



AirTAC

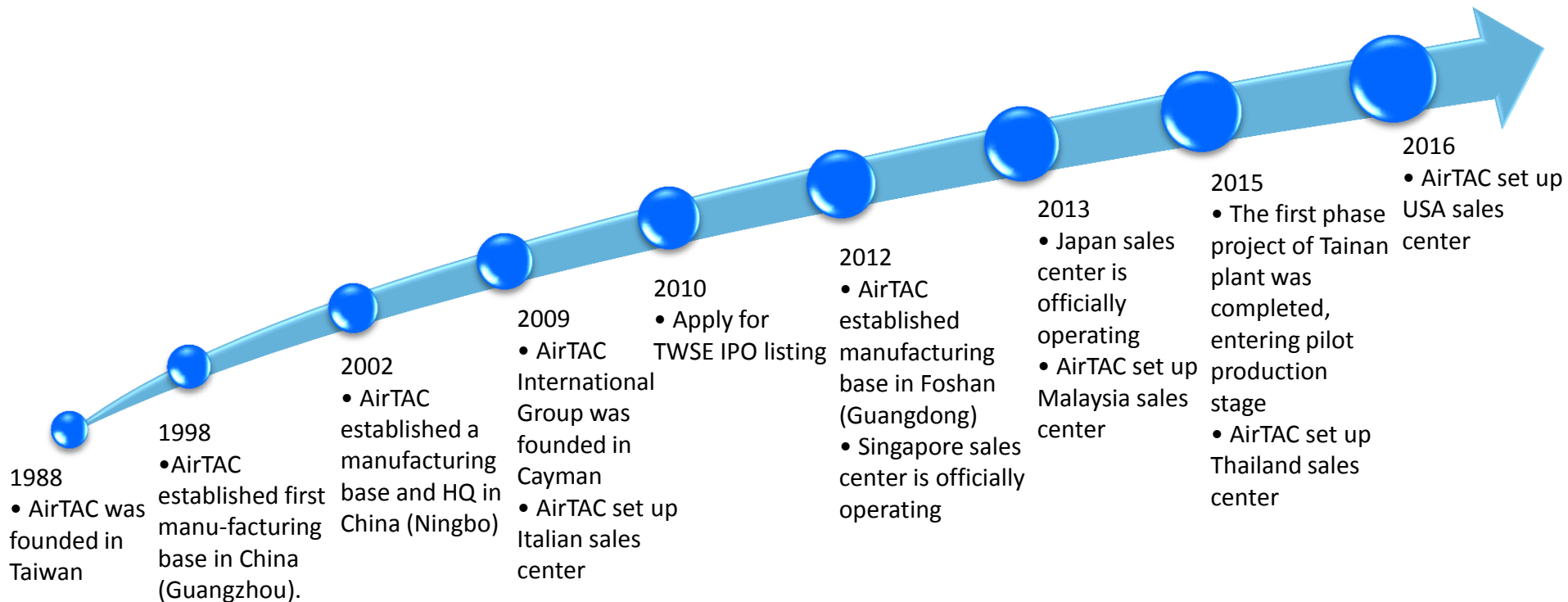
Powered by AIRTAC

Agenda

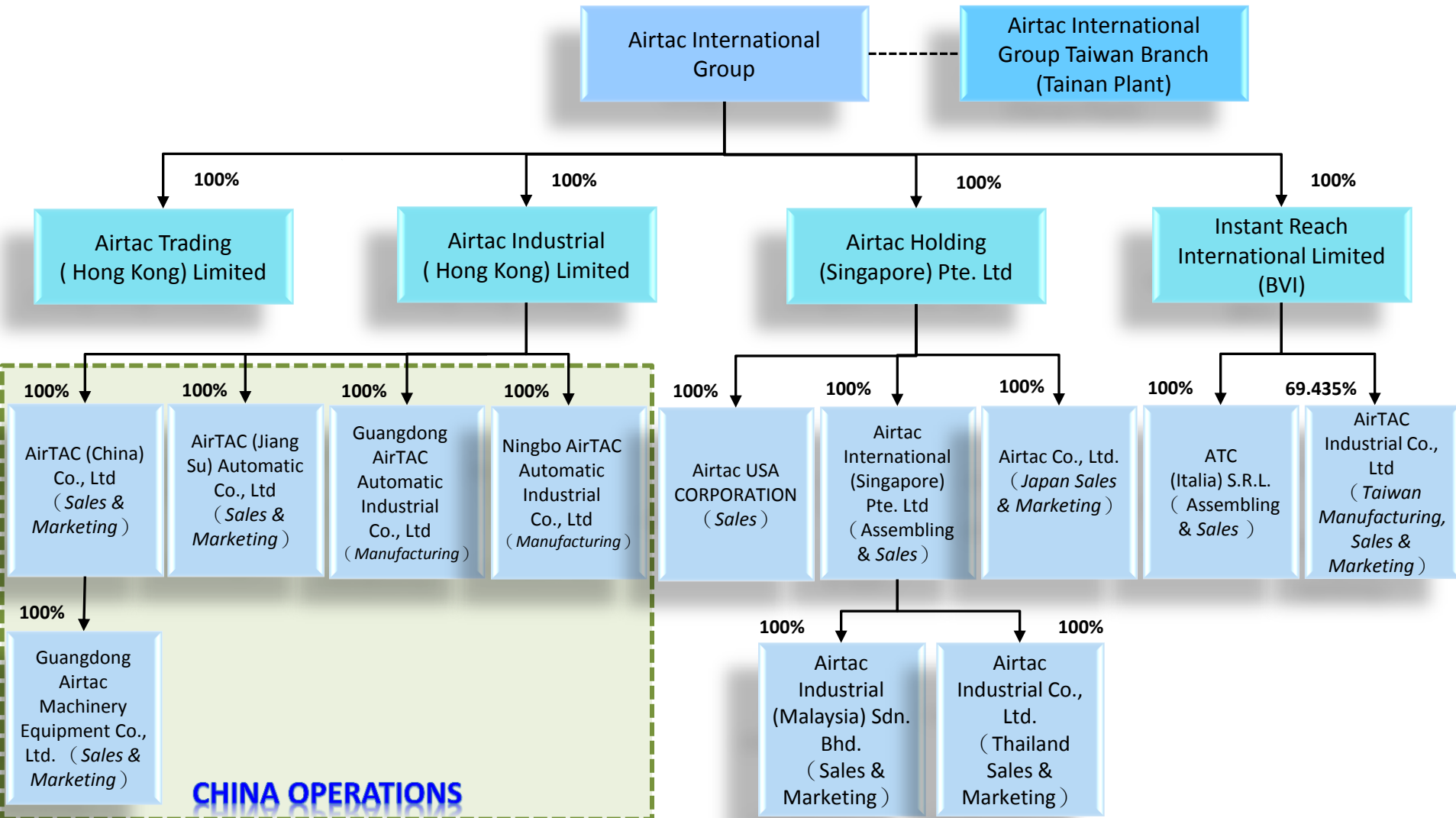
- I Group Overview**
- II Product & Market**
- III Competitive Advantage**
- IV Financial Outlook**
- V Development prospects & Strategic**

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

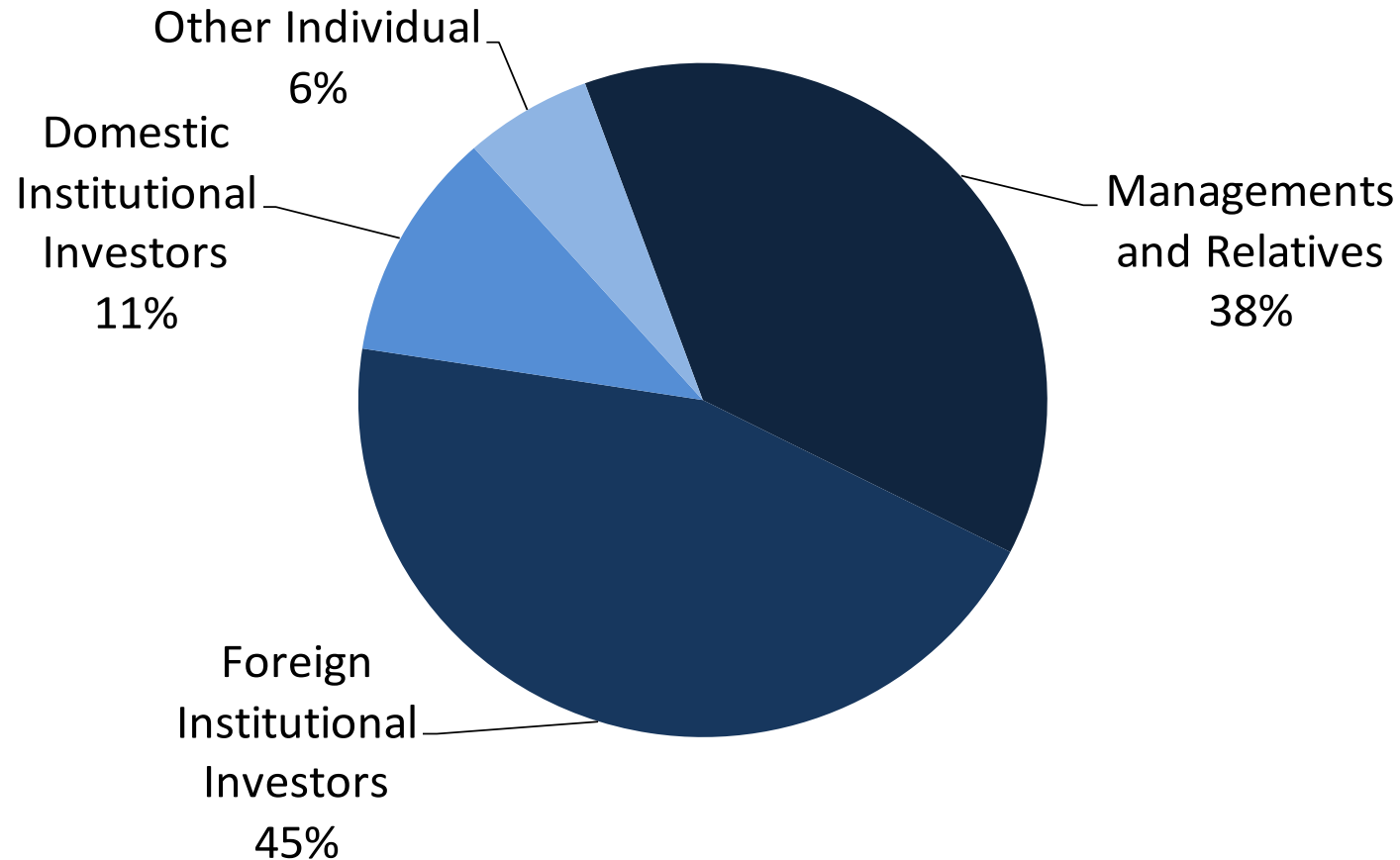
Profit sharing

- 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



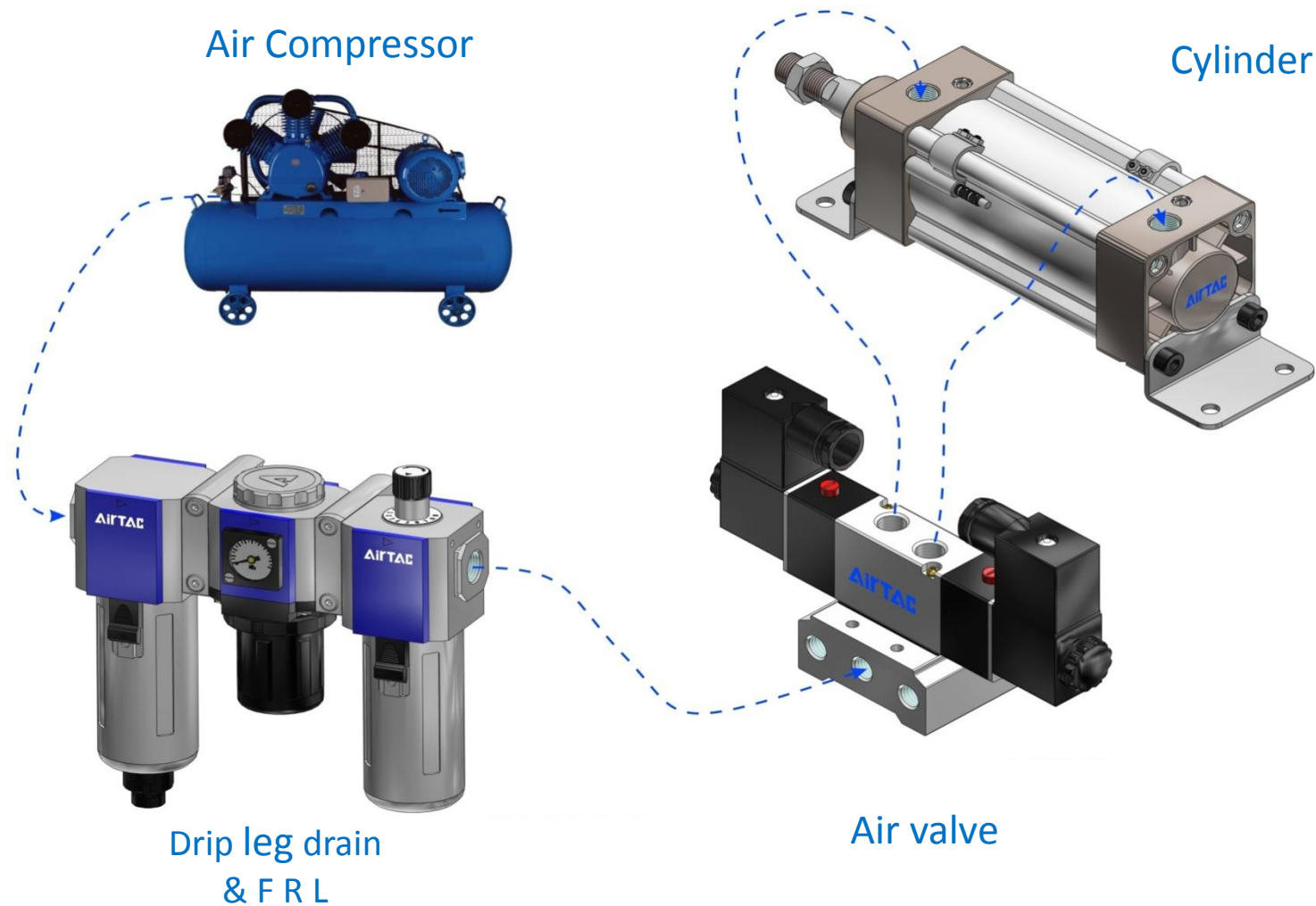
▶ Drip leg drain & F R L



▶ Others



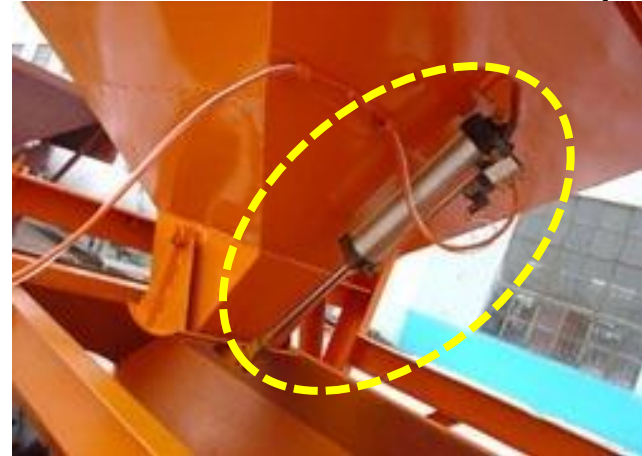
Pneumatic operation of the process



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.

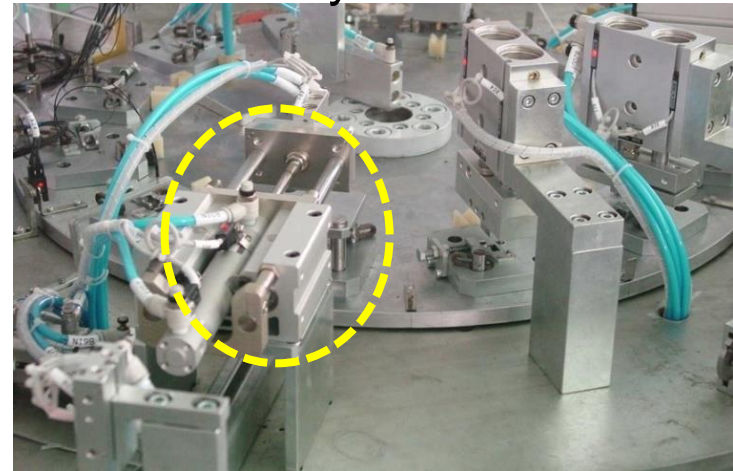
Construction machinery



Environmental processing machinery

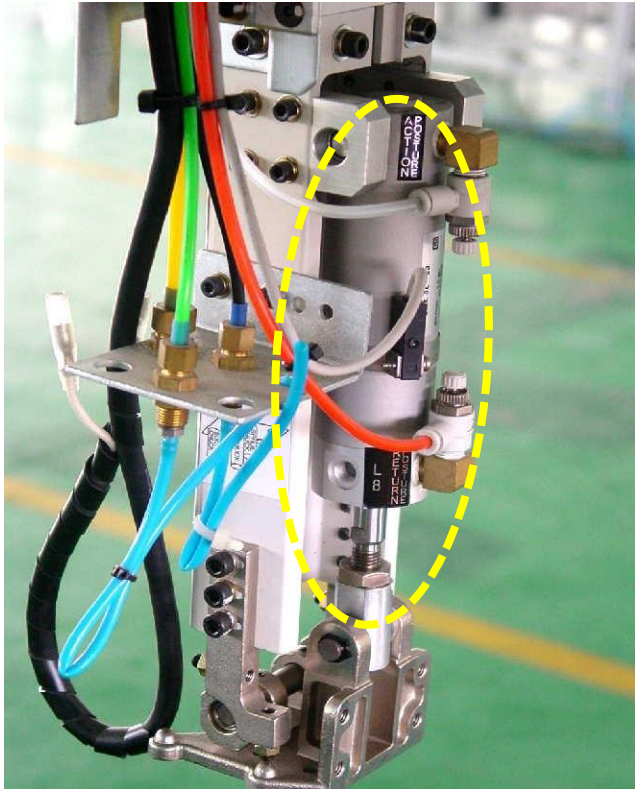


Assembly automation

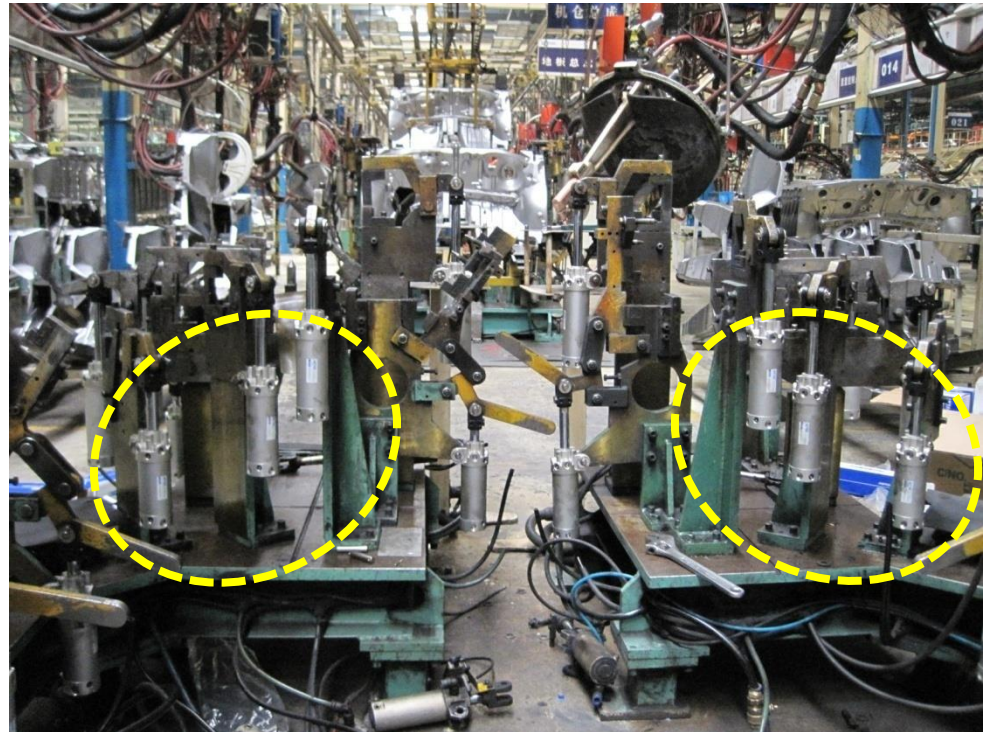


Products Application by Industry

Robot arm

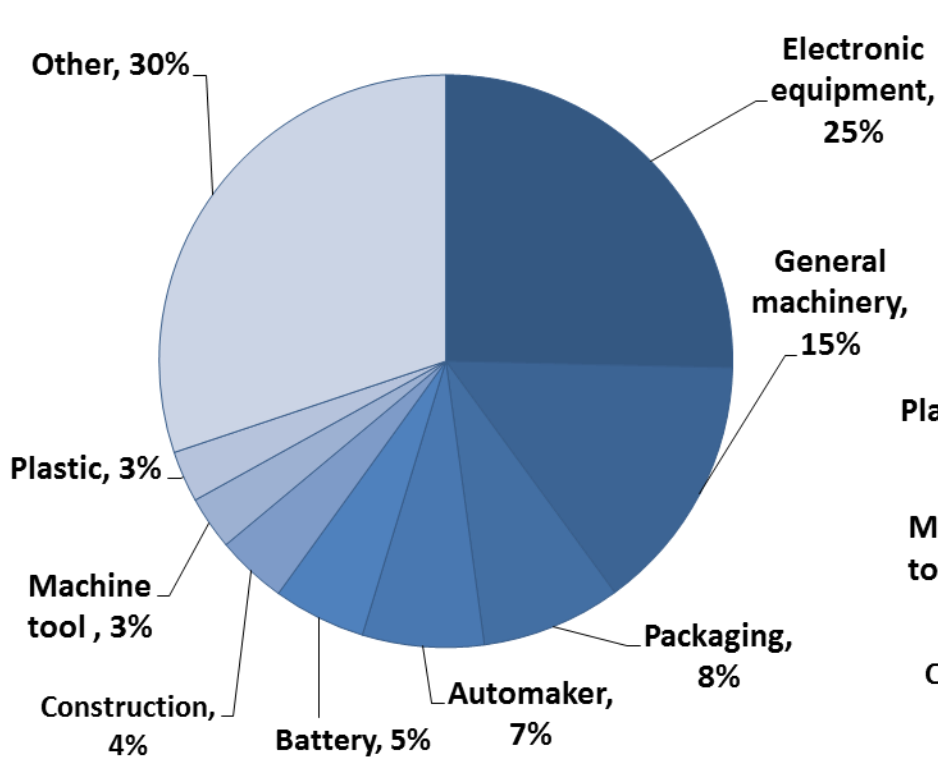


Automobile assembly

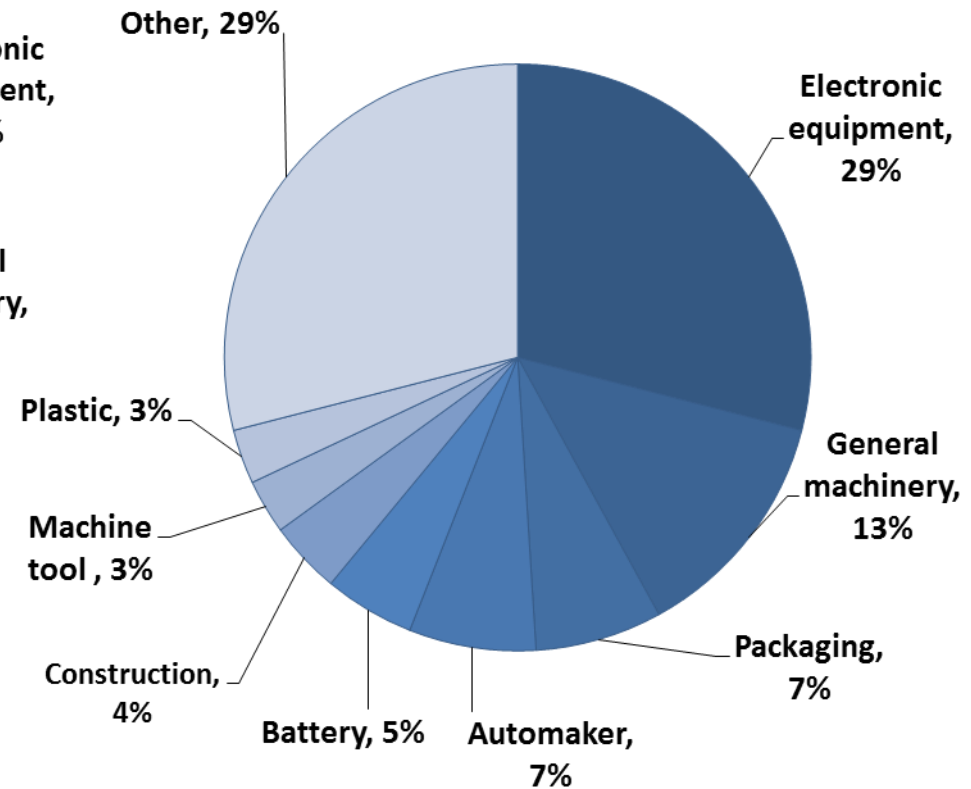


Clients breakdown by industry

2016 Sales



2017 Q1~Q3 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

- 85% 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



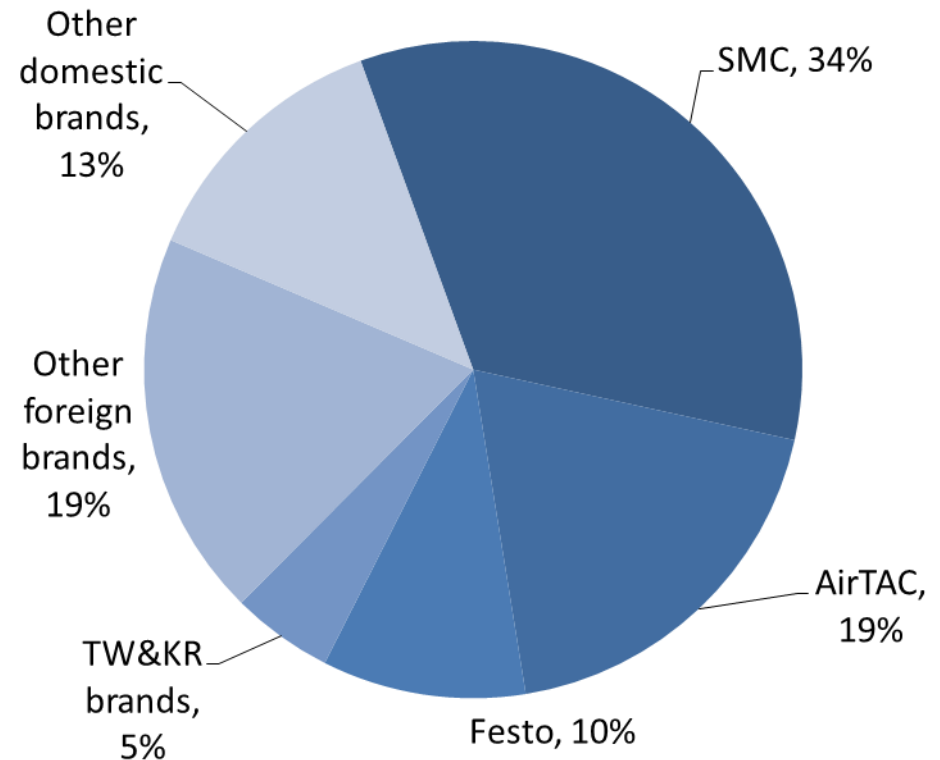
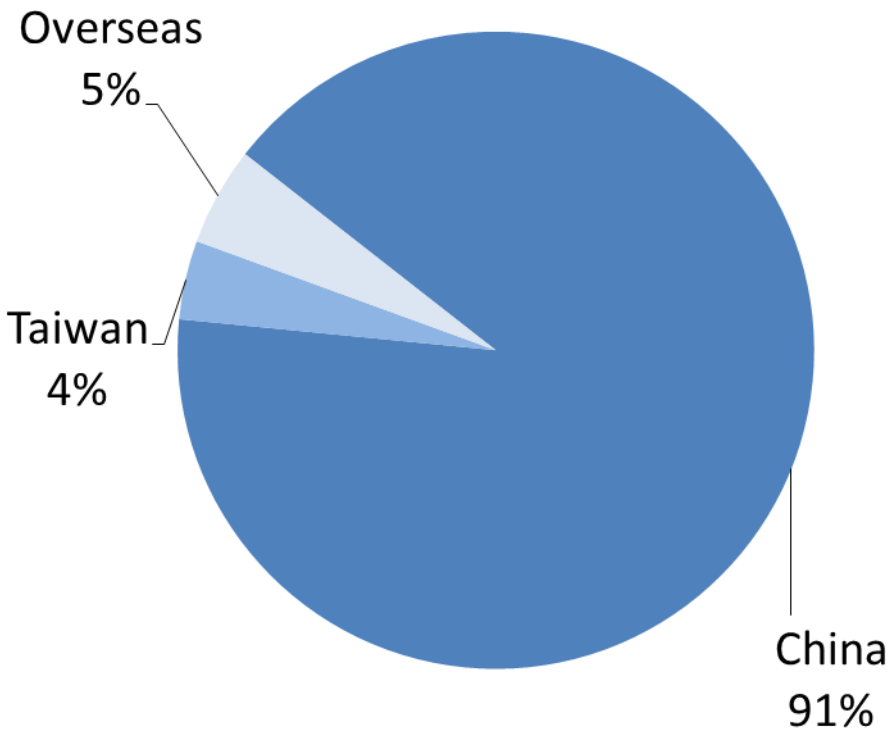
- ◆ Mainland : 2 manufacturing bases; 15 branches, 94 offices
- ◆ Taiwan : 1 manufacturing base and 2 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

● Manufacturing Base ● Overseas Sales Center ● Sales Channels

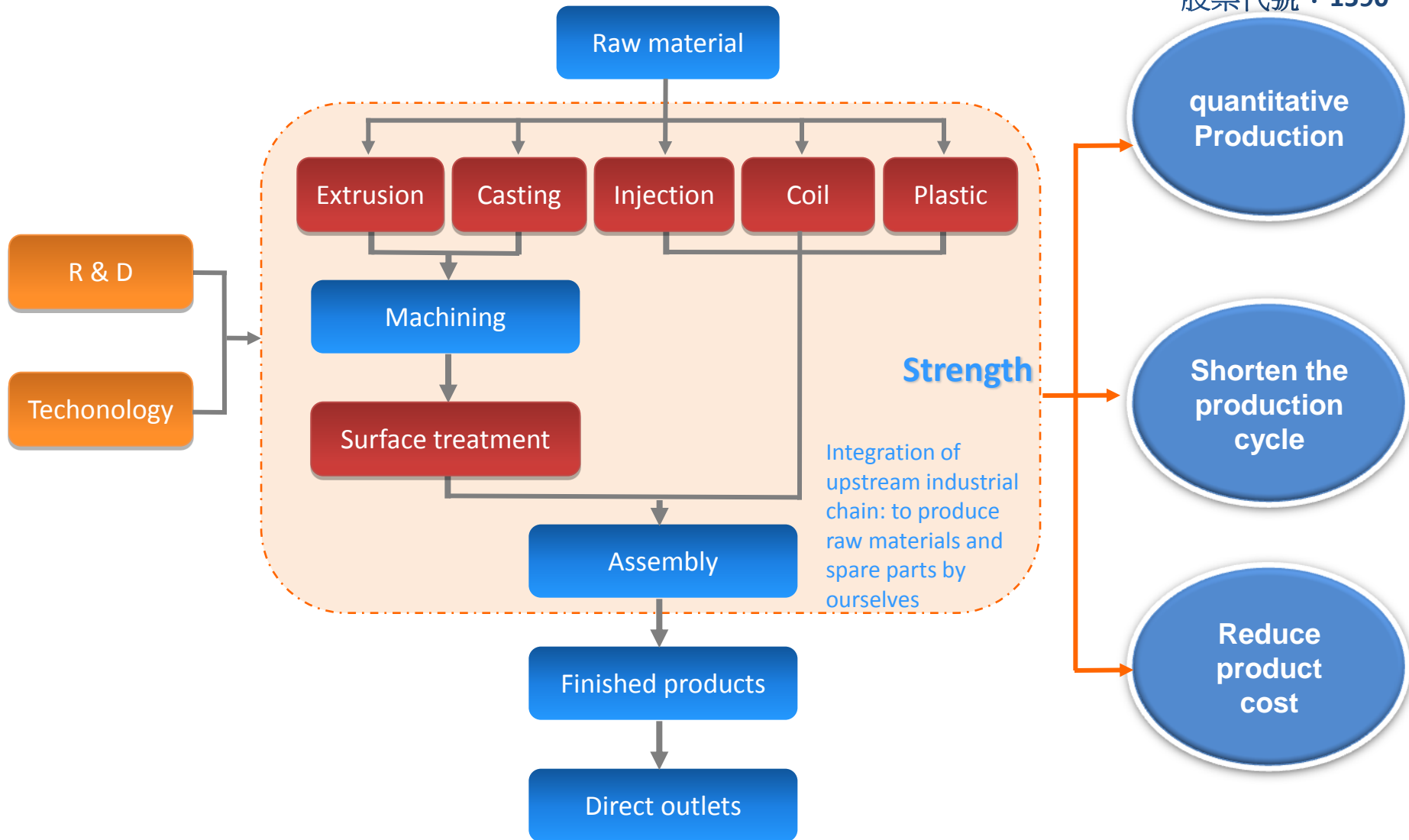
Ranked the second largest market share in China

AirTAC Sales by region

Pneumatic equipment - market share in China

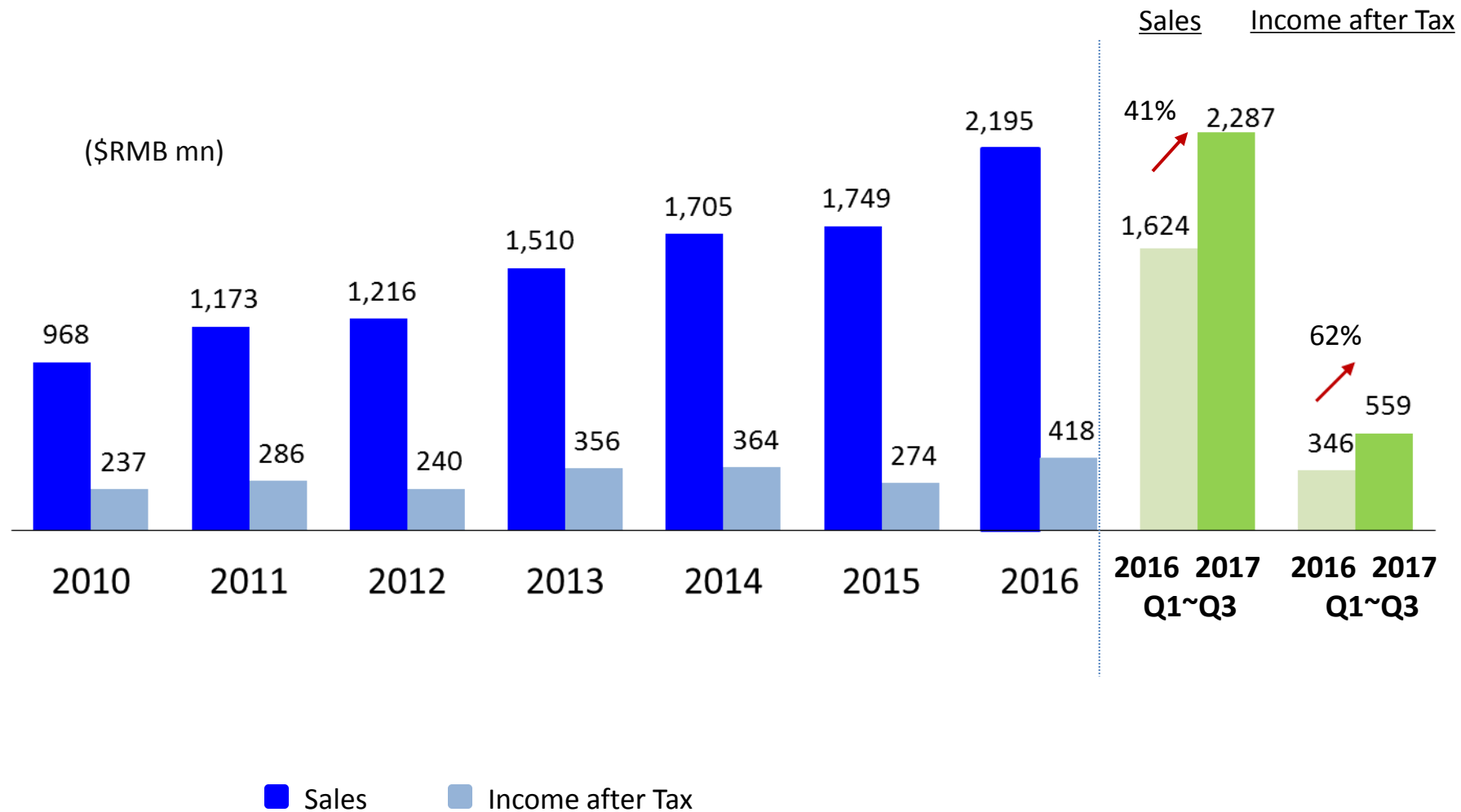


Integration of upstream industrial chain

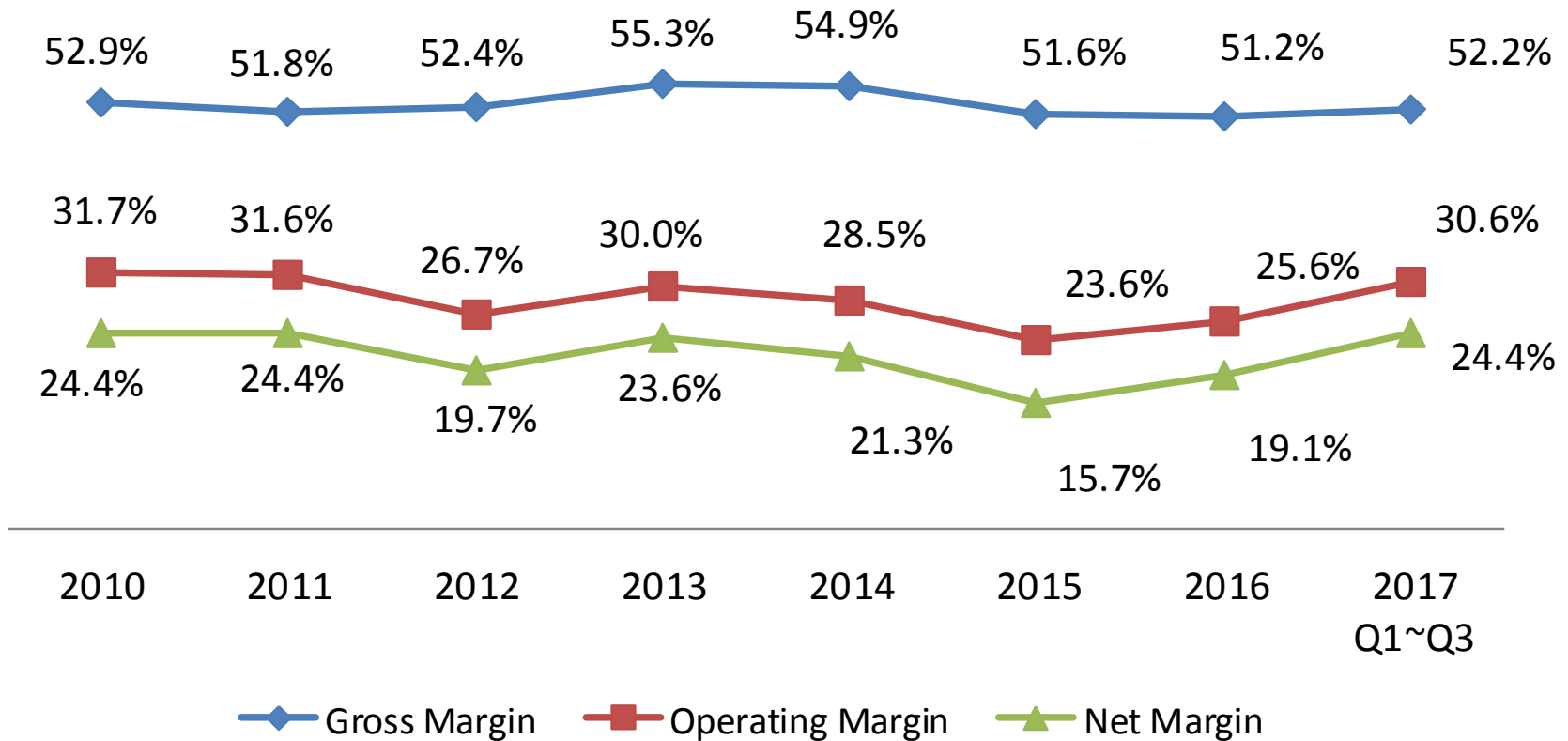


IV · Financial Outlook

2010~2017 Q3 Sales & Income after Tax



2010~2017 Q3 Profitability Trend



Income Statement



股票代號：1590

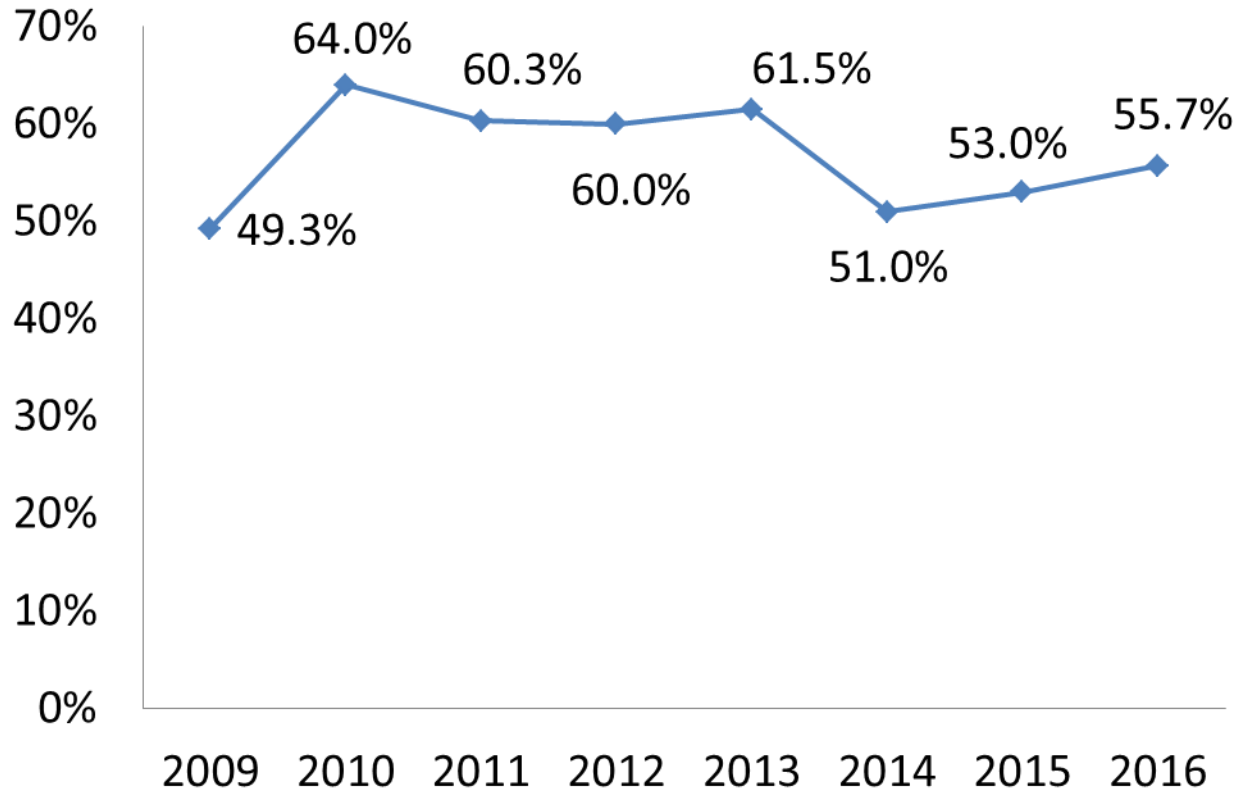
(\$RMB mn)	2014		2015		2016		2017 Q1~Q3	
Sales	\$1,705	100%	\$1,749	100%	\$2,195	100%	\$2,287	100%
Cost	\$768	45%	\$847	48%	\$1,071	49%	\$1,093	48%
Gross Profit	\$937	55%	\$902	52%	\$1,124	51%	\$1,194	52%
Operating Expenses	\$450	27%	\$490	28%	\$561	25%	\$494	22%
Income from Operations	\$487	28%	\$412	24%	\$563	26%	\$700	30%
Non-operating Income & Exp.	\$-	-%	-\$46	-3%	\$24	1%	\$38	2%
EBT	\$487	28%	\$366	21%	\$587	27%	\$738	32%
TAX	\$123	7%	\$92	5%	\$169	8%	\$179	8%
Net Income	\$364	21%	\$274	16%	\$418	19%	\$559	24%

Balance Sheet

(\$RMB mn)

	2014		2015		2016		2017 Q3	
Cash & Cash Equivalents	\$490	13%	\$619	14%	\$798	16%	\$232	4%
NR & AR	\$545	14%	\$608	15%	\$816	16%	\$1,209	21%
Inventory	\$363	10%	\$393	9%	\$467	10%	\$758	13%
Other Current Assets	\$61	2%	\$257	6%	\$53	1%	\$99	2%
Property, plant and equipment, Other	\$2,260	61%	\$2,419	56%	\$2,839	57%	\$3,482	60%
Total Assets	\$3,719	100%	\$4,296	100%	\$4,973	100%	\$5,780	100%
Bank Debt	\$1,436	39%	\$1,907	44%	\$2,227	45%	\$1,953	34%
Other Current Liabilities	\$241	6%	\$240	6%	\$340	7%	\$430	7%
Other Long-term liabilities	\$67	2%	\$65	2%	\$77	1%	\$73	1%
Total Liabilities	\$1,744	47%	\$2,212	52%	\$2,644	53%	\$2,456	42%
Total Equity	\$1,975	53%	\$2,084	48%	\$2,329	47%	\$3,324	58%
Total Liabilities & Equity	\$3,719	100%	\$4,296	100%	\$4,973	100%	\$5,780	100%

Dividend Payout (Include stock dividends)



2016 Cash dividends to shareholders – RMB 1.2283 per share(around NTD 5.49787079 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