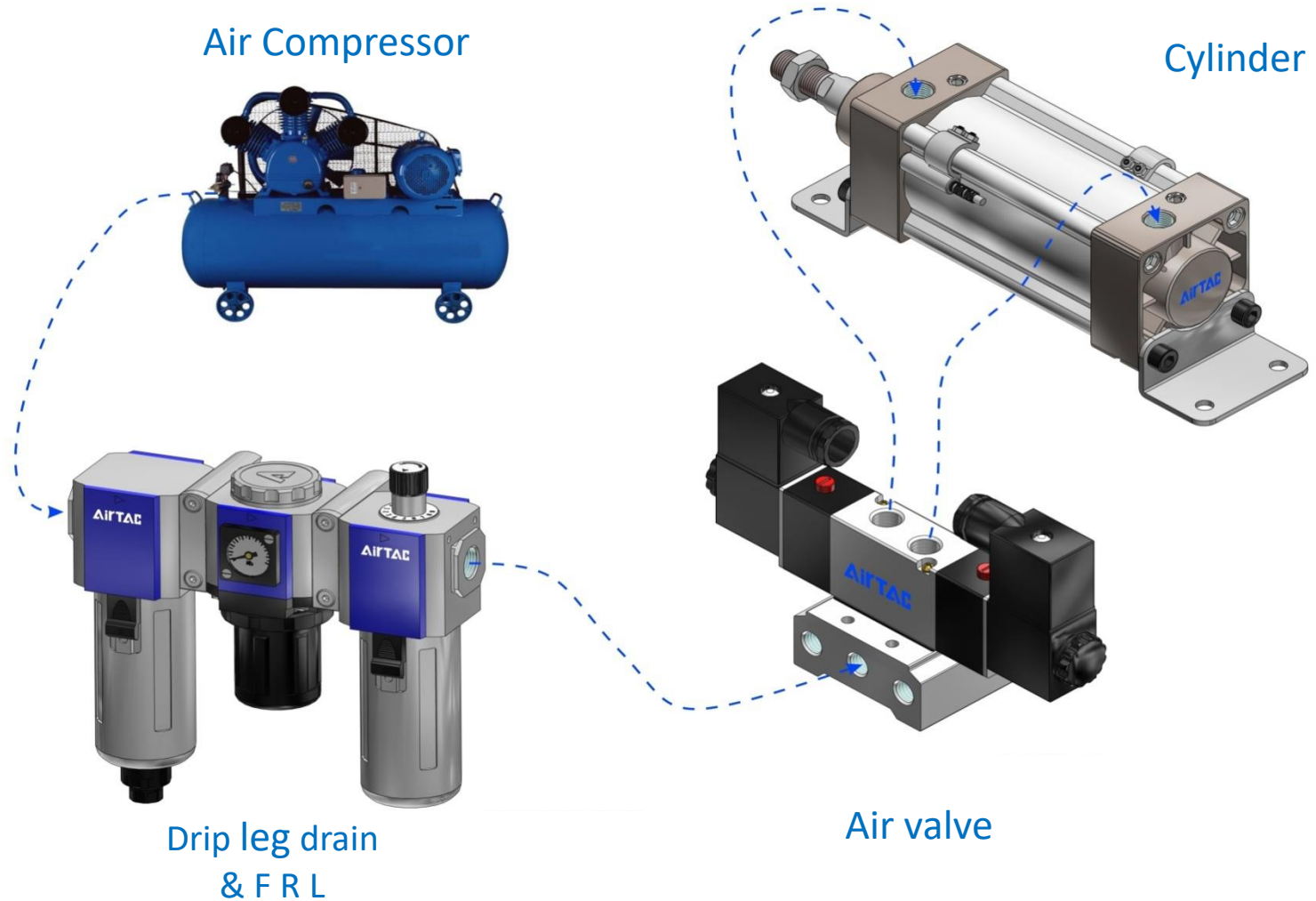
➤ Drip leg drain & F R L



➤ Others



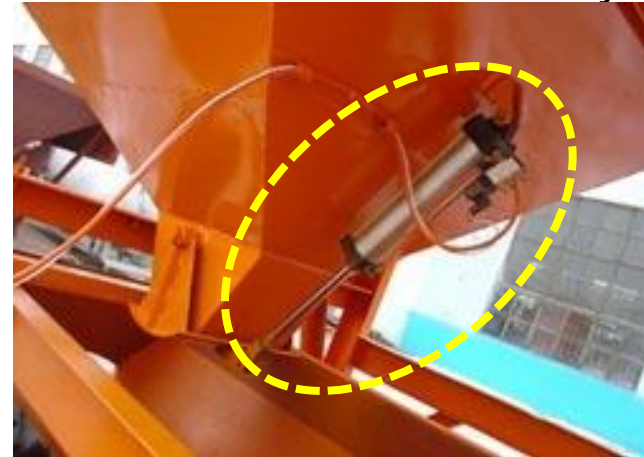
Pneumatic operation of the process



Products Application by Industry

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

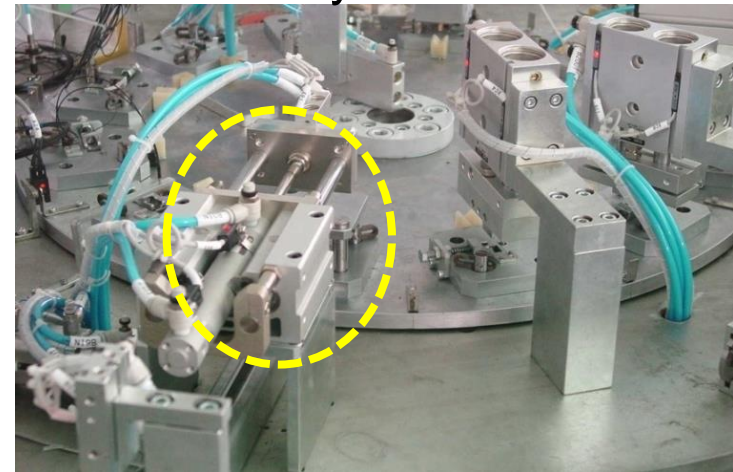
Construction machinery



Environmental processing machinery

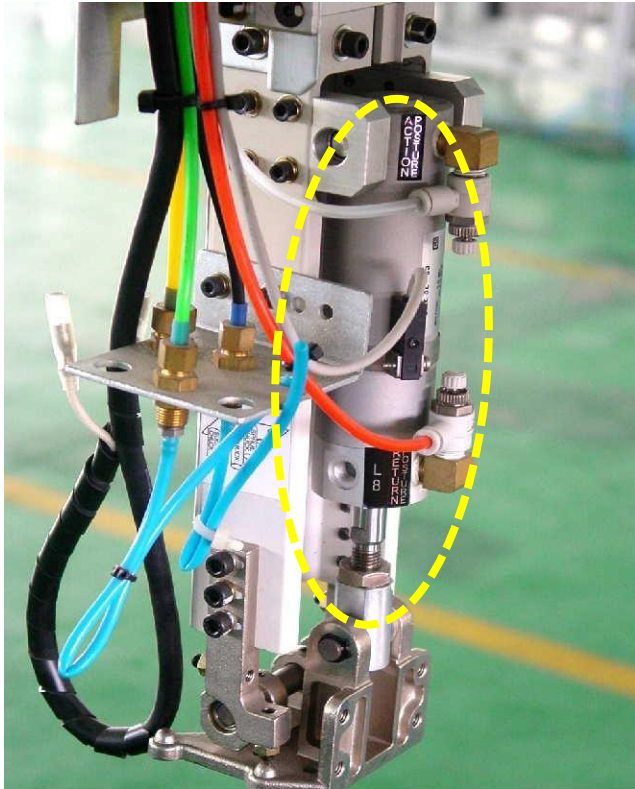


Assembly automation

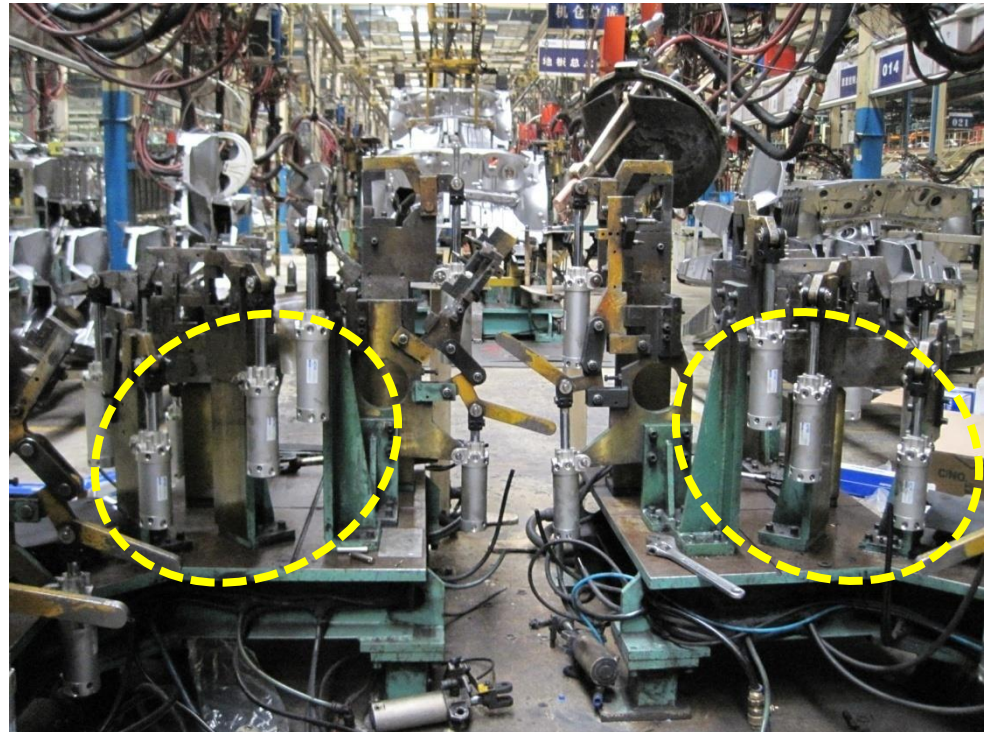


Products Application by Industry

Robot arm

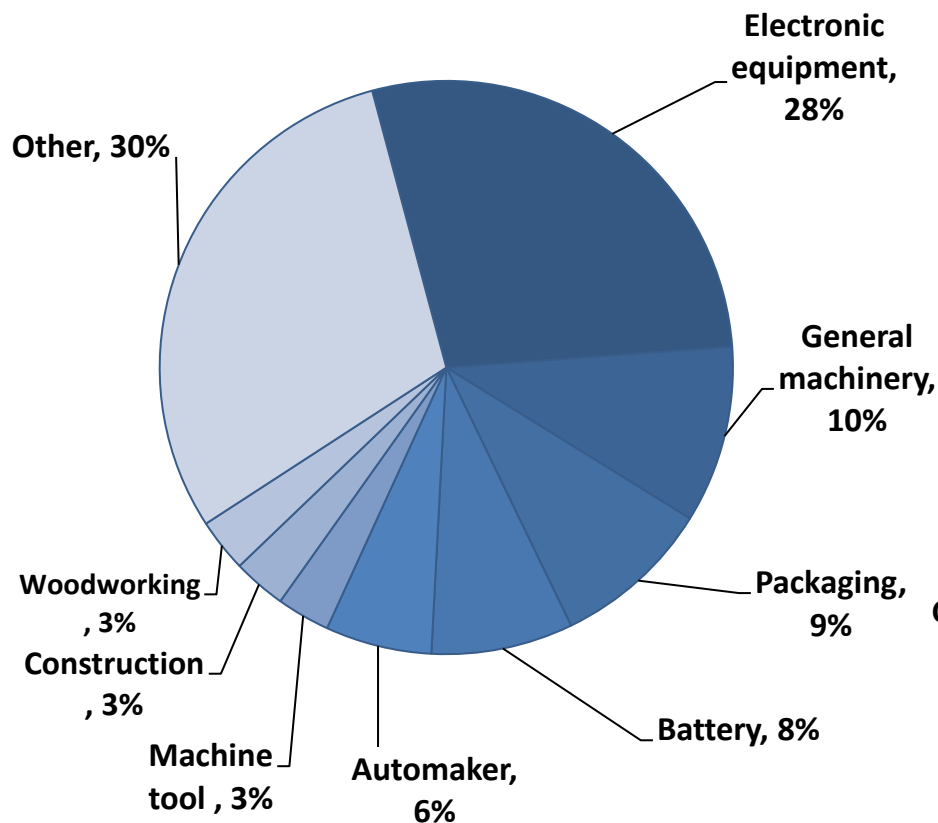


Automobile assembly

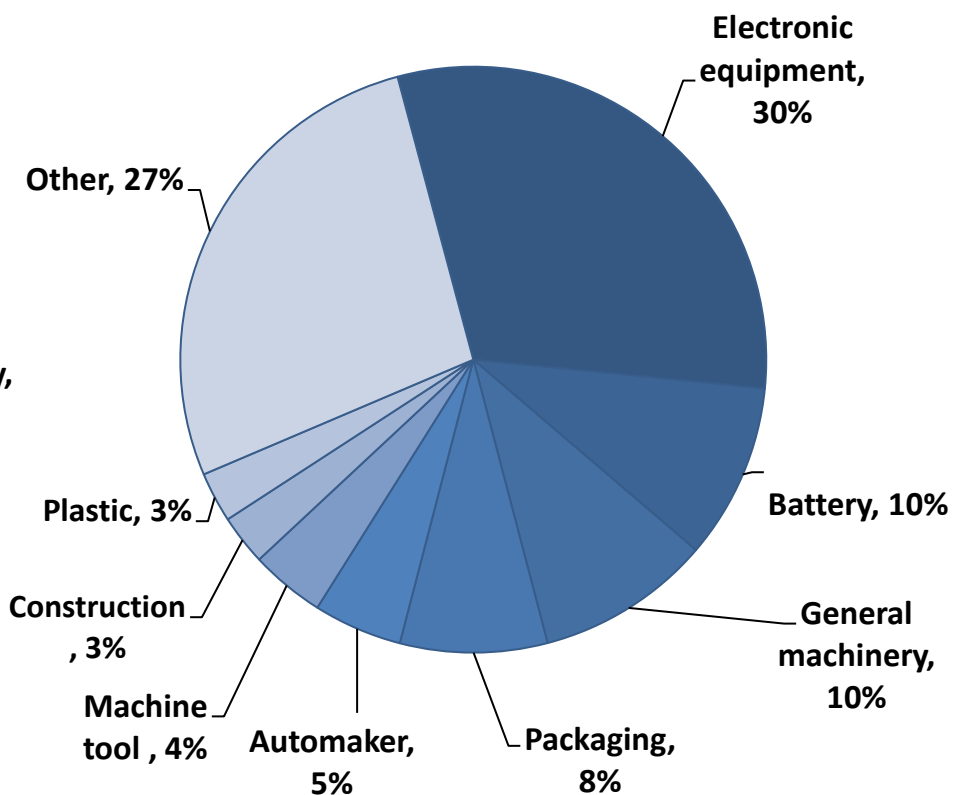


Clients breakdown by industry

2019 Sales



2020 Q1 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

- More than 80% of parts 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

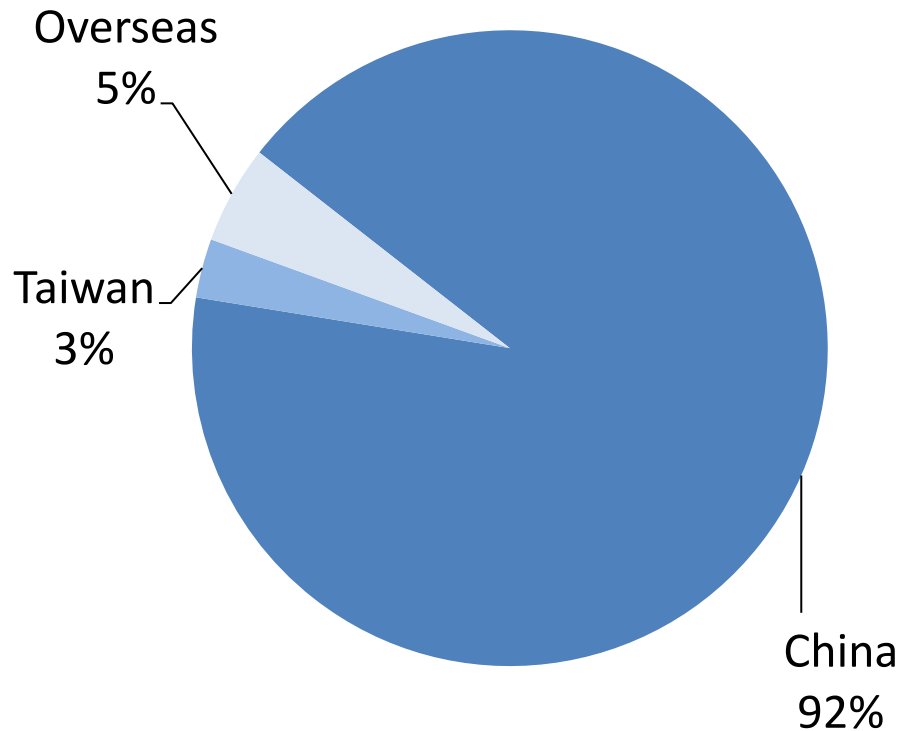


● Manufacturing Base ● Overseas Sales Center

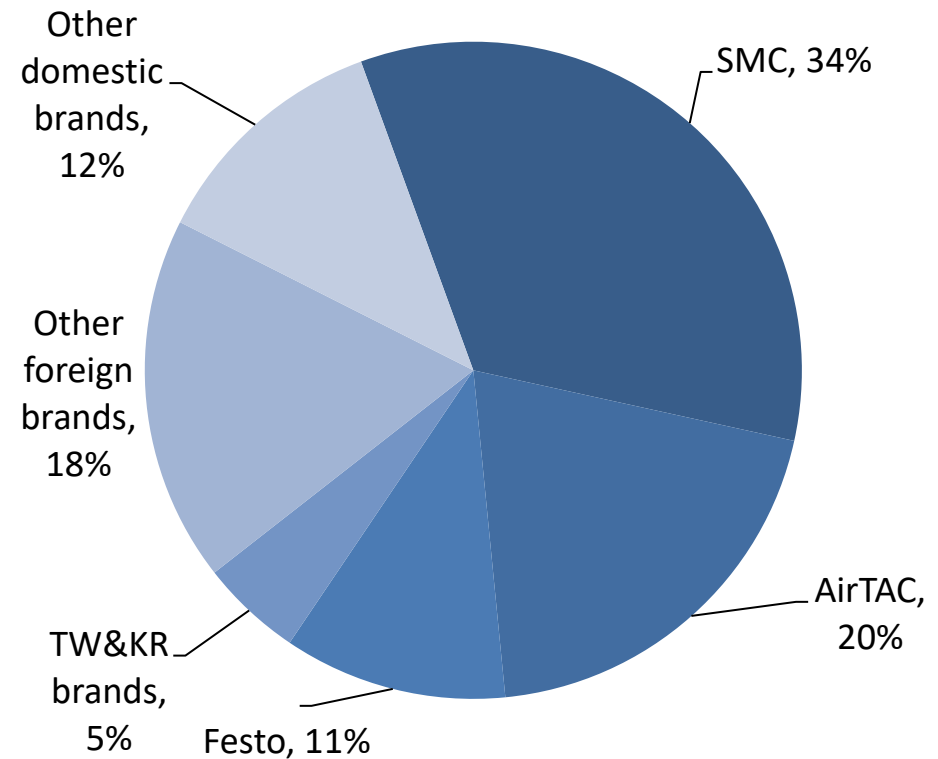
- ◆ Mainland: 2 manufacturing bases; 5 branches, 128 offices
- ◆ Taiwan: 1 manufacturing base and 4 offices
- ◆ Europe: 1 assembling and sales center in Italy
- ◆ Singapore: 1 sales center
- ◆ Japan: 1 sales center
- ◆ Malaysia: 1 sales center
- ◆ Thailand: 1 sales center
- ◆ USA: 1 sales center
- ◆ Overseas: +40 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

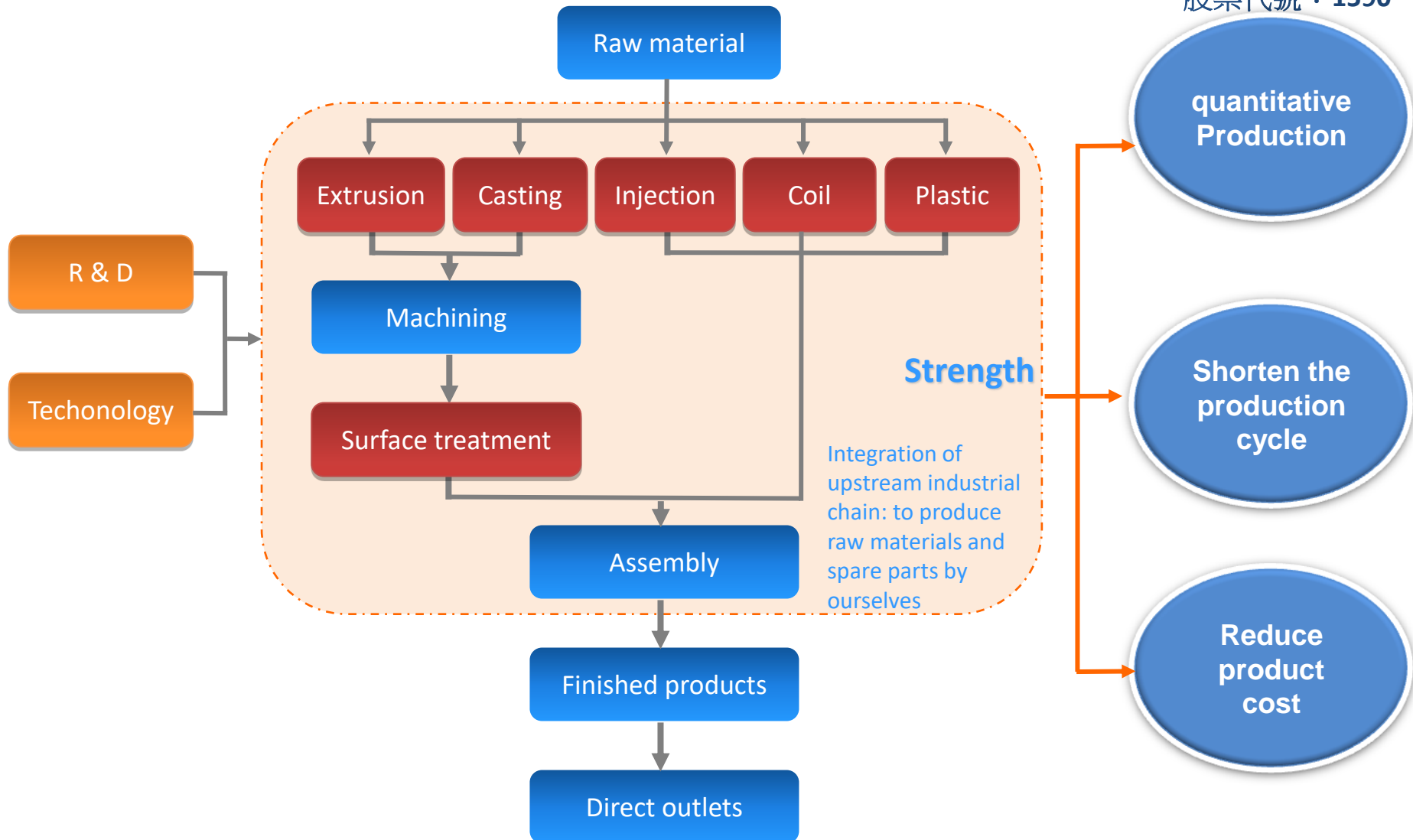
AirTAC Sales by region



Pneumatic equipment - market share in China



Integration of upstream industrial chain

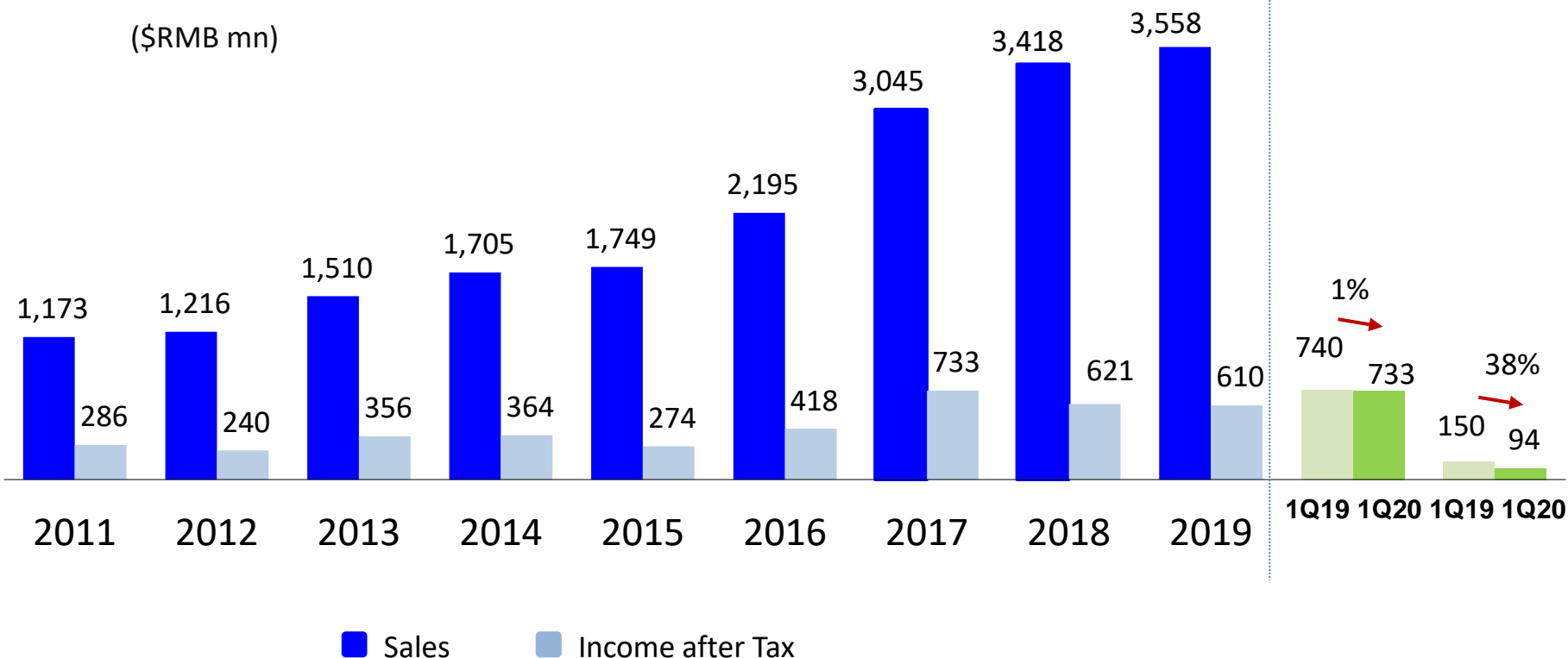


IV · Financial Outlook

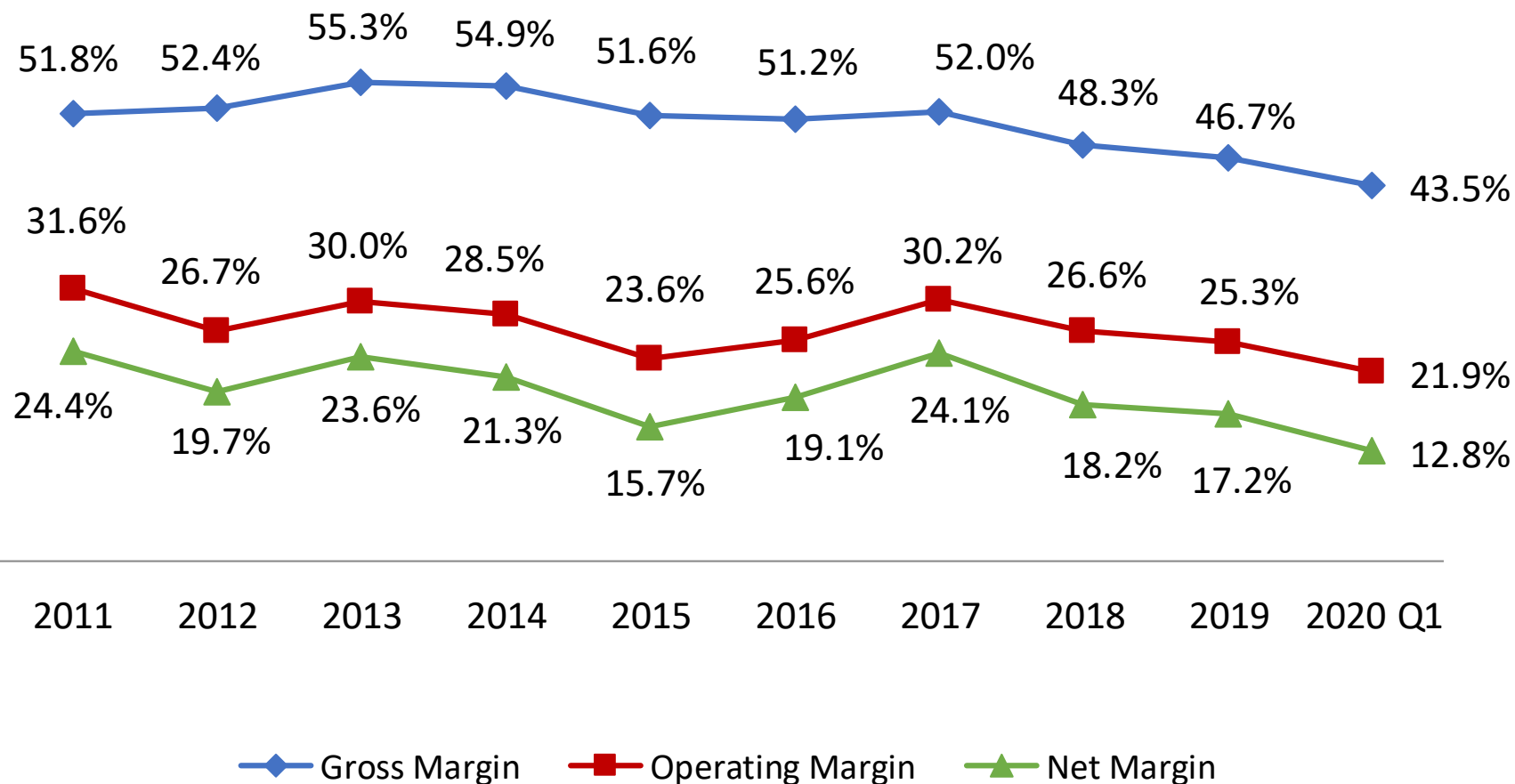
2011~2020 Q1 Sales & Income after Tax

Sales Income after Tax

(\$RMB mn)



2011~2020 Q1 Profitability Trend



Income Statement

(\$RMB mn)

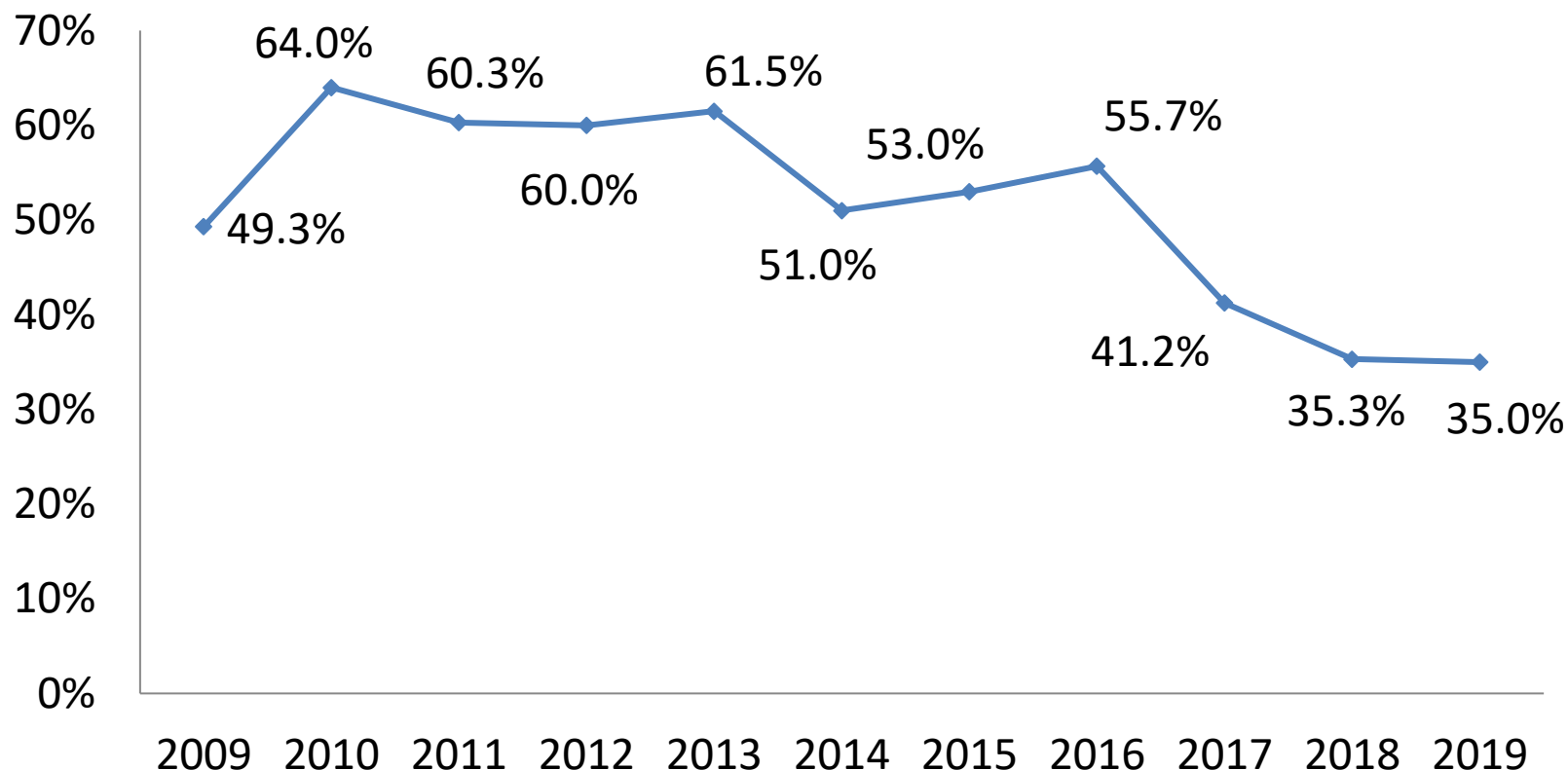
	2017		2018		2019		2020 Q1	
Sales	\$3,045	100%	\$3,418	100%	\$3,558	100%	\$733	100%
Cost	1,463	48%	1,769	52%	1,896	53%	414	56%
Gross Profit	1,582	52%	1,649	48%	1,662	47%	319	44%
Operating Expenses	662	22%	740	22%	760	22%	158	22%
Income from Operations	920	30%	909	26%	902	25%	161	22%
Non-operating Income & Exp.	48	2%	-76	-2%	-73	-2%	-27	-4%
EBT	968	32%	833	24%	829	23%	134	18%
TAX	235	8%	212	6%	219	6%	40	5%
Net Income	\$733	24%	\$621	18%	\$610	17%	\$94	13%

Balance Sheet

(\$RMB mn)

	2017		2018		2019		2020 Q1	
Cash & Cash Equivalents	\$443	7%	\$871	11%	\$1,945	20%	\$2,203	23%
NR & AR	1,190	19%	1,117	14%	1,162	12%	1,042	11%
Inventory	868	14%	913	12%	732	9%	715	8%
Other Current Assets	102	1%	232	3%	50	1%	63	1%
Property, plant and equipment, Other	3,729	59%	4,703	60%	5,392	58%	5,399	57%
Total Assets	\$6,332	100%	\$7,836	100%	\$9,281	100%	\$9,422	100%
Bank Debt	\$2,200	35%	\$3,398	43%	\$4,237	46%	\$4,423	47%
Other Current Liabilities	554	9%	502	6%	657	7%	516	5%
Other Long-term liabilities	81	1%	110	2%	162	1%	166	2%
Total Liabilities	\$2,835	45%	\$4,010	51%	\$5,056	54%	\$5,105	54%
Total Equity	\$3,497	55%	\$3,826	49%	\$4,225	46%	\$4,317	46%
Total Liabilities & Equity	\$6,332	100%	\$7,836	100%	\$9,281	100%	\$9,422	100%

Dividend Payout (Include stock dividends)



Expected 2019 Cash dividends to shareholders – RMB 1.13 per share (around NTD 4.75617 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