



AirTAC

Powered by AIRTAC

Agenda

I Group Overview

II Product & Market

III Competitive Advantage

IV Financial Outlook

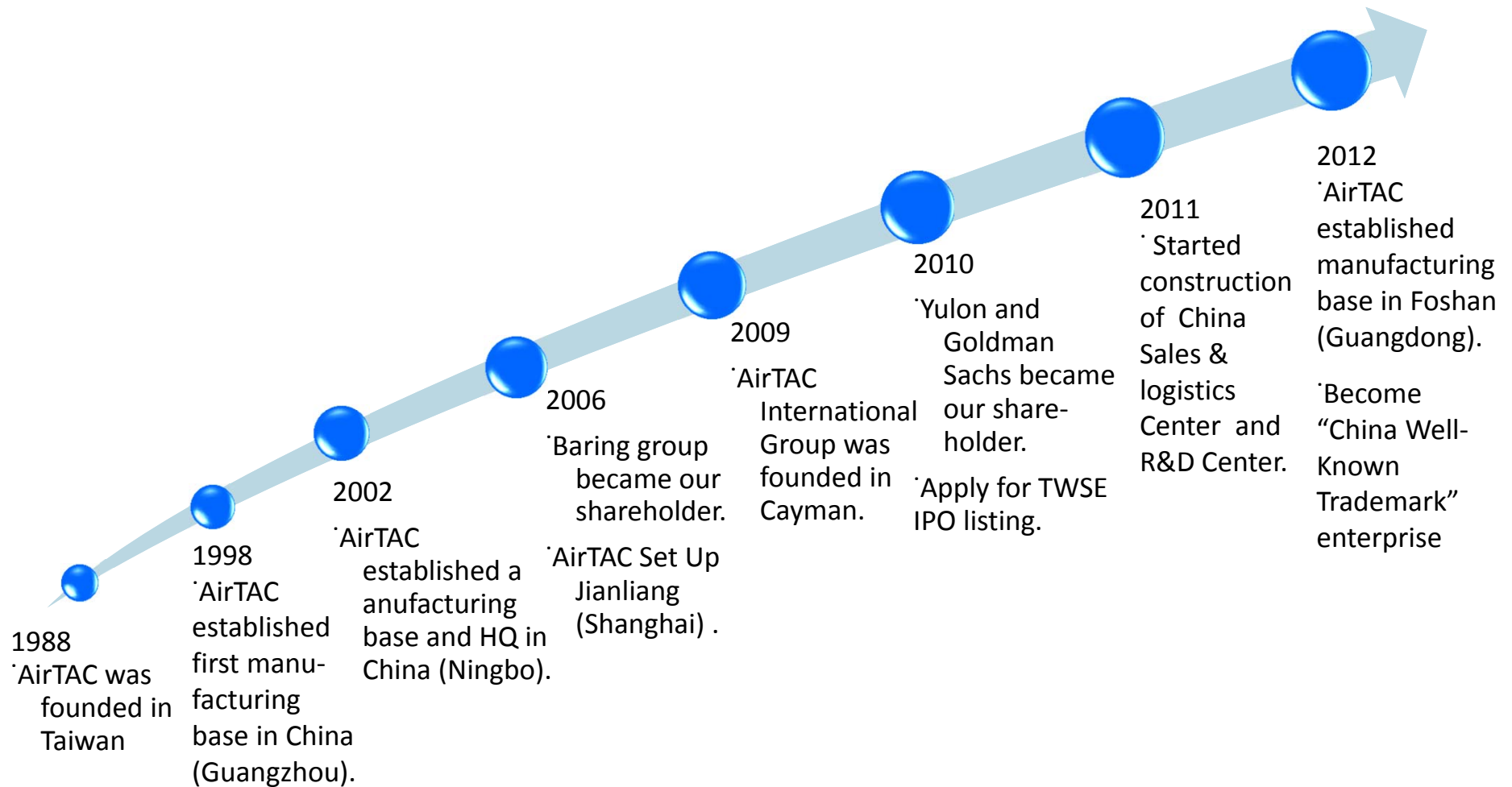
V Development prospects & Strategic

I · Group Overview

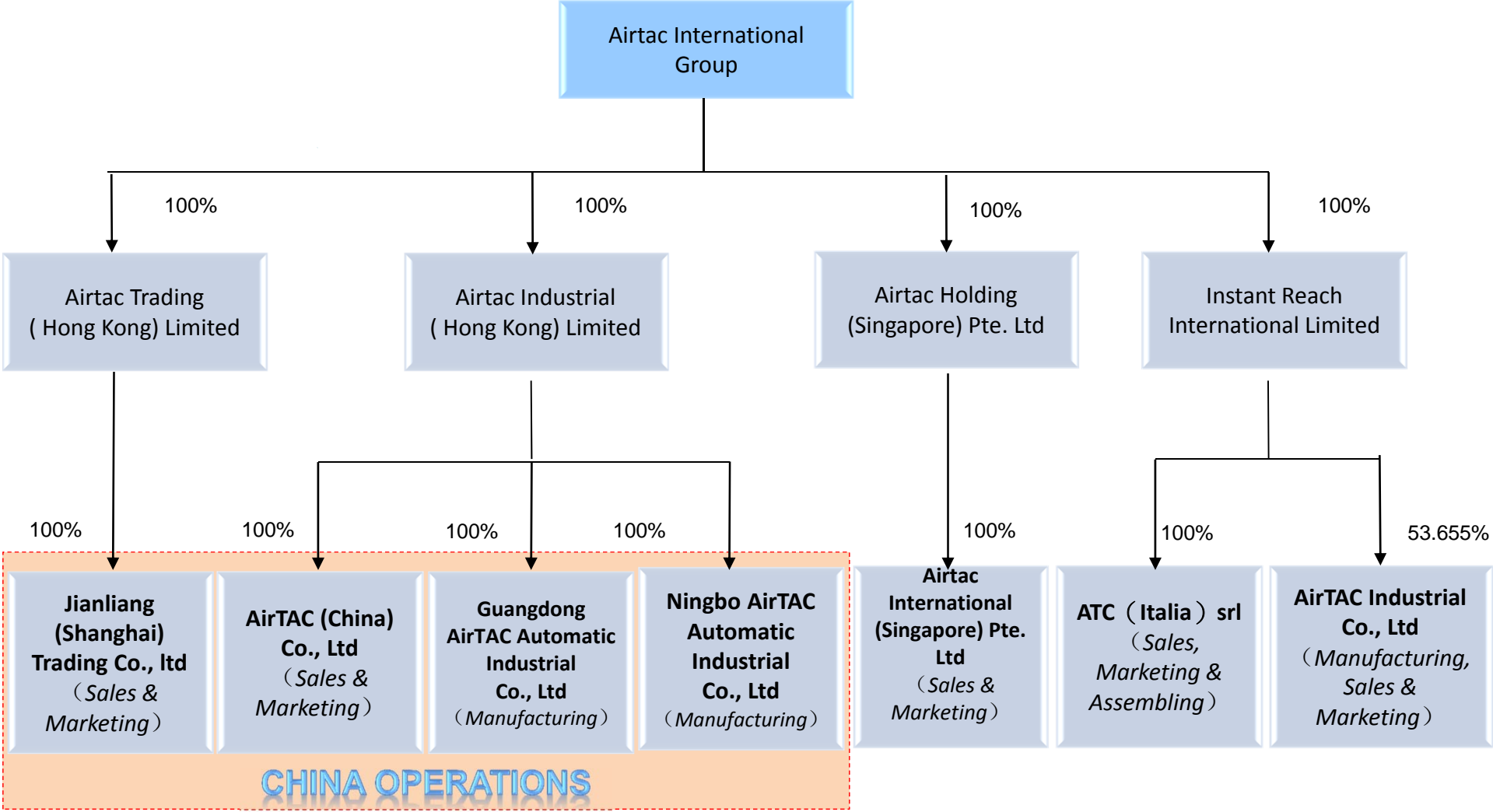
Group Overview

AirTAC

股票代號：1590



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

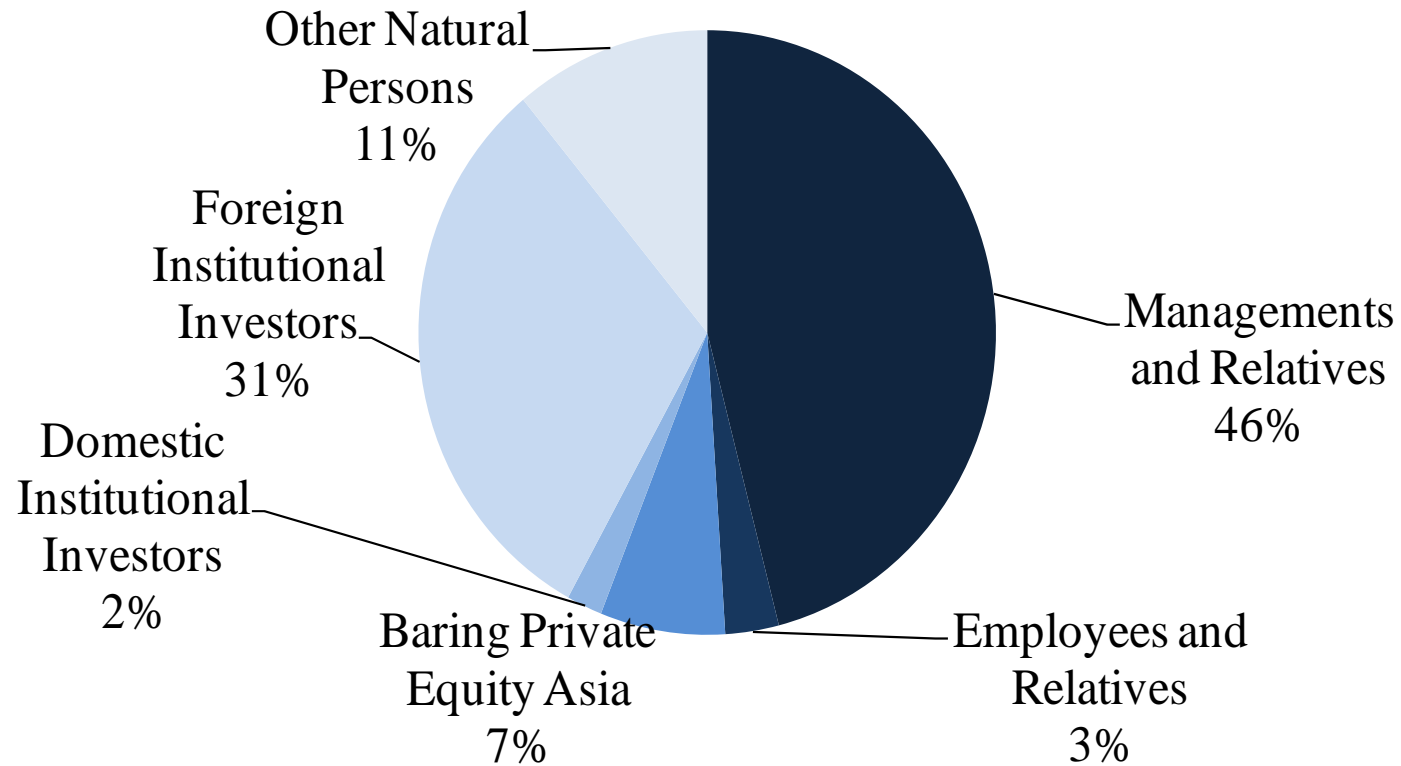
Profit sharing

- 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



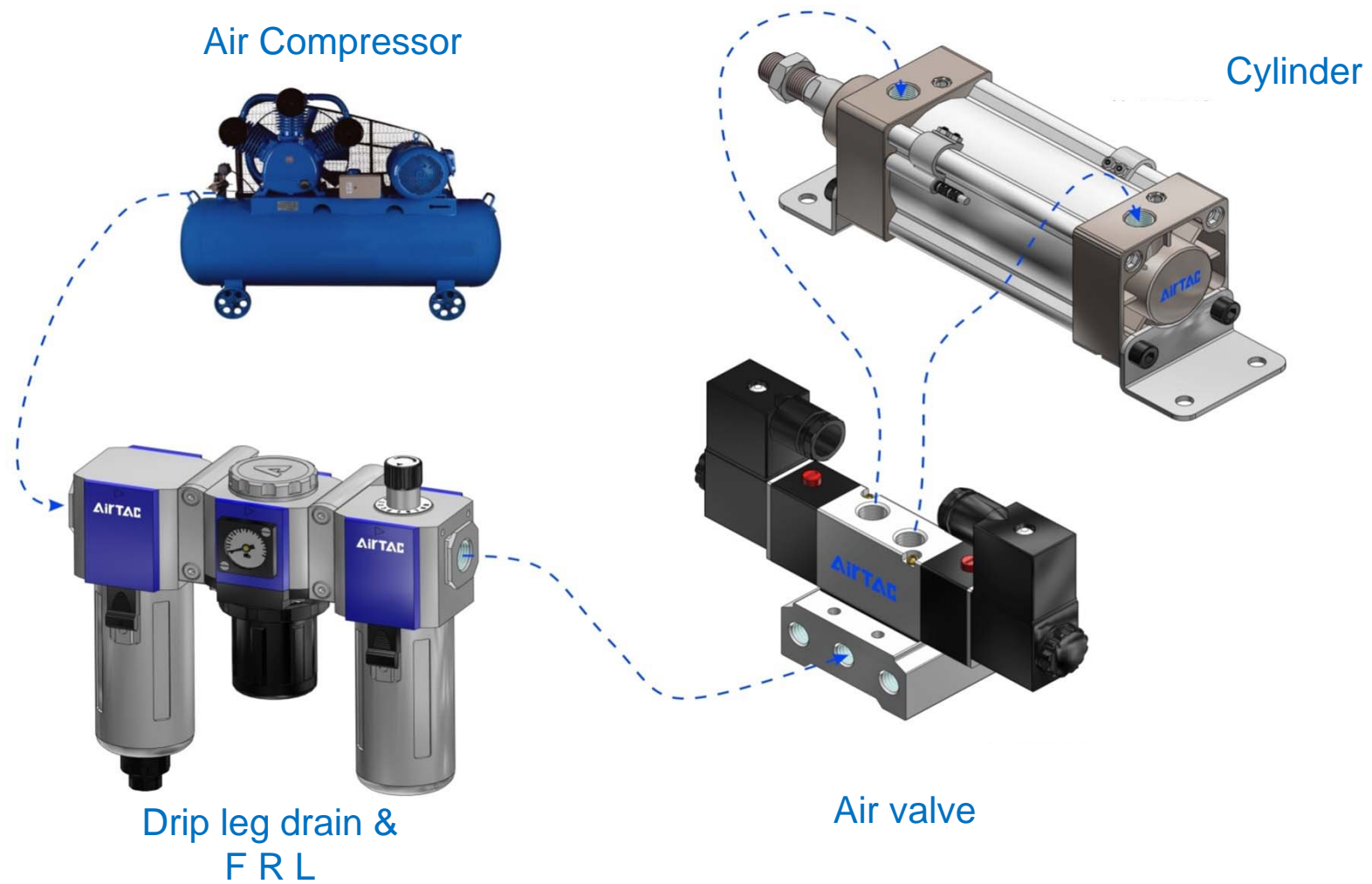
↘ Drip leg drain & F R L



↘ Others



Pneumatic operation of the process



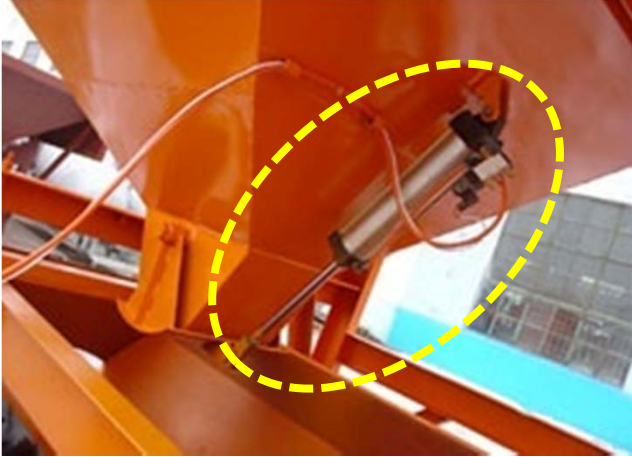
Products Application by Industry



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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.

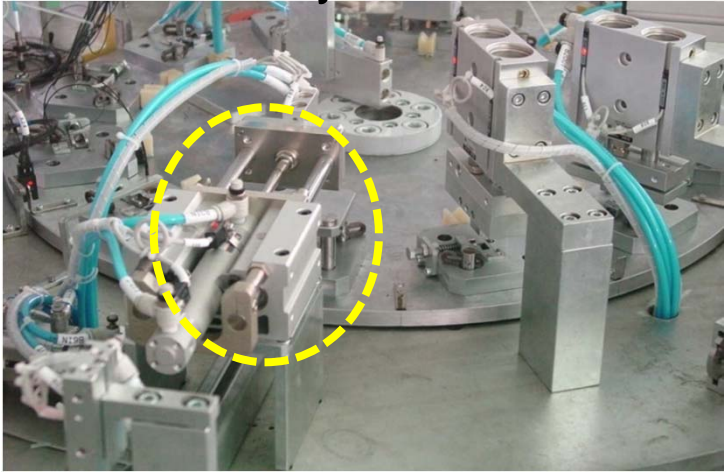
Construction machinery



Environmental processing machinery



Assembly automation

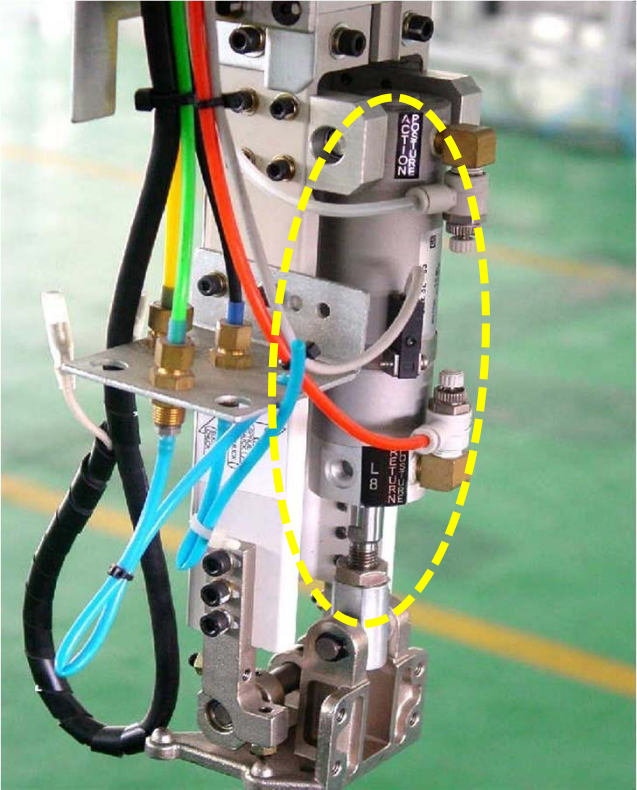


Products Application by Industry

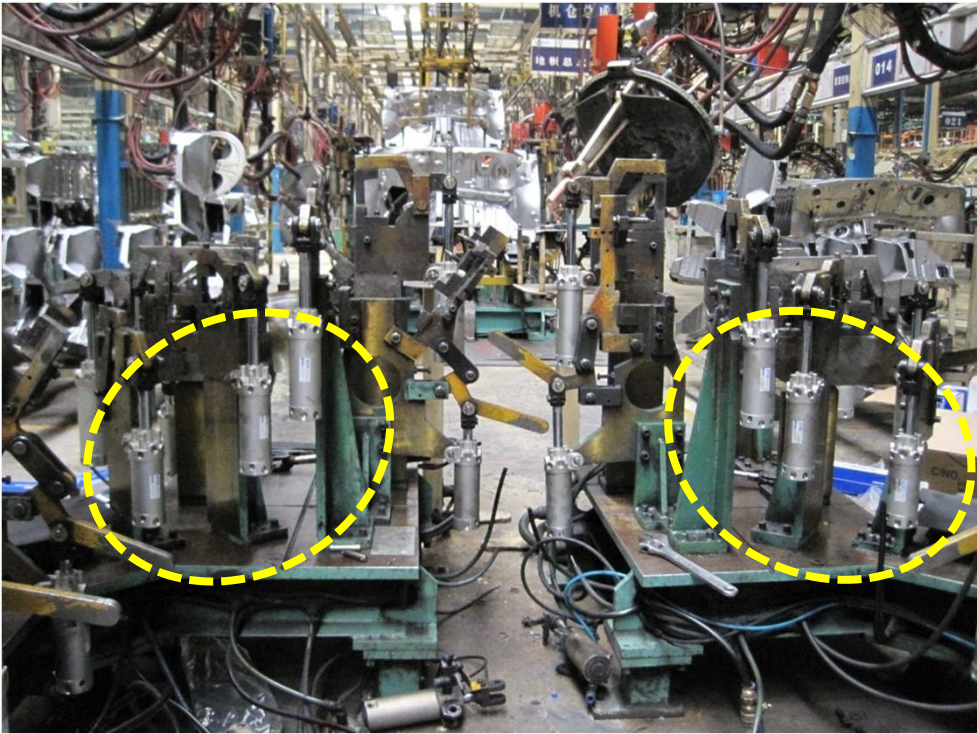


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Robot arm

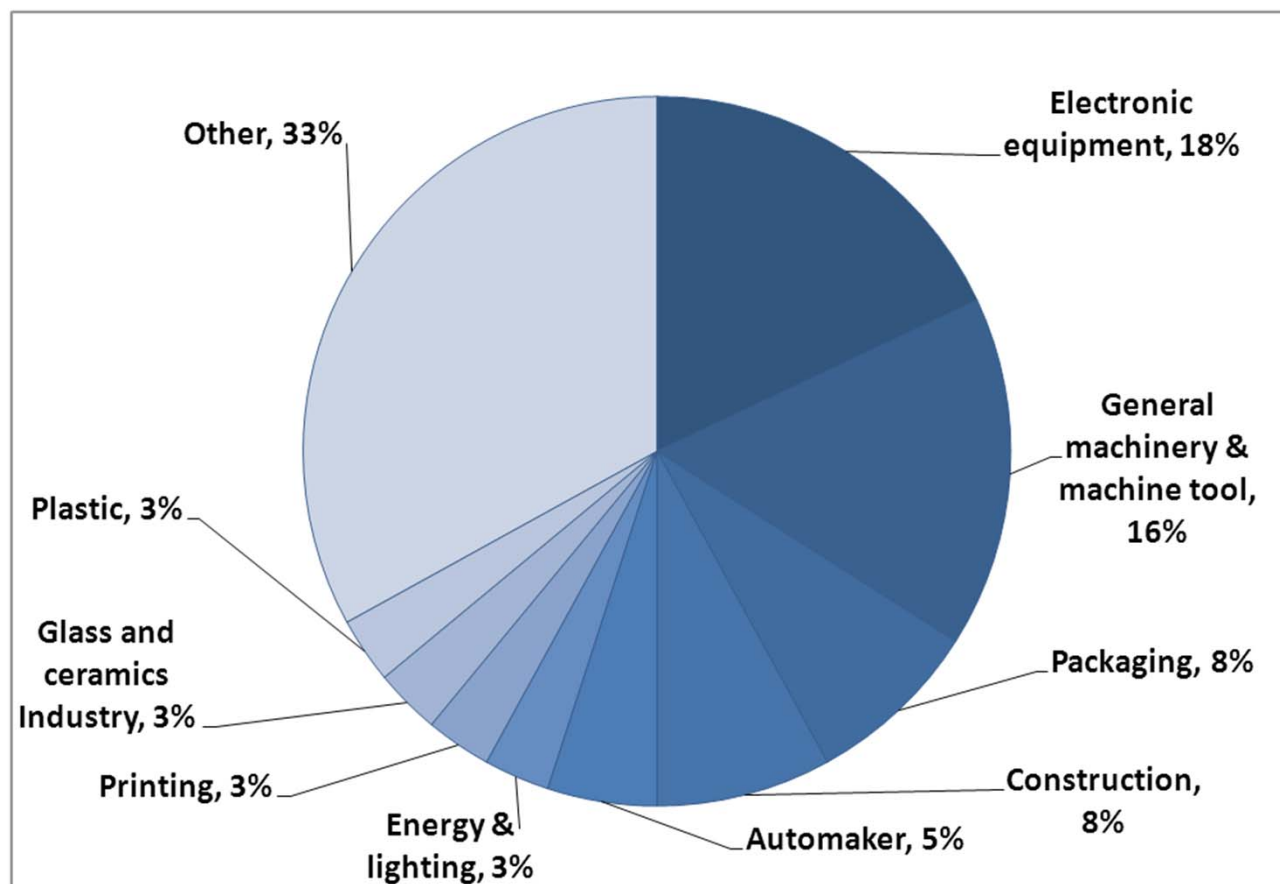


Automobile assembly



Clients breakdown by industry

2012Q2 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

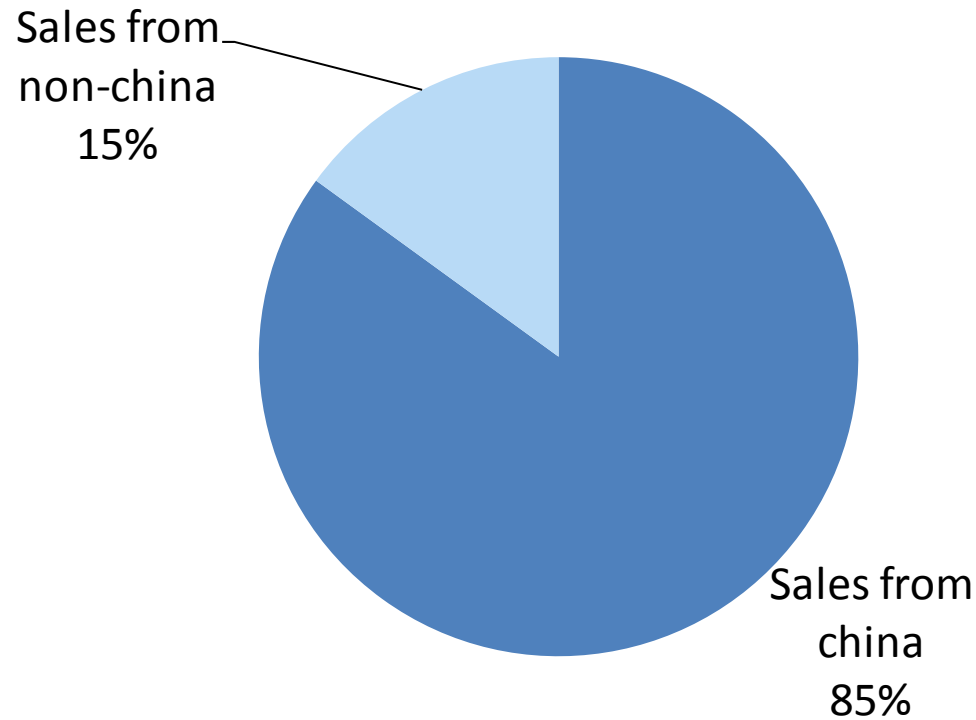
Worldwide manufacturing bases & sales branches



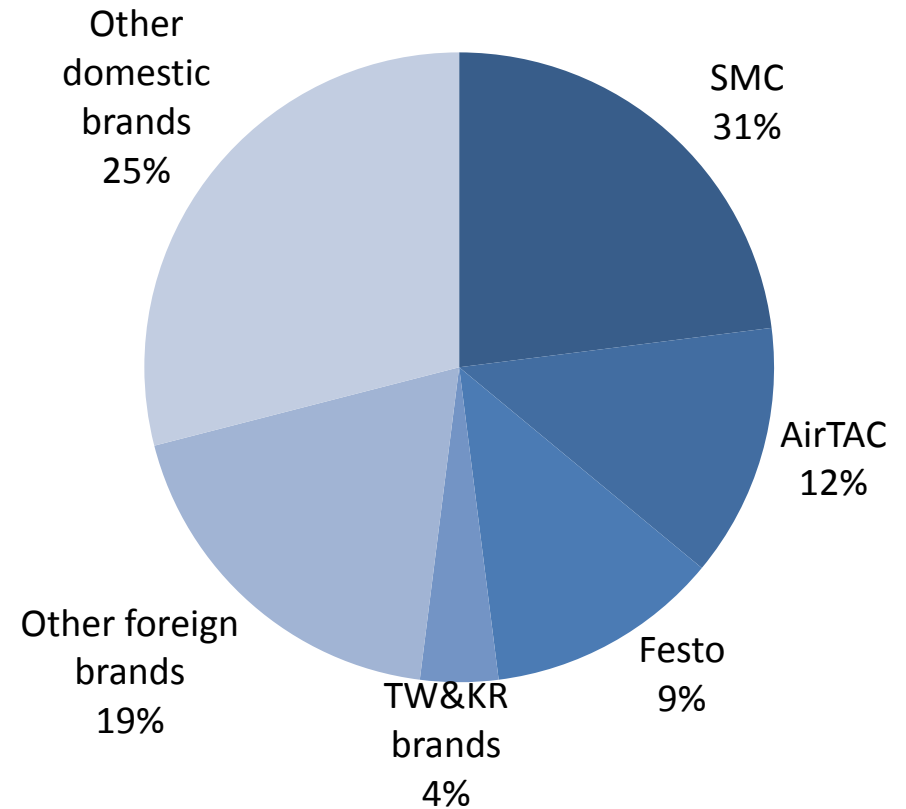
- ◆ Mainland : 2 manufacturing bases; 55 branches, 8 offices
- ◆ Taiwan : 1 manufacturing base and 4 offices
- ◆ Europe : 1 manufacturing and Distribution center in Italy.
- ◆ Singapore : 1 Sales Headquarters of Southeast Asia.
- ◆ Overseas: +30 distribution offices to provide comprehensive sales network and service

Ranked the second largest market share in China

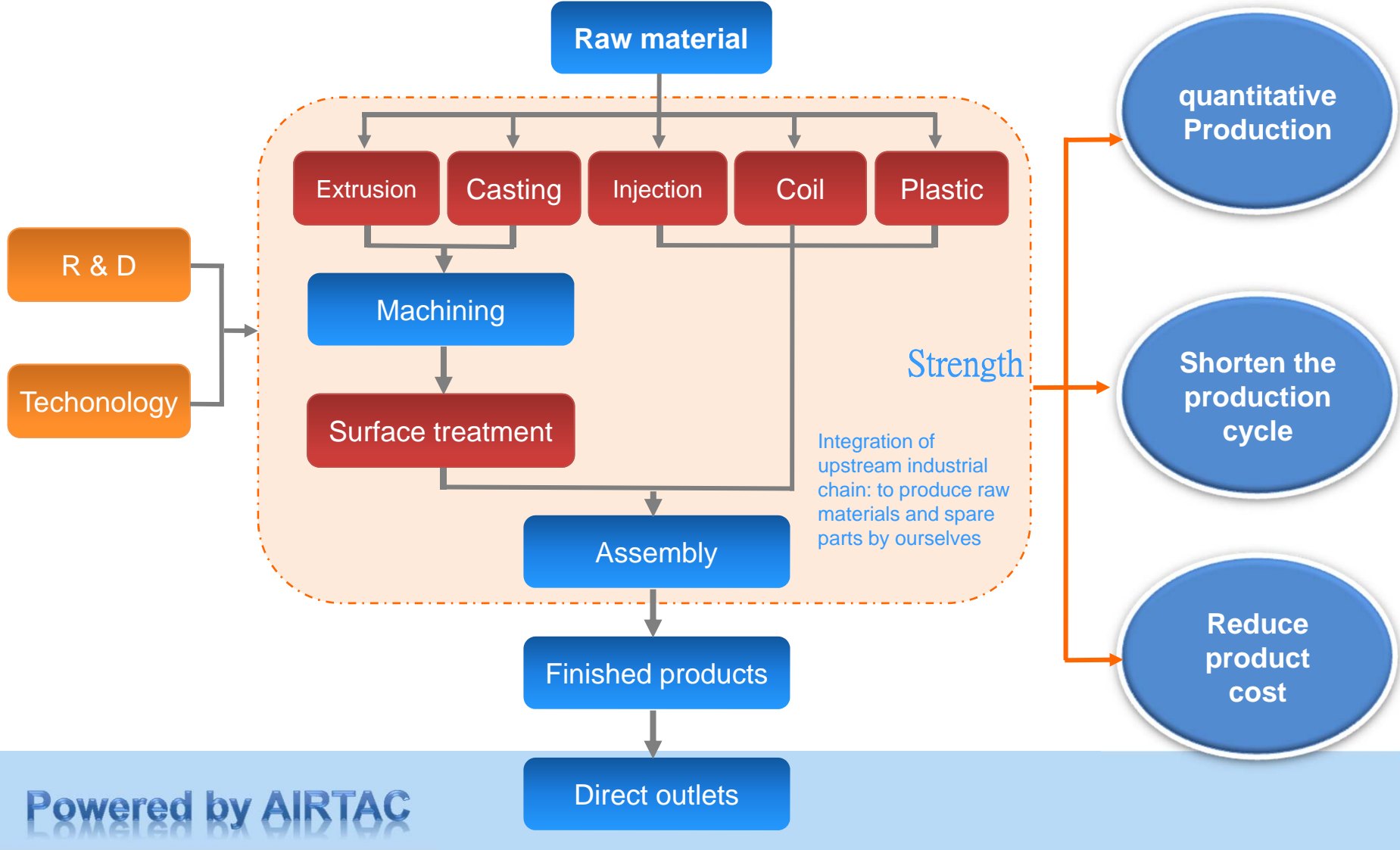
AirTAC Sales by region



Pneumatic equipment - market share in China



Integration of upstream industrial chain

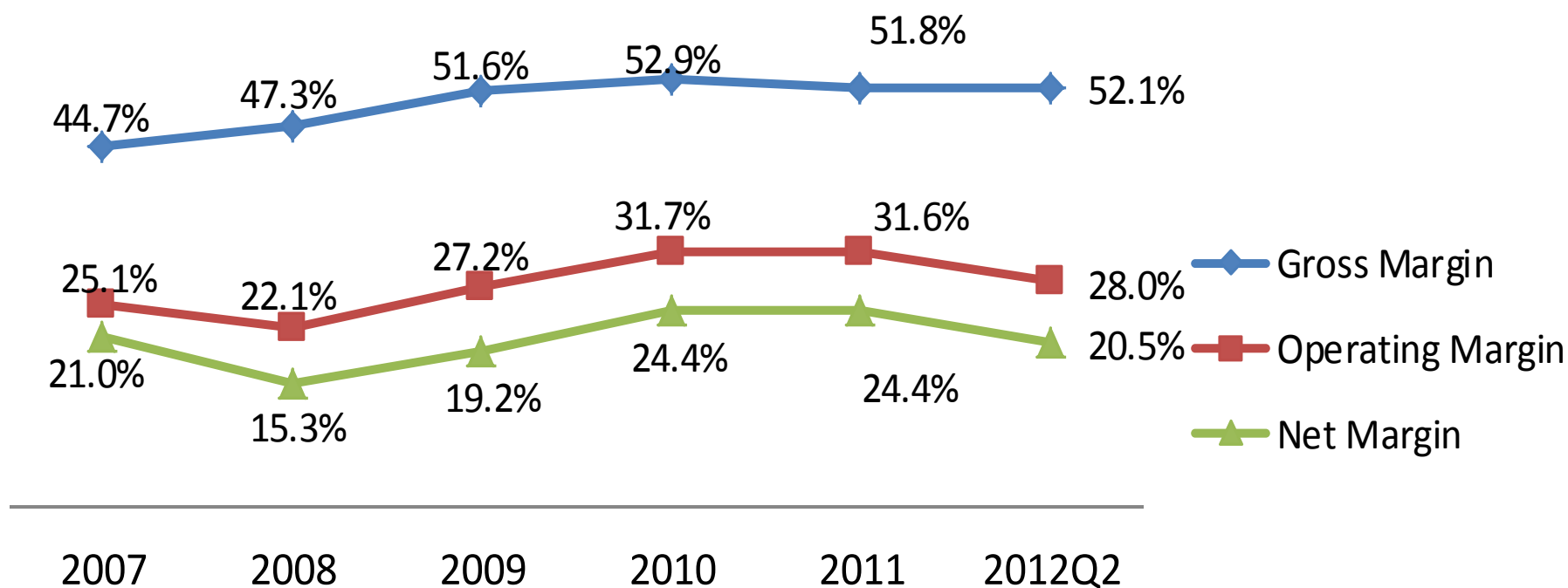


IV · Financial Outlook

2007~2012Q2 Sales & Income before Tax



2007~2012Q2 Profitability Trend



Income Statement



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(\$RMB mn)	2009		2010		2011		2012Q2	
Sales	\$598	100%	\$968	100%	\$1,173	100%	\$601	100%
Cost	\$289	48%	\$456	47%	\$566	48%	\$288	48%
Gross Profit	\$309	52%	\$512	53%	\$607	52%	\$313	52%
Operating Expenses	\$146	25%	\$205	22%	\$236	20%	\$145	24%
Income from Operations	\$163	27%	\$307	31%	\$371	32%	\$168	28%
Non-operating Income	\$9	2%	\$17	2%	\$14	1%	\$8	1%
Non-operating Expenses	\$17	3%	\$12	1%	\$7	1%	\$6	1%
EBT	\$155	26%	\$312	32%	\$378	32%	\$170	28%
TAX	\$40	7%	\$75	8%	\$92	8%	\$47	8%
Net Income	\$115	19%	\$237	24%	\$286	24%	\$123	20%

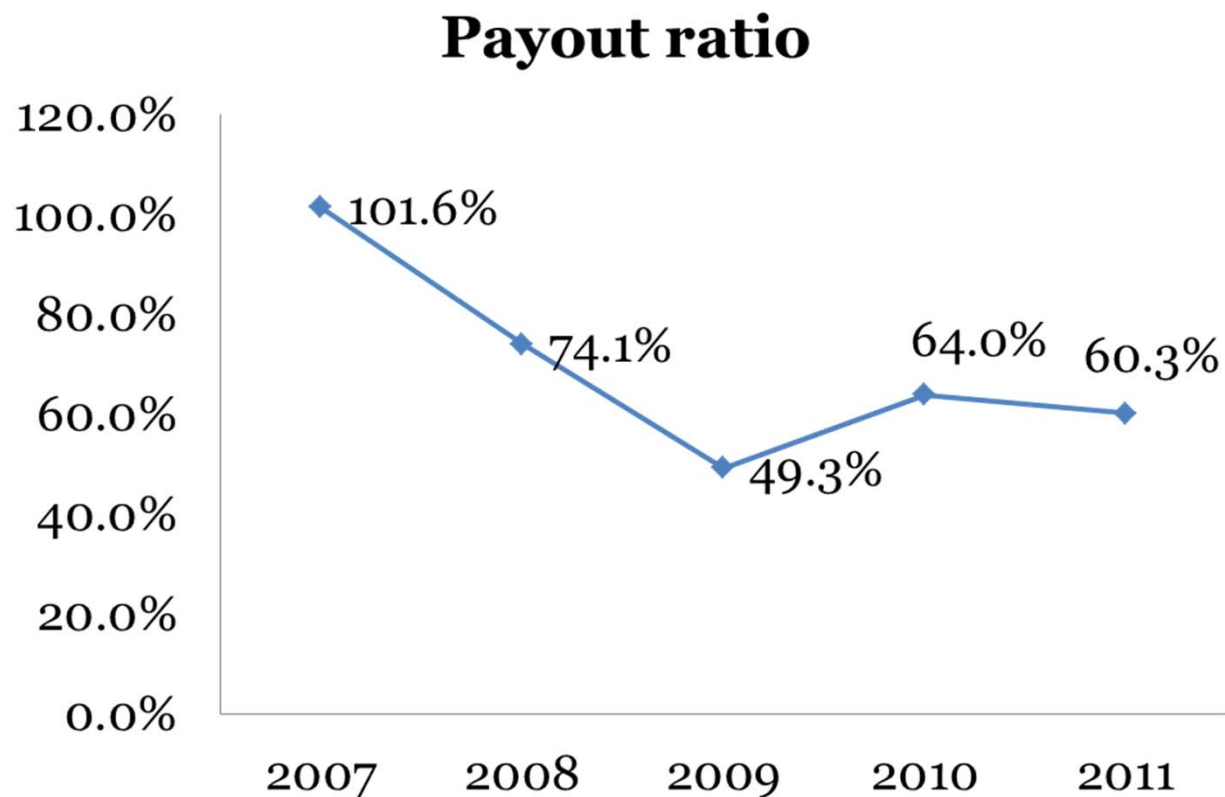
Balance Sheet



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(\$RMB mn)	2009		2010		2011		2012Q2	
Cash & Cash Equivalents	\$74	8%	\$431	29%	\$304	17%	\$291	14%
NR & AR	\$155	17%	\$226	15%	\$289	16%	\$352	17%
Inventory & Other Current Assets	\$129	14%	\$188	12%	\$243	14%	\$269	13%
Property, plant and equipment, Other	\$558	61%	\$666	44%	\$945	53%	\$1,157	56%
Total Assets	\$916	100%	\$1,511	100%	\$1,781	100%	\$2,069	100%
AP, Other Current Liabilities	\$280	30%	\$294	19%	\$530	30%	\$868	42%
Long-term liabilities, Other	\$126	14%	\$196	13%	\$104	6%	\$100	5%
Total Liabilities	\$406	44%	\$490	32%	\$634	36%	\$968	47%
Total Equity	\$510	56%	\$1,021	68%	\$1,147	64%	\$1,101	53%
Total Liabilities & Equity	\$916	100%	\$1,511	100%	\$1,781	100%	\$2,069	100%

Payout Ratio



2011 Cash dividends to shareholders – RMB1.13 per share (around NTD5.3 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