



AirTAC

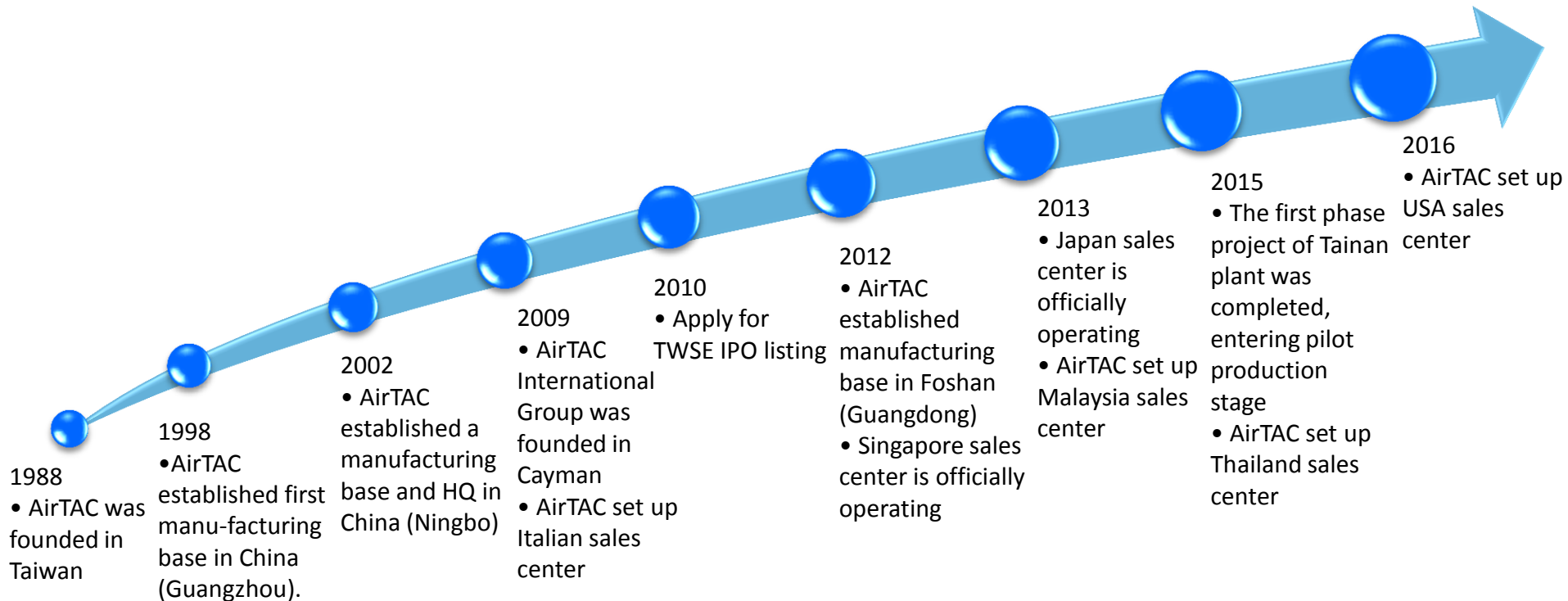
Powered by AIRTAC

Agenda

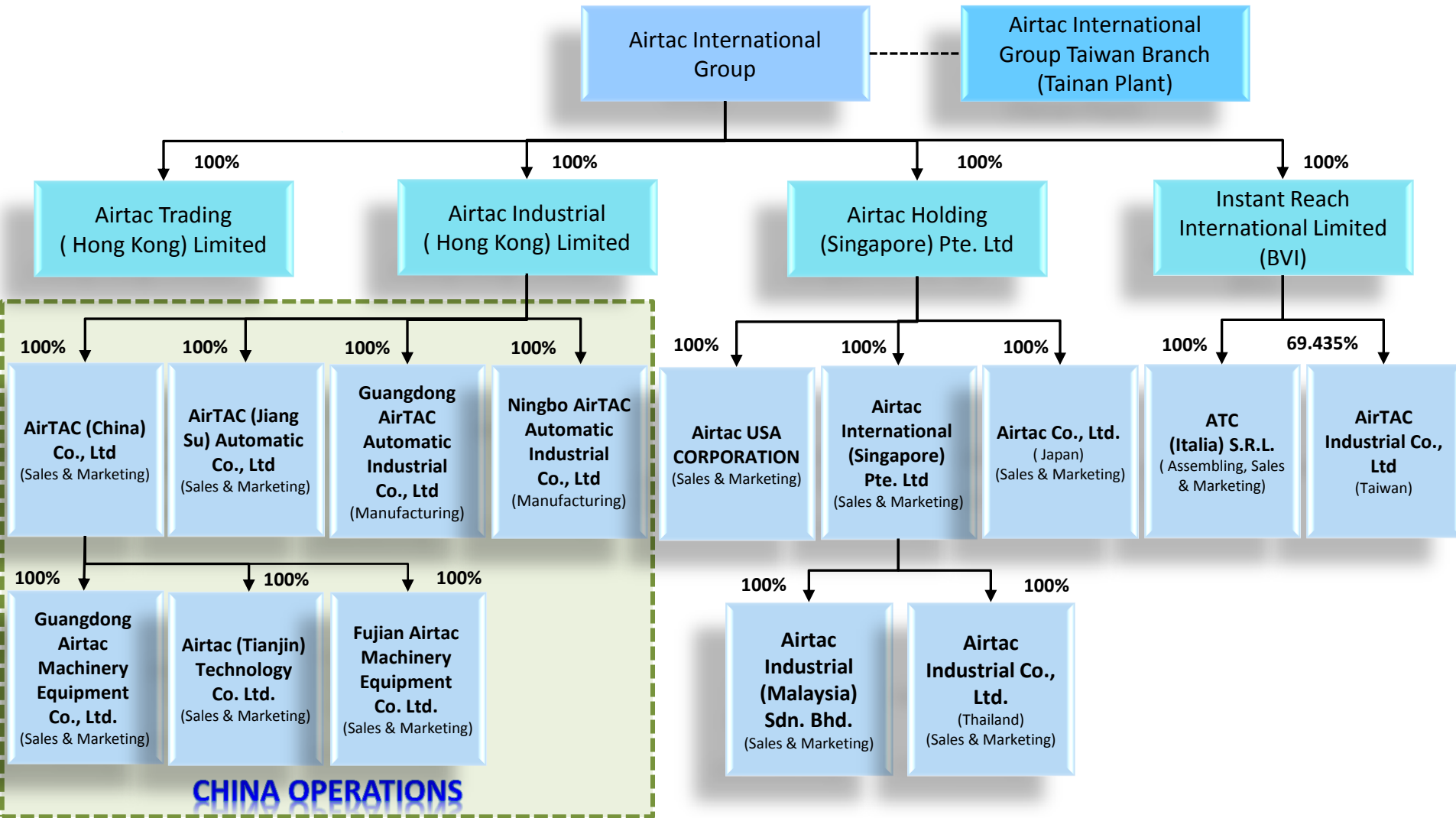
- I Group Overview**
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I · Group Overview

Group Overview



Organization Chart



Corporate Culture

People-oriented

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

Commitments

- AirTAC commitment to sustain growth and fulfill social responsibility

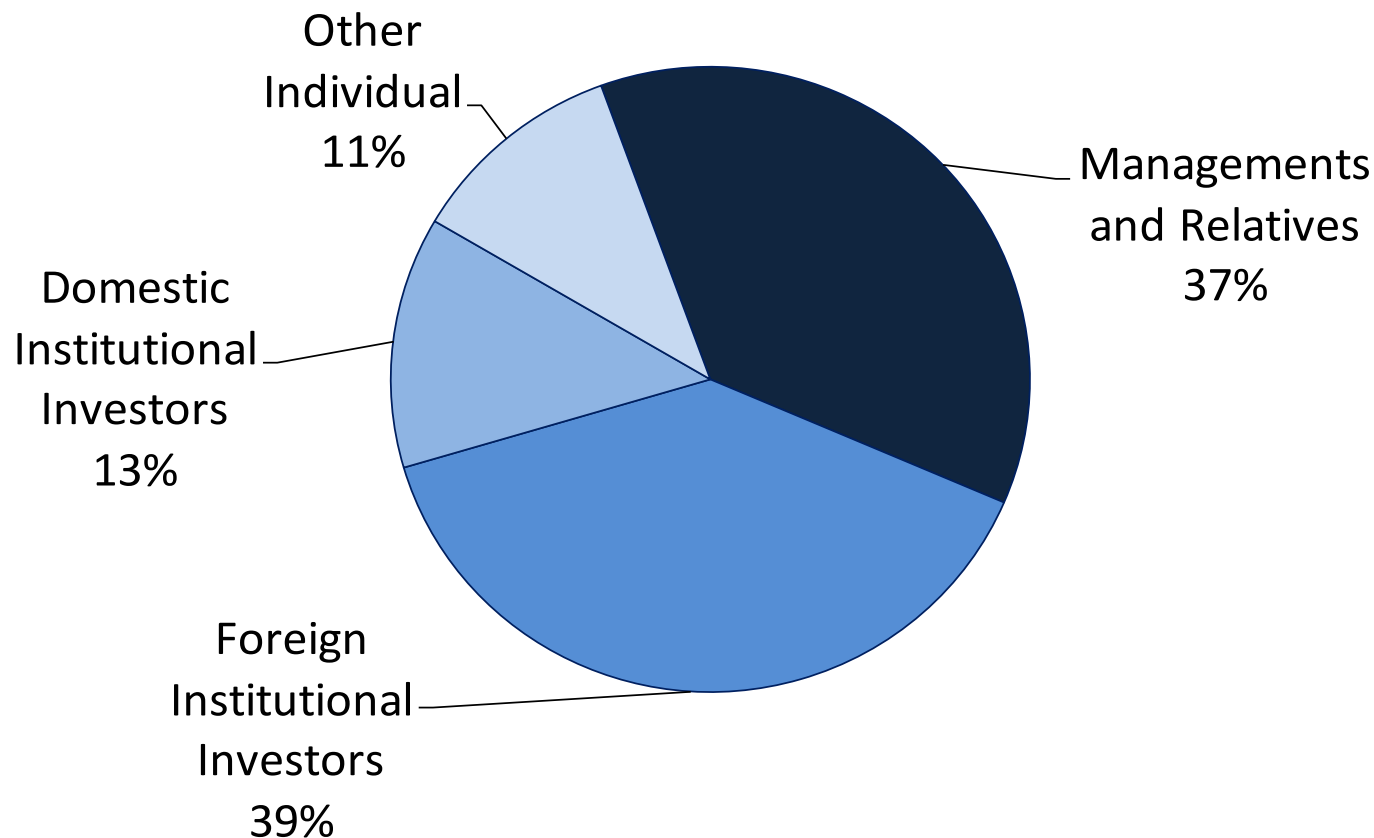
Profit sharing

- 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



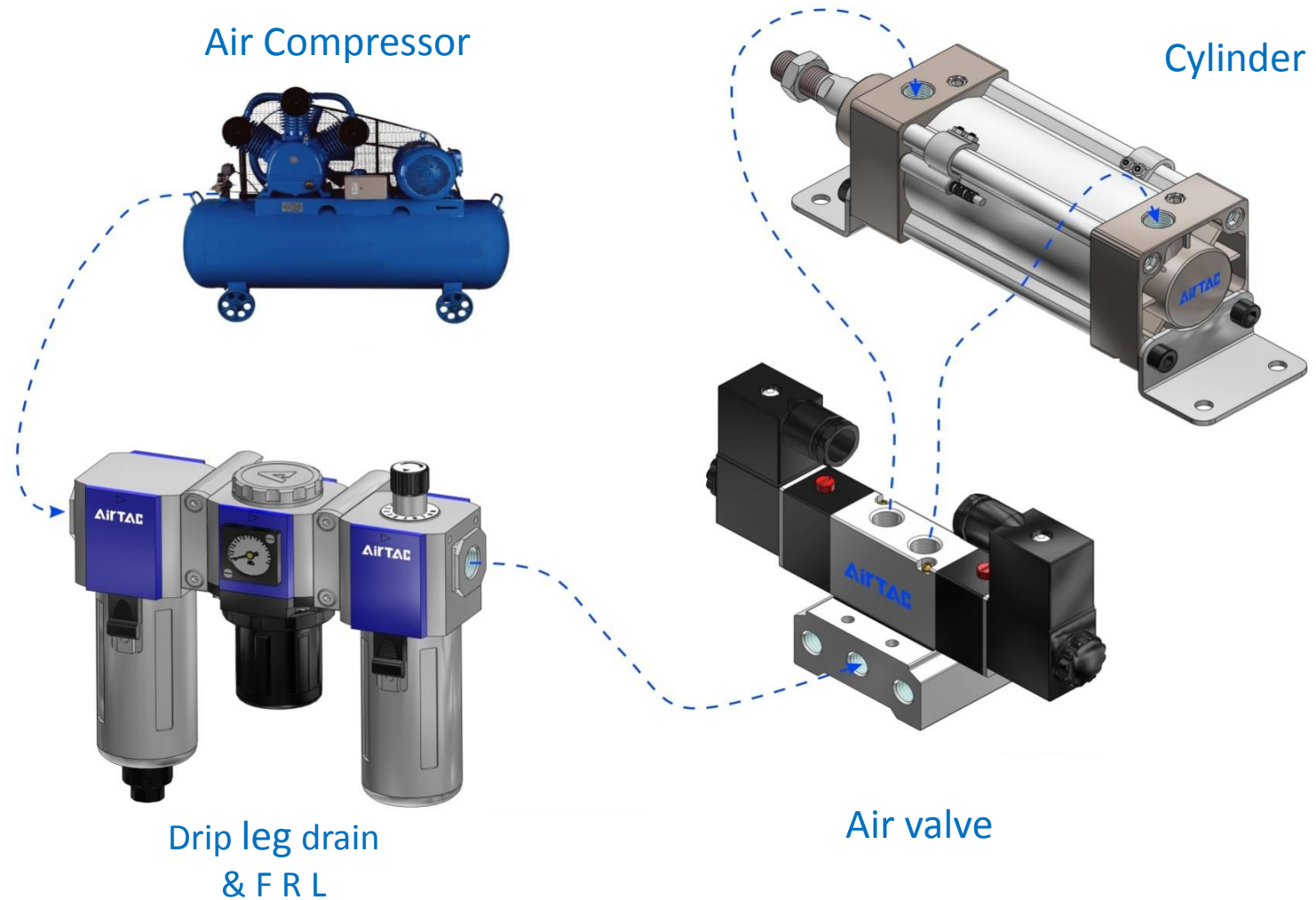
► Drip leg drain & F R L



► 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.

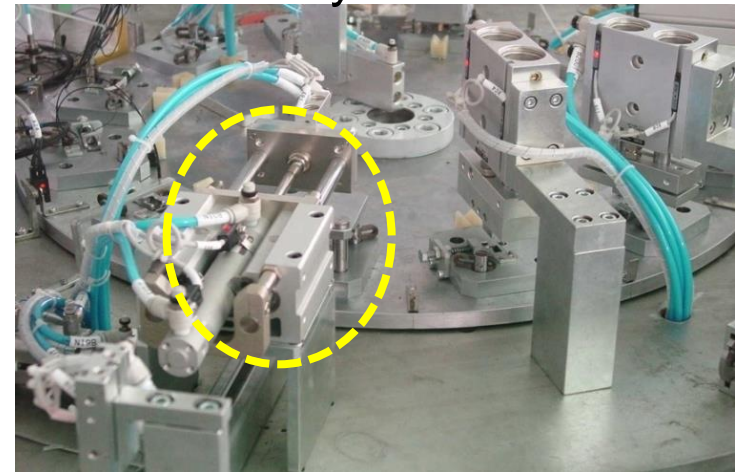
Construction machinery



Environmental processing machinery

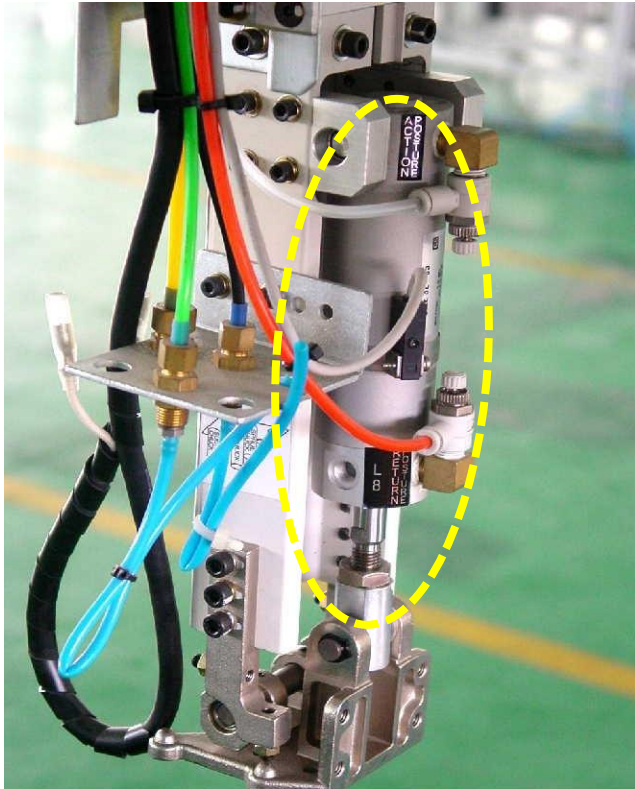


Assembly automation

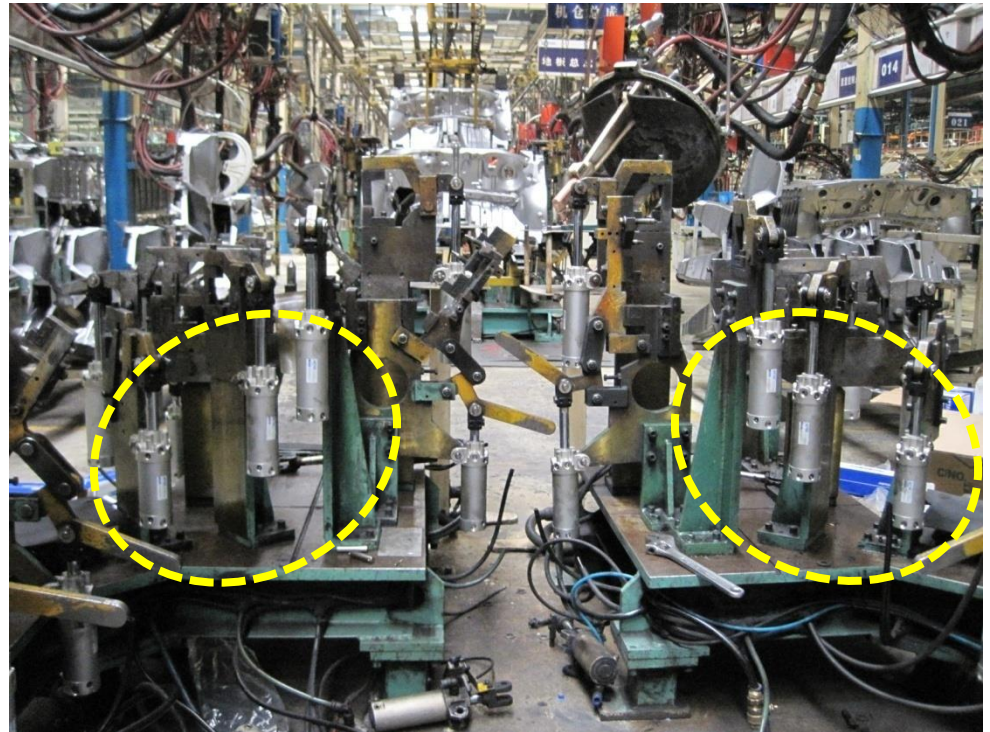


Products Application by Industry

Robot arm

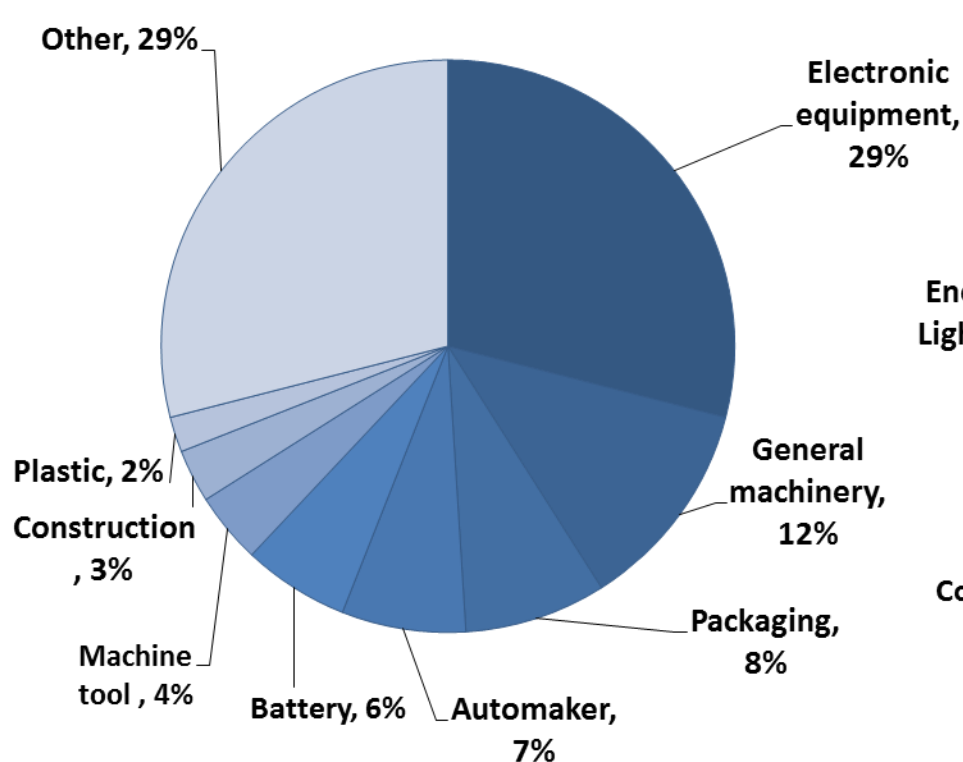


Automobile assembly

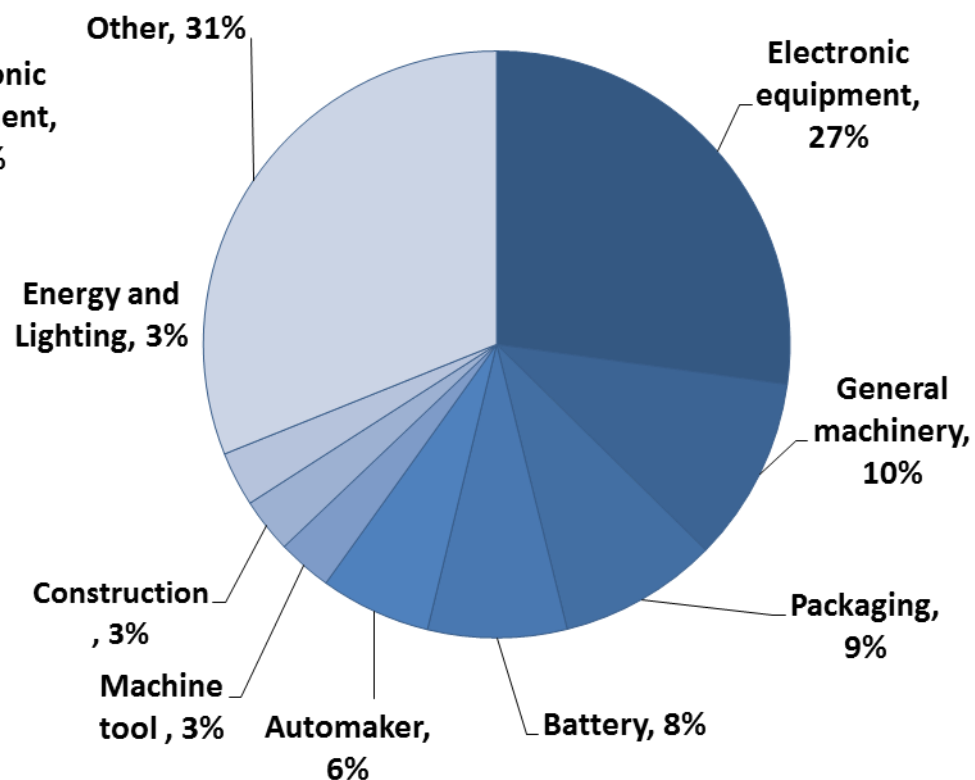


Clients breakdown by industry

2018 Sales



2019 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

- More than 80% of parts are manufactured in house.
- Achieve better profitability than its peers.

Tech Innovation

- Maintain high-quality products by sealant technology.
- Improve production process continuously.

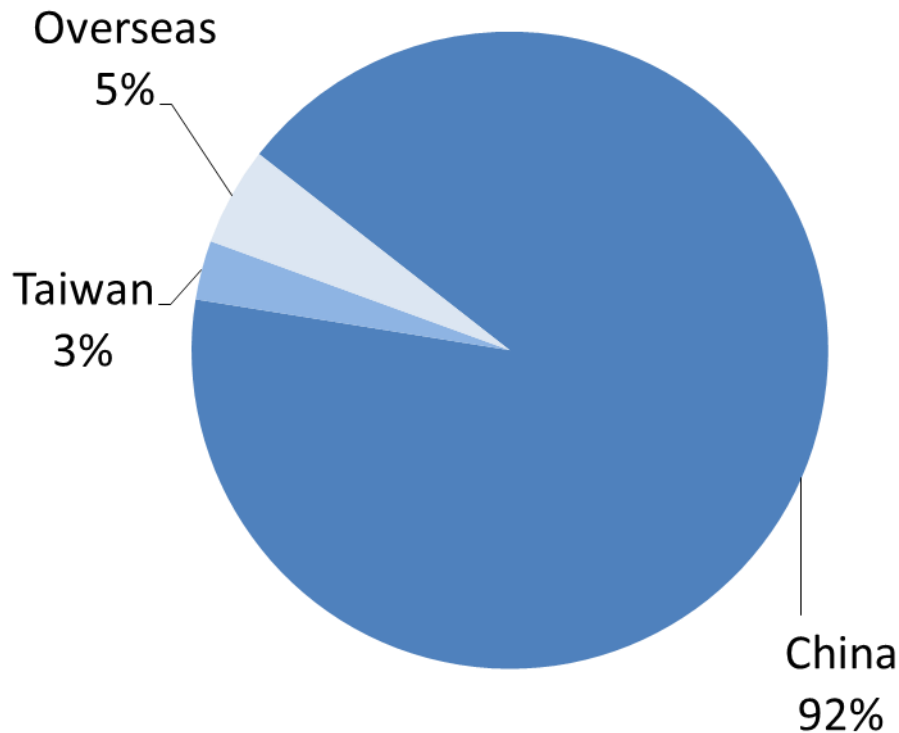
Worldwide manufacturing bases & sales branches



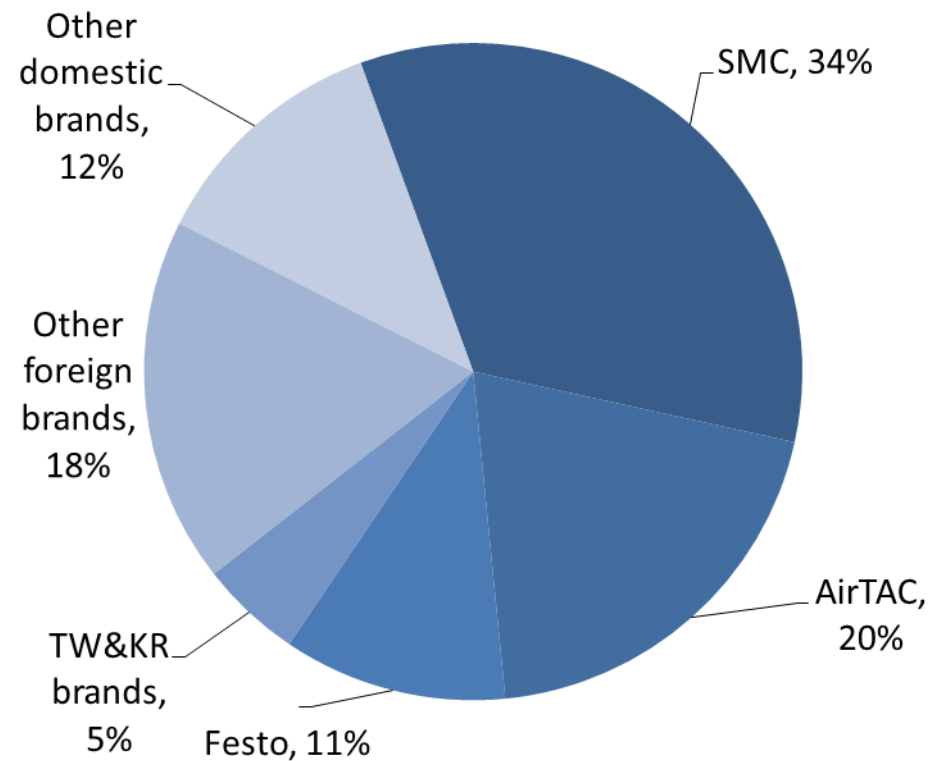
- ◆ Mainland : 2 manufacturing bases; 5 branches, 128 offices
- ◆ Taiwan : 1 manufacturing base and 5 offices
- ◆ Europe : 1 assembling and sales center in Italy
- ◆ Singapore : 1 sales center
- ◆ Japan : 1 sales center
- ◆ Malaysia : 1 sales center
- ◆ Thailand : 1 sales center
- ◆ USA : 1 sales center
- ◆ Overseas : +40 distributors to provide comprehensive sales network and service

Ranked the second largest market share in China

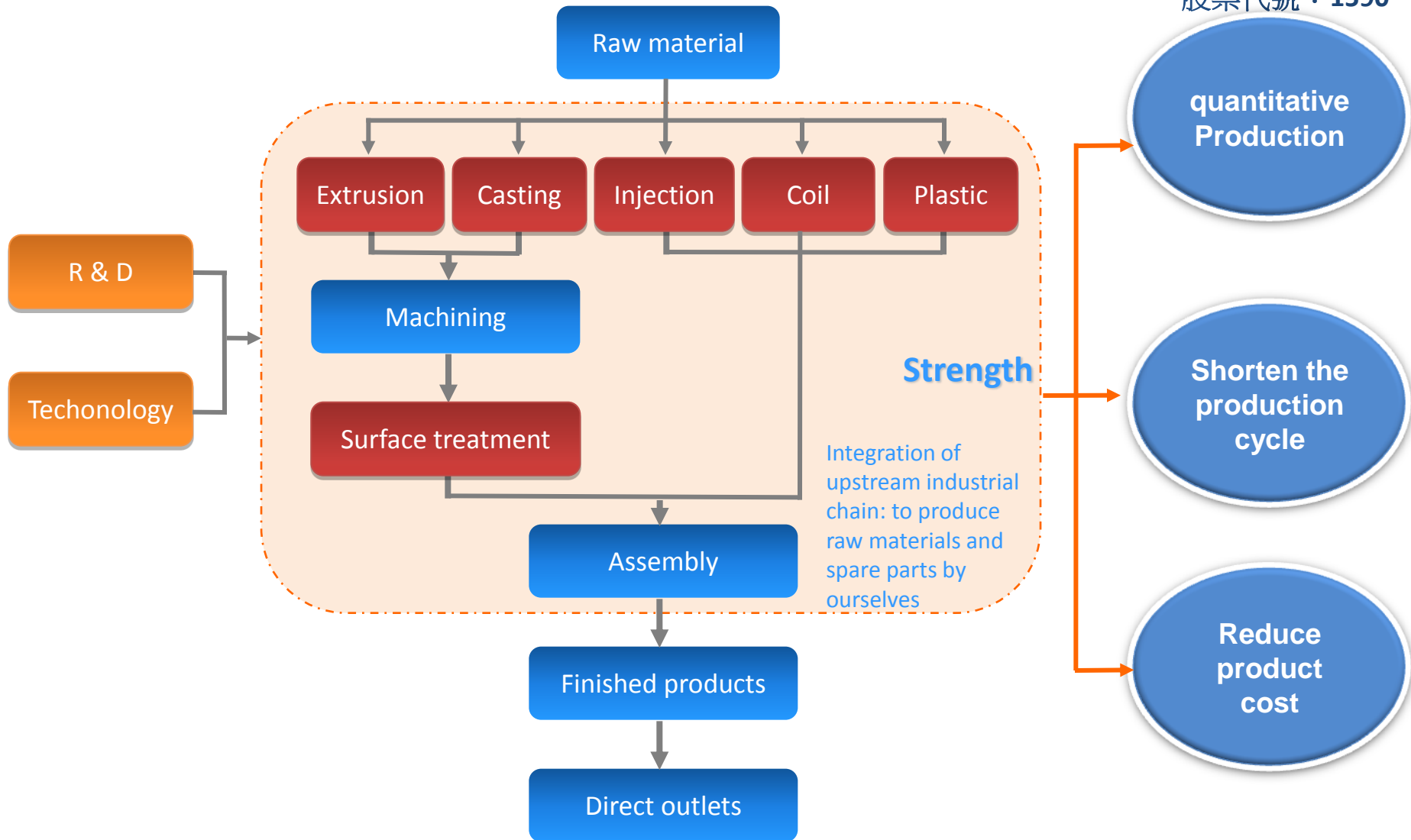
AirTAC Sales by region



Pneumatic equipment - market share in China



Integration of upstream industrial chain

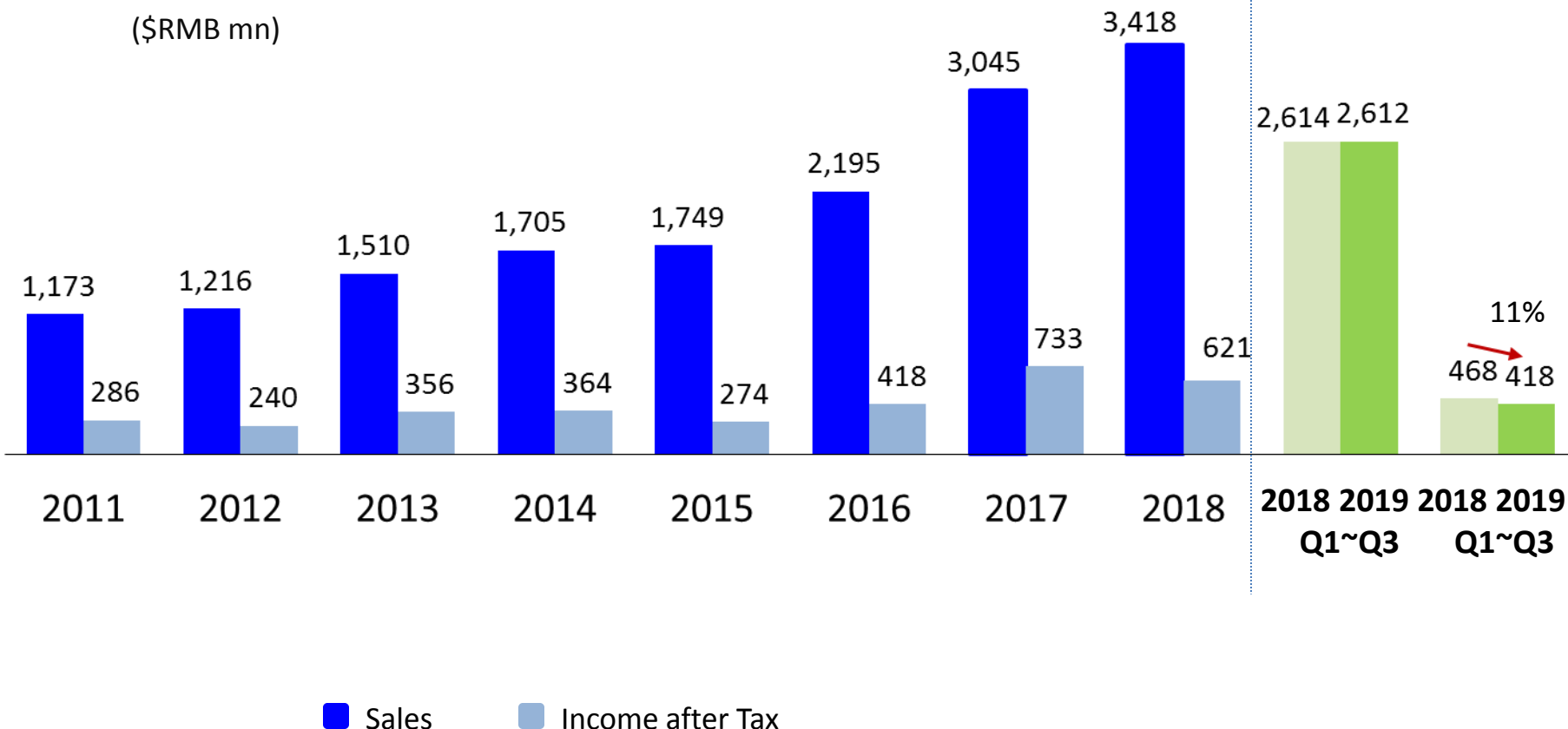


IV · Financial Outlook

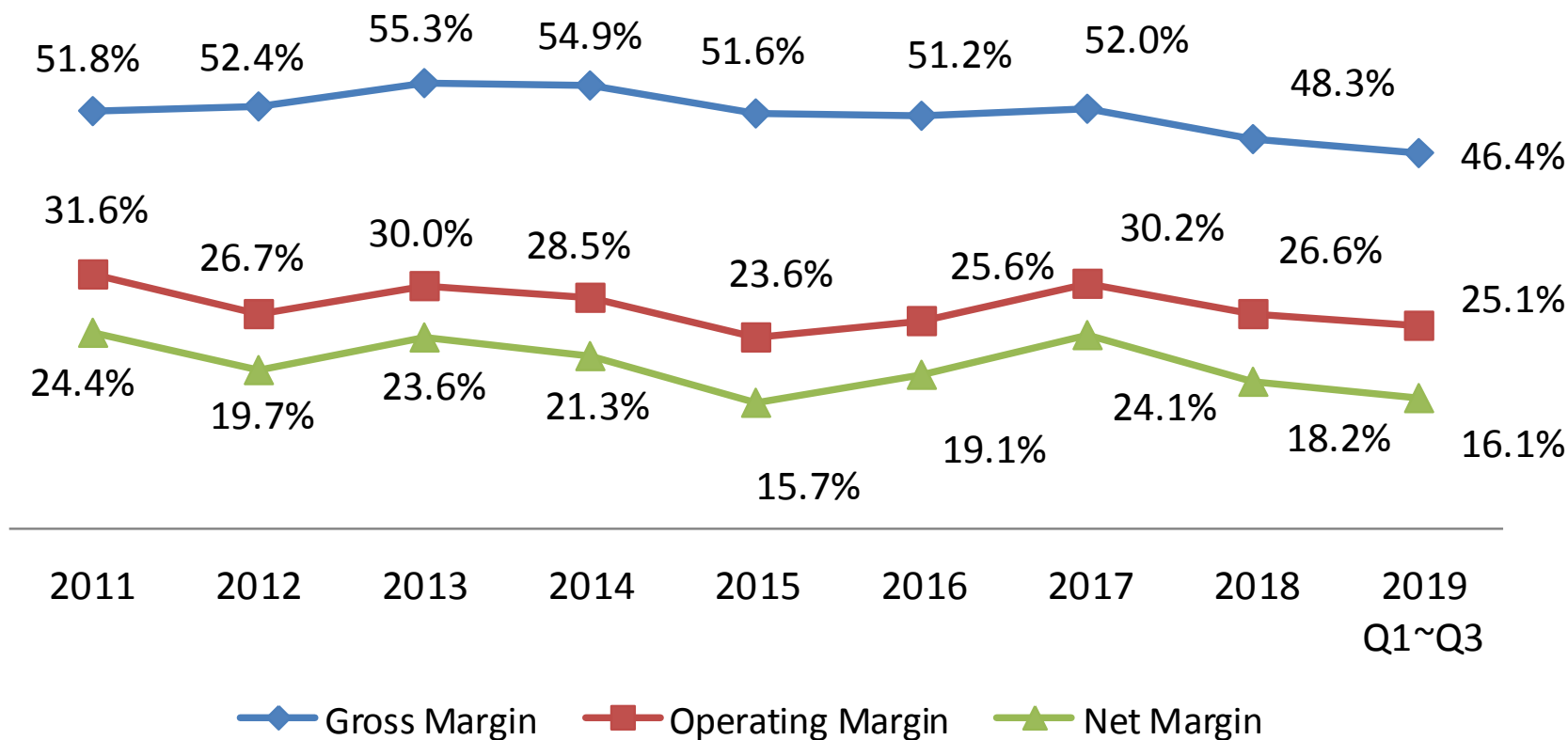
2011~2019 Sales & Income after Tax

Sales Income after Tax

(\$RMB mn)



2011~2019 Profitability Trend



Income Statement

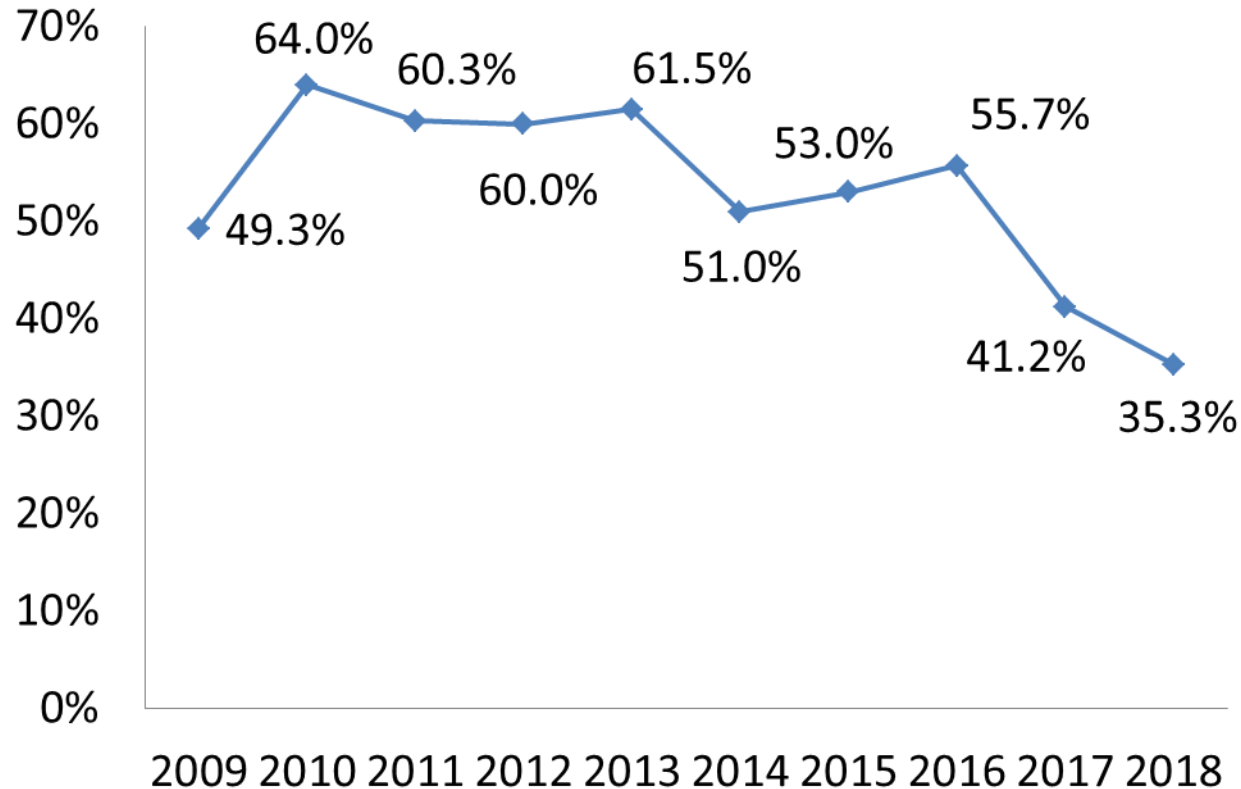
(\$RMB mn)	2016		2017		2018		2019 Q1~Q3	
Sales	\$2,195	100%	\$3,045	100%	\$3,418	100%	\$2,612	100%
Cost	1,071	49%	1,463	48%	1,769	52%	1,399	54%
Gross Profit	1,124	51%	1,582	52%	1,649	48%	1,213	46%
Operating Expenses	561	25%	662	22%	740	22%	559	21%
Income from Operations	563	26%	920	30%	909	26%	654	25%
Non-operating Income & Exp.	24	1%	48	2%	-76	-2%	-78	-3%
EBT	587	27%	968	32%	833	24%	576	22%
TAX	169	8%	235	8%	212	6%	158	6%
Net Income	\$418	19%	\$733	24%	\$621	18%	\$418	16%

Balance Sheet

(\$RMB mn)

	2016		2017		2018		2019 Q3	
Cash & Cash Equivalents	\$798	16%	\$443	7%	\$871	11%	\$1,808	20%
NR & AR	816	16%	1,190	19%	1,117	14%	1,091	12%
Inventory	467	10%	868	14%	913	12%	774	9%
Other Current Assets	53	1%	102	1%	232	3%	75	1%
Property, plant and equipment, Other	2,839	57%	3,729	59%	4,703	60%	5,247	58%
Total Assets	\$4,973	100%	\$6,332	100%	\$7,836	100%	\$8,995	100%
Bank Debt	\$2,227	45%	\$2,200	35%	\$3,398	43%	\$4,004	44%
Other Current Liabilities	340	7%	554	9%	502	6%	809	9%
Other Long-term liabilities	77	1%	81	1%	110	2%	155	2%
Total Liabilities	\$2,644	53%	\$2,835	45%	\$4,010	51%	\$4,968	55%
Total Equity	\$2,329	47%	\$3,497	55%	\$3,826	49%	\$4,027	45%
Total Liabilities & Equity	\$4,973	100%	\$6,332	100%	\$7,836	100%	\$8,995	100%

Dividend Payout (Include stock dividends)



2018 Cash dividends to shareholders – RMB 1.16 per share (around NTD 5.05412 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