



AirTAC

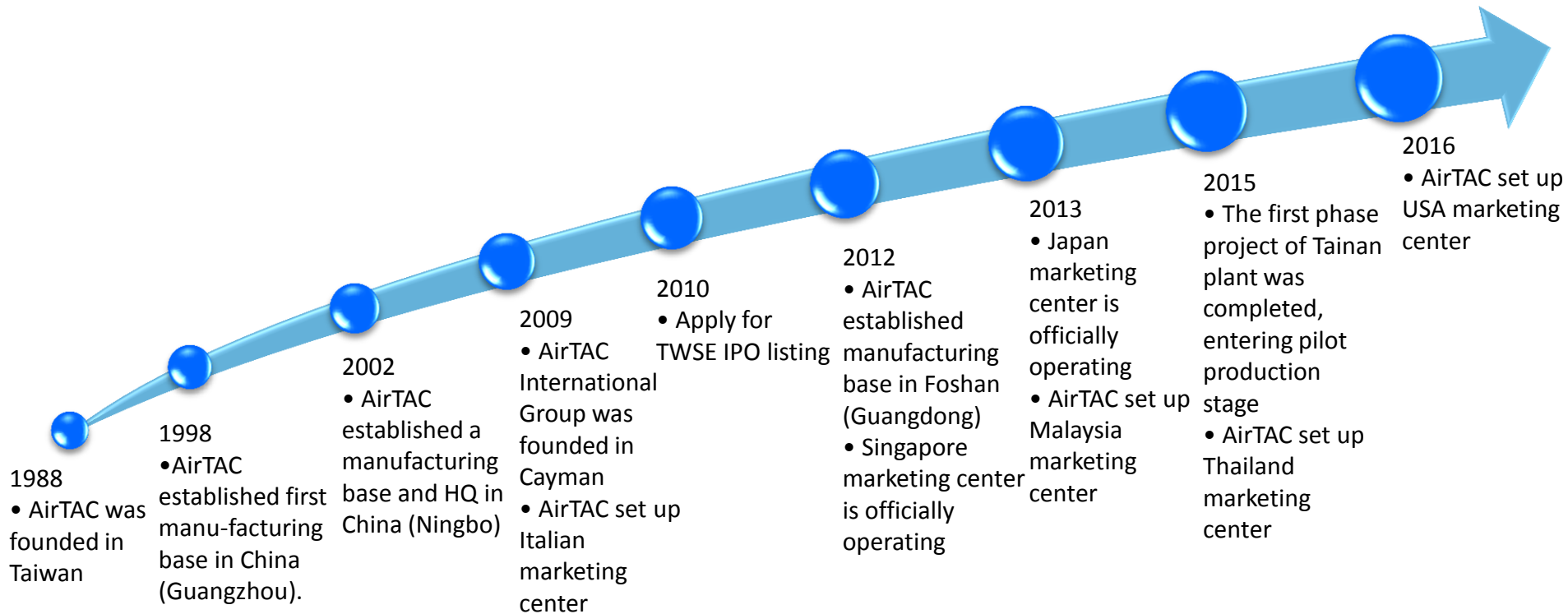
Powered by AIRTAC

Agenda

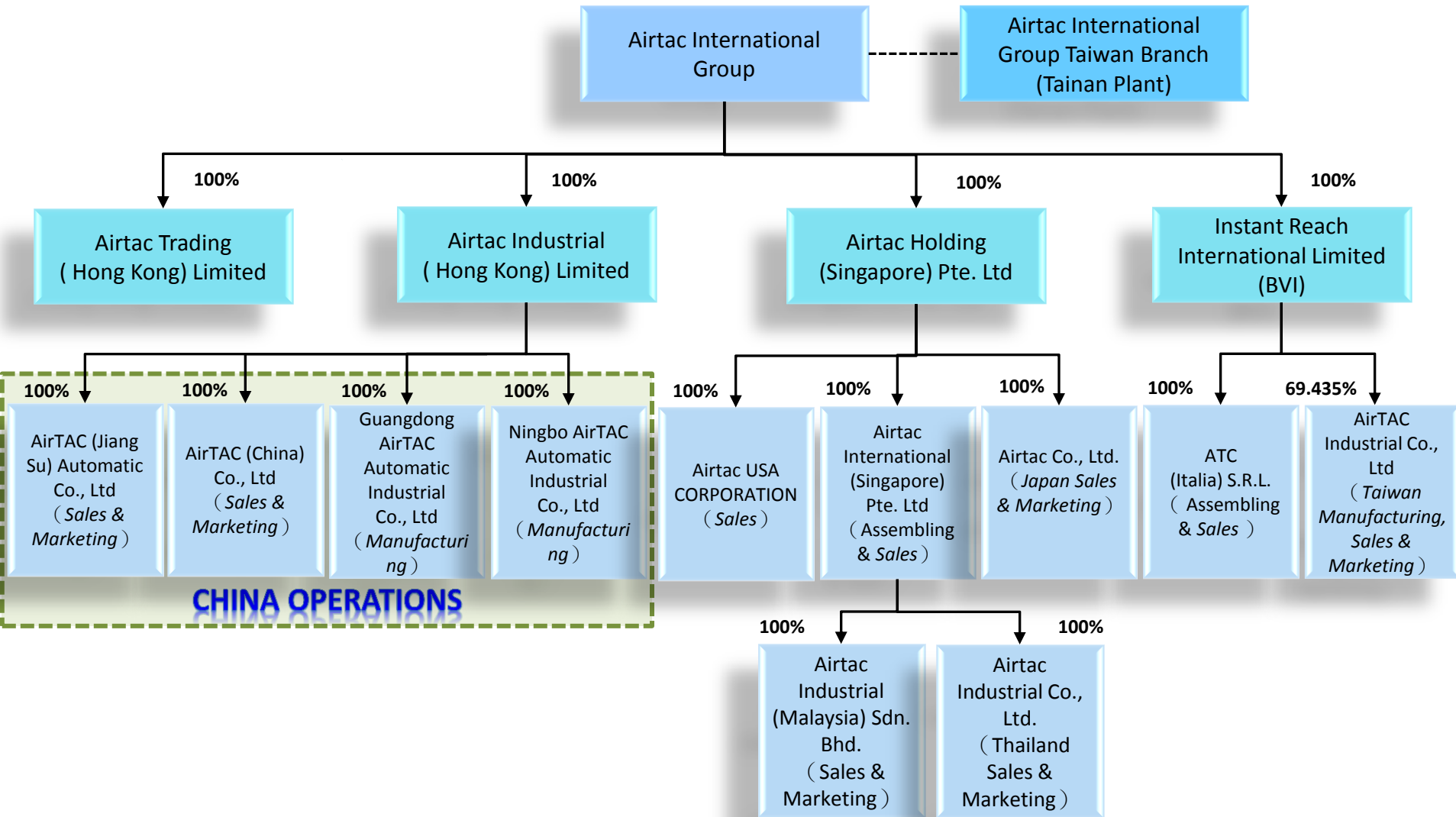
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

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

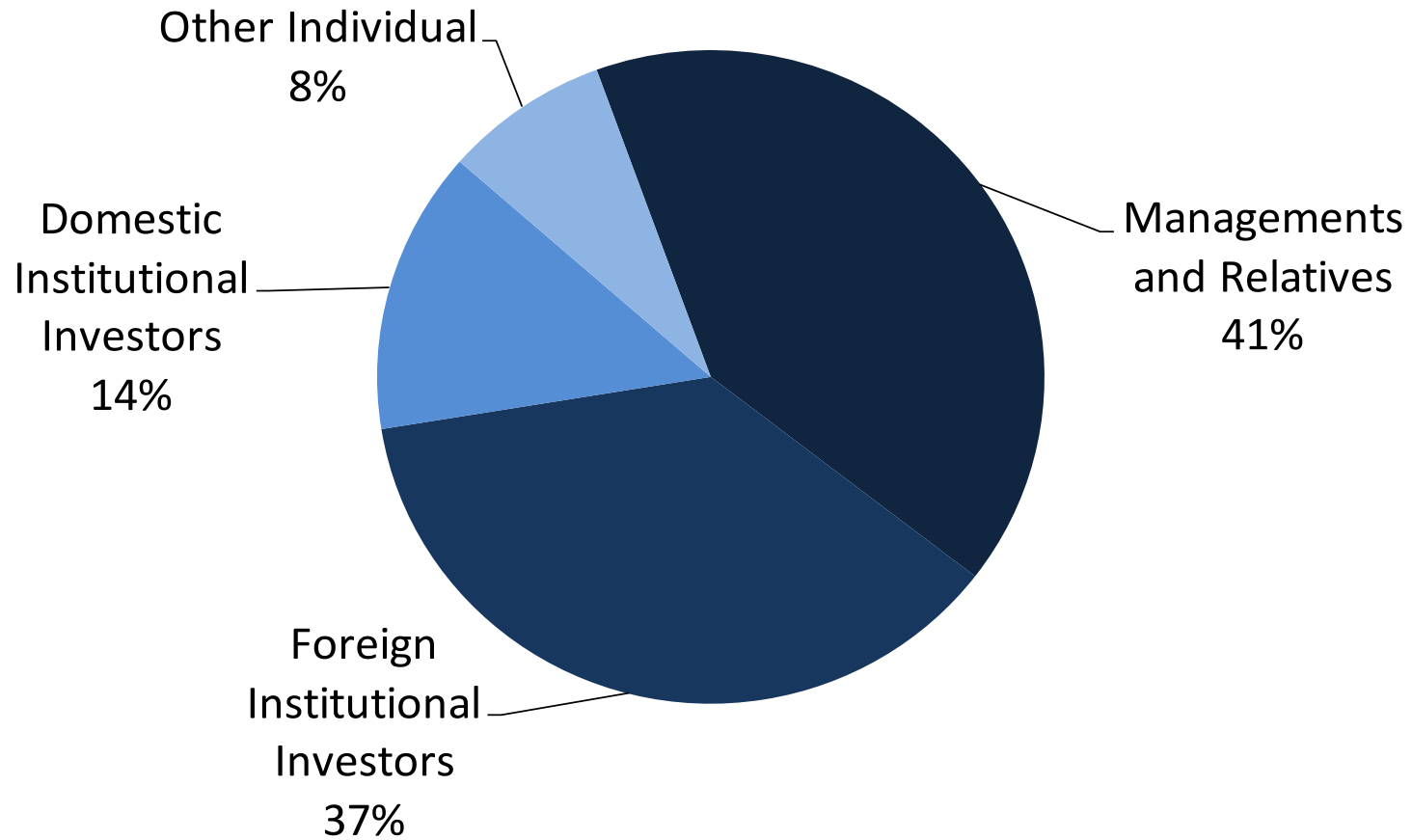
Profit sharing

- 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



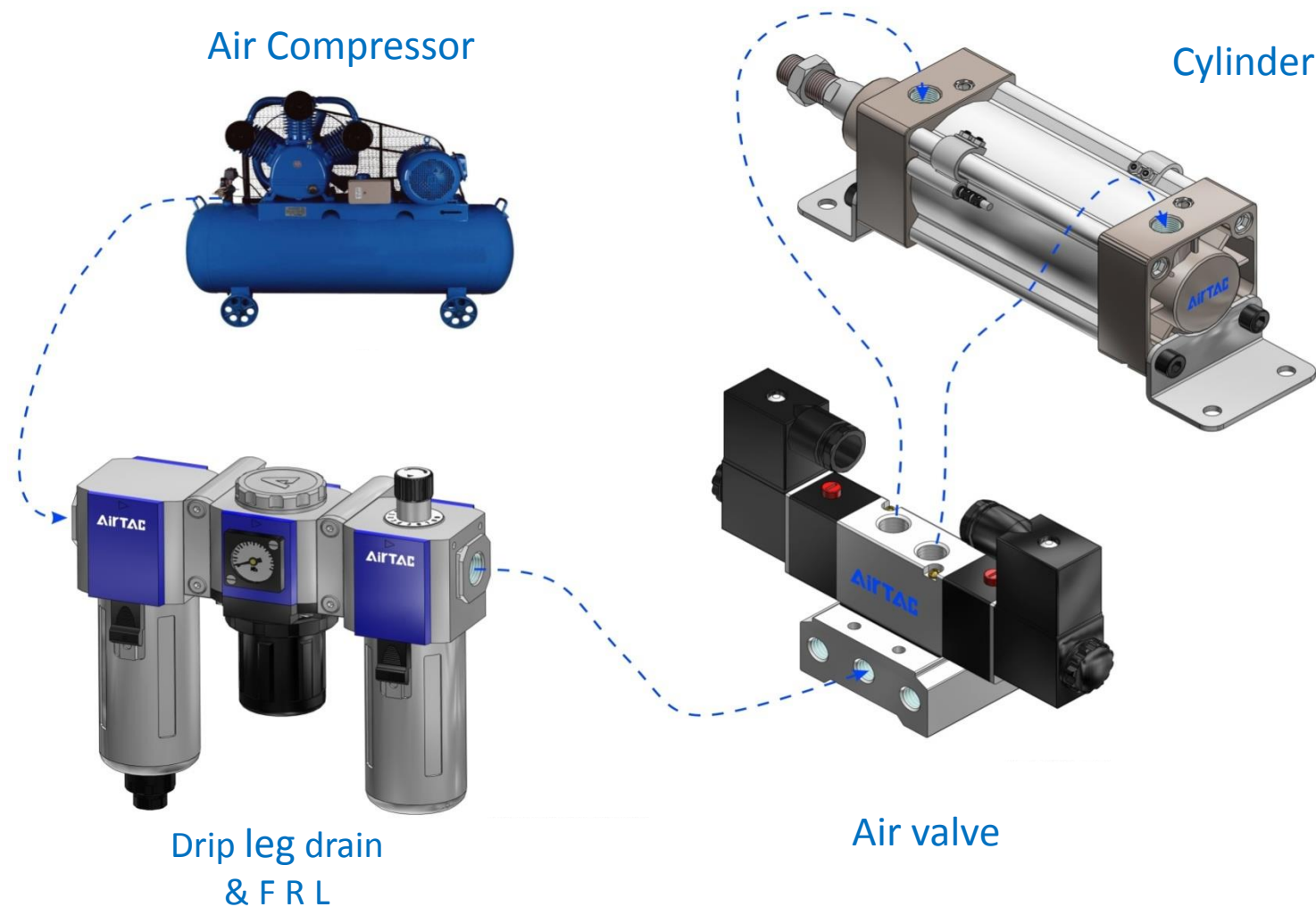
▶ Drip leg drain & F R L



▶ Others



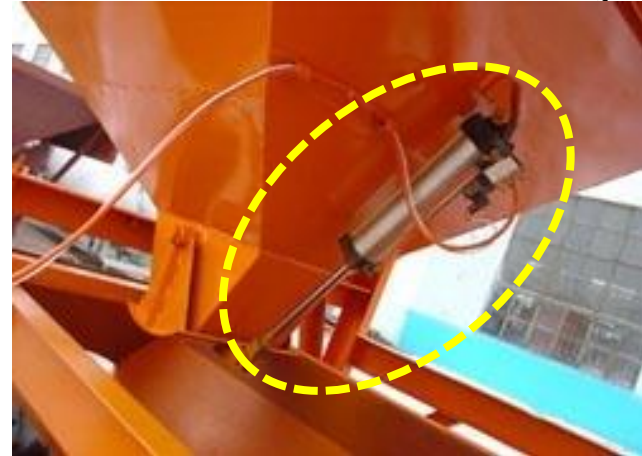
Pneumatic operation of the process



Products Application by Industry

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

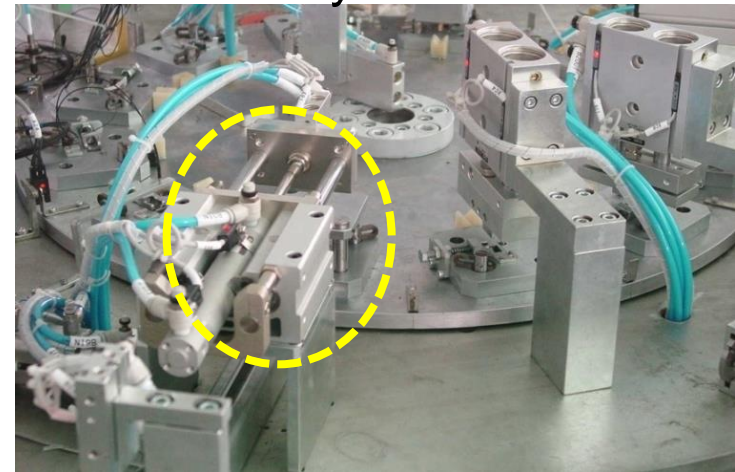
Construction machinery



Environmental processing machinery

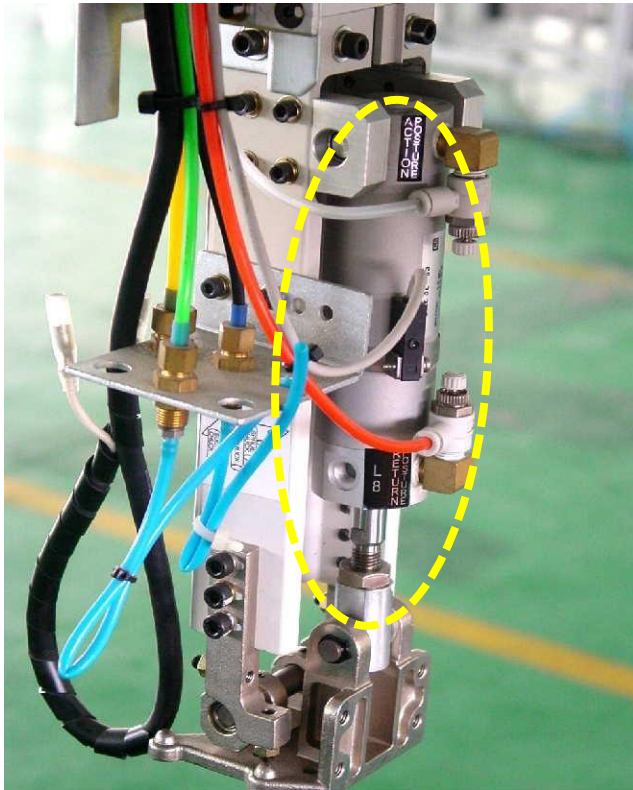


Assembly automation

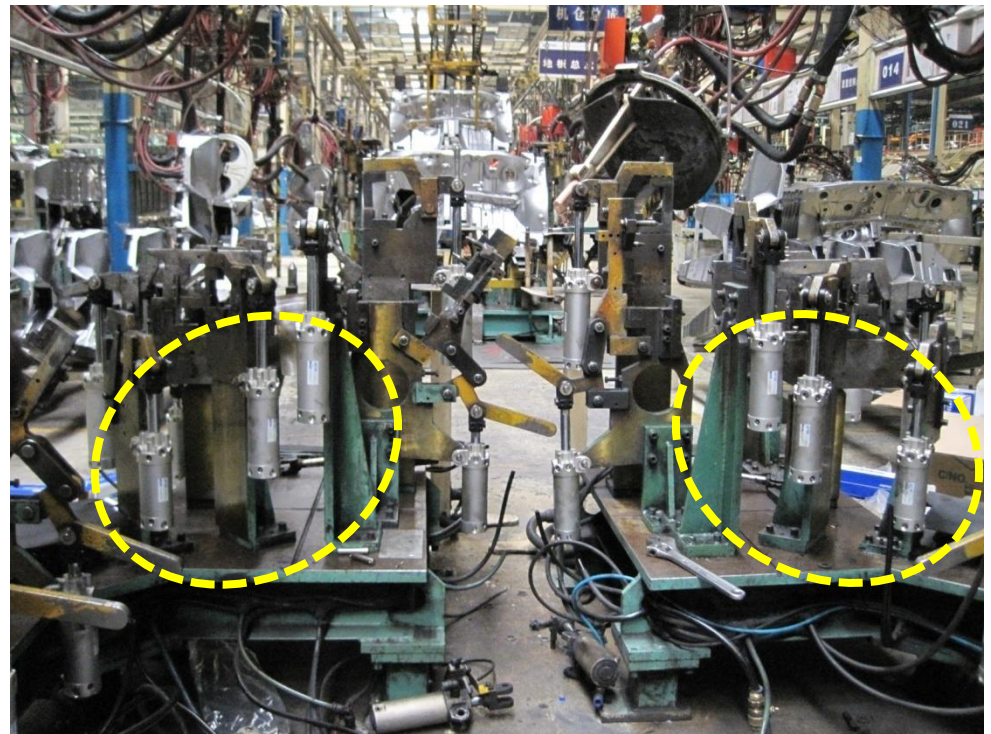


Products Application by Industry

Robot arm

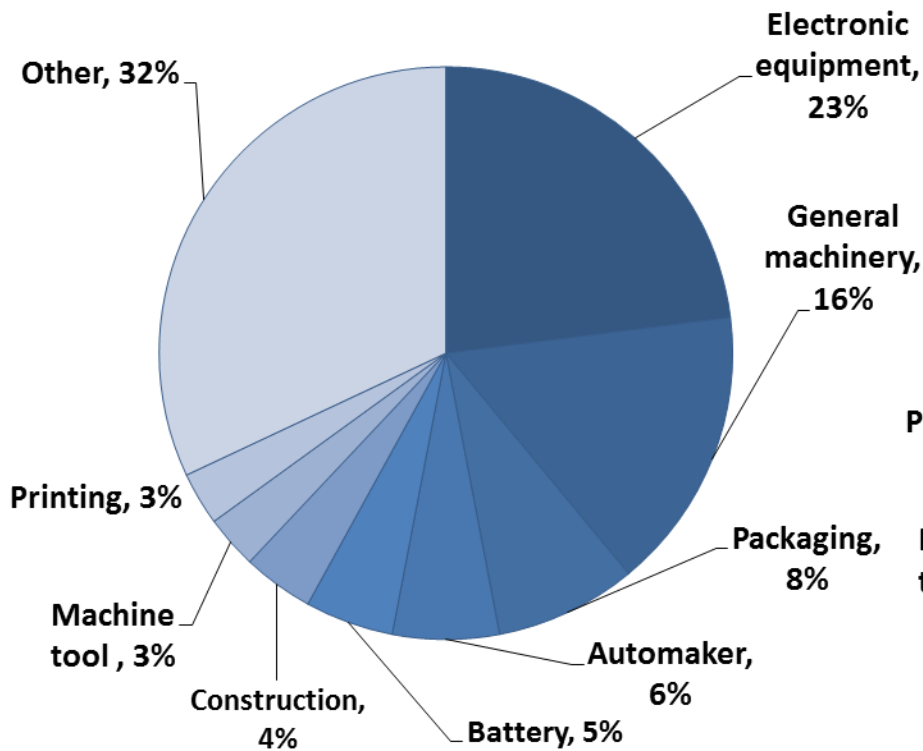


Automobile assembly

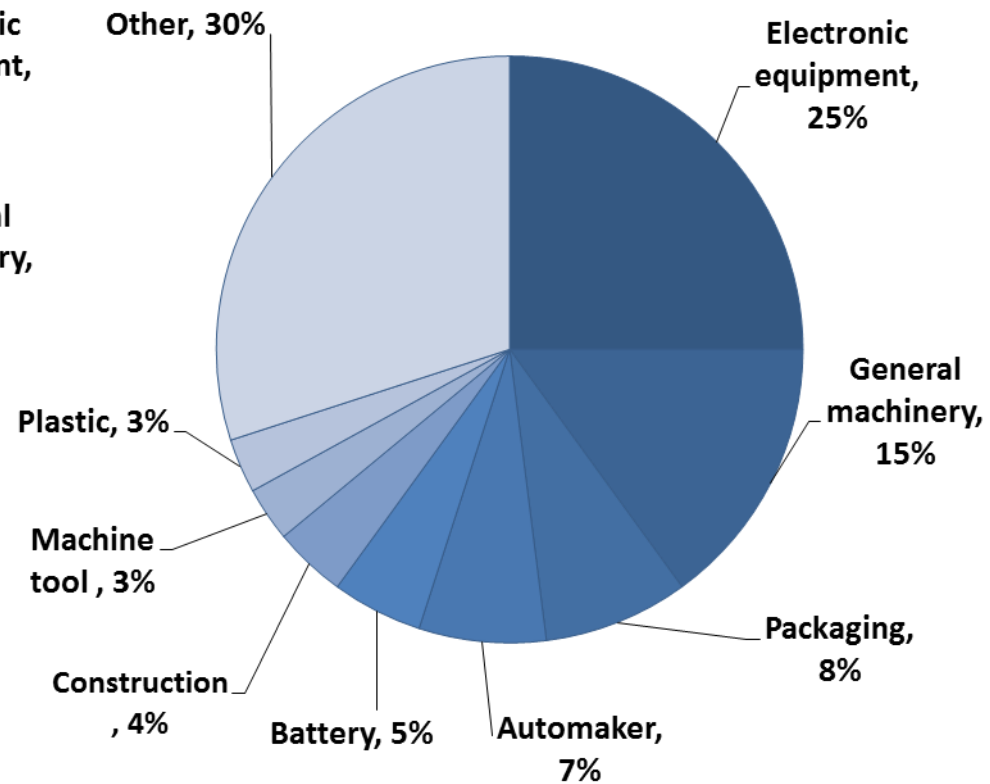


Clients breakdown by industry

2015 Sales



2016 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

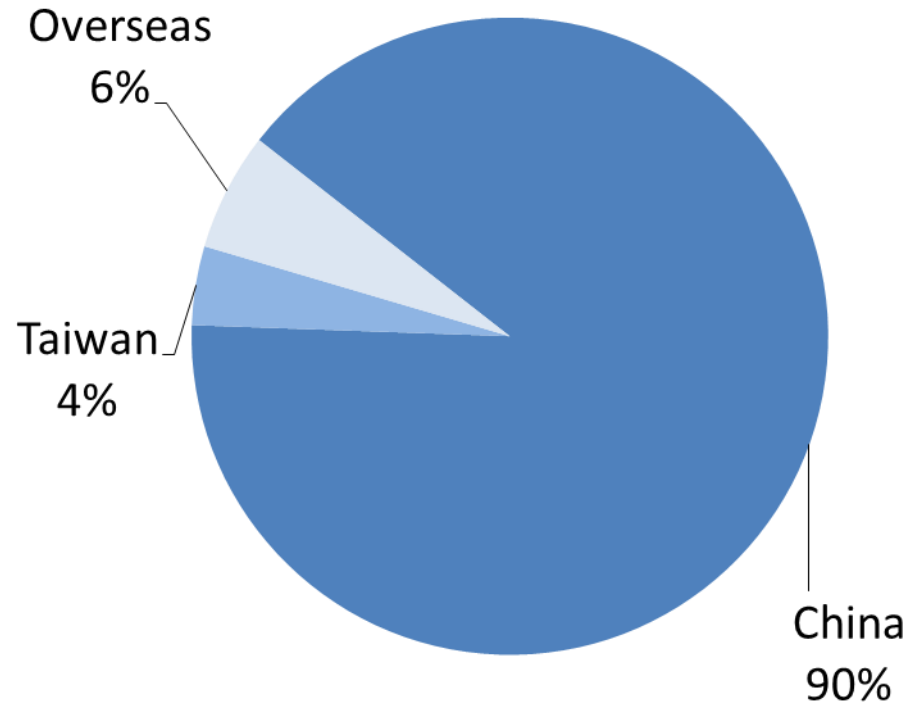


● Manufacturing Base ● Overseas Sales Center ● Sales Channels

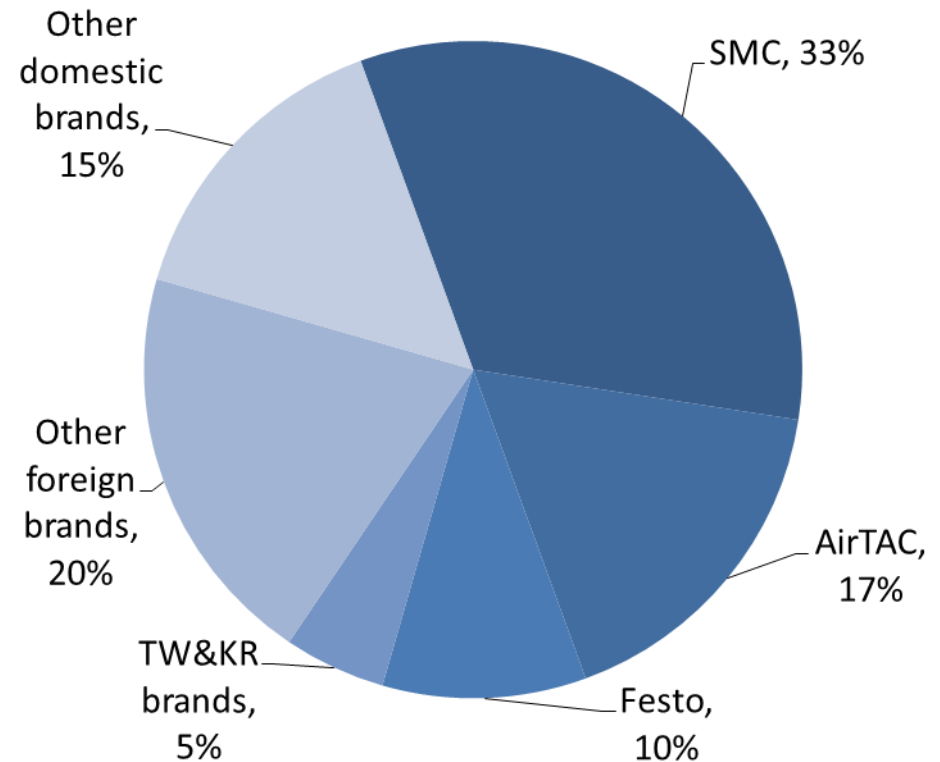
- ◆ Mainland : 2 manufacturing bases; 48 branches, 38 offices
- ◆ Taiwan : 1 manufacturing base and 3 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 assembling and sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

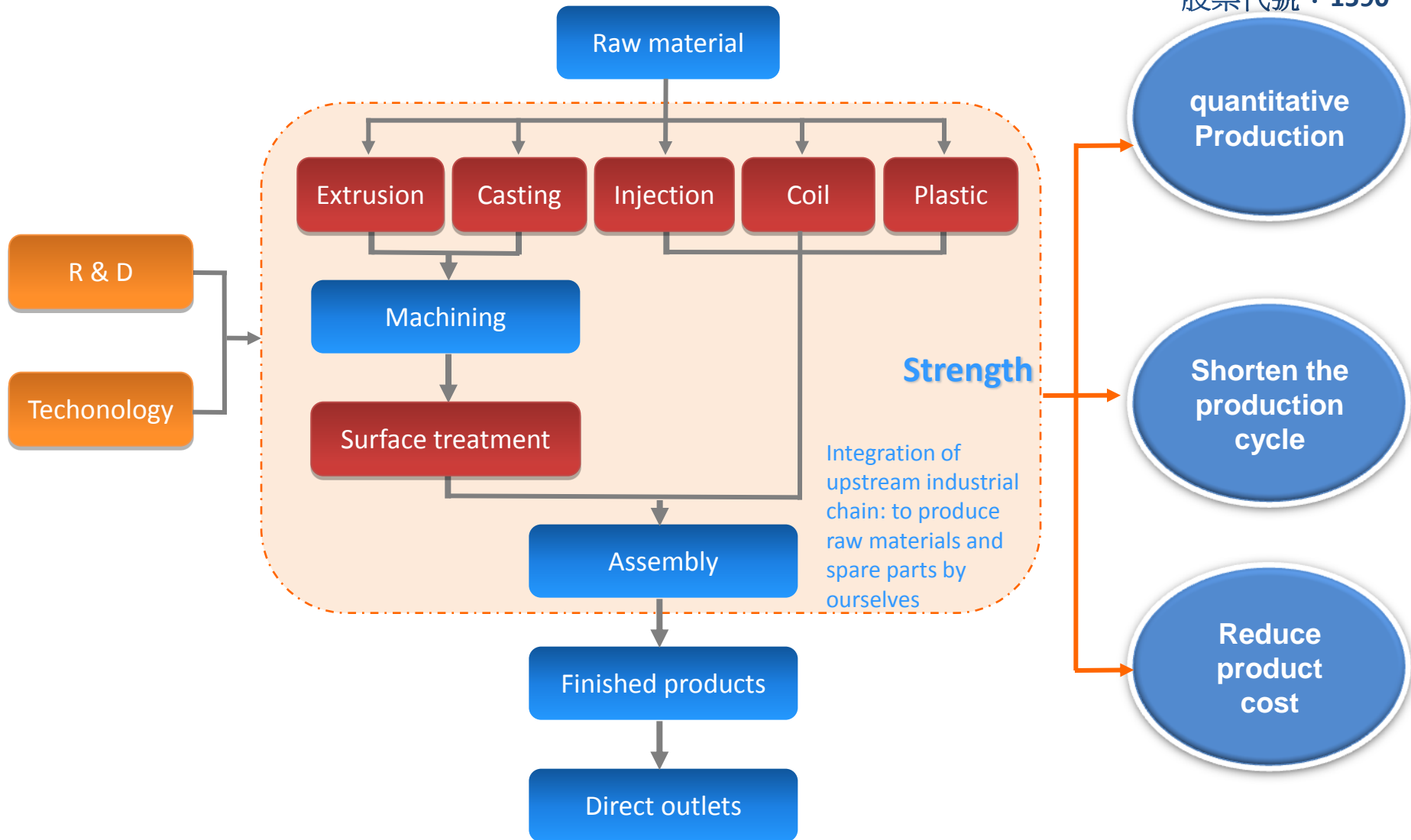
AirTAC Sales by region



Pneumatic equipment - market share in China

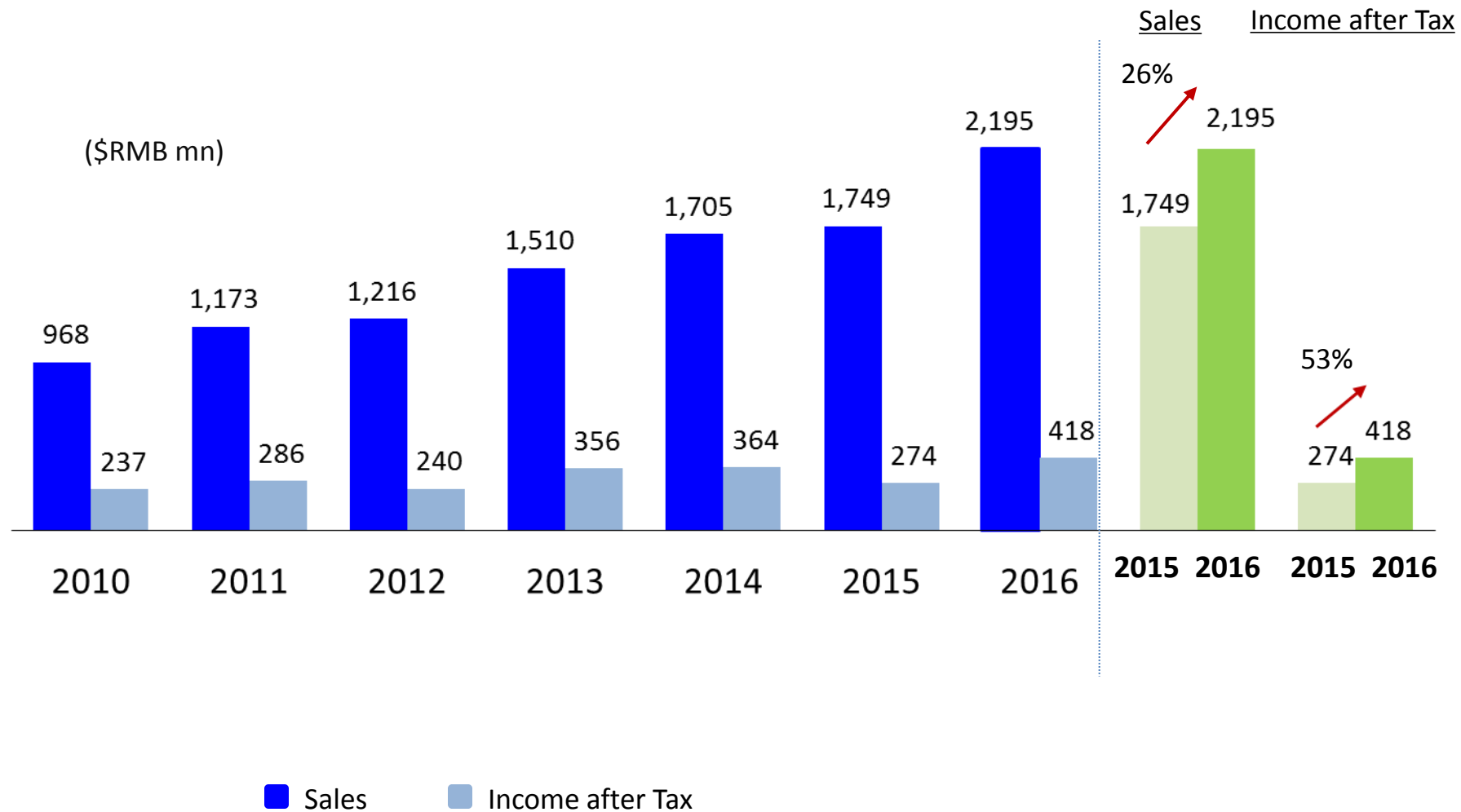


Integration of upstream industrial chain

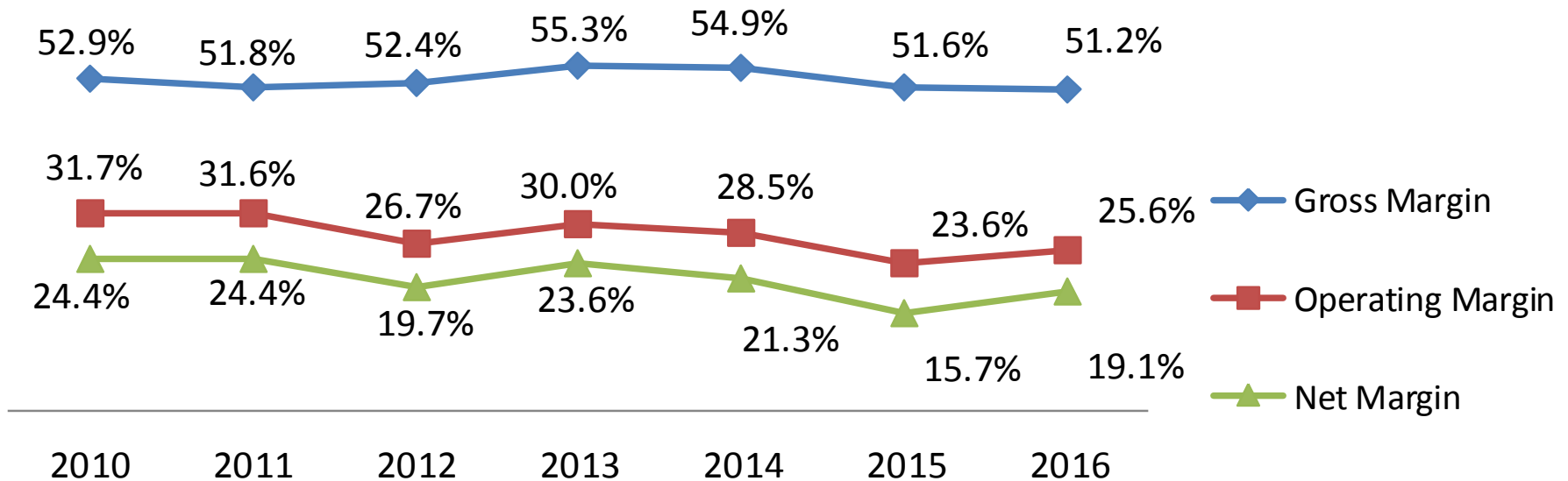


IV · Financial Outlook

2010~2016 Sales & Income after Tax



2010~2016 Profitability Trend



Income Statement

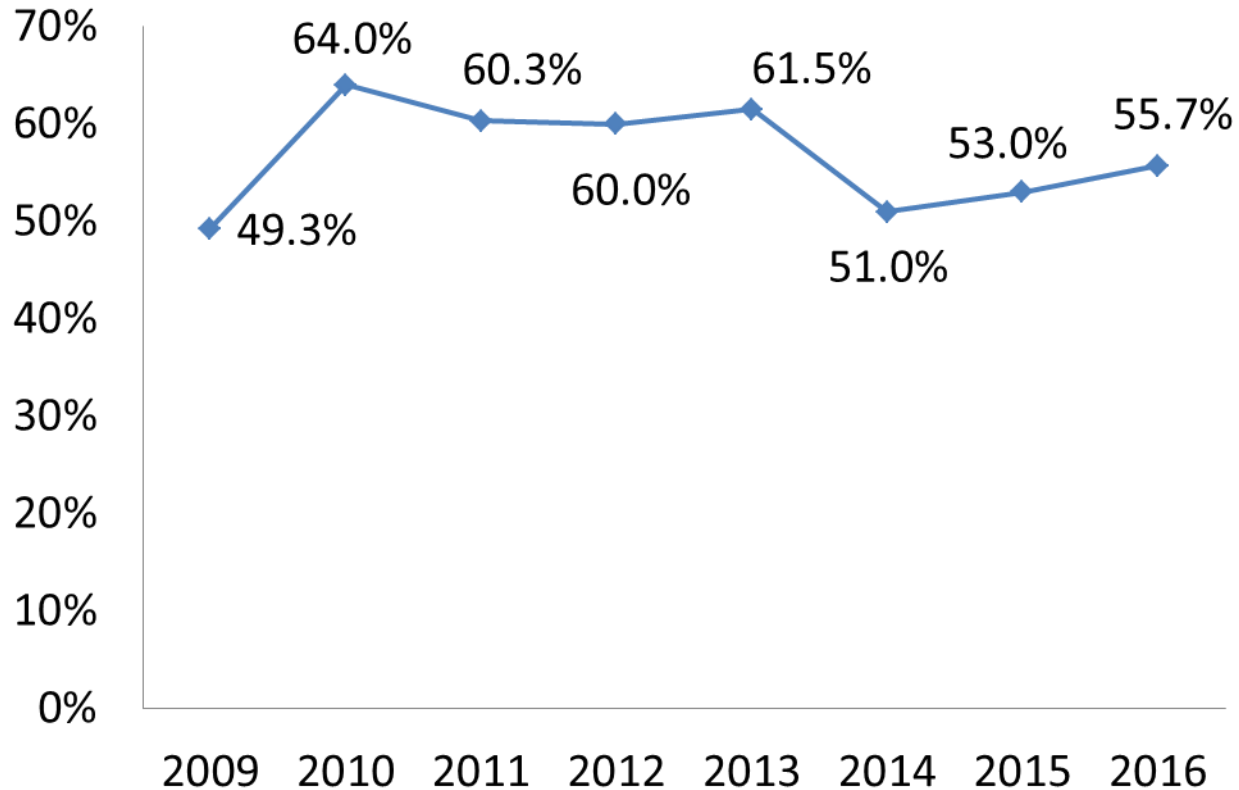
(\$RMB mn)	2013		2014		2015		2016	
Sales	\$1,510	100%	\$1,705	100%	\$1,749	100%	\$2,195	100%
Cost	\$675	45%	\$768	45%	\$847	48%	\$1,071	49%
Gross Profit	\$835	55%	\$937	55%	\$902	52%	\$1,124	51%
Operating Expenses	\$381	25%	\$450	27%	\$490	28%	\$561	25%
Income from Operations	\$454	30%	\$487	28%	\$412	24%	\$563	26%
Non-operating Income & Exp.	\$35	2%	\$-	-%	-\$46	-3%	\$24	1%
EBT	\$489	32%	\$487	28%	\$366	21%	\$587	27%
TAX	\$133	8%	\$123	7%	\$92	5%	\$169	8%
Net Income	\$356	24%	\$364	21%	\$274	16%	\$418	19%

Balance Sheet

(\$RMB mn)

	2013		2014		2015		2016	
Cash & Cash Equivalents	\$323	11%	\$490	13%	\$619	14%	\$798	16%
NR & AR	\$448	15%	\$545	14%	\$608	15%	\$816	16%
Inventory	\$314	11%	\$363	10%	\$393	9%	\$467	10%
Other Current Assets	\$37	1%	\$61	2%	\$257	6%	\$53	1%
Property, plant and equipment, Other	\$1,829	62%	\$2,260	61%	\$2,419	56%	\$2,839	57%
Total Assets	\$2,951	100%	\$3,719	100%	\$4,296	100%	\$4,973	100%
Bank Debt	\$825	28%	\$1,436	39%	\$1,907	44%	\$2,227	45%
Other Current Liabilities	\$227	8%	\$241	6%	\$240	6%	\$340	7%
Other Long-term liabilities	\$61	2%	\$67	2%	\$65	2%	\$77	1%
Total Liabilities	\$1,113	38%	\$1,744	47%	\$2,212	52%	\$2,644	53%
Total Equity	\$1,838	62%	\$1,975	53%	\$2,084	48%	\$2,329	47%
Total Liabilities & Equity	\$2,951	100%	\$3,719	100%	\$4,296	100%	\$4,973	100%

Dividend Payout (Include stock dividends)



Expected 2016 Cash dividends to shareholders – RMB 1.2283 per share(around NTD 5.5 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