



**AirTAC**

**Powered by AIRTAC**

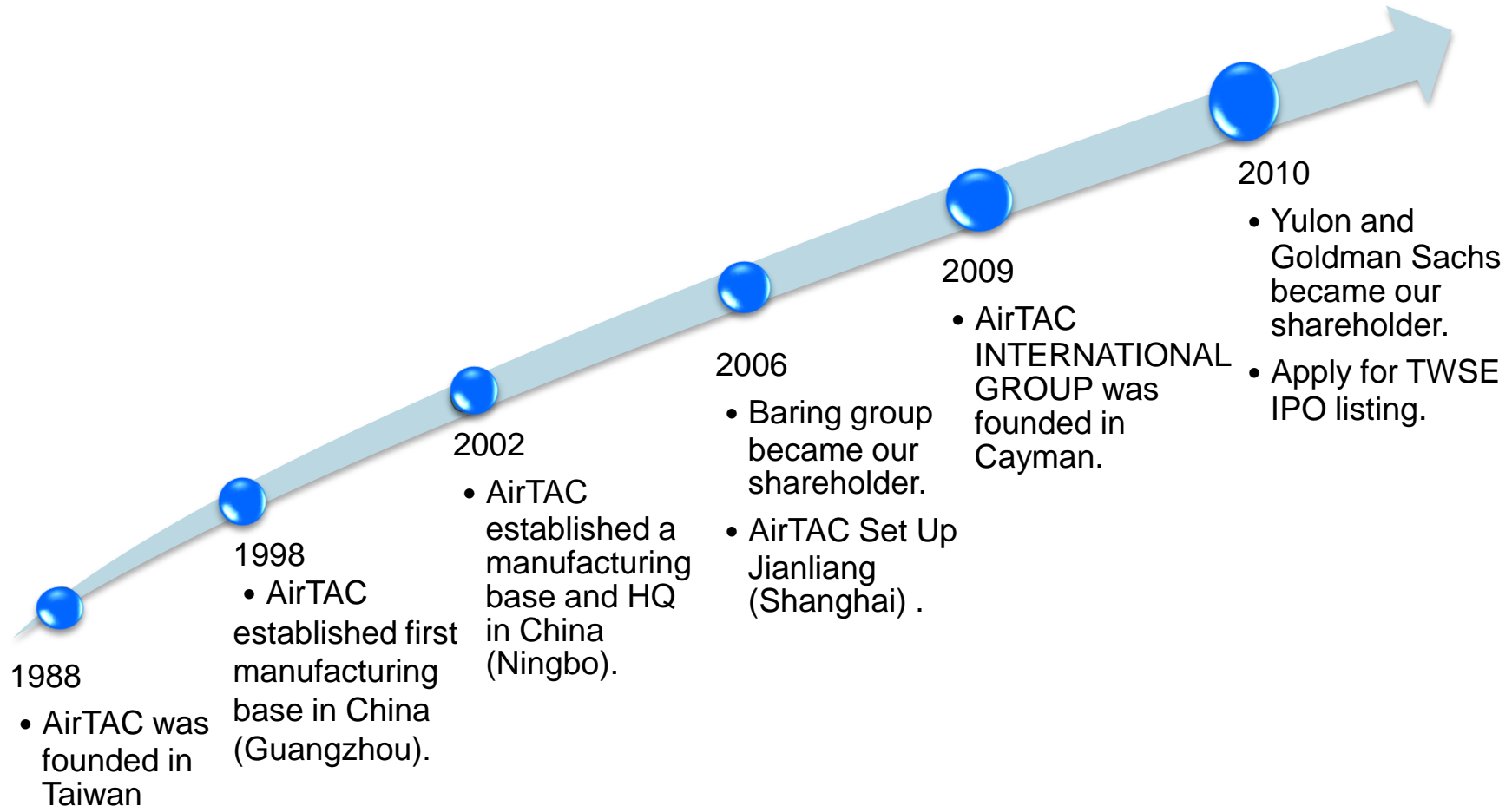
Powered by AIRTAC

# Agenda

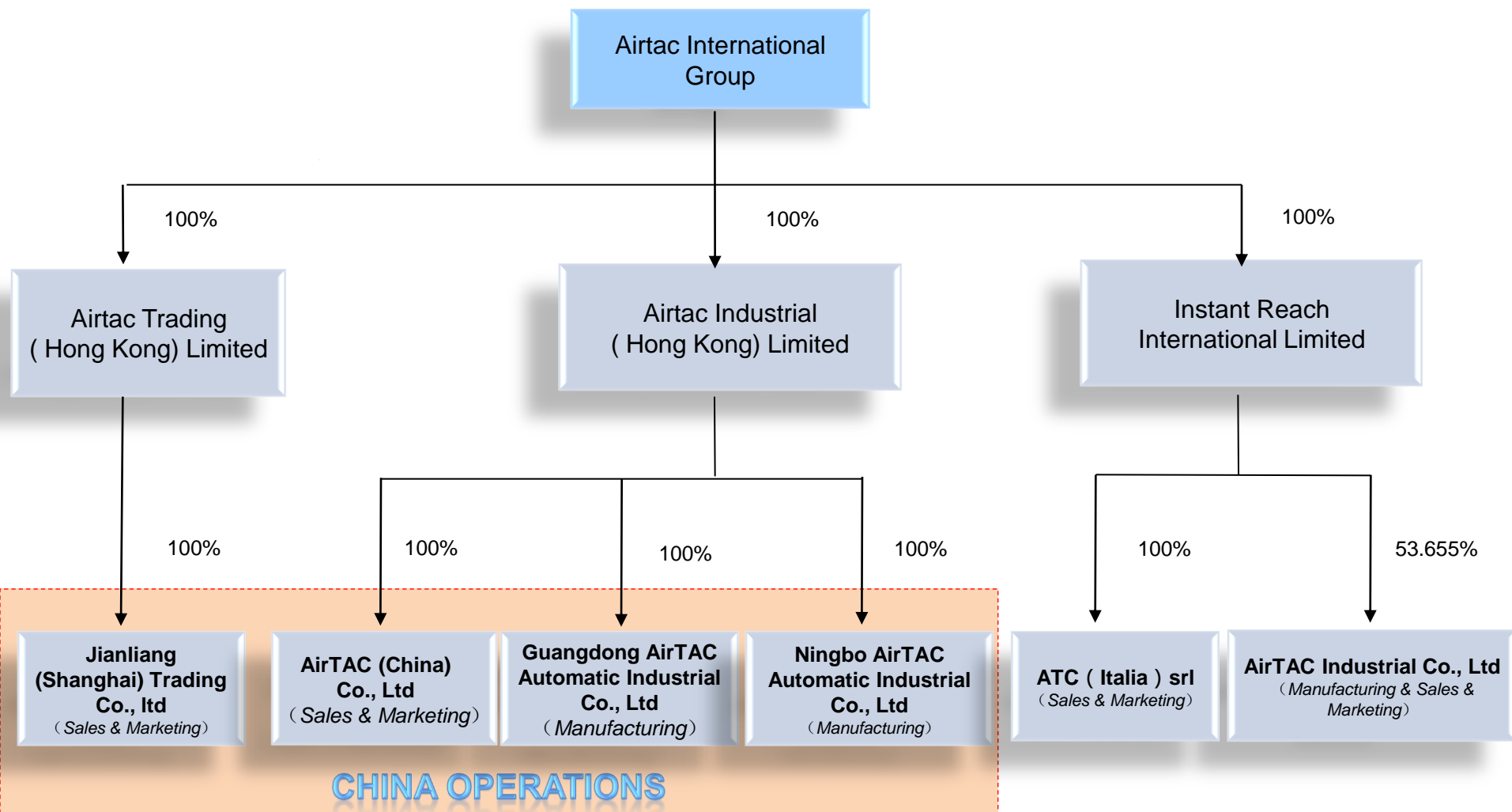
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

# 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

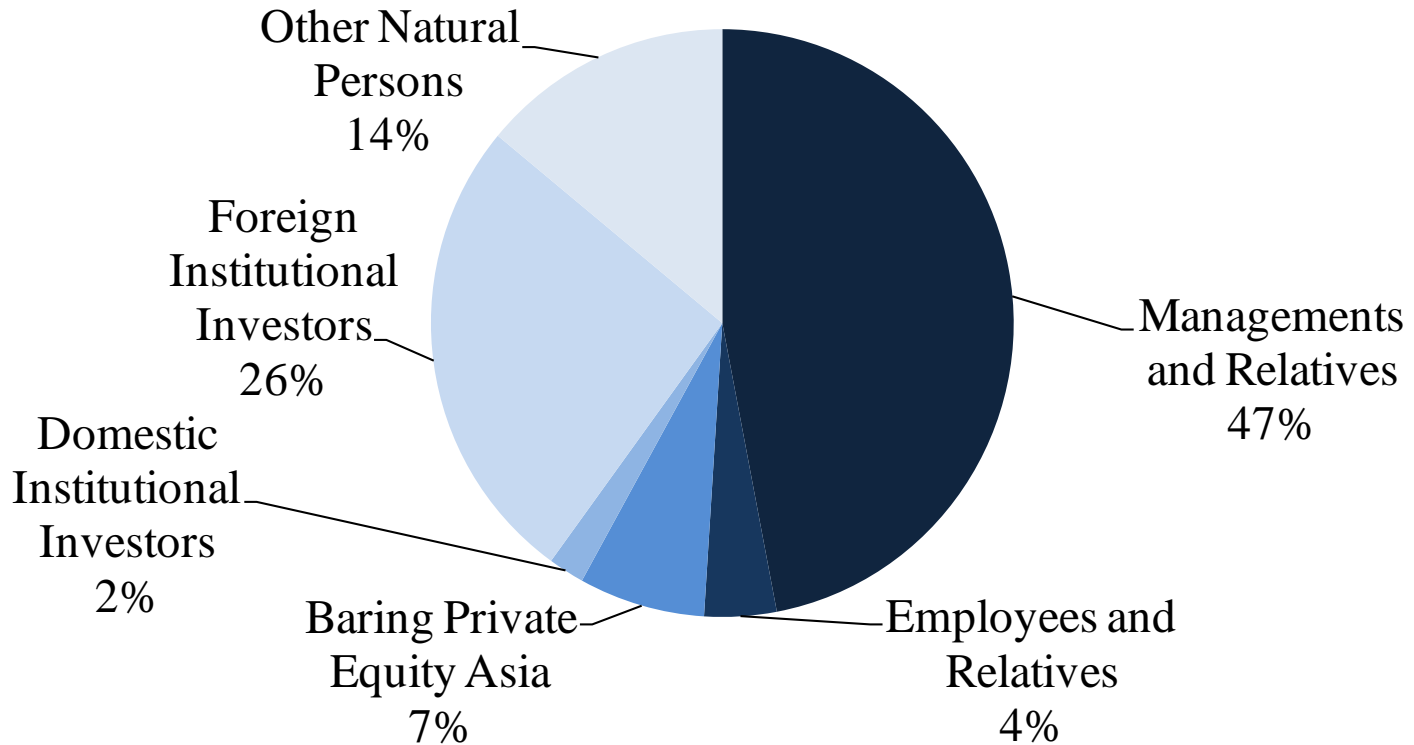
## Profit sharing

- 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



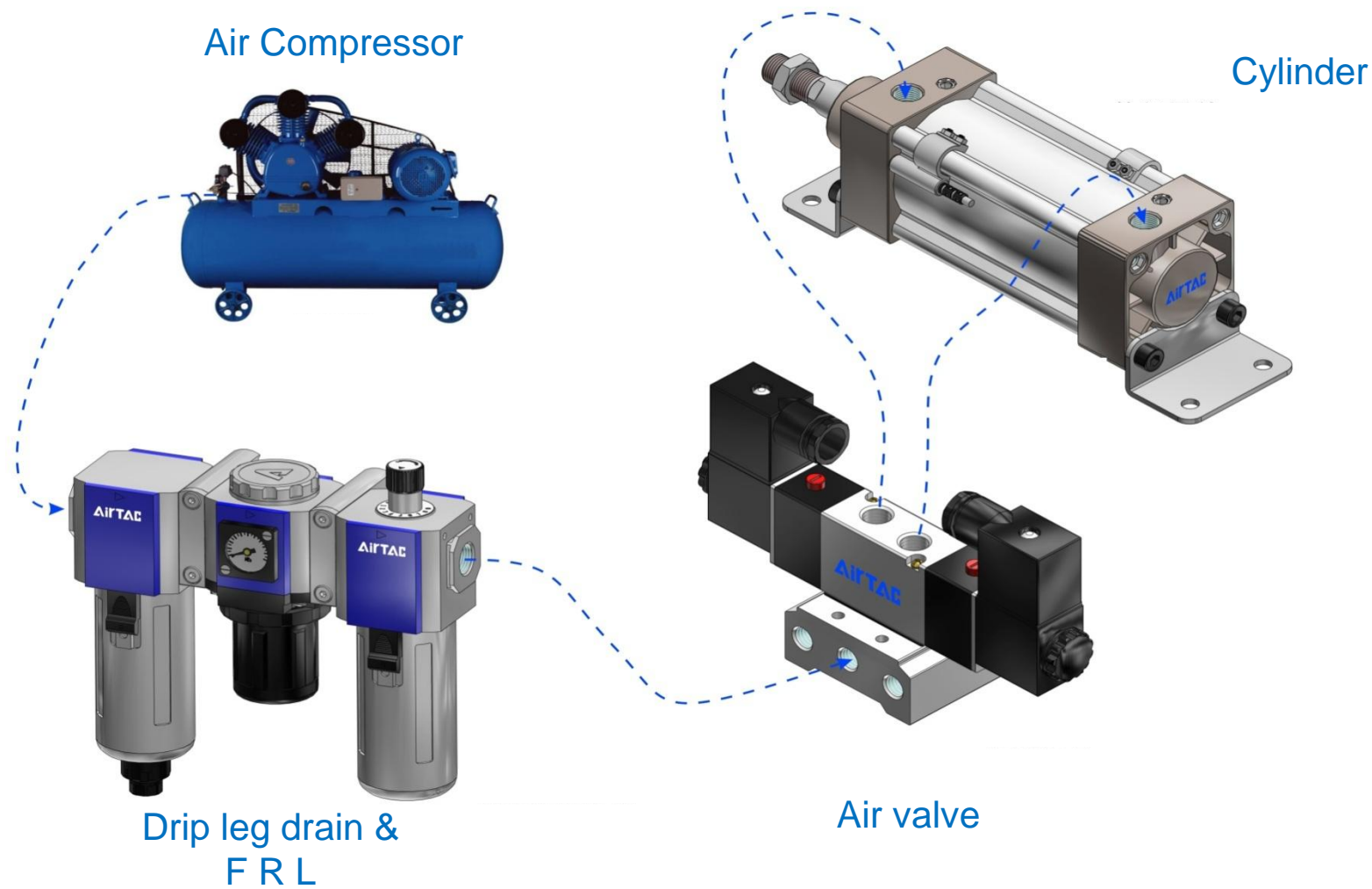
## ▶ Drip leg drain & F R L



## ▶ Others



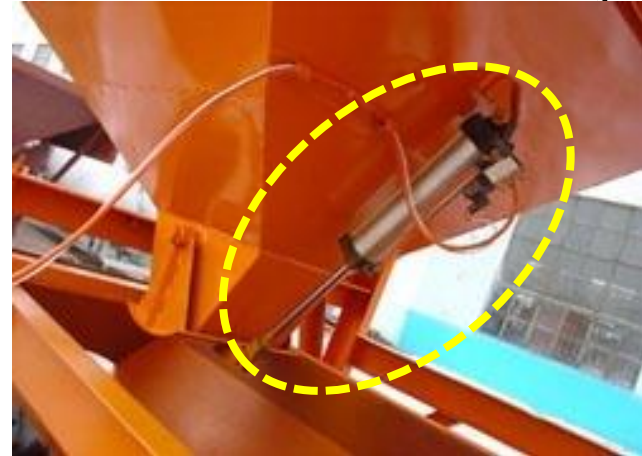
# Pneumatic operation of the process



# 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.

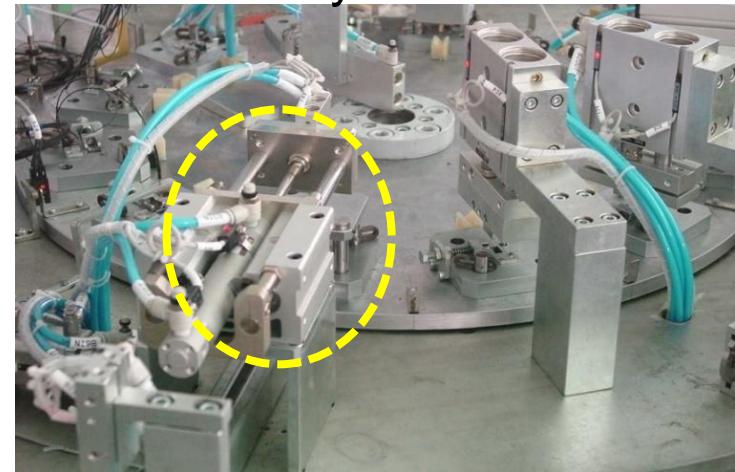
## Construction machinery



## Environmental processing machinery



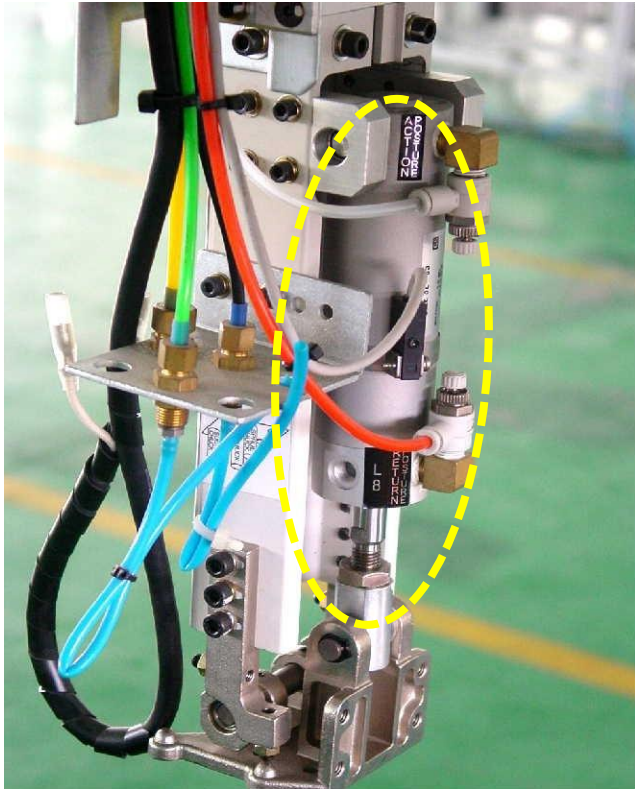
## Assembly automation



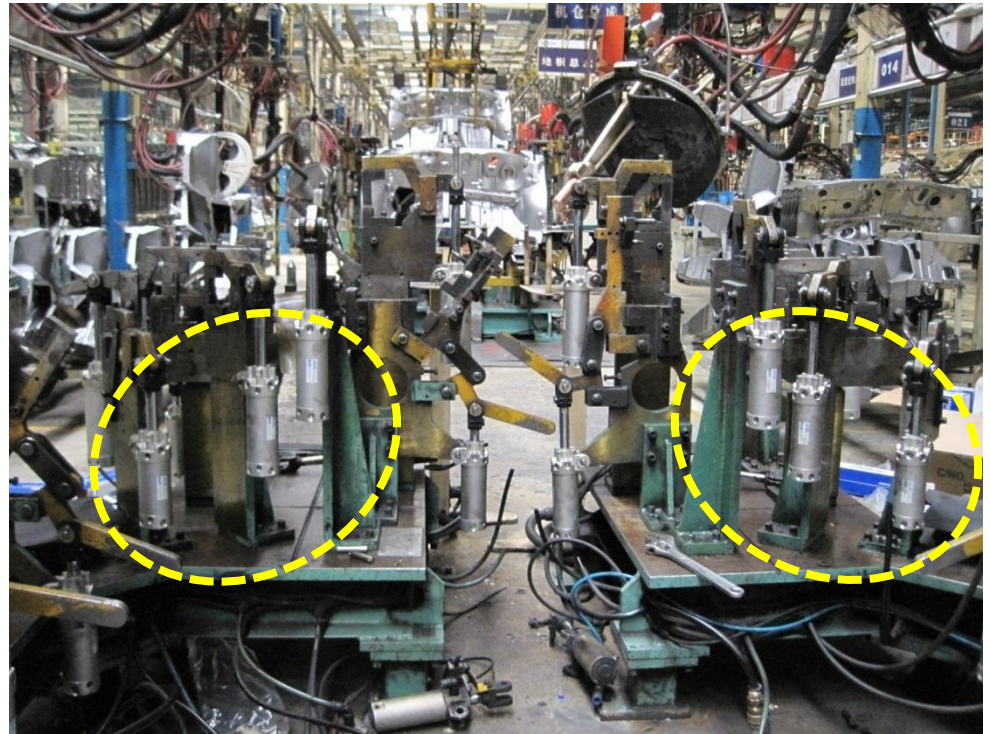


# Products Application by Industry

Robot arm

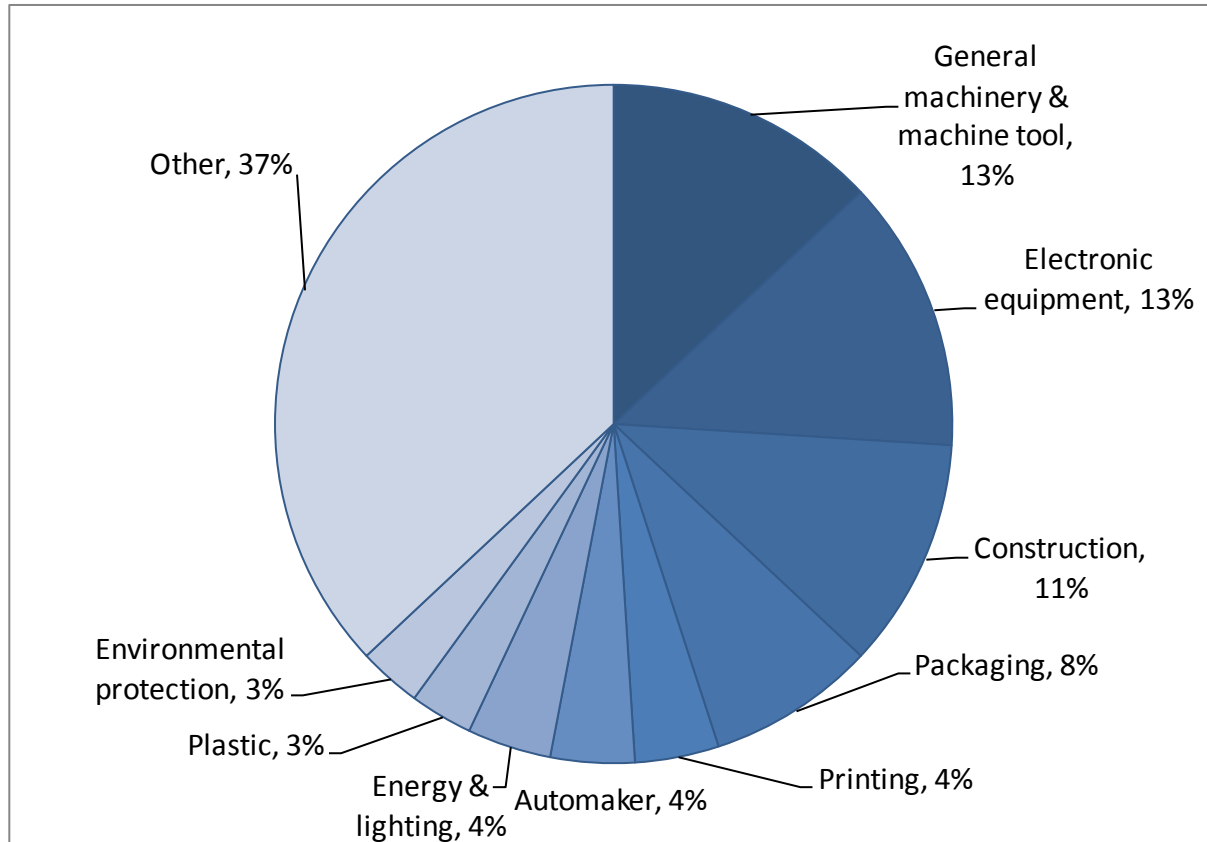


Automobile assembly



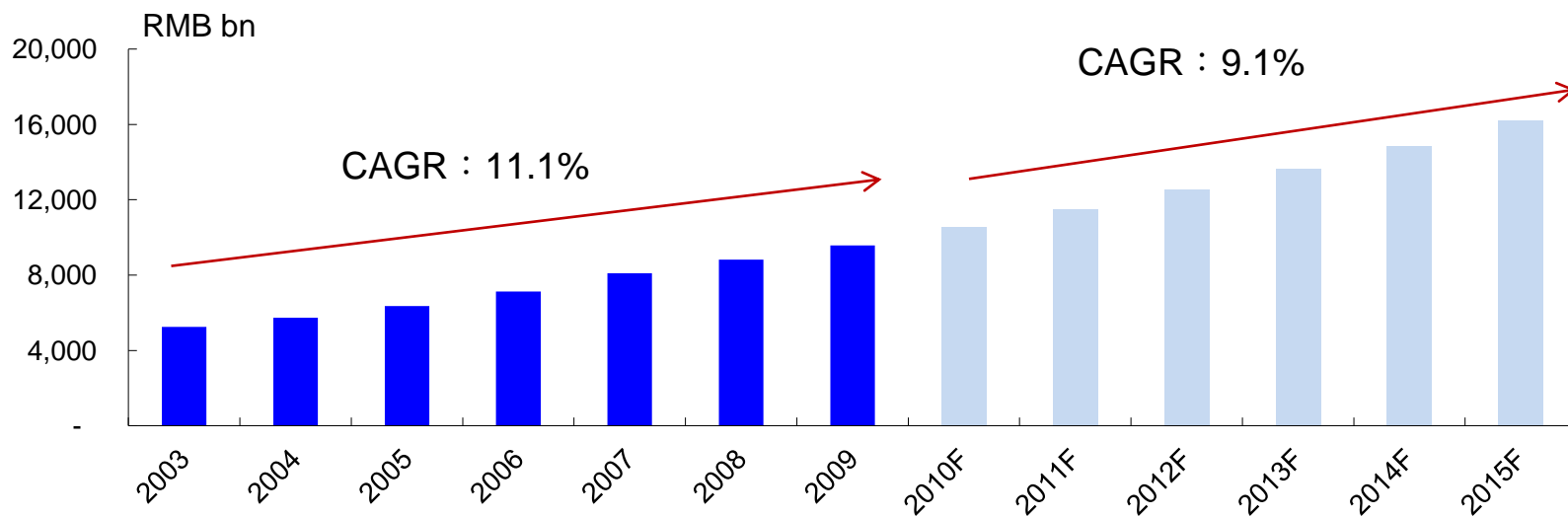
# Clients breakdown by industry

2011Q3 Sales



# With High Growth in China

China GDP CAGR



## 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



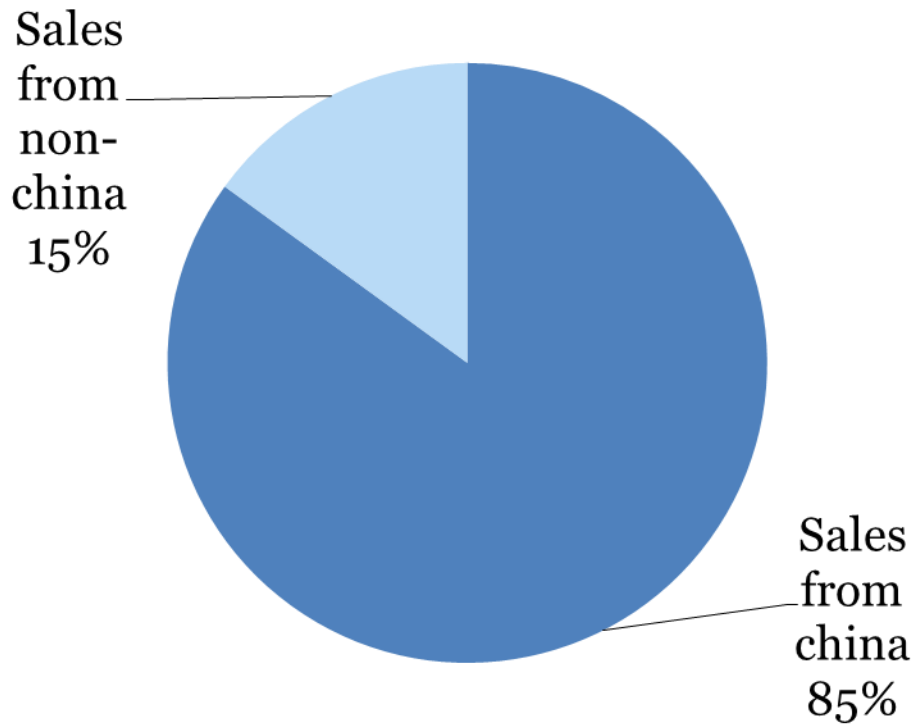
# Worldwide manufacturing bases & sales branches



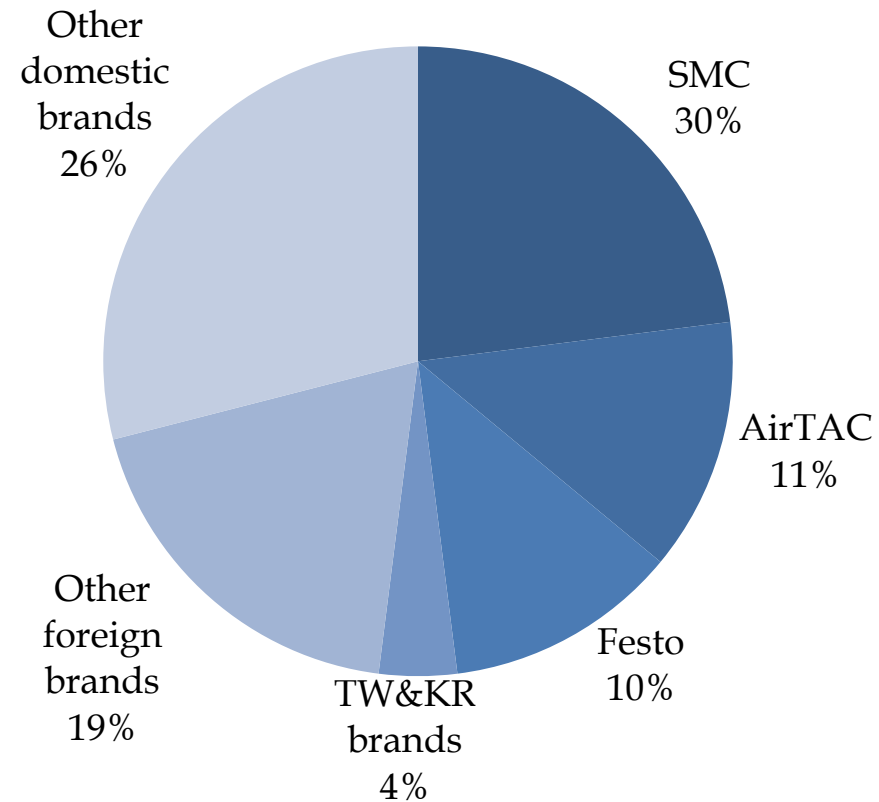
- ◆ Mainland : 2 manufacturing bases; 40 branches, 19 offices
- ◆ Taiwan : 1 manufacturing base and 3 offices
- ◆ Europe : 1 manufacturing and Distribution center in Italy.
- ◆ Overseas: +30 distribution offices to provide comprehensive sales network and service

# Ranked the second largest market share in China

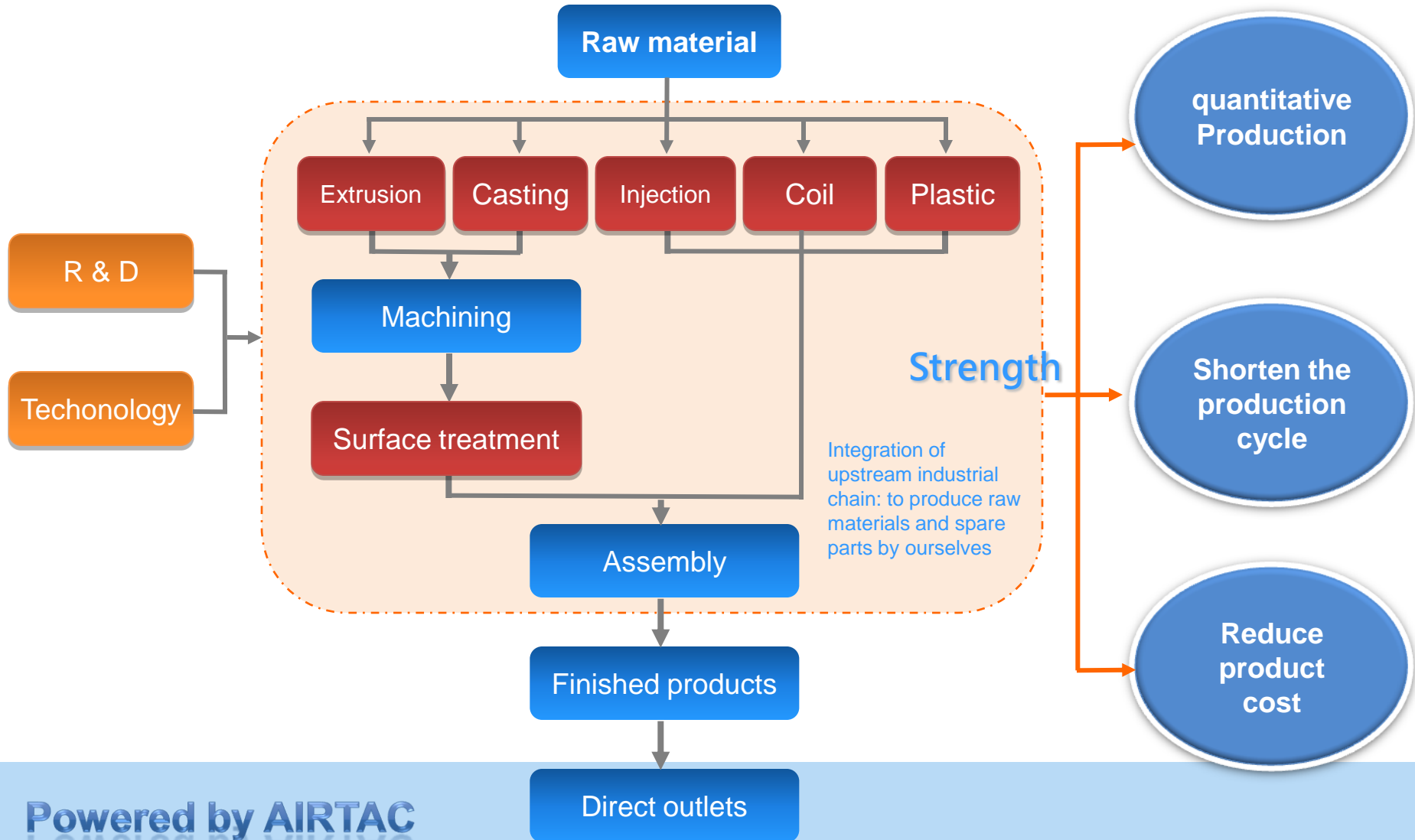
AirTAC Sales by region



Pneumatic equipment - market share in China

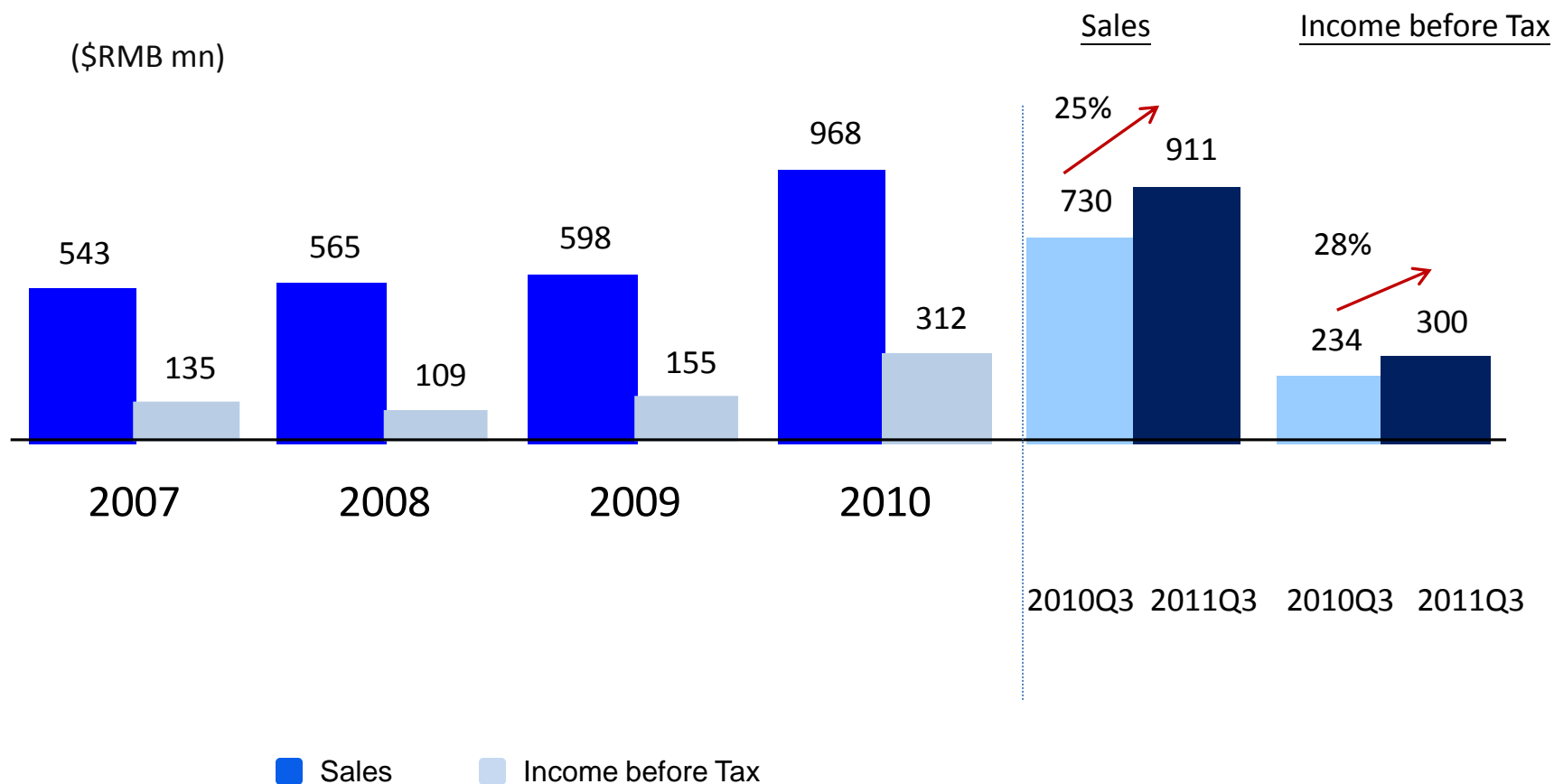


# Integration of upstream industrial chain

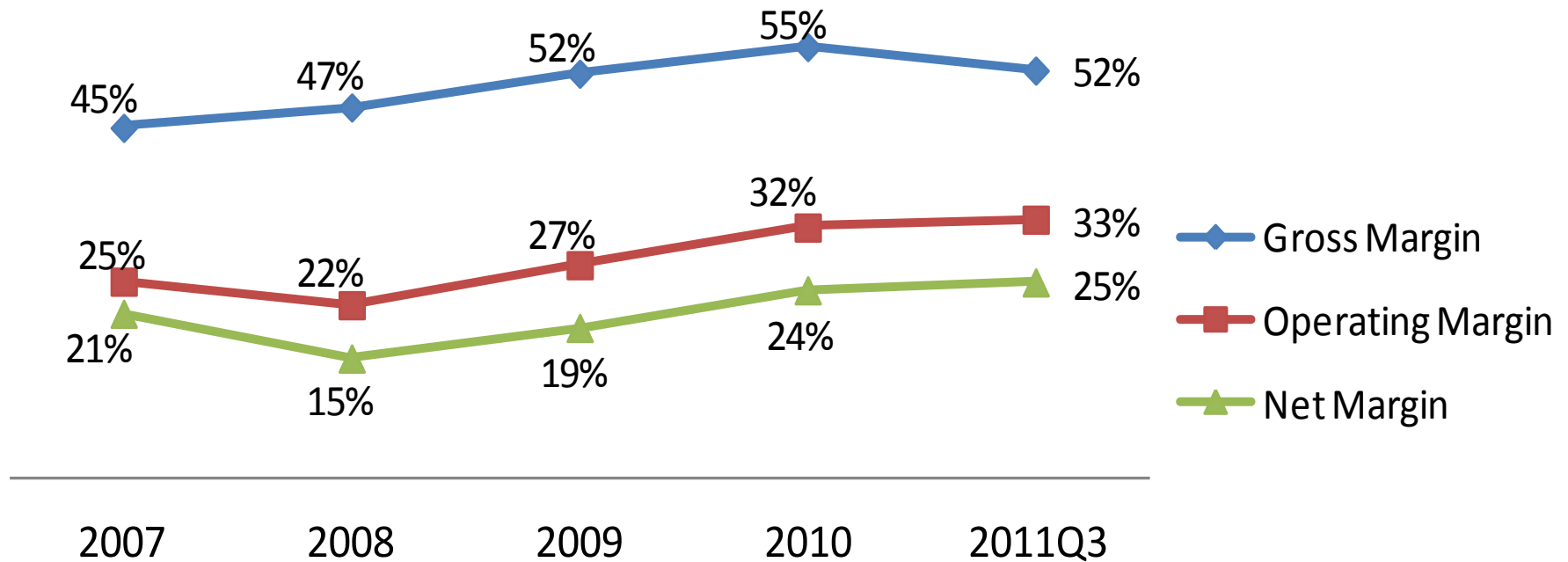


## IV · Financial Outlook

# 2007~2011Q3 Sales & Income before Tax



# 2007~2011Q3 Profitability Trend



# Income Statement

(\$RMB mn)

	2008		2009		2010		2011Q3 (unaudited)	
Sales	\$565	100%	\$598	100%	\$968	100%	\$911	100%
Cost	\$298	53%	\$289	49%	\$434	45%	\$436	48%
Gross Profit	\$267	47%	\$309	51%	\$534	55%	\$475	52%
Operating Expenses	\$142	25%	\$146	24%	\$227	24%	\$178	19%
Income from Operations	\$125	22%	\$163	27%	\$307	31%	\$297	33%
Non-operating Income	\$3	1%	\$9	2%	\$17	2%	\$9	1%
Non-operating Expenses	\$19	4%	\$17	3%	\$12	1%	\$6	1%
EBT	\$109	19%	\$155	26%	\$312	32%	\$300	33%
TAX	\$22	4%	\$40	7%	\$75	8%	\$70	8%
Net Income	\$87	15%	\$115	19%	\$237	24%	\$230	25%

# Balance Sheet



股票代號：1590

2011Q3

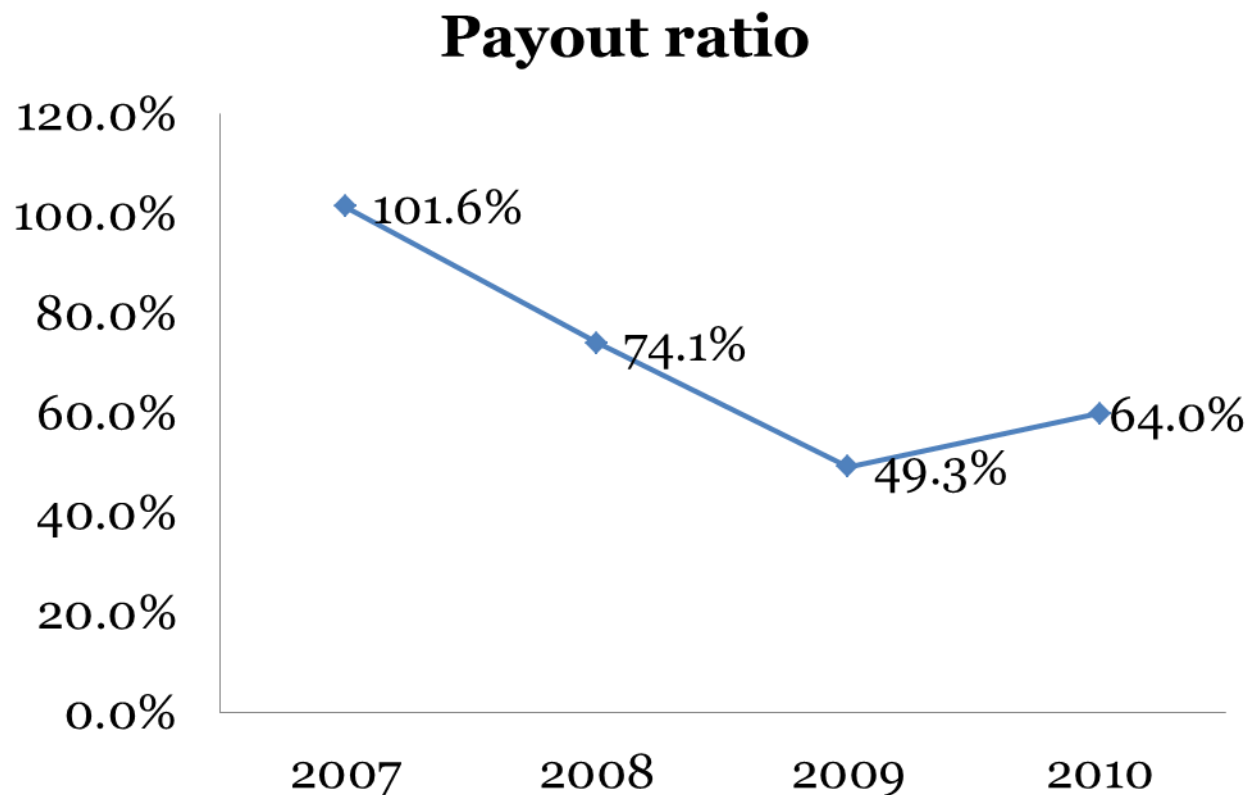
(unaudited)

(\$RMB mn)

	2008		2009		2010		2011Q3	
Cash & Cash Equivalents	\$50	6%	\$74	8%	\$431	29%	\$321	18%
NR & AR	\$107	13%	\$155	17%	\$226	15%	\$328	19%
Inventory & Other Current Assets	\$141	16%	\$129	14%	\$188	12%	\$254	14%
Property, plant and equipment, Other	\$557	65%	\$558	61%	\$666	44%	\$863	49%
<b>Total Assets</b>	<b>\$855</b>	<b>100%</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,766</b>	<b>100%</b>
AP, Other Current Liabilities	\$163	19%	\$280	30%	\$294	19%	\$520	30%
Long-term liabilities, Other	\$268	31%	\$126	14%	\$196	13%	\$112	6%
<b>Total Liabilities</b>	<b>\$431</b>	<b>50%</b>	<b>\$406</b>	<b>44%</b>	<b>\$490</b>	<b>32%</b>	<b>\$632</b>	<b>36%</b>
<b>Total Equity</b>	<b>\$424</b>	<b>50%</b>	<b>\$510</b>	<b>56%</b>	<b>\$1,021</b>	<b>68%</b>	<b>\$1,134</b>	<b>64%</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$855</b>	<b>100%</b>	<b>\$916</b>	<b>100%</b>	<b>\$1,511</b>	<b>100%</b>	<b>\$1,766</b>	<b>100%</b>



# Payout Ratio



Cash dividends to shareholders – RMB1.00 per share (around NTD4.36 per share )

# V · Development prospects & Strategic

# Goals in the next three years

1. Expand sales channels
2. Expand overseas markets
3. Expand product portfolio
4. To be global top 3 players in the next three years

# Q&A