



AirTAC

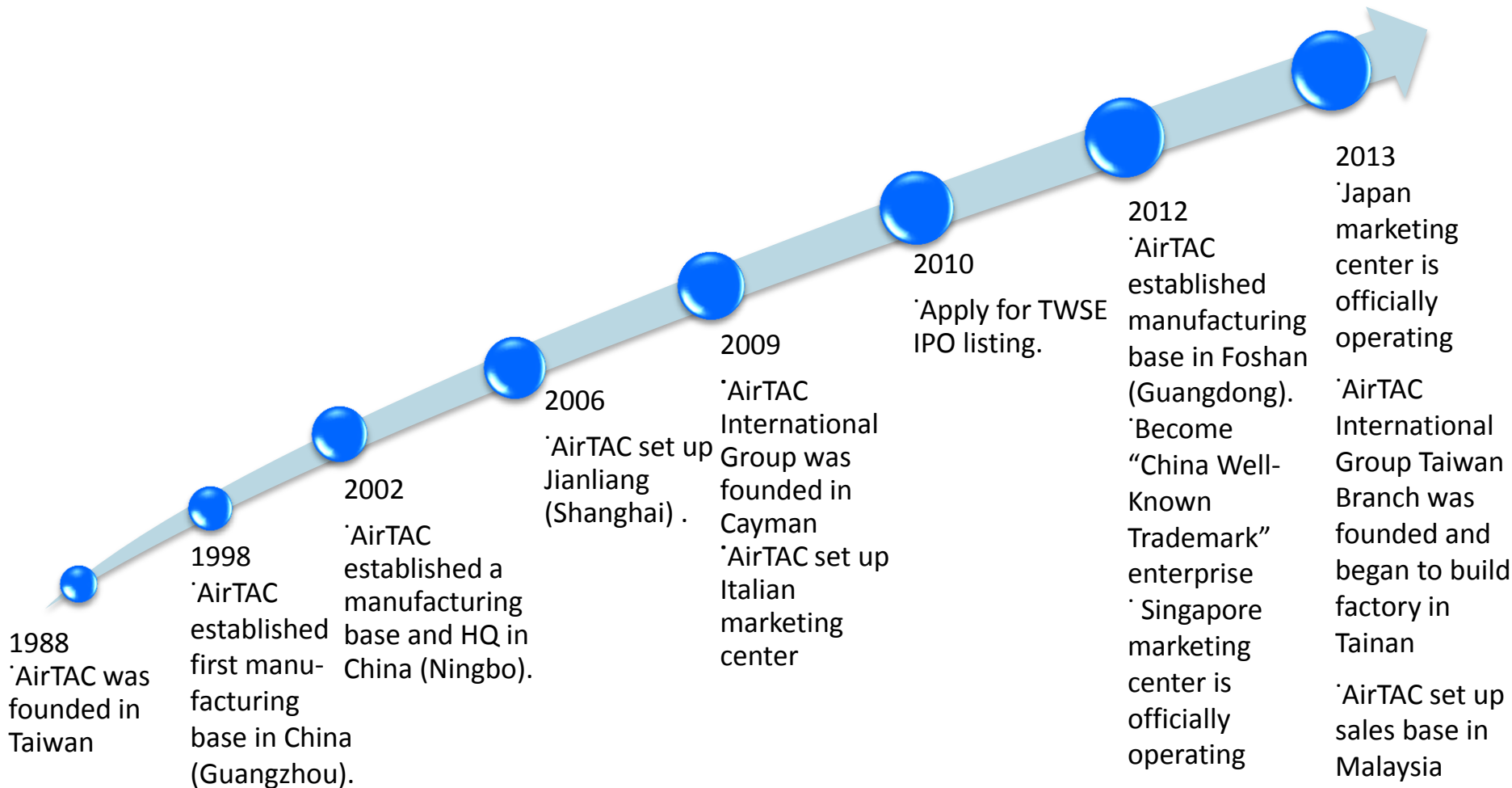
Powered by AIRTAC

Agenda

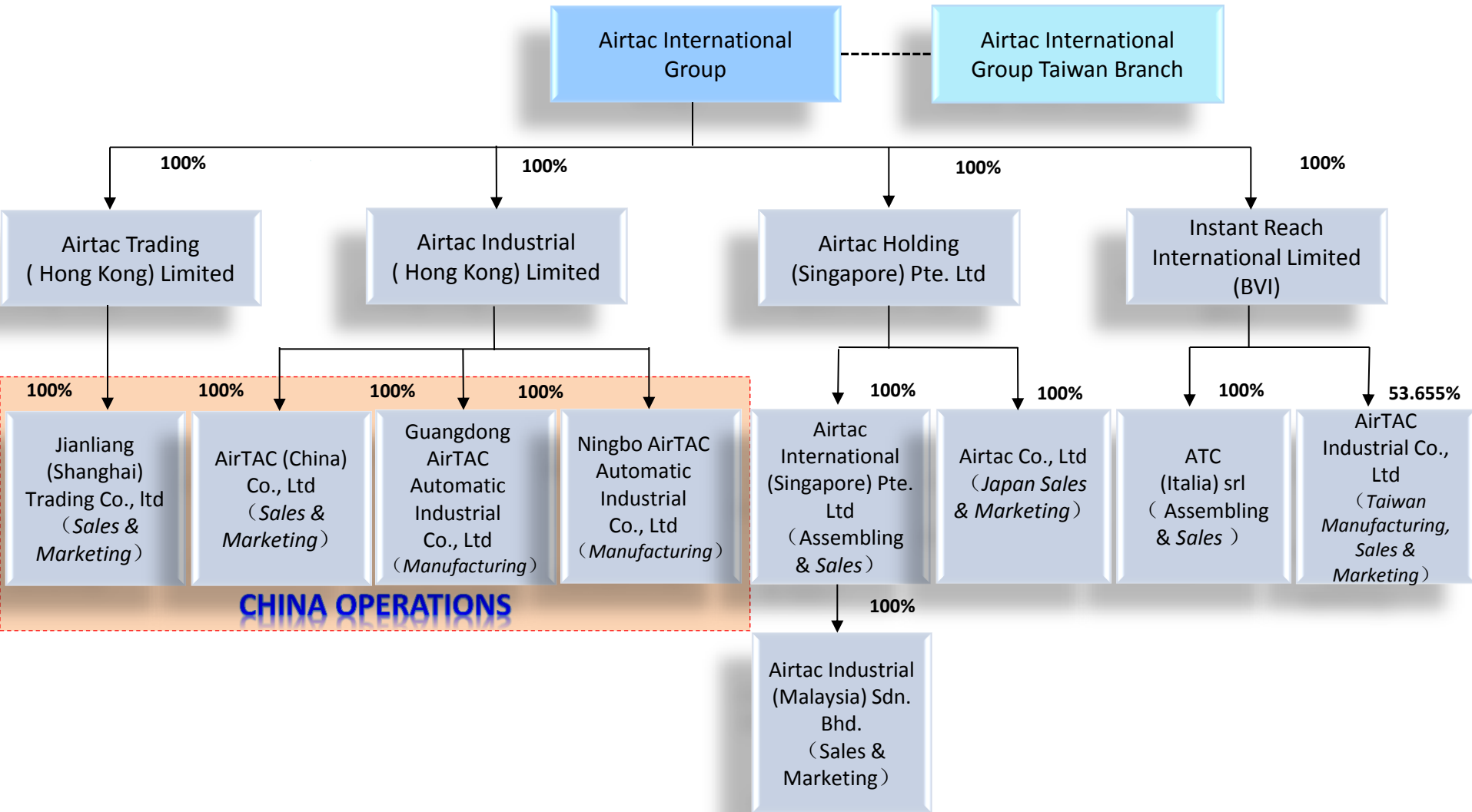
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- V Development prospects & Strategic**

I · Group Overview

Group Overview



Organization Chart



Corporate Culture

People-oriented

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

Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

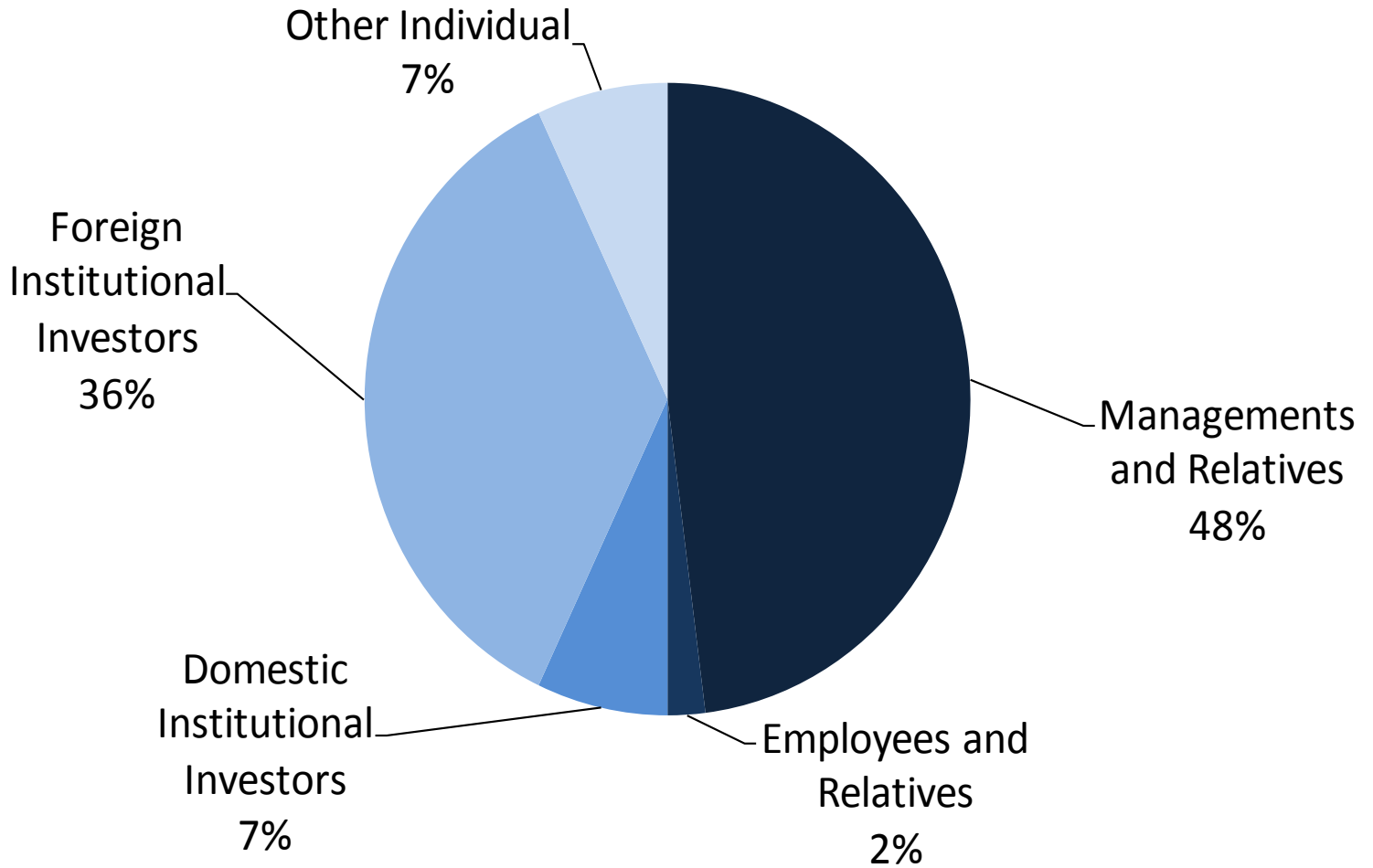
Profit sharing

- 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

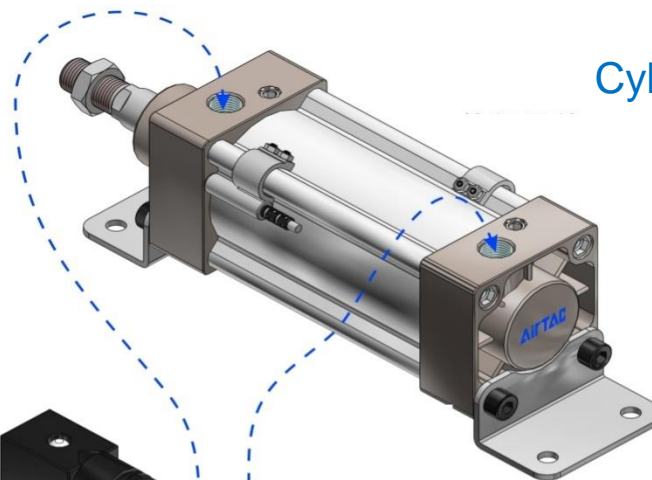


Pneumatic operation of the process

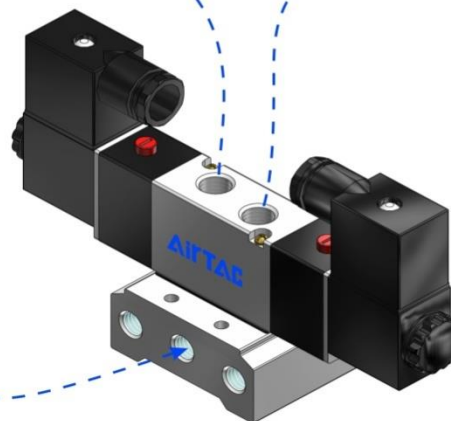
Air Compressor



Cylinder



Drip leg drain &
FRL

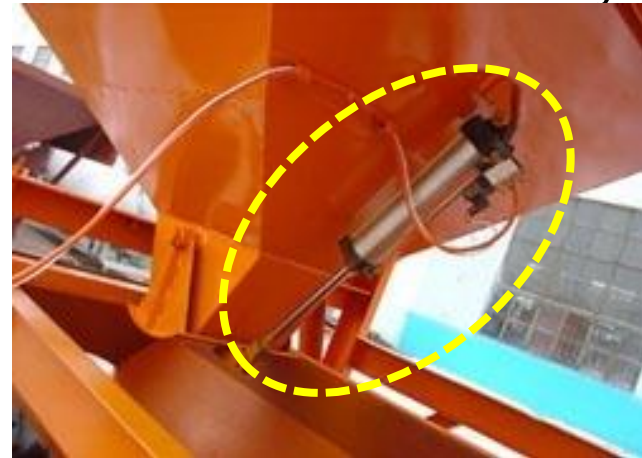


Air valve

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.

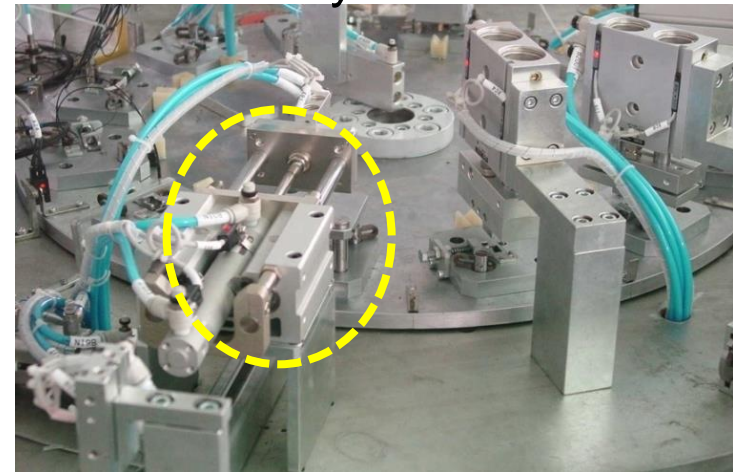
Construction machinery



Environmental processing machinery

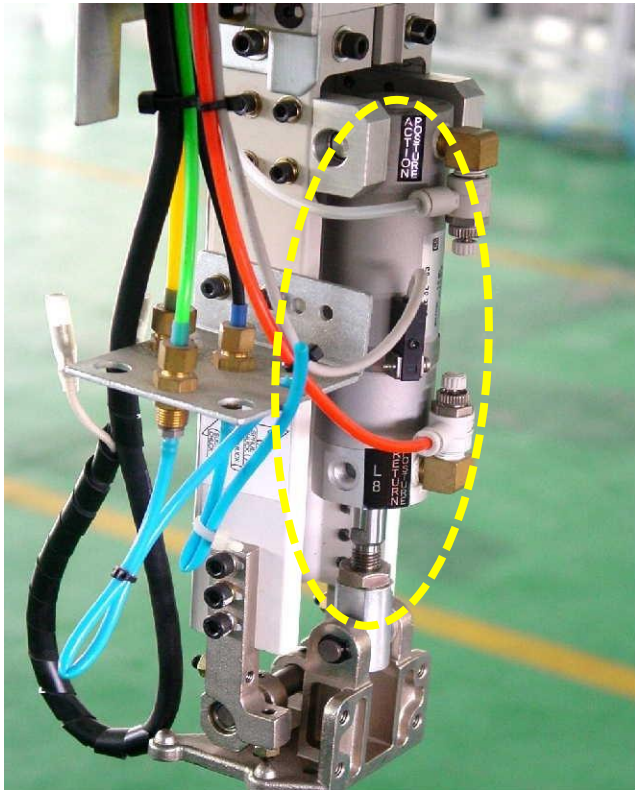


Assembly automation

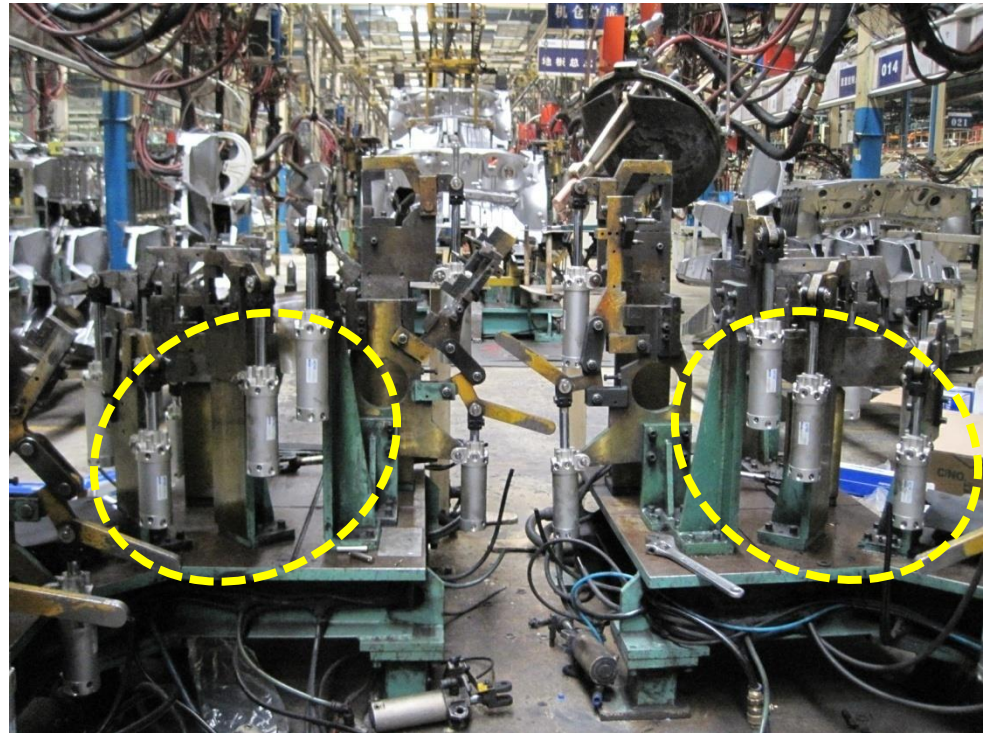


Products Application by Industry

Robot arm

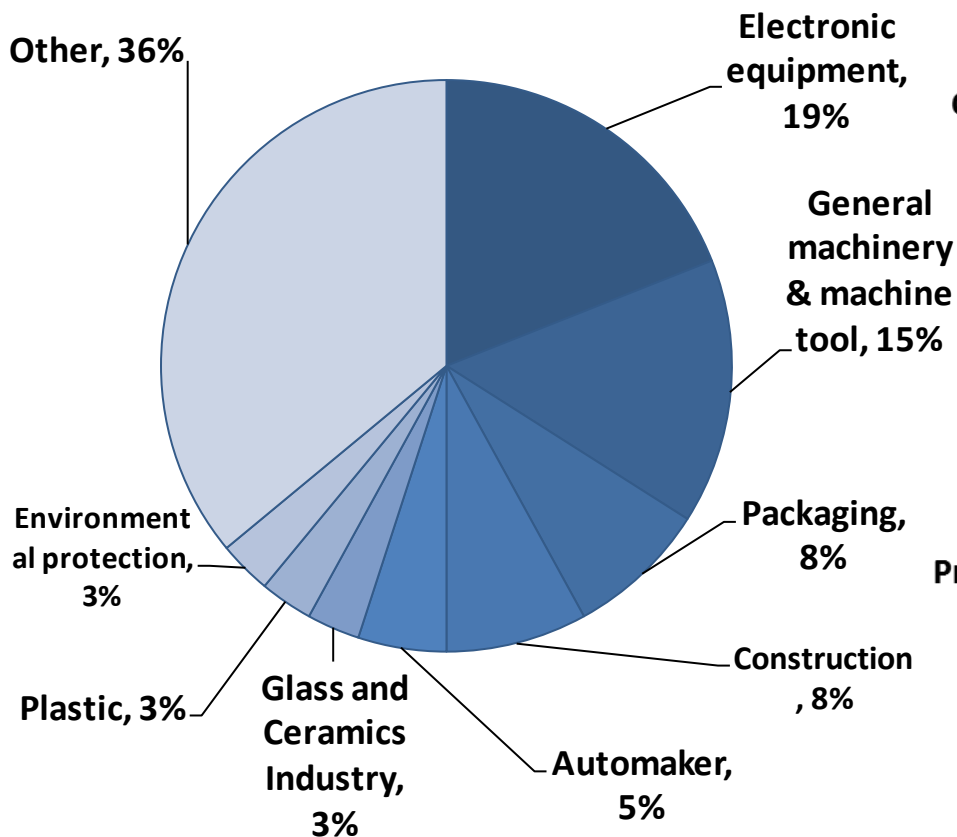


Automobile assembly

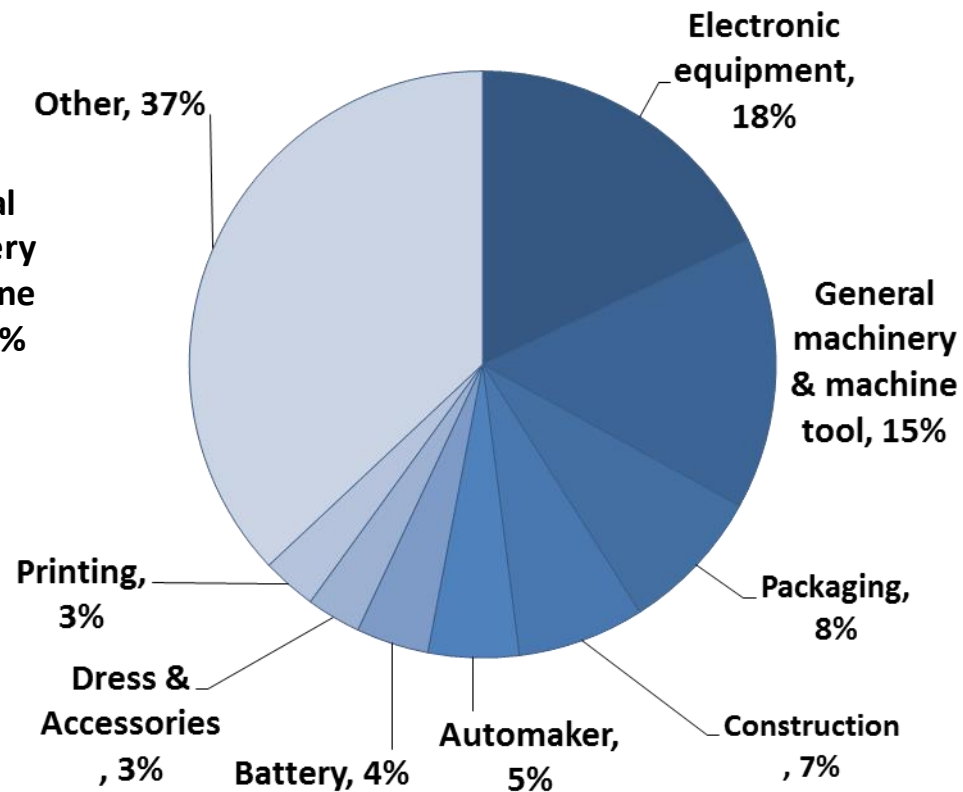


Clients breakdown by industry

2012 Sales



2013 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

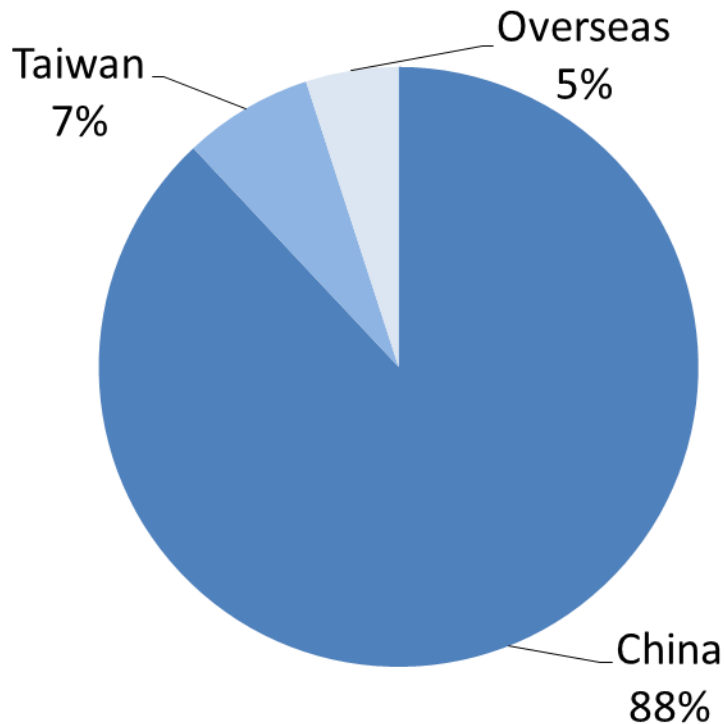
Worldwide manufacturing bases & sales branches



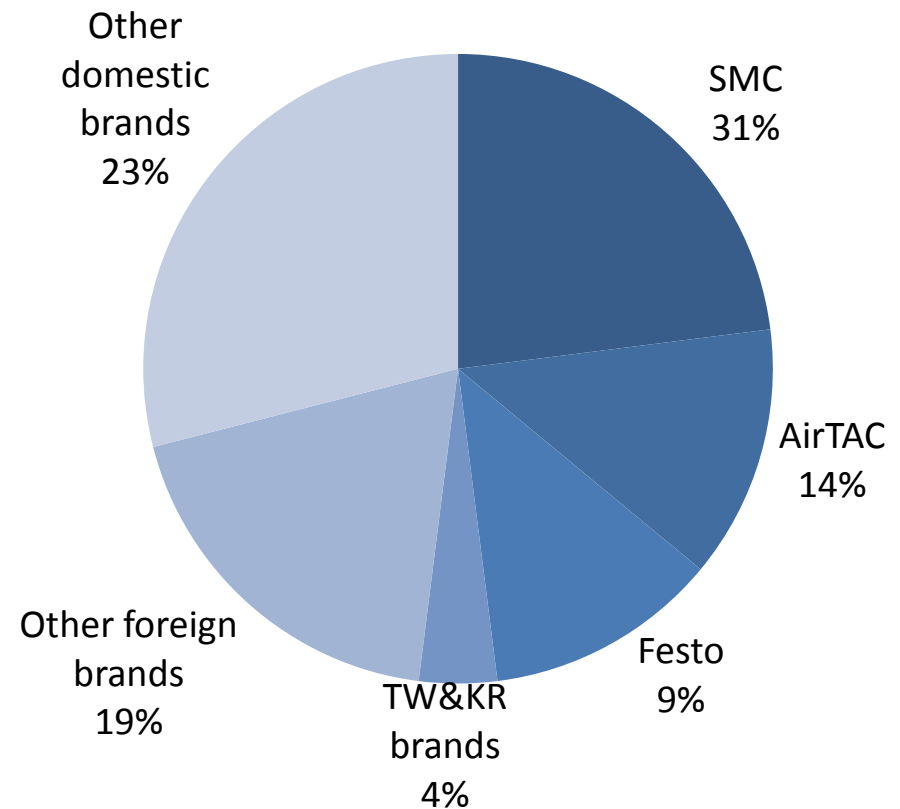
- ◆ Mainland : 2 manufacturing bases; 61 branches, 5 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy.
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Overseas : +30 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

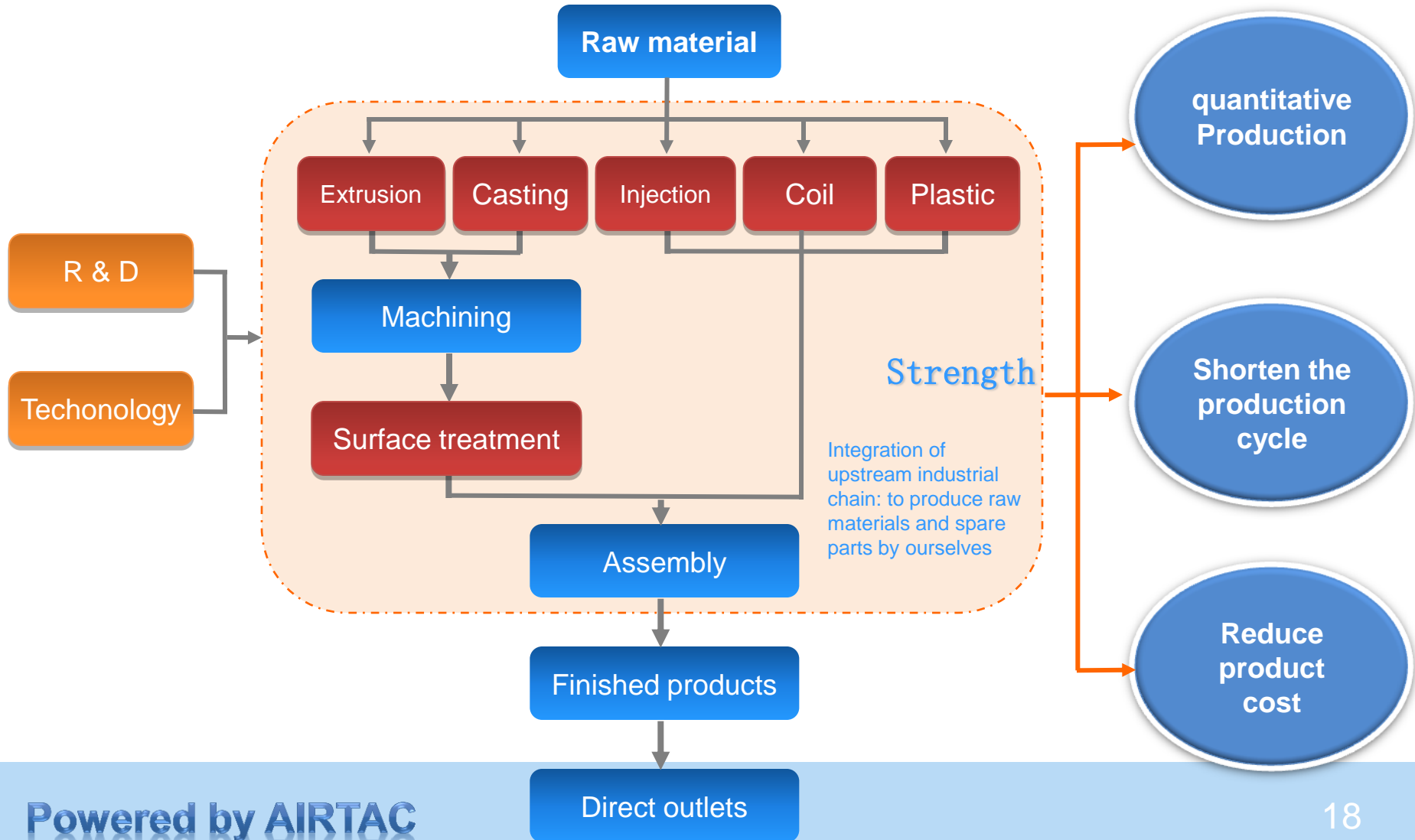
AirTAC Sales by region



Pneumatic equipment - market share in China

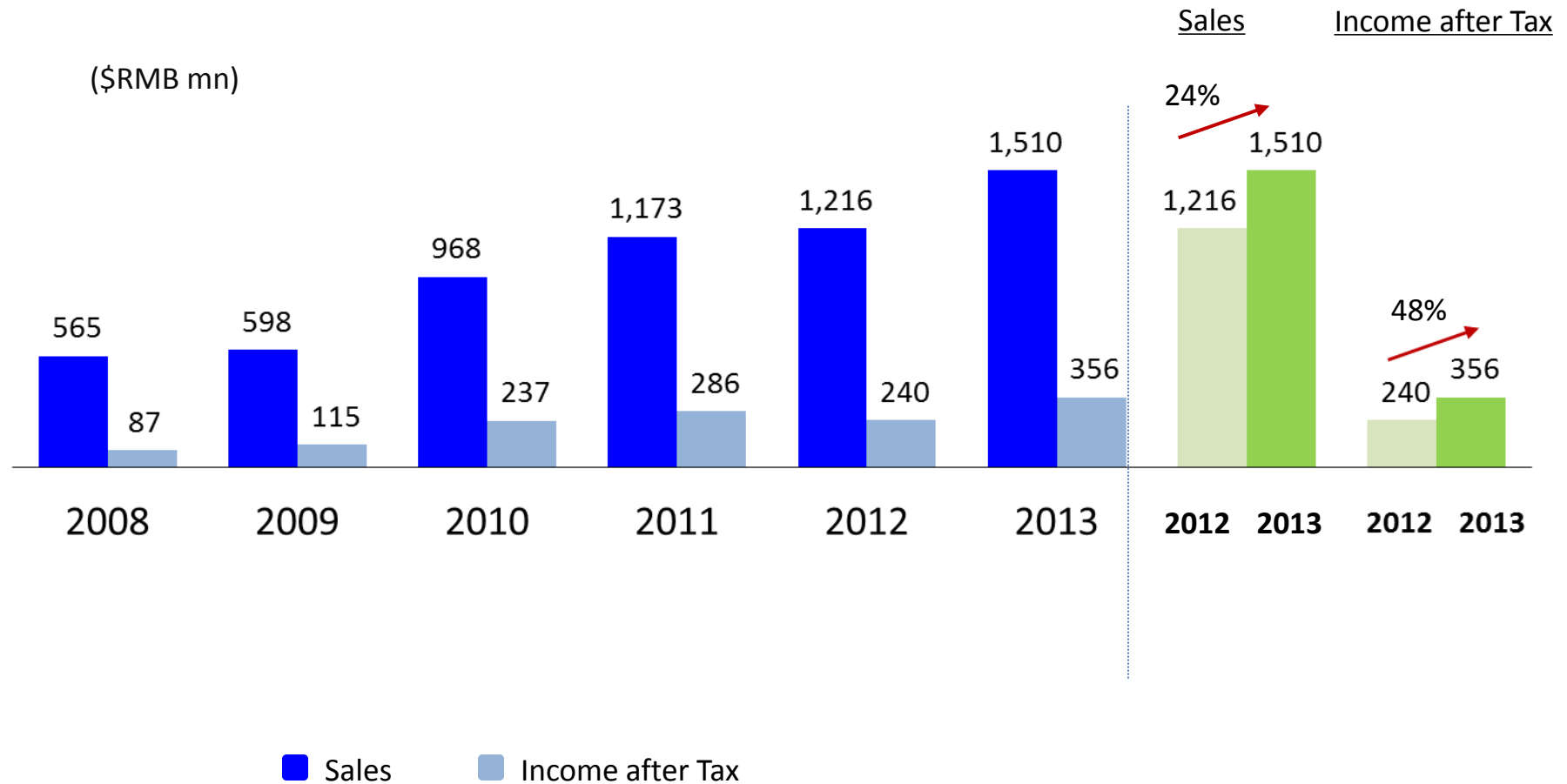


Integration of upstream industrial chain

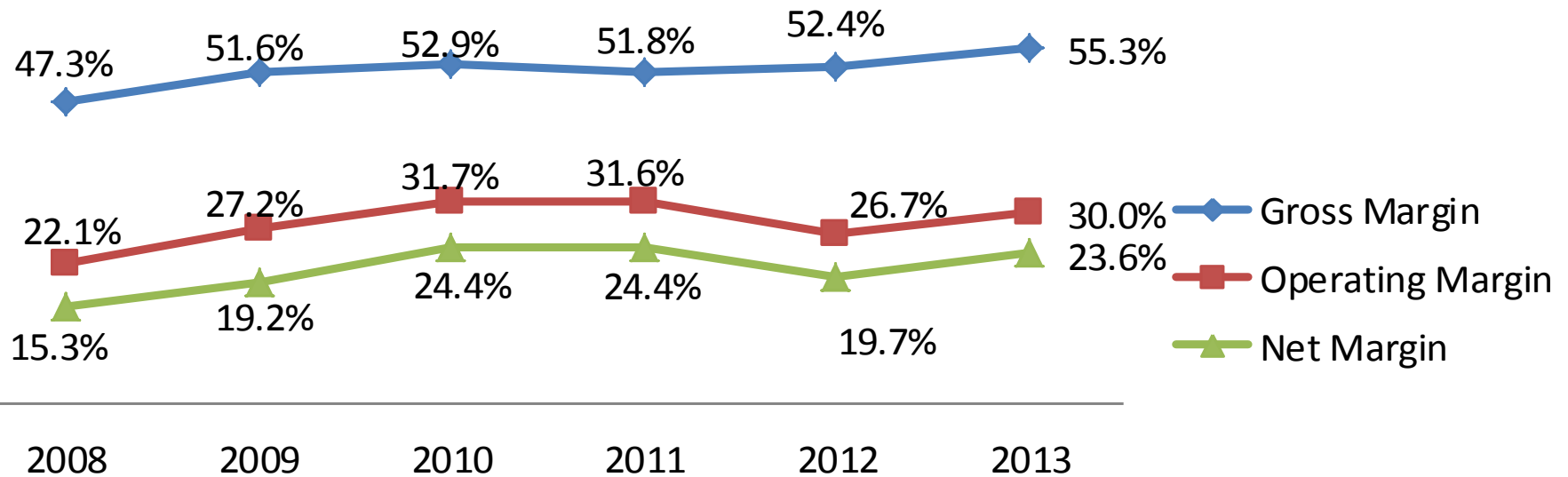


IV · Financial Outlook

2008~2013 Sales & Income after Tax



2008~2013 Profitability Trend



Income Statement

(\$RMB mn)

	<u>2010</u>		<u>2011</u>		<u>2012</u>		<u>2013</u>	
Sales	\$968	100%	\$1,173	100%	\$1,216	100%	\$1,510	100%
Cost	\$456	47%	\$566	48%	\$579	48%	\$675	45%
Gross Profit	\$512	53%	\$607	52%	\$637	52%	\$835	55%
Operating Expenses	\$205	22%	\$236	20%	\$312	25%	\$381	25%
Income from Operations	\$307	31%	\$371	32%	\$325	27%	\$454	30%
Non-operating Income	\$17	2%	\$14	1%	\$16	1%	\$48	3%
Non-operating Expenses	\$12	1%	\$7	1%	\$11	1%	\$13	1%
EBT	\$312	32%	\$378	32%	\$330	27%	\$489	32%
TAX	\$75	8%	\$92	8%	\$90	7%	\$133	8%
Net Income	\$237	24%	\$286	24%	\$240	20%	\$356	24%

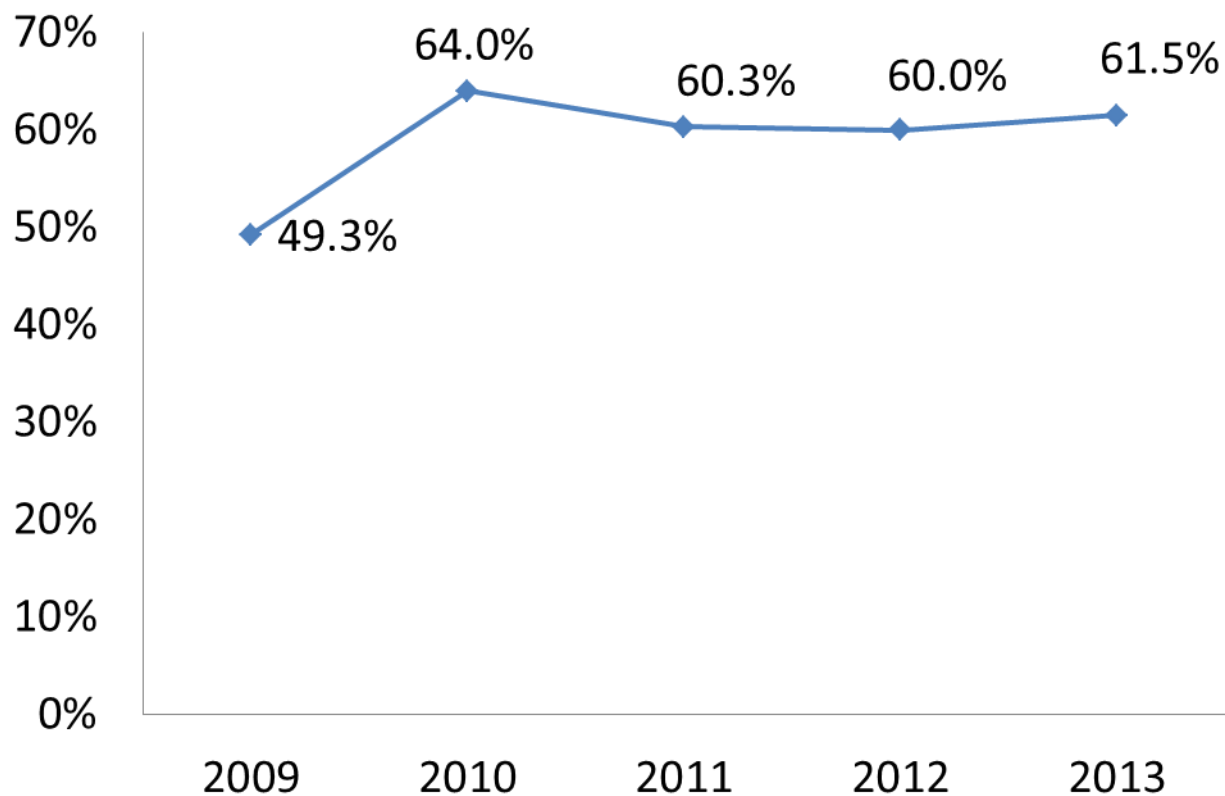
Balance Sheet



股票代號：1590

(\$RMB mn)	2010		2011		2012		2013	
Cash & Cash Equivalents	\$431	29%	\$304	17%	\$233	11%	\$323	11%
NR & AR	\$226	15%	\$289	16%	\$335	15%	\$448	15%
Inventory	\$157	10%	\$205	11%	\$232	11%	\$314	11%
Other Current Assets	\$31	2%	\$38	3%	\$43	2%	\$37	1%
Property, plant and equipment, Other	\$666	44%	\$945	53%	\$1,335	61%	\$1,829	62%
Total Assets	\$1,511	100%	\$1,781	100%	\$2,178	100%	\$2,951	100%
Bank Debt	\$292	19%	\$410	23%	\$710	32%	\$825	28%
Other Current Liabilities	\$153	10%	\$174	10%	\$210	10%	\$227	8%
Other Long-term liabilities	\$45	3%	\$50	3%	\$39	2%	\$61	2%
Total Liabilities	\$490	32%	\$634	36%	\$959	44%	\$1,113	38%
Total Equity	\$1,021	68%	\$1,147	64%	\$1,219	56%	\$1,838	62%
Total Liabilities & Equity	\$1,511	100%	\$1,781	100%	\$2,178	100%	\$2,951	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