



**AirTAC**

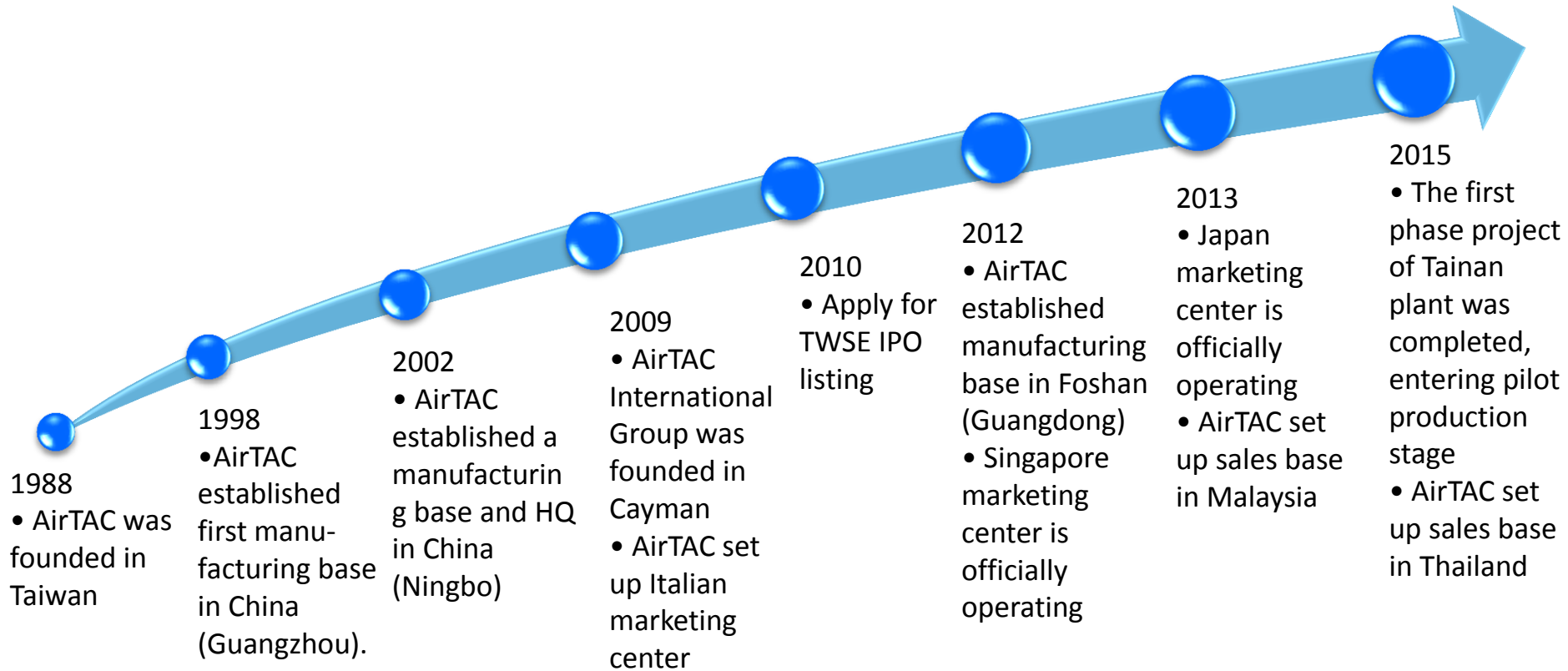
**Powered by AIRTAC**

# Agenda

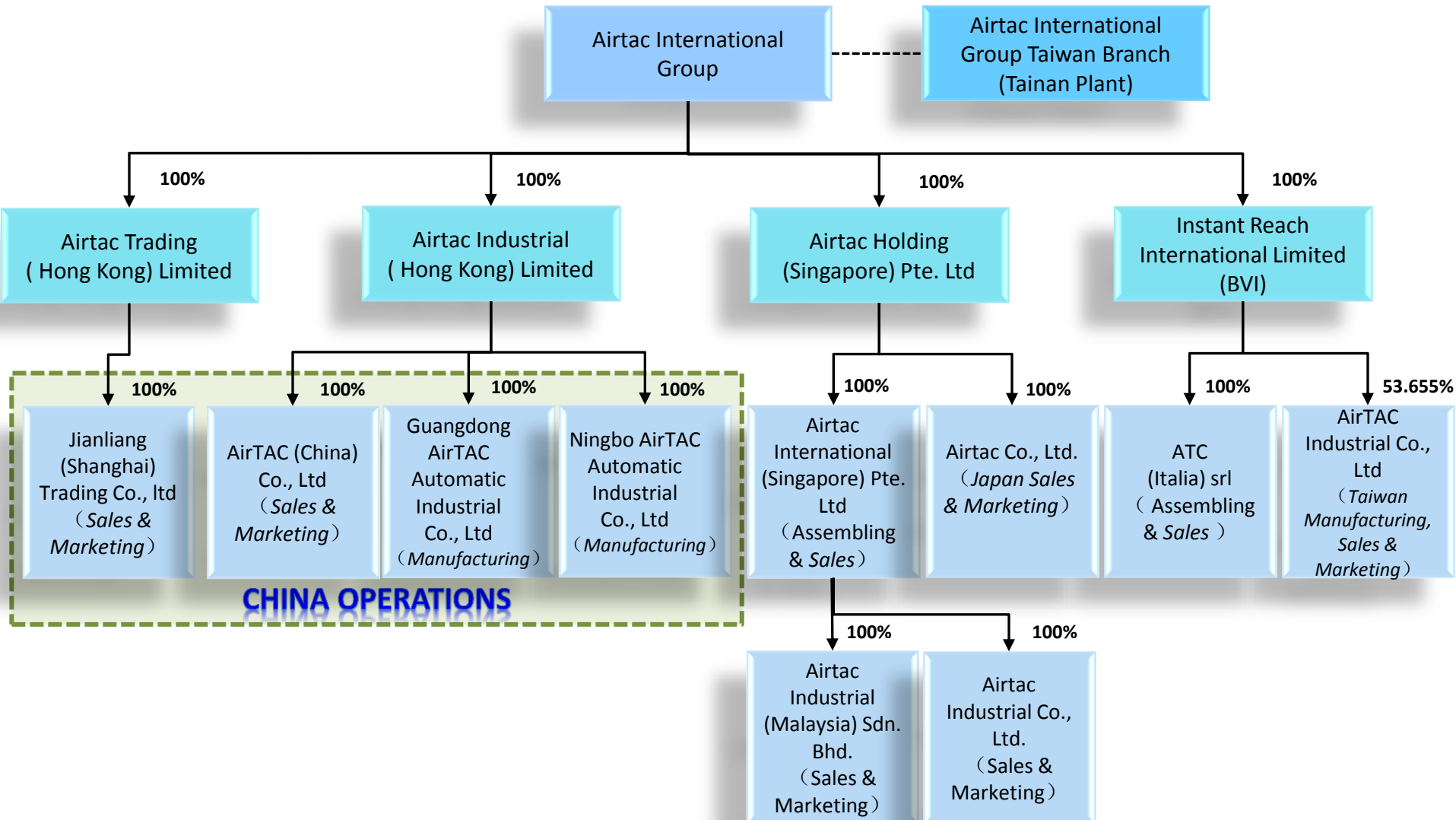
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# I · Group Overview

## Group Overview



## Organization Chart



# Corporate Culture

## People-oriented

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

## Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

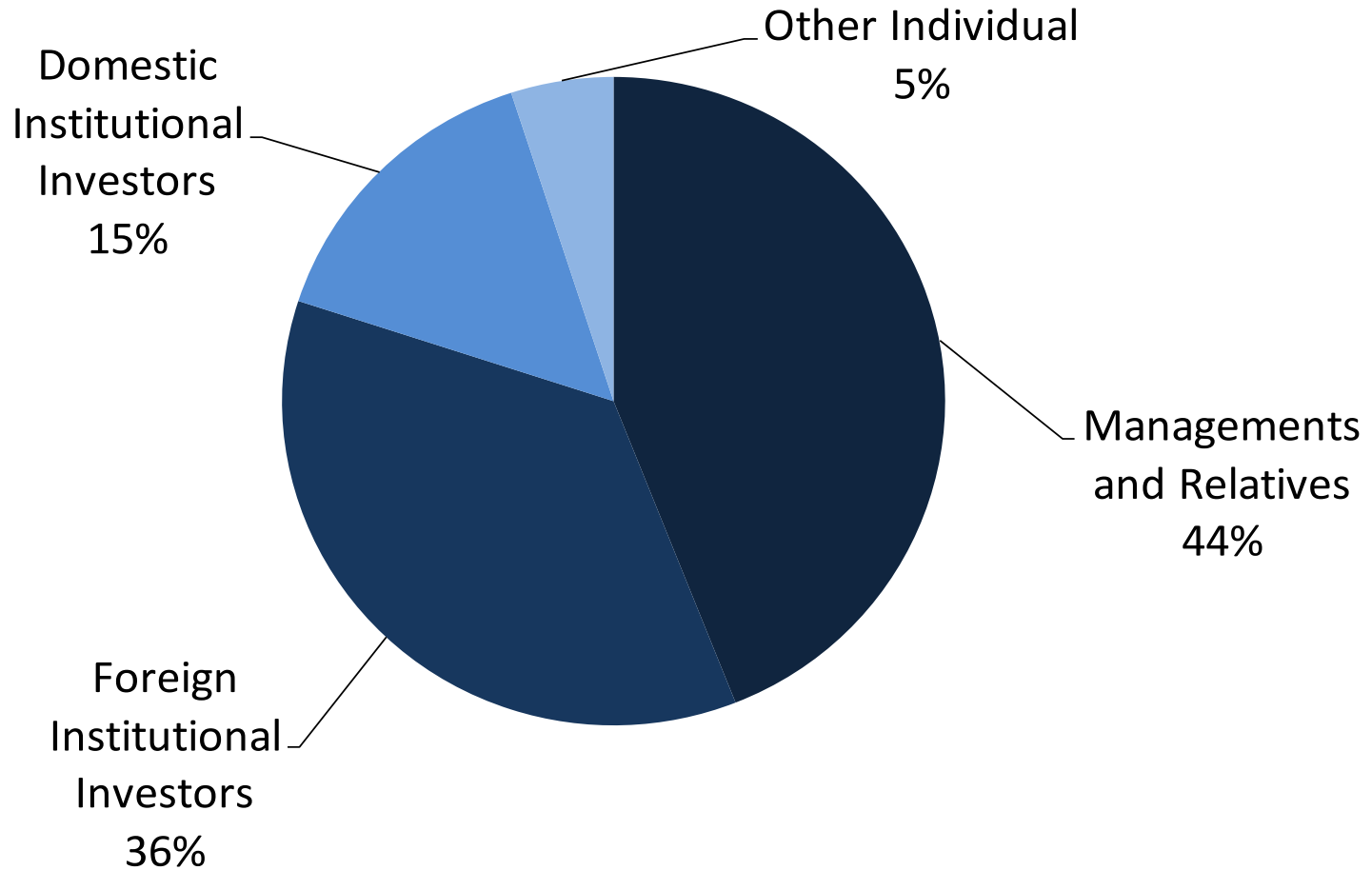
## Profit sharing

- 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



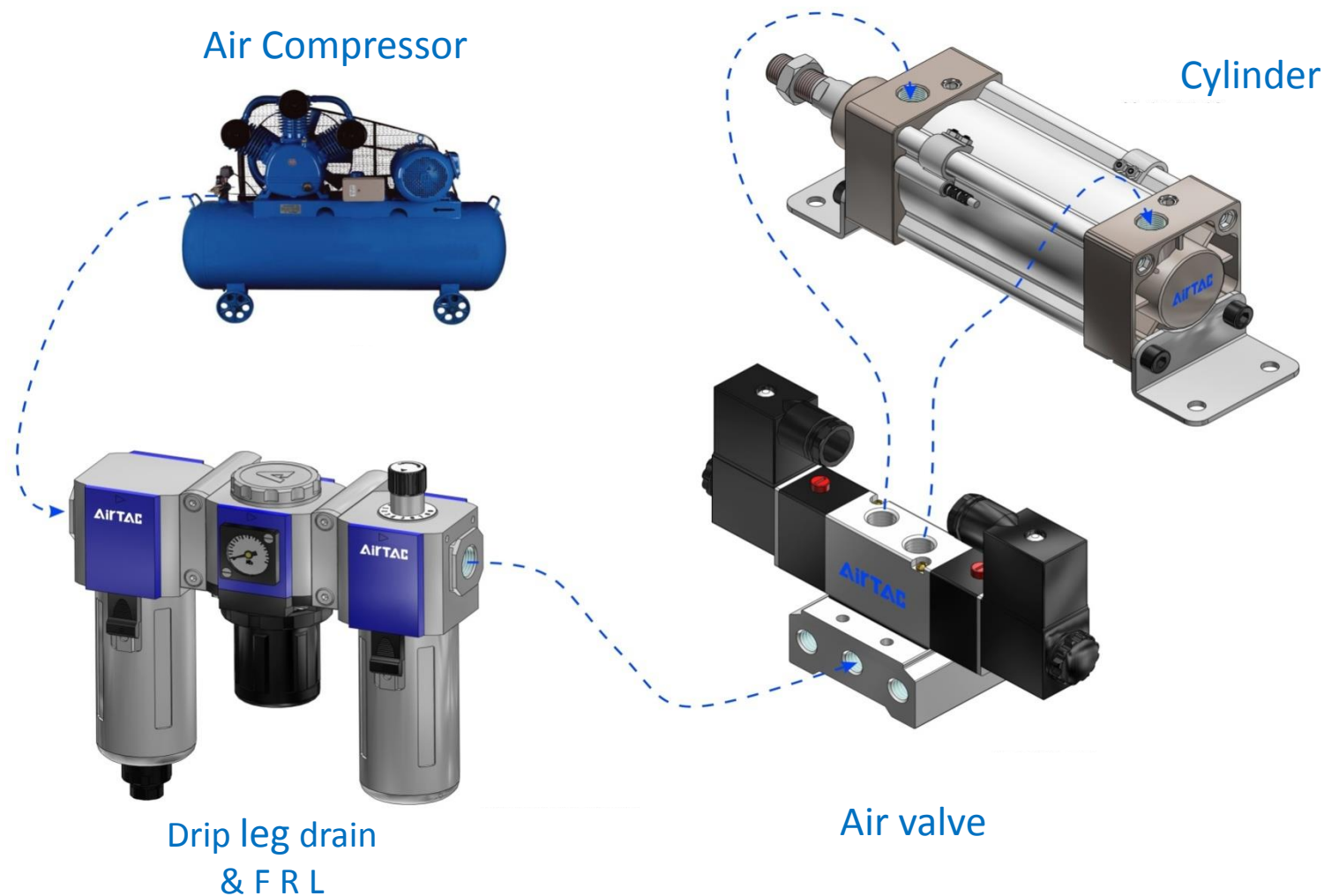
## ▶ Drip leg drain & F R L



## ▶ Others



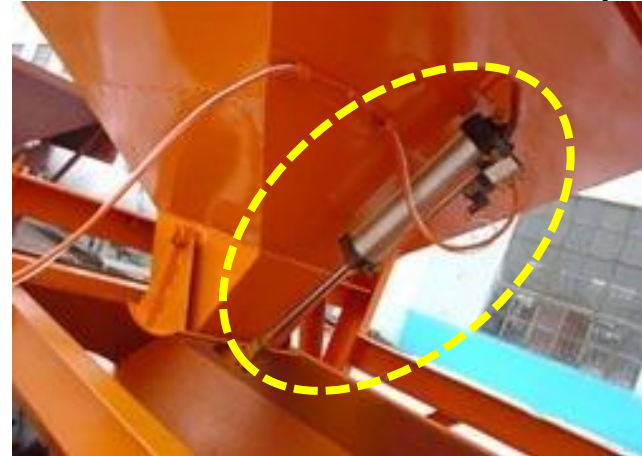
# Pneumatic operation of the process



# Products Application by Industry

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

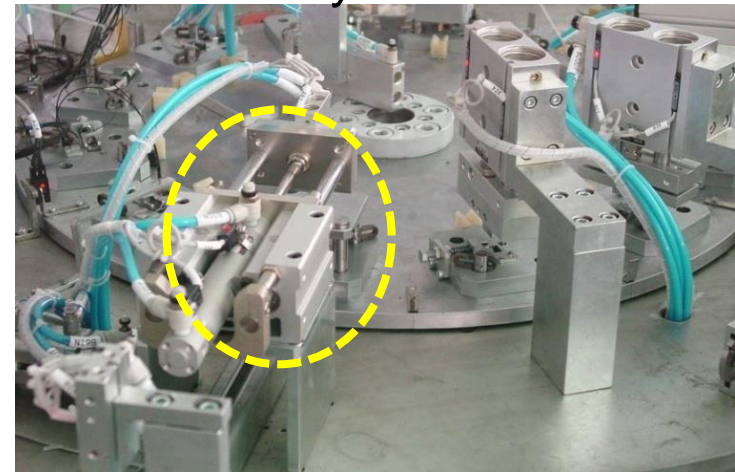
## Construction machinery



## Environmental processing machinery



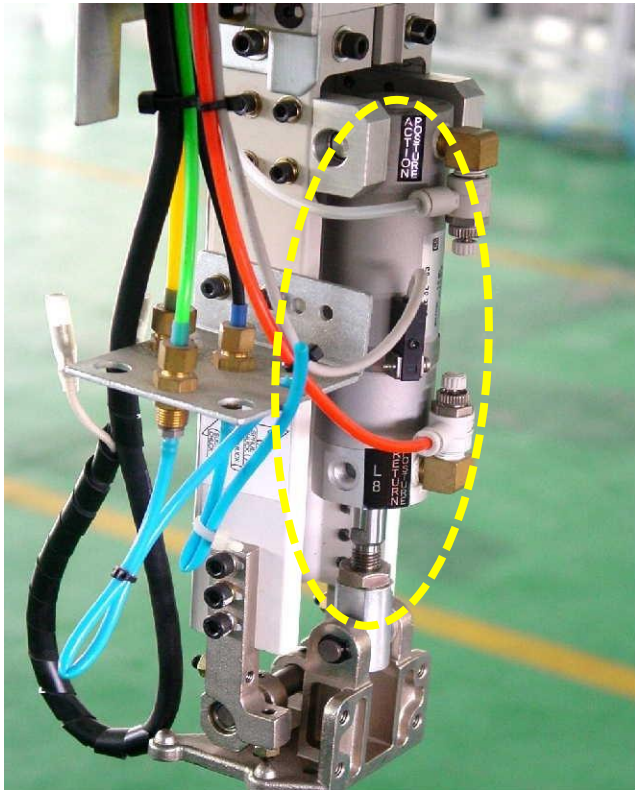
## Assembly automation



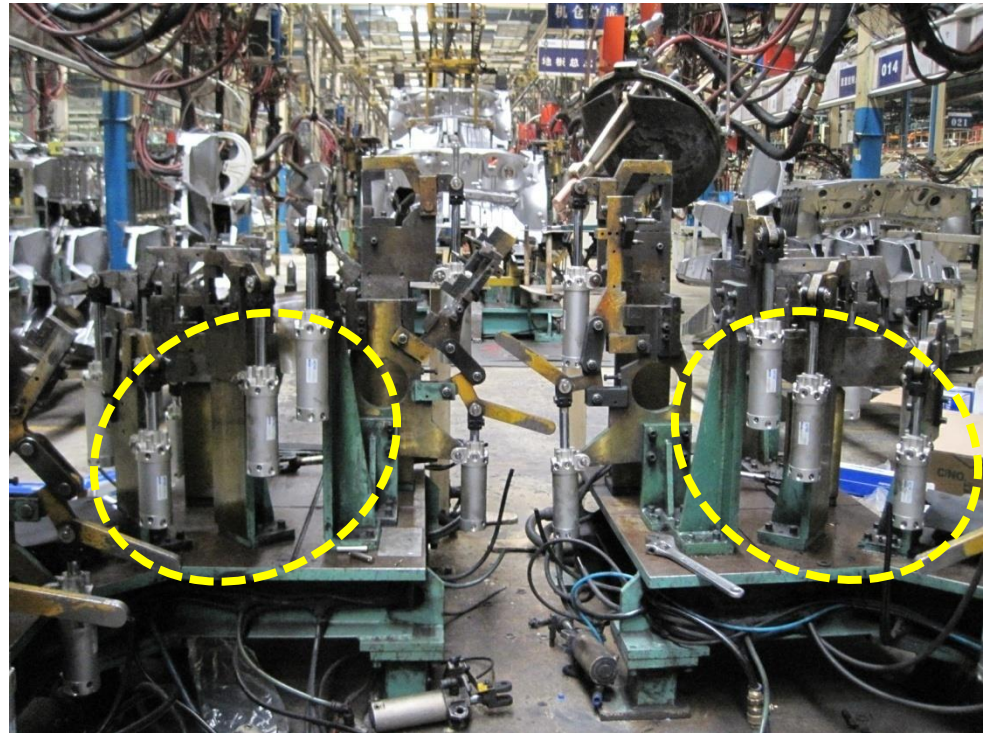


# Products Application by Industry

Robot arm

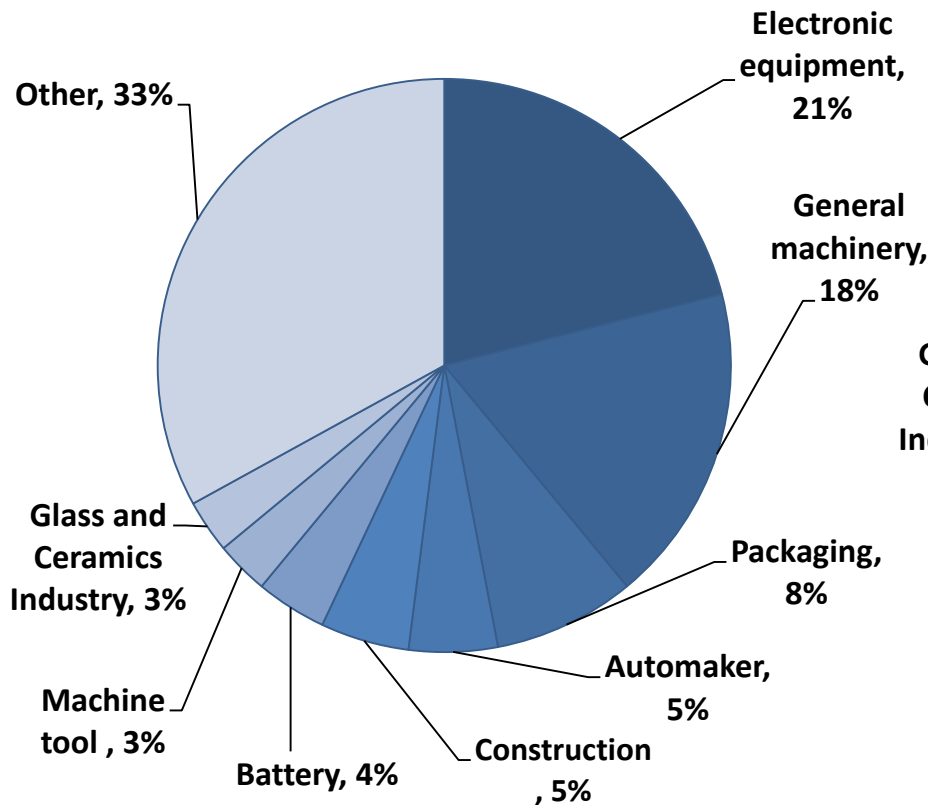


Automobile assembly

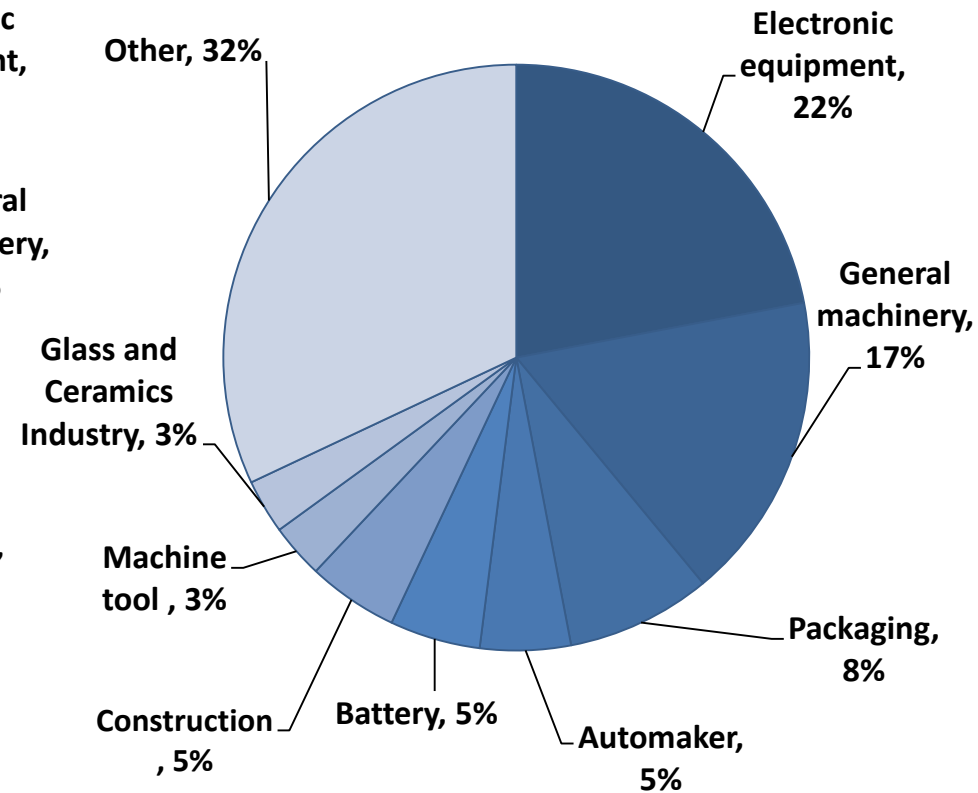


# Clients breakdown by industry

2014 Sales



2015 1H 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

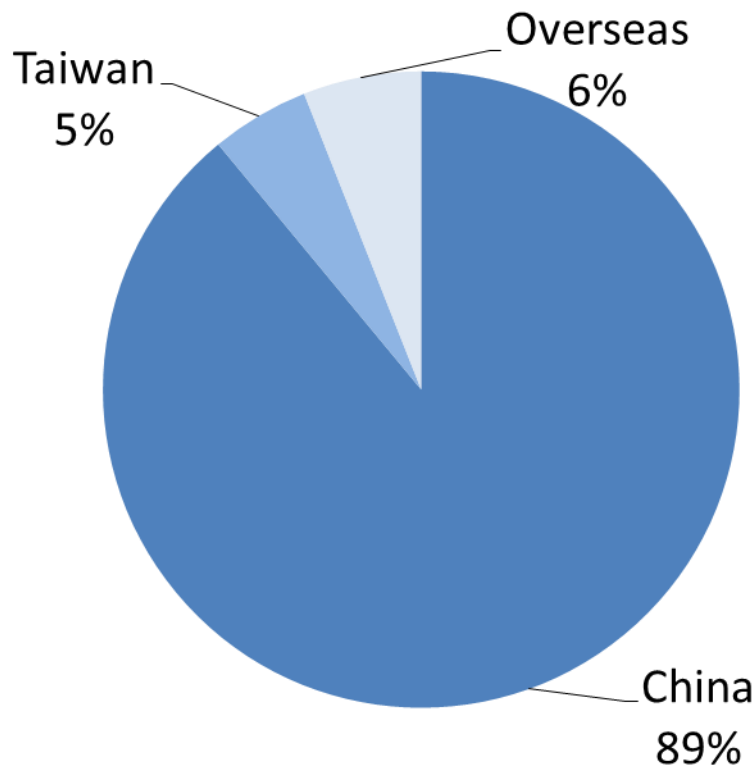


- ◆ Mainland : 2 manufacturing bases; 62 branches, 13 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales subsidiary
- ◆ Thailand : 1 sales subsidiary
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

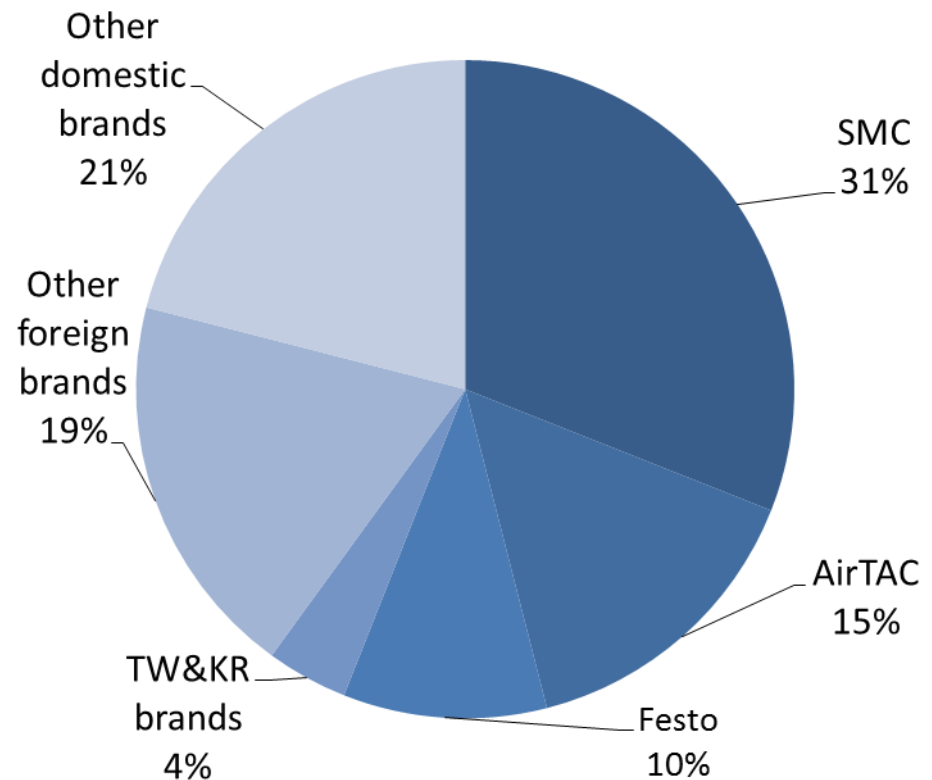


# Ranked the second largest market share in China

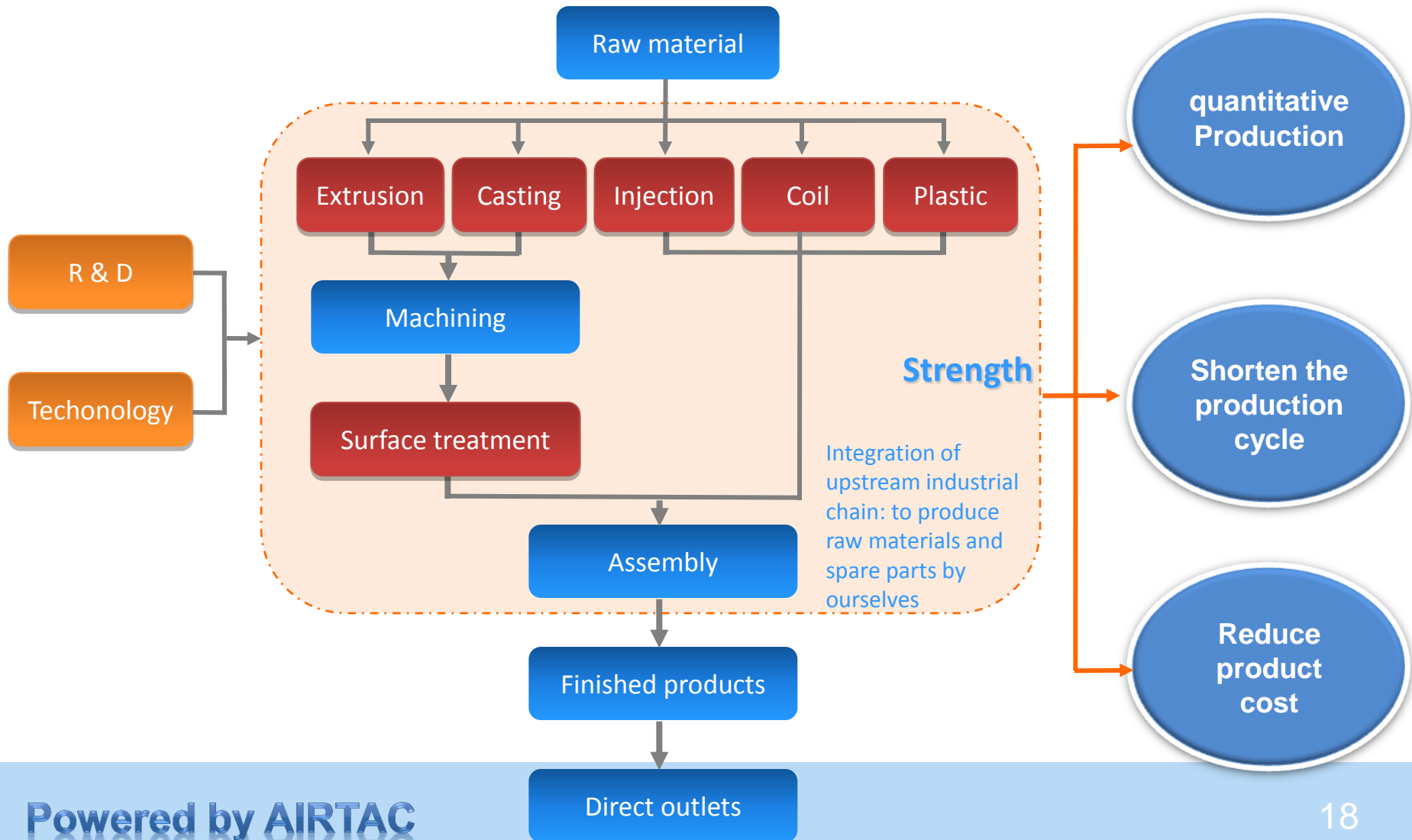
AirTAC Sales by region



Pneumatic equipment - market share in China



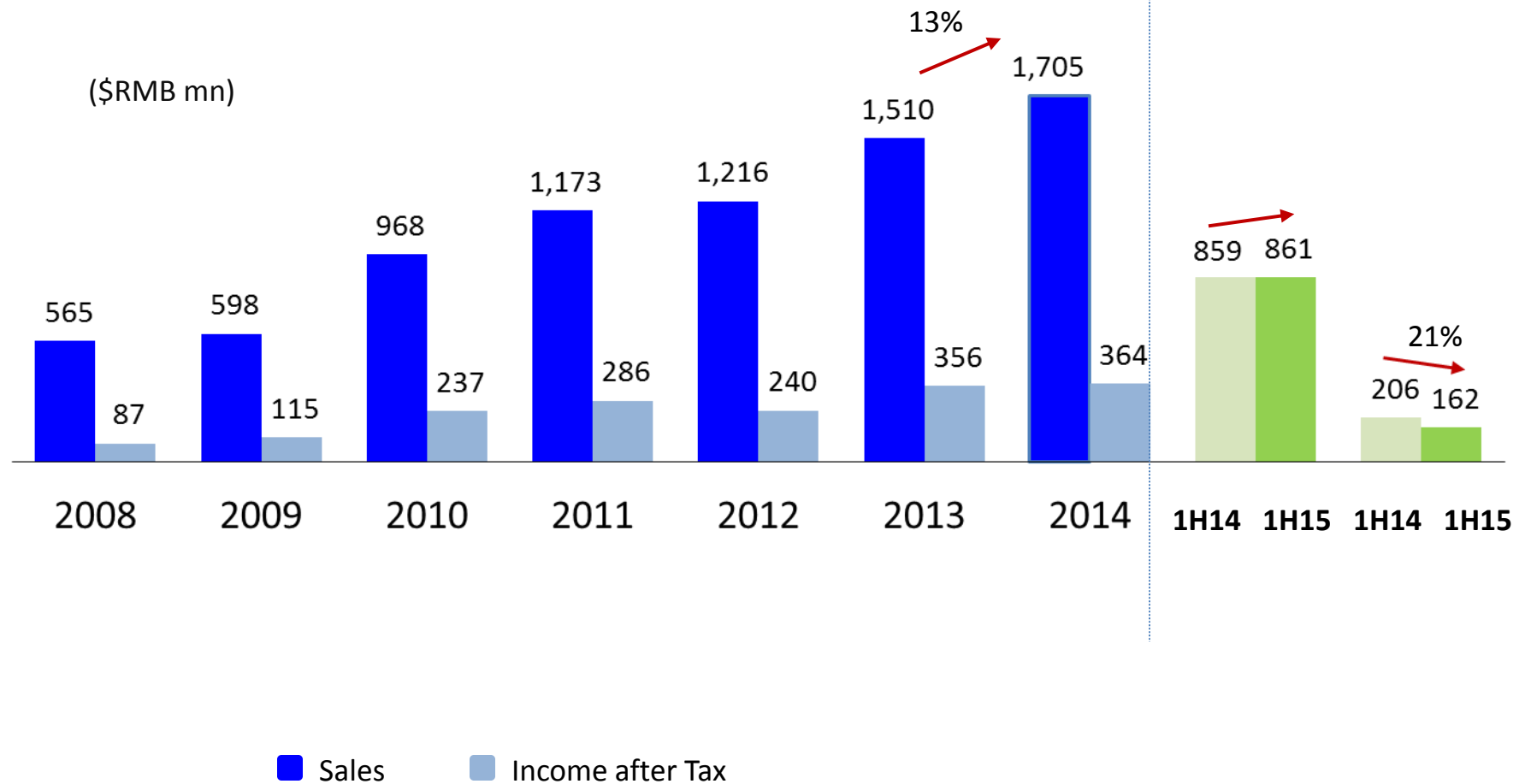
# Integration of upstream industrial chain



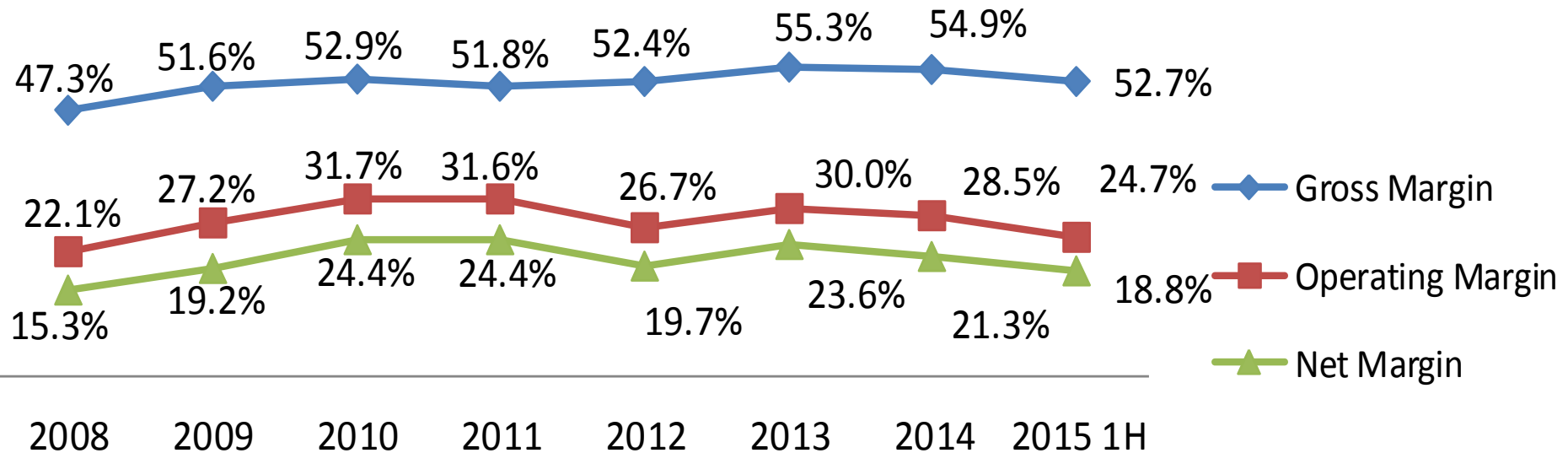
## IV · Financial Outlook

# 2008~2015 1H Sales & Income after Tax

Sales    Income after Tax



# 2008~2015 1H Profitability Trend



# Income Statement

(\$RMB mn)	<b>2012</b>		<b>2013</b>		<b>2014</b>		<b>2015 1H</b>	
Sales	\$1,216	100%	\$1,510	100%	\$1,705	100%	\$861	100%
Cost	\$579	48%	\$675	45%	\$768	45%	\$407	47%
Gross Profit	\$637	52%	\$835	55%	\$937	55%	\$454	53%
Operating Expenses	\$312	25%	\$381	25%	\$450	27%	\$241	28%
Income from Operations	\$325	27%	\$454	30%	\$487	28%	\$213	25%
Non-operating Income & Exp.	\$5	-%	\$35	2%	\$-	-%	\$2	-%
EBT	\$330	27%	\$489	32%	\$487	28%	\$215	25%
TAX	\$90	7%	\$133	8%	\$123	7%	\$53	6%
Net Income	\$240	20%	\$356	24%	\$364	21%	\$162	19%

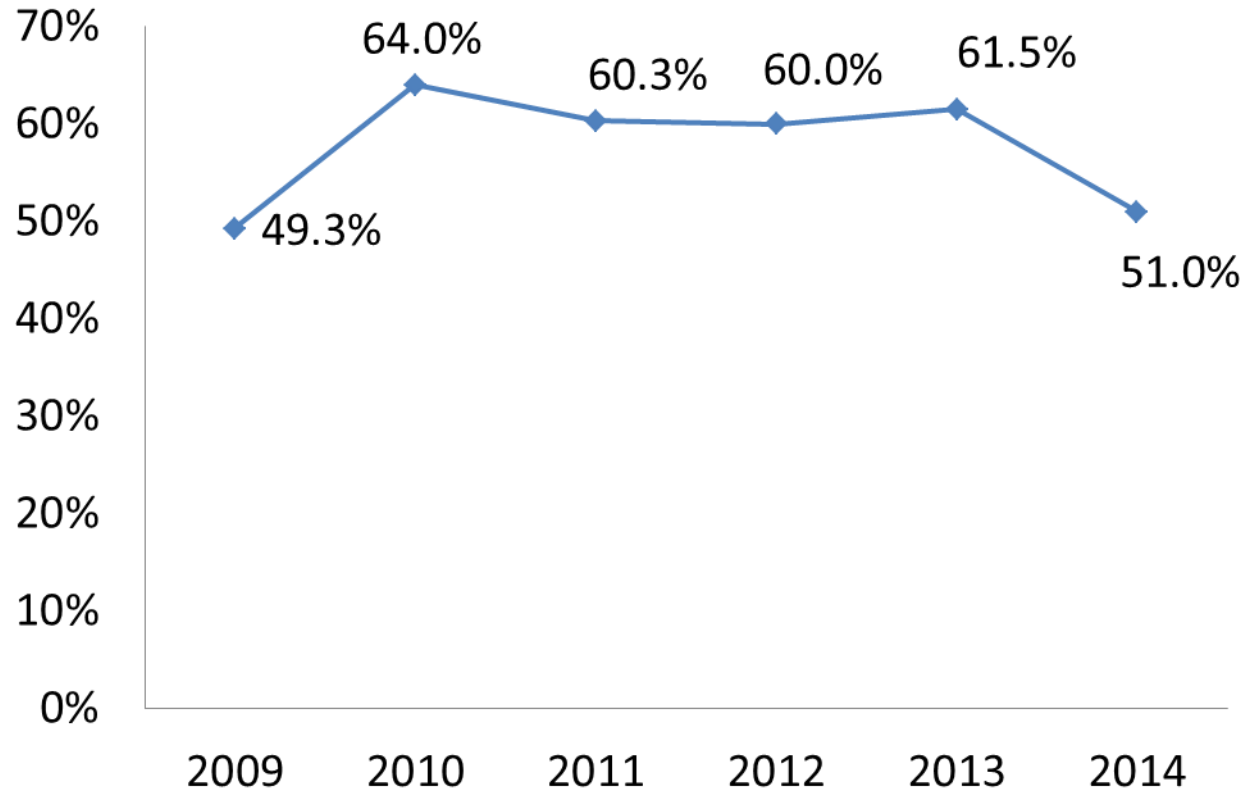
# Balance Sheet



股票代號：1590

(\$RMB mn)	<b>2012</b>		<b>2013</b>		<b>2014</b>		<b>2015 1H</b>	
Cash & Cash Equivalents	\$233	11%	\$323	11%	\$490	13%	\$605	15%
NR & AR	\$335	15%	\$448	15%	\$545	14%	\$606	15%
Inventory	\$232	11%	\$314	11%	\$363	10%	\$382	9%
Other Current Assets	\$43	2%	\$37	1%	\$61	2%	\$66	2%
Property, plant and equipment, Other	\$1,335	61%	\$1,829	62%	\$2,260	61%	\$2,449	59%
<b>Total Assets</b>	<b>\$2,178</b>	<b>100%</b>	<b>\$2,951</b>	<b>100%</b>	<b>\$3,719</b>	<b>100%</b>	<b>\$4,108</b>	<b>100%</b>
Bank Debt	\$710	32%	\$825	28%	\$1,436	39%	\$1,656	40%
Other Current Liabilities	\$210	10%	\$227	8%	\$241	6%	\$408	10%
Other Long-term liabilities	\$39	2%	\$61	2%	\$67	2%	\$69	2%
<b>Total Liabilities</b>	<b>\$959</b>	<b>44%</b>	<b>\$1,113</b>	<b>38%</b>	<b>\$1,744</b>	<b>47%</b>	<b>\$2,133</b>	<b>52%</b>
<b>Total Equity</b>	<b>\$1,219</b>	<b>56%</b>	<b>\$1,838</b>	<b>62%</b>	<b>\$1,975</b>	<b>53%</b>	<b>\$1,975</b>	<b>48%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$2,178</b>	<b>100%</b>	<b>\$2,951</b>	<b>100%</b>	<b>\$3,719</b>	<b>100%</b>	<b>\$4,108</b>	<b>100%</b>

# 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