

CHENG SHIN RUBBER IND. CO., LTD.

Investor Conference



April 8, 2016



Safe Harbor Notice

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This presentation is based on the information obtained from various sources which the Company believes to be reliable. But at some point in the future, there are a variety of factors which could cause actual results to differ materially from those statements. Therefore, please refer to the information on MOPS website as the main basis if any adjustment has been made.

(<http://mops.twse.com.tw/mops/web/index>)

Participants

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- Mr. Wu, Hsuan Miao / Vice President
- Mr. Liao, Cheng Yao / Vice President
- Mr. Lo, Yung Li / Assistant Vice President

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Operating Results

Company Introduction

- ◆ Foundation : Jan., 1967
- ◆ IPO : Dec., 1987
- ◆ Headquarter : Chunghwa, Taiwan
- ◆ Capital : NT\$32.414 billion
- ◆ Chairman : Lo, Tsai-Jen
- ◆ President : Chen, Yun-Hwa
- ◆ Global top 9 of tire makers
- ◆ Number of employees :
5,359 (Taiwan) ; 24,507 (Global)



Base Date : 2015-12-31

Production Plants

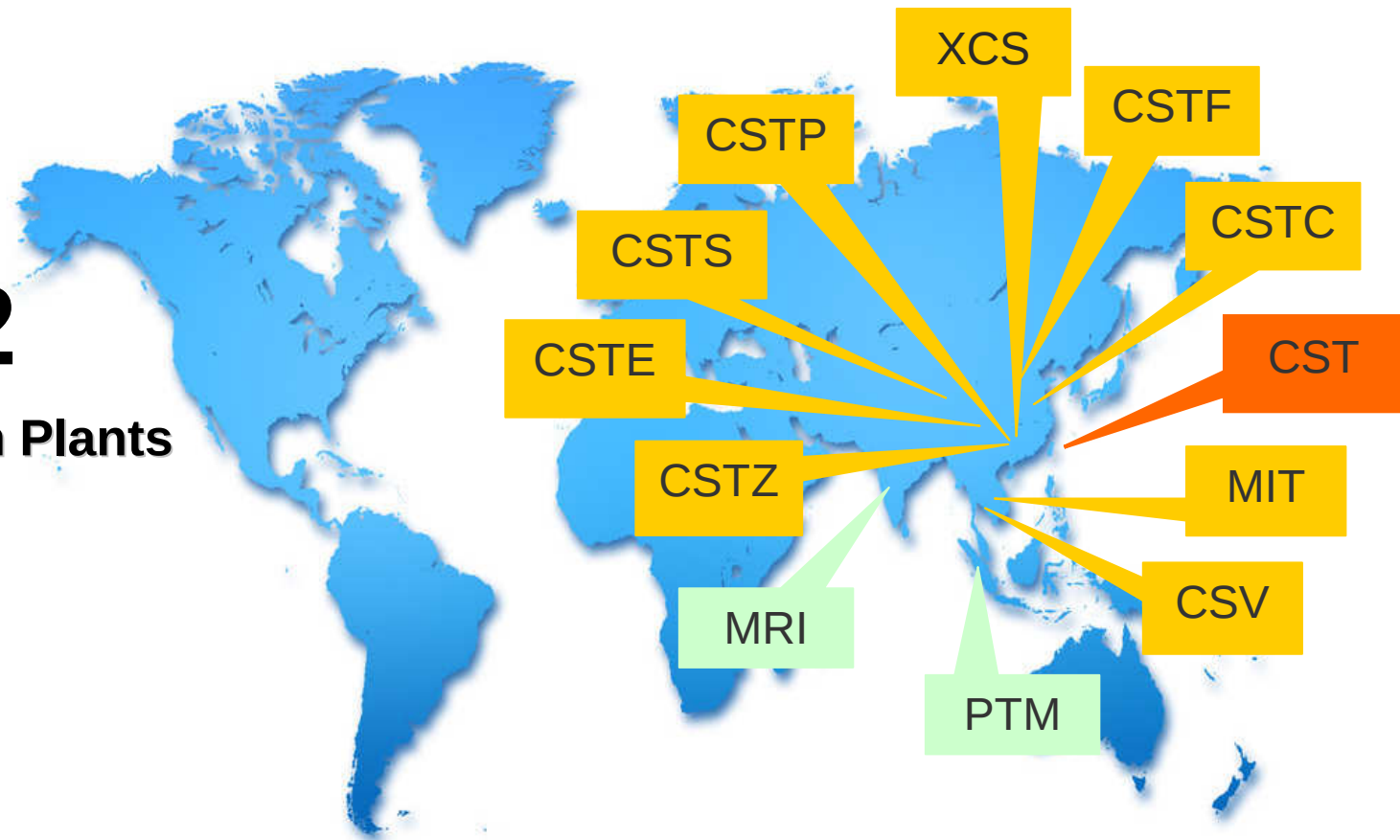
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12
Production Plants



Note1 : CST is the Headquarter

Note2 : MRI and PTM are under construction

Revenues of Global Top 10 Tire Makers

2015 Global Tire Company Rankings

Based on 2014 sales. Includes subsidiaries.

(Figures in millions of dollars, translated at average annual currency exchange rates)

2014 Rank	2013 Rank	Company/Headquarters	2014		2013		2012		2011	
			Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales
9	9	Maxxis International/Cheng Shin Rubber Yuanlin, Taiwan	4,441.3	100.0%	4,768.6	100.0%	4,630.9	100.0%	4,268.0	100.0%
										
8	8	Yokohama Rubber Co. Ltd. ¹ Tokyo, Japan	4,703.2	79.6%	4,915.6	79.7%	5,570.0	80.0%	*6,028.0	*81.0%
										
7	7	Hankook Tire Co. Ltd. Seoul, South Korea	*6,200.6	*97.5%	6,868.1	99.0%	6,259.0	98.9%	5,744.2	97.8%
										
6	6	Sumitomo Rubber Industries Ltd. ^{1A} Kobe, Japan	6,917.7	87.3%	6,971.3	87.3%	7,763.4	87.2%	7,413.0	87.2%
										
5	5	Pirelli & C. S.p.A. ¹² Milan, Italy	7,992.2	100.0%	8,007.0	97.8%	7,751.9*	99.3%	7,802.2	99.0%
										
4	4	Continental A.G. ¹ Hanover, Germany	*11,875.0	*26.0%	*11,450.0*	*25.9%	*10,895.0	*25.9%	*10,645.0	*25.1%
										
3	3	Goodyear Tire & Rubber Co. ¹ Akron, Ohio	*16,355.0	90.0%	*17,586.0	*90.0%	*18,900.0	*90.0%	*20,490.0	*90.0%
										
2	2	Group Michelin ¹ Clermont-Ferrand, France	*24,668.5	*95.0%	*25,545.0	*95.0%	*26,222.0	*95.0%	*27,413.6	*95.0%
										
1	1	Bridgestone Corp. ¹ Tokyo, Japan	*26,045.0	*75.0%	*27,390.0	*75.0%	*28,575.0	*75.0%	*26,450.0	*75.0%
										

Maxxis Revenue in 2014 : **US\$ 4.44 Billion**

TIRE BUSINESS, August 31, 2015

Taiwan's Top 10 Global Brands

Brand value : US\$348 million

2015 排 名	品 牌	公司名稱	2015 品牌價值 (億美元)
1	ASUS IN SEARCH OF INCREDIBLE	華碩電腦	17.80
2	TREND MICRO	趨勢科技	13.16
3	旺-旺 	旺旺控股	11.00
4	acer ambition beyond reality	宏碁公司	5.80
5	GIANT	巨大機械	4.58
6	htc	宏達國際	4.53
7	ADVANTECH	研華科技	3.86
8	MERIDA	美利達工業	3.85
9	MEDIATEK everyday genius	聯發科技	3.54
10	MAXXIS	正新輪胎	3.48

- Maxxis is awarded Taiwan Top 10 Global Brands for 13th consecutive year (2003-2015)

Maxxis Awards Best Tire Brand at Enduro Bike Magazine in 2015

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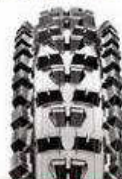
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MAXXIS edged out to be voted as the best tire brand from 80 nations and with over 12,215 readers by Enduro MTB Magazine.



HIGH ROLLER II
26" 27.5" 29"



MINION DHF
26" 27.5" 29"



MINION DHR II
26" 27.5" 29"



Two 120 TPI casing layers reinforced with a butyl insert provide the enduro racer with the support and protection of a downhill tire, but in a lighter package.



Maxxis 3C Triple Compound mountain technology uses a harder, longer lasting base layer and two progressively softer top layers in order to optimize traction and stability.



The best voted
bike brand:
Santa Cruz with
MAXXIS Tires.

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Statements of Comprehensive Income Overview (Consolidated)

Unit : NT\$ million

	2015		2014	
	Amount	%	Amount	%
Net revenues	116,726	100	129,014	100
Cost of good sold	(81,168)	(70)	(93,113)	(72)
Gross profit	35,558	30	35,901	28
Operating expenses	(16,937)	(14)	(14,711)	(11)
Operating profit	18,621	16	21,190	17
Non-operating gains & losses	(1,144)	(1)	81	-
Income before tax	17,477	15	21,271	17
Net income	12,839	11	16,112	13
EPS in NT dollar	3.94		4.94	

Source : CST Financial Report

Balance Sheet Overview (Consolidated)

Unit : NT\$ million

	2015		2014	
	Amount	%	Amount	%
Cash and cash equivalents	22,381	14	21,166	12
Inventories	13,213	8	16,573	10
Net property, plant and equipment	106,477	64	109,430	65
Total assets	165,958	100	169,870	100
Current liabilities	37,390	23	40,585	24
Long-term debts	23,459	14	25,028	15
Total shareholder's equity	89,953	54	88,557	52
Total liabilities and shareholder's equity	165,958	100	169,870	100

Source : CST Financial Report

Statement of Cash Flow Overview (Consolidated)

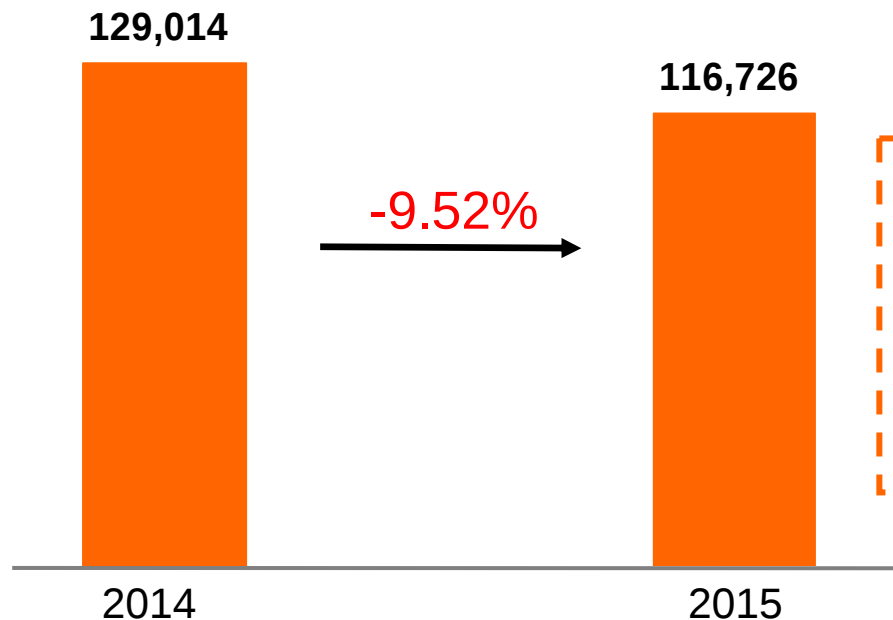
Unit : NT\$ million

	2015 Amount	2014 Amount
CASH FLOWS FROM OPERATING ACTIVITIES	27,788	25,601
Net income before tax	17,476	21,271
Depreciation expenses	11,363	10,461
Accounts receivable 、inventories and accounts payable	2,533	(400)
CASH FLOWS FROM INVESTING ACTIVITIES	(13,459)	(11,830)
Acquisitions of property, plant and equipment	(11,522)	(12,687)
CASH FLOWS FROM FINANCING ACTIVITIES	(13,079)	(14,072)
Increase (decrease) in loans	(2,537)	(4,358)

Source : CST Financial Report

Revenues (Consolidated)

Unit : NT\$ million



【Reasons of revenues decline 9.52%】

YoY :

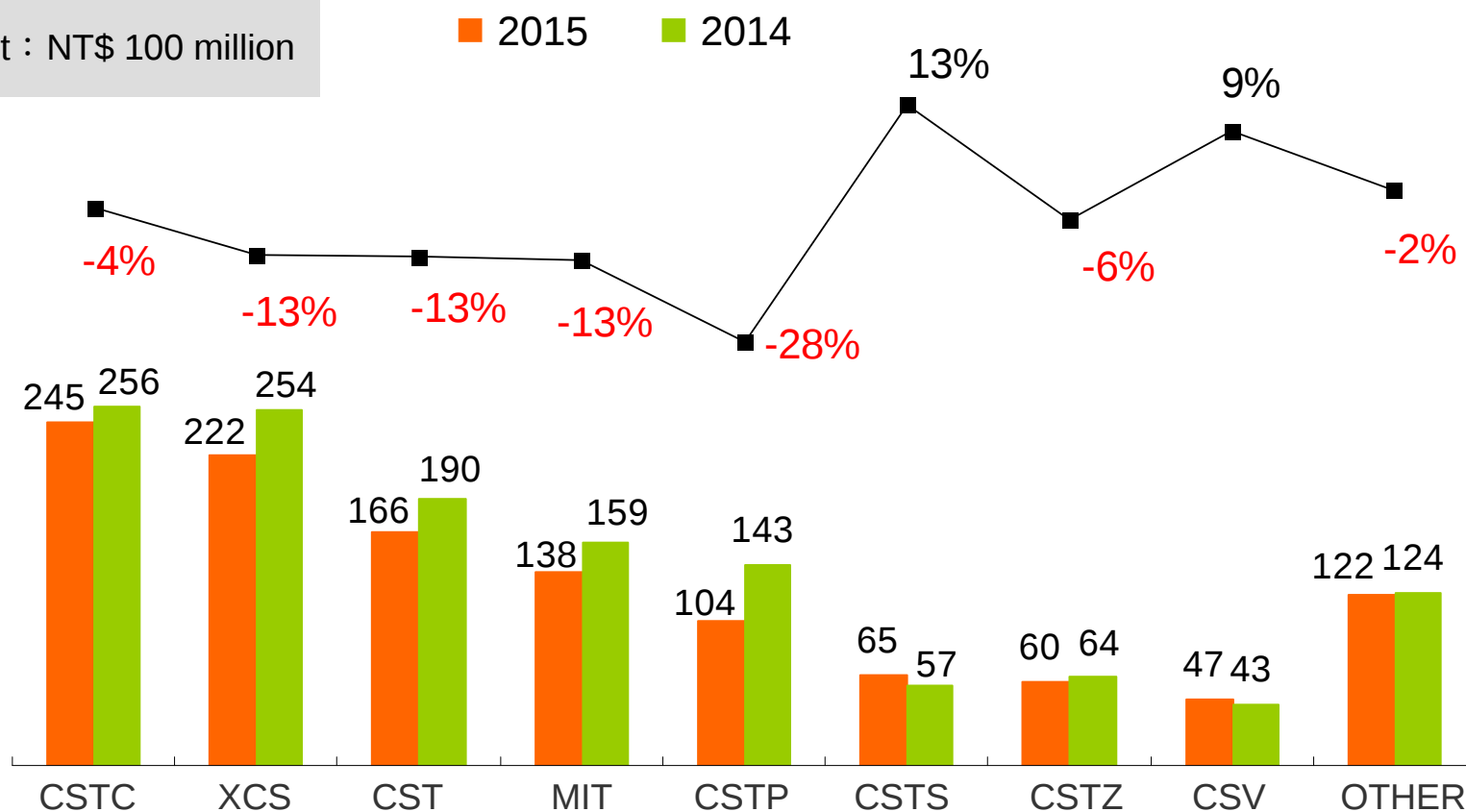
- Price & exchange rate effect : -5.38%
- Quantity effect : -4.14%

資料來源: 正新橡膠合併財報

Source : CST Financial Report

YoY Revenues (Consolidated)

Unit : NT\$ 100 million

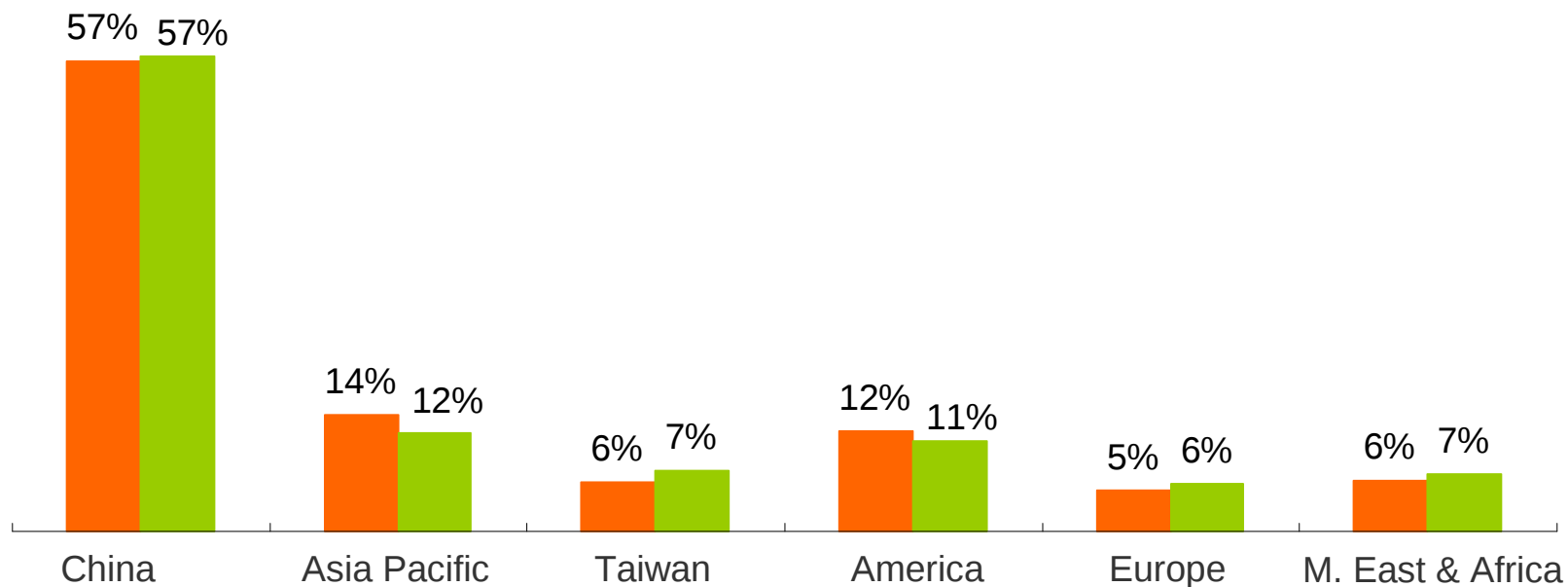


Source : CST Financial Report (2015)

YoY Revenues by Region (Consolidated)

Unit : % of sales

2015 2014

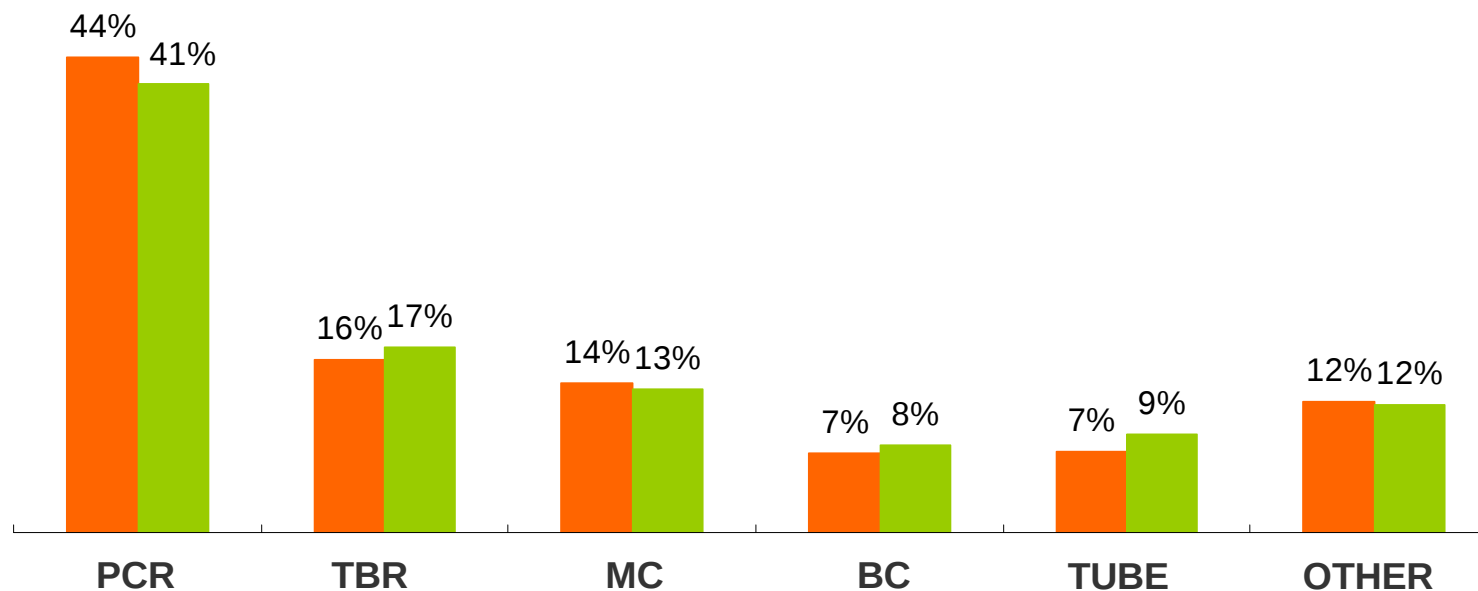


Source : CST Non-audited Financial Report (2015 vs 2014)

YoY Revenues by Products (Consolidated)

Unit : % of sales

2015 2014

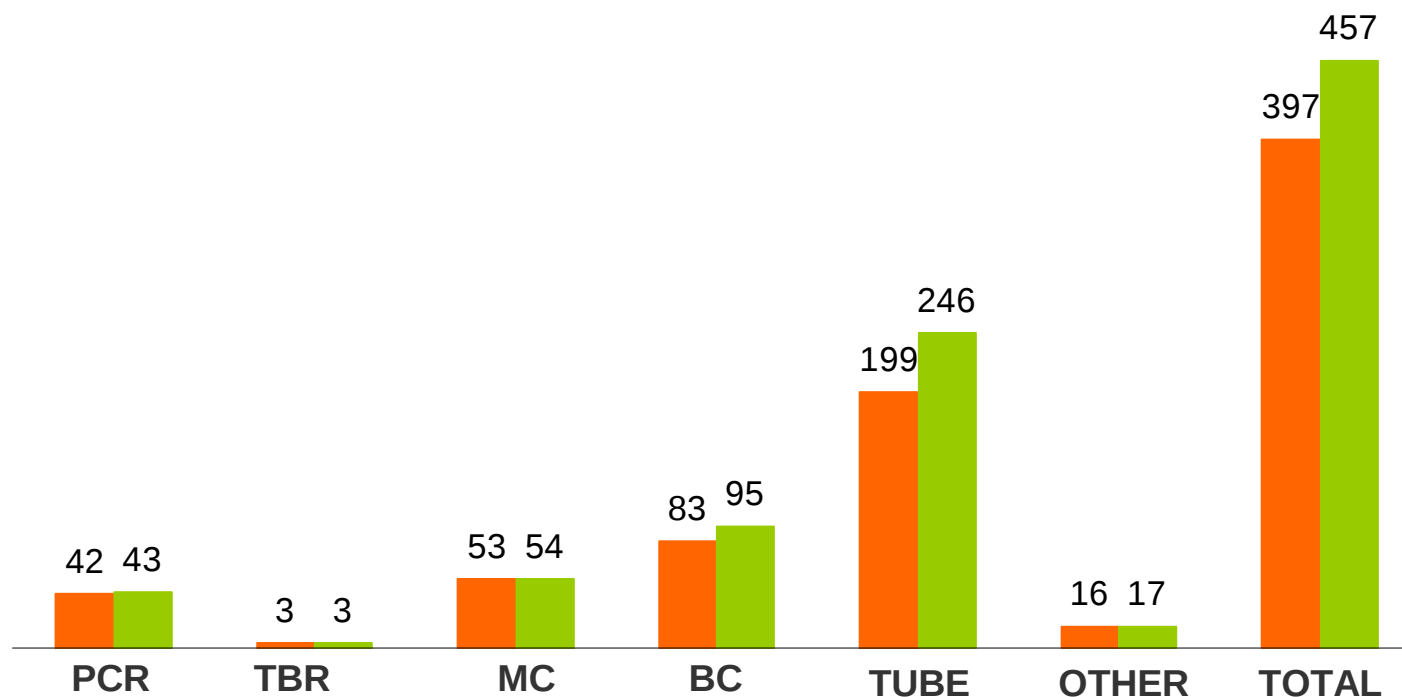


Source : CST Non-audited Financial Report (2015 vs 2014)

YoY Quantities by Products (Consolidated)

Unit : million pcs

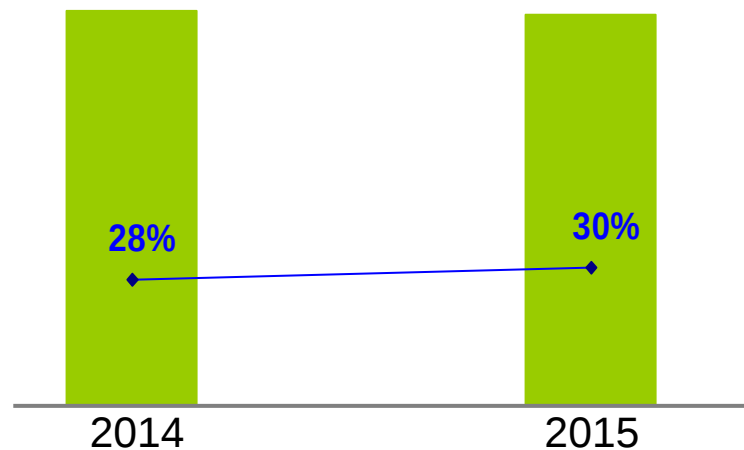
2015 2014



Source : CST Non-audited Financial Report (2015 vs 2014)

Gross Profit Rate (Consolidated)

Unit : NT\$ million & % of sales



【 Reasons of gross profit rate increase 2.0% 】

YoY :

➤ Material cost effect : +4.6%

Source : CST Financial Report

Material Cost

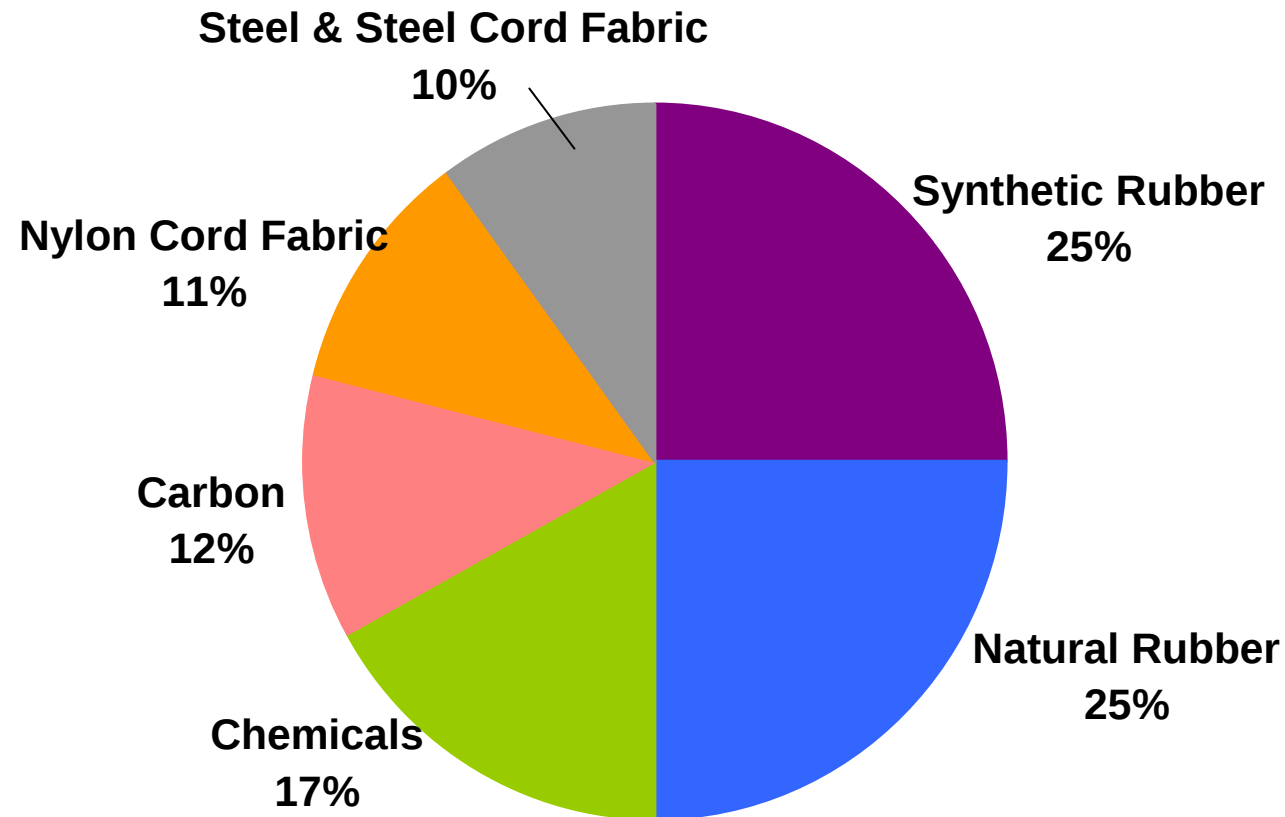
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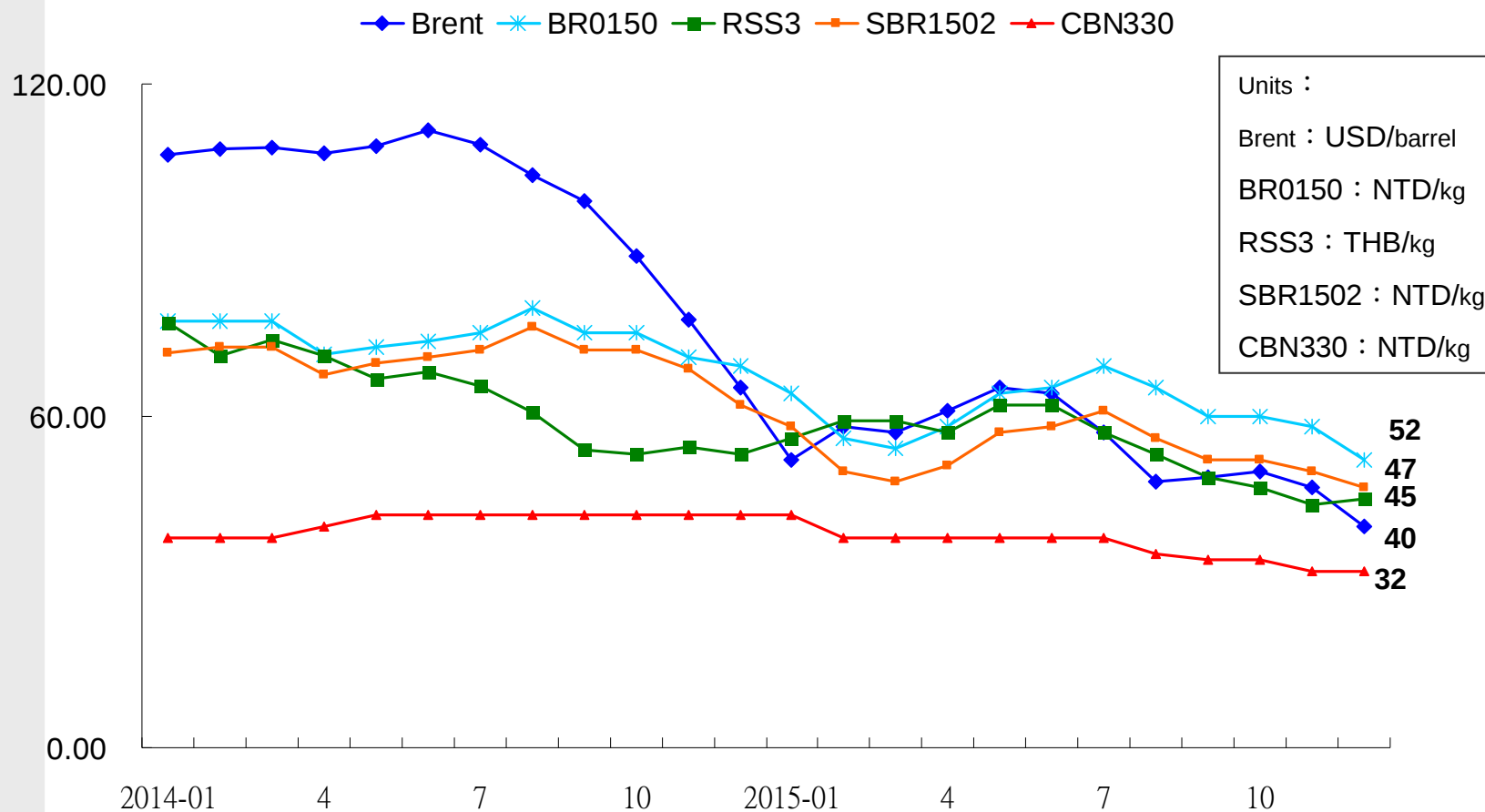
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Unit : % of total material cost



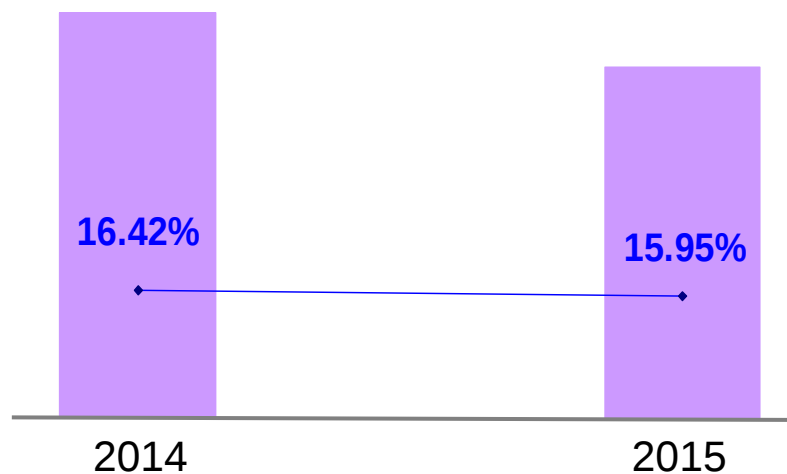
Source : CSTG Non-audited Financial Report (2015)

Material Price Trend – 2014~2015



Source : <http://cip.chinatimes.com/>

Operating Income Rate (Consolidated)



【 Reasons of operating income rate decline 0.47%) 】

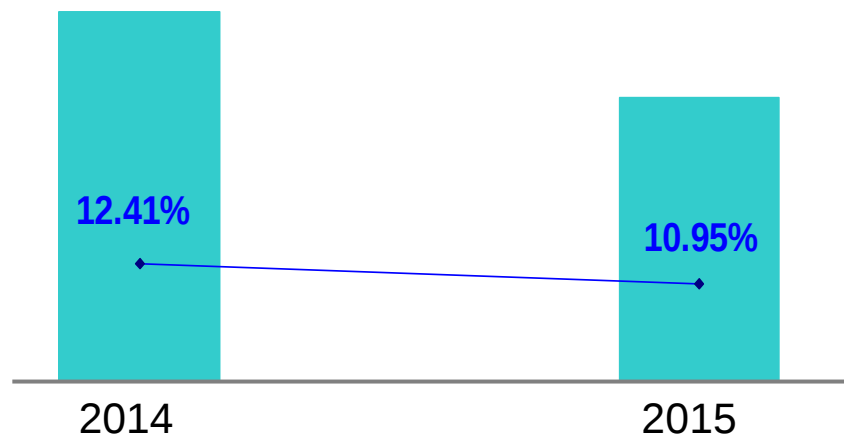
YoY :

- Operating expense rate effect : -3.11%
- Gross profit rate effect : +2.64%

資料來源: 正新橡膠合併財報

Source : CST Financial Report

Net Income Rate – Attributable to shareholders of the parent (Consolidated)



【Reasons of net income rate decline 1.46%】

YoY :

- Income tax rate effect : +0.03%
- Non-operating rate effect : -1.02%
- Operating expense rate effect : -3.11%
- Gross profit rate effect : +2.64%

Source : CST Financial Report

EPS (Consolidated)

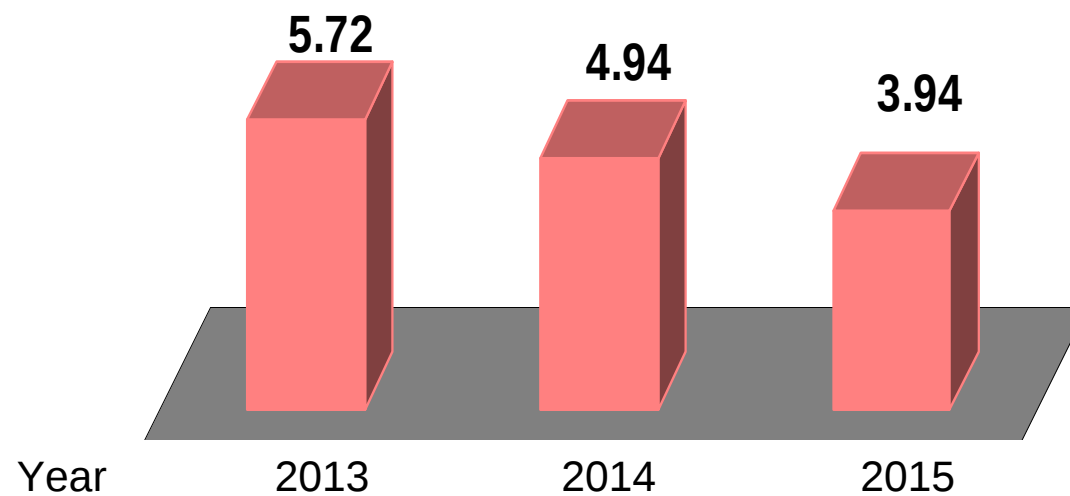
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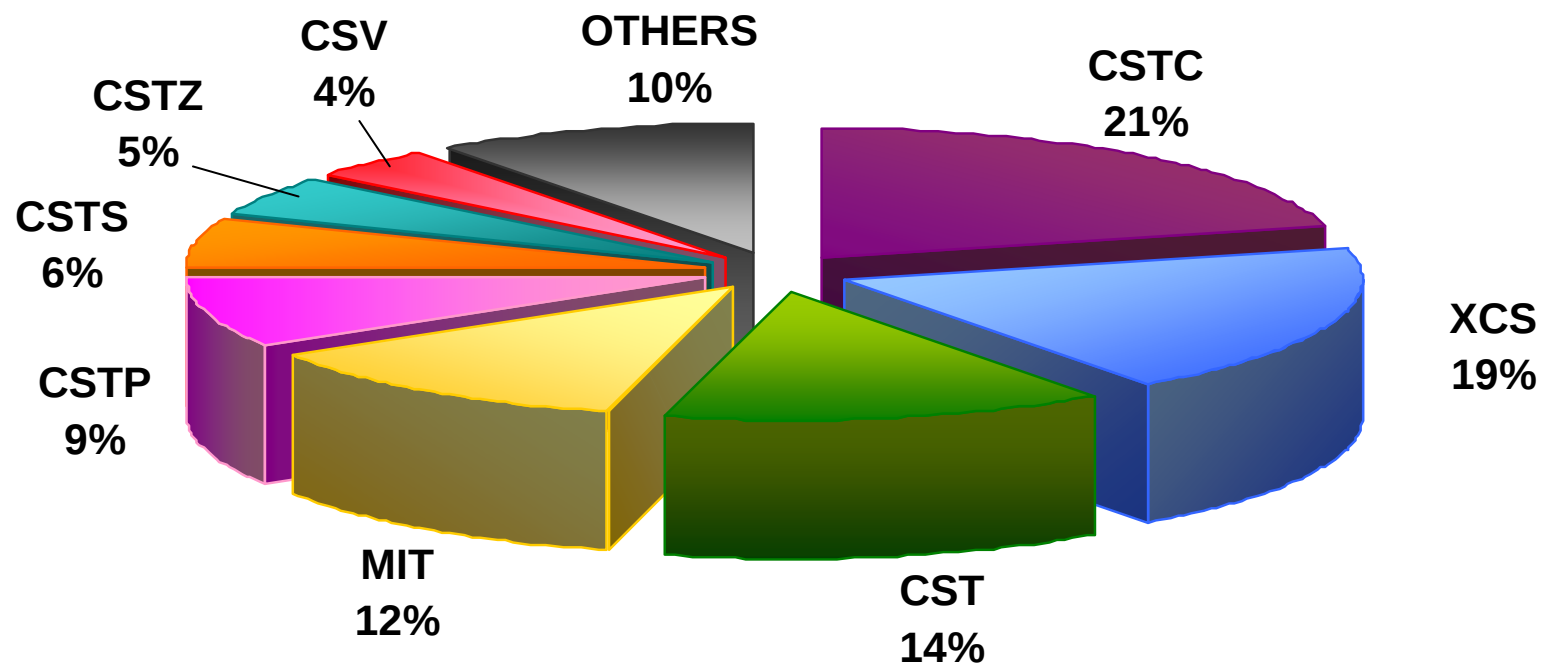
Unit : NT\$



Shares : 3.2414 billion shares

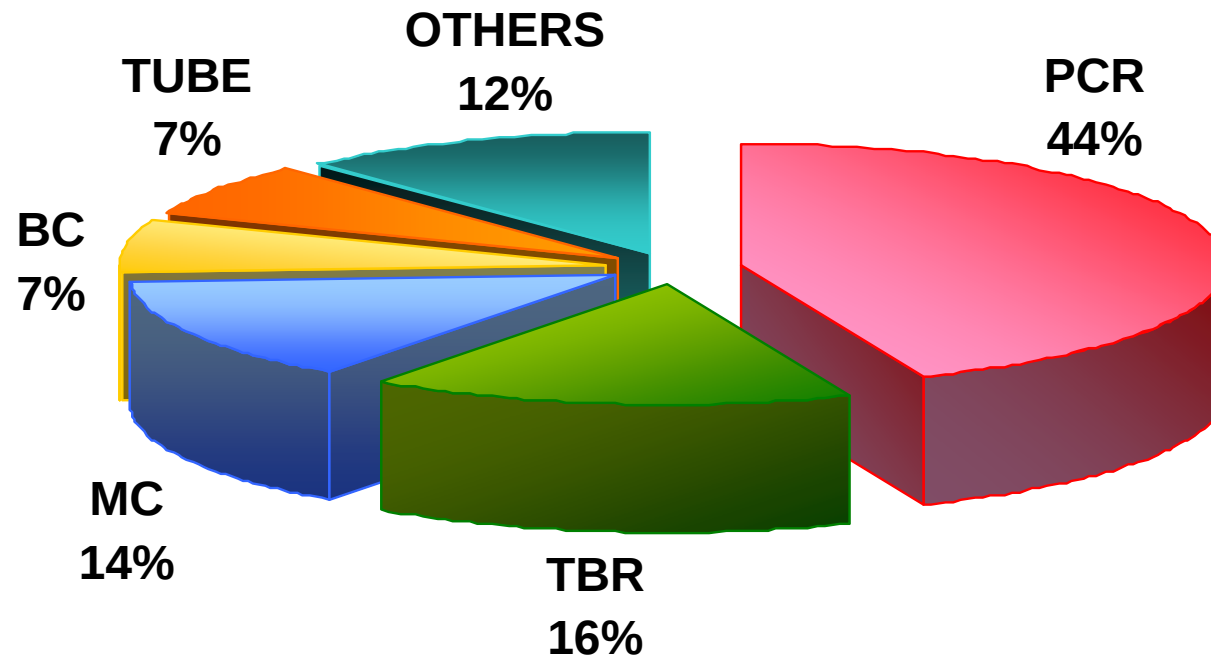
Source : CST Financial Report

Revenues by Subsidiary



Source : CST Financial Report (2015)

Revenues by Product



Source : CSTG Non-audited Financial Report (2015)

Revenues Analysis

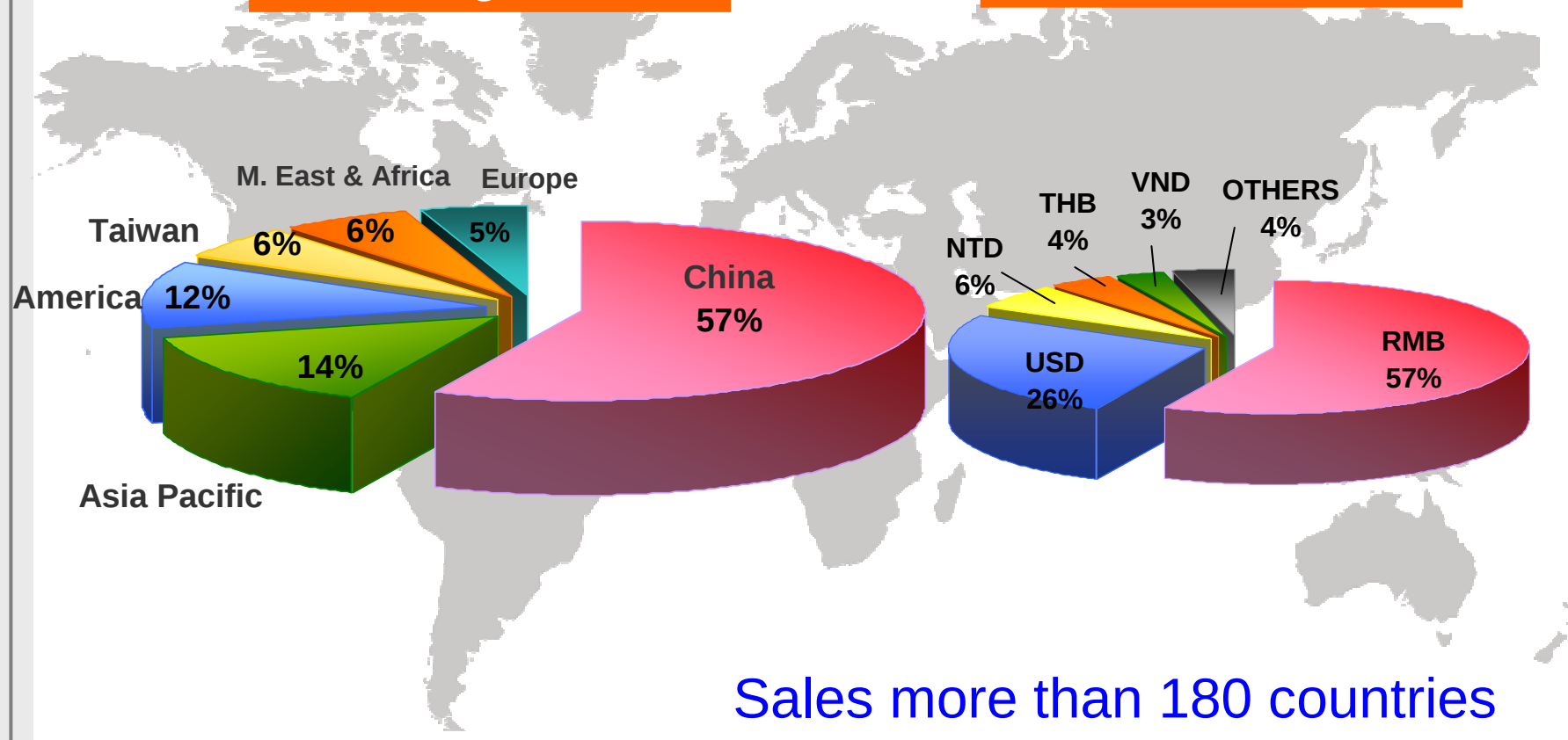
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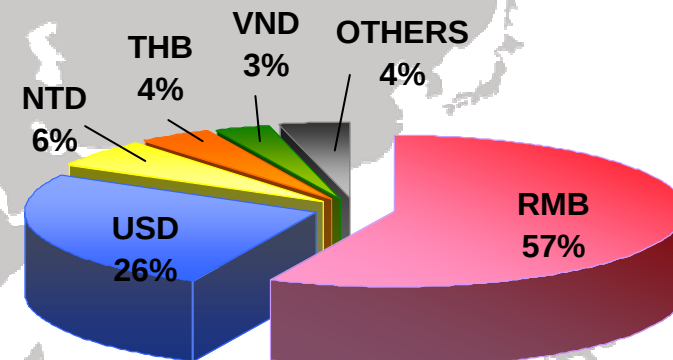
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Revenues by Region



Revenues by Currency



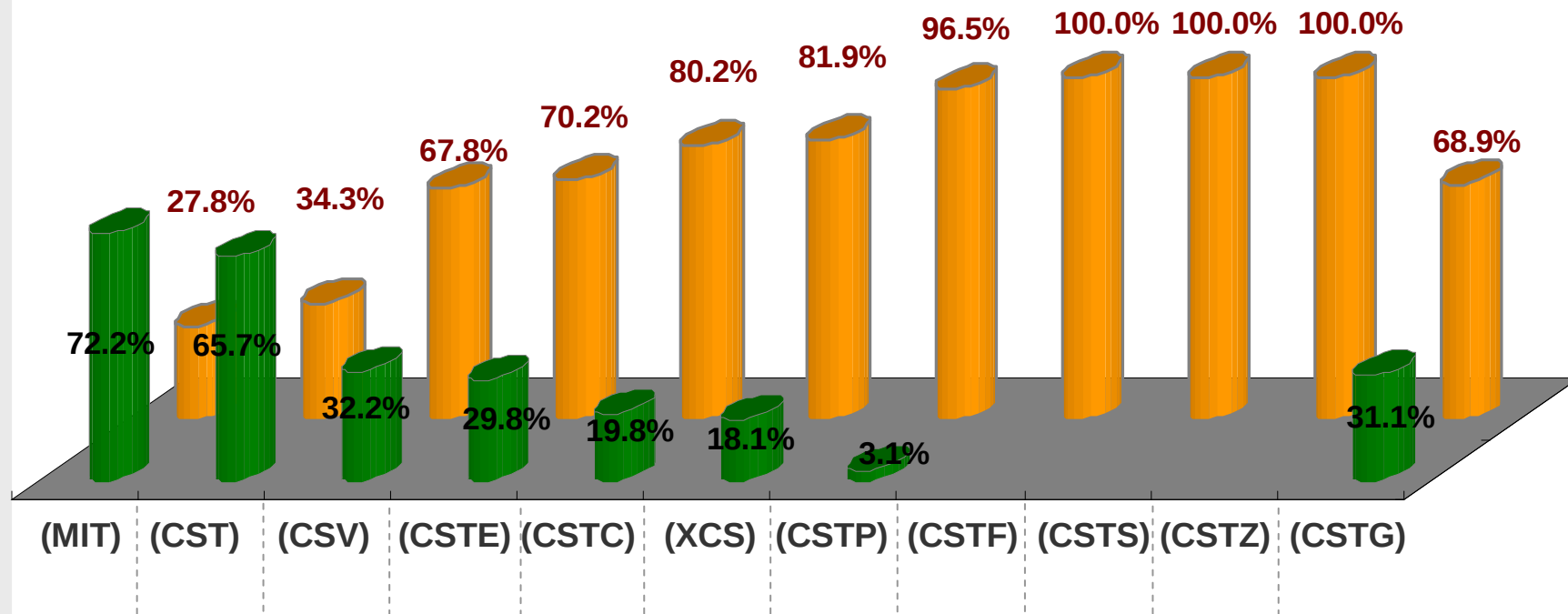
Sales more than 180 countries

Source : CST Non-audited Financial Report (2015)

Revenues by Domestic & Foreign Sales

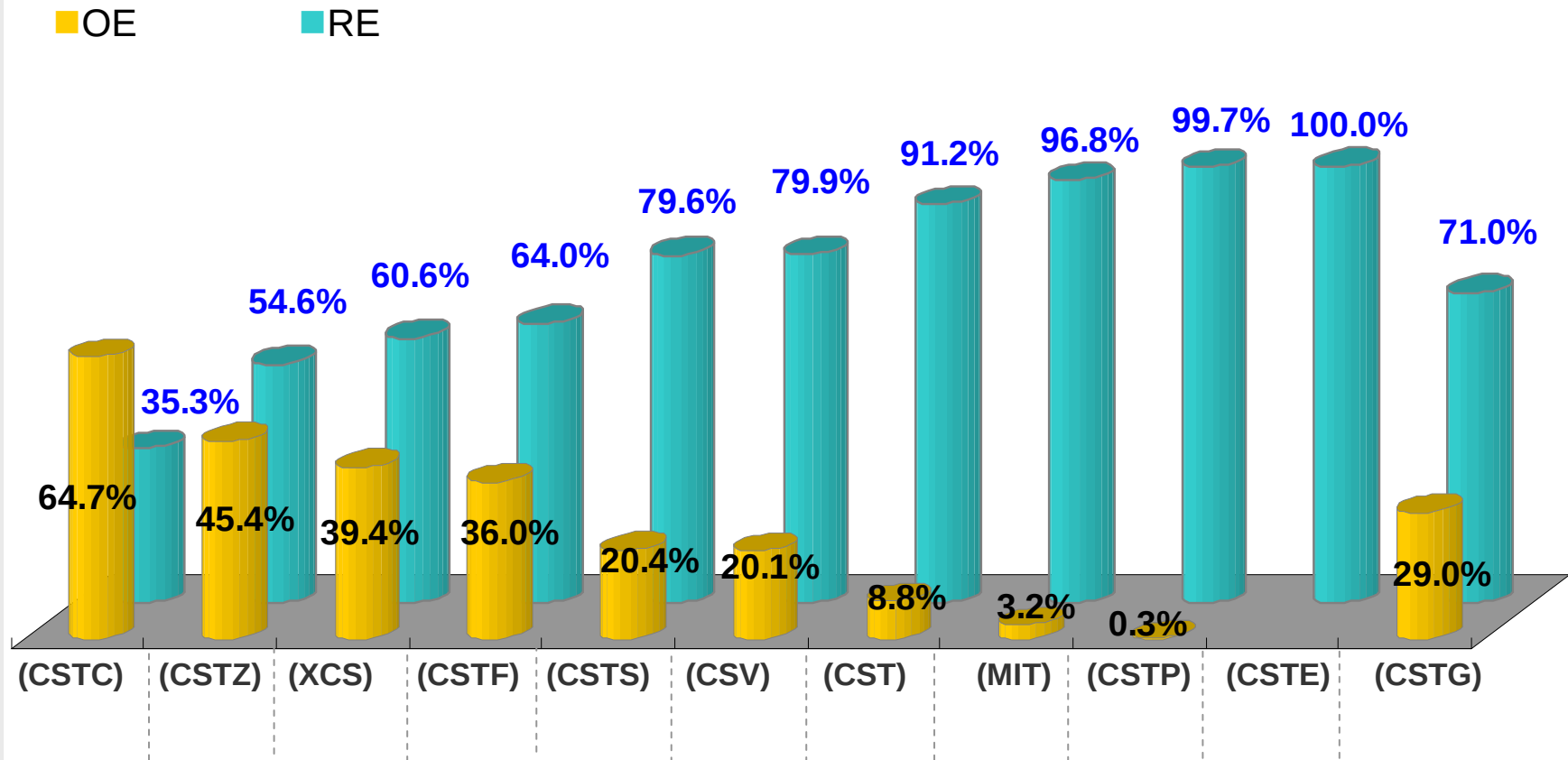
■ Foreign Sales

■ Domestic Sales



Source : CSTG Non-audited Financial Report (2015)

Revenues by OE & RE Customer



Source : CSTG Non-audited Financial Report (2015)

Production Configuration

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	CST	XCS	CSTC	CSTP	CSTF	MIT	CSTE	CSV	CSTS	CSTZ
PCR	◎	◎	◎			◎			◎	
TBR	◎		◎	◎		◎				
MC	◎	◎			◎			◎		◎
BC	◎	◎			◎					◎
TUBE	◎						◎	◎		
OTHERS	◎	◎			◎		◎	◎		◎

Base Date : 2015-12-31

Production Capacity

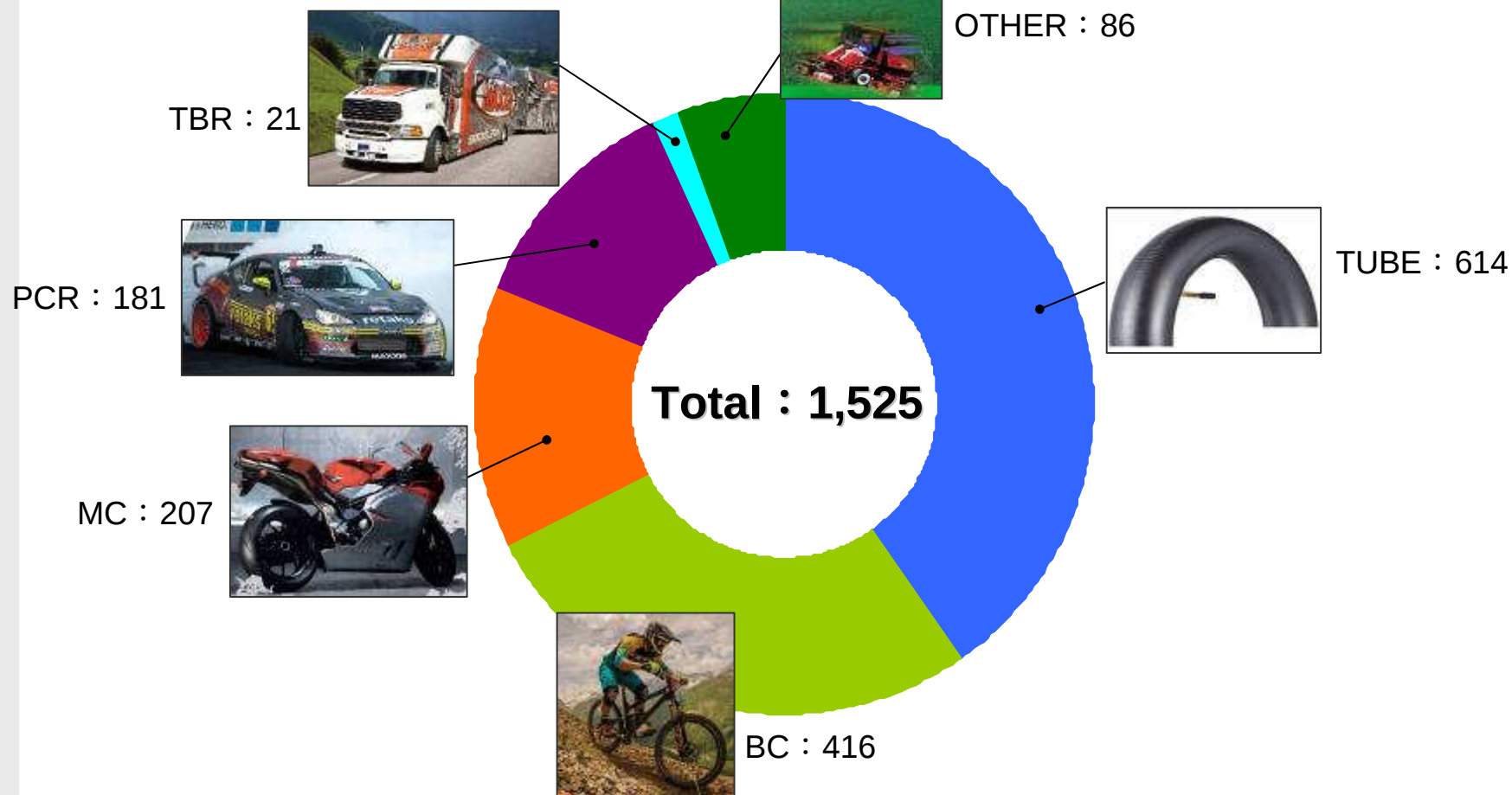
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Unit : thousand pcs / day



Base Date : 2015-12-31

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MAXXIS Marketing Activities

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Sponsors Miami Marlins

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Sponsors Charlotte Hornets



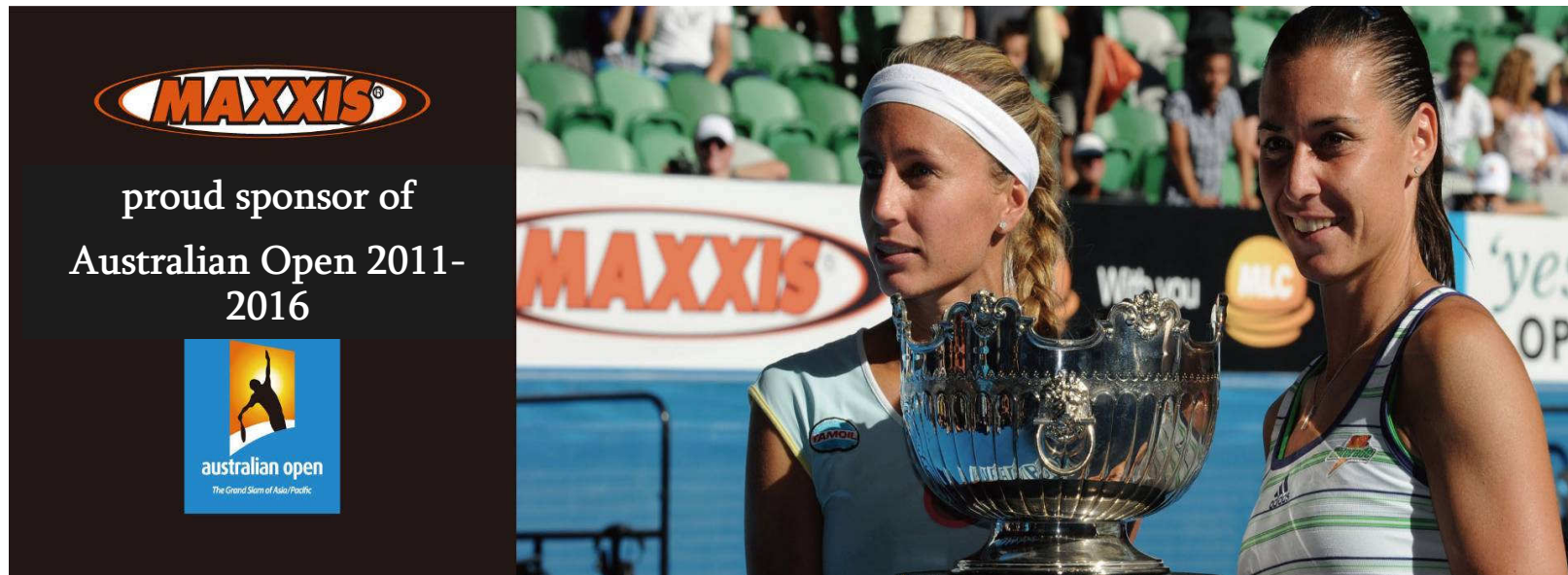
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Sponsors Australian Open - 2015&2016



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Sponsors Shanghai Maxxis Basketball for 7th consecutive year



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CHENG SHIN TIRE

Sponsors Liverpool Football

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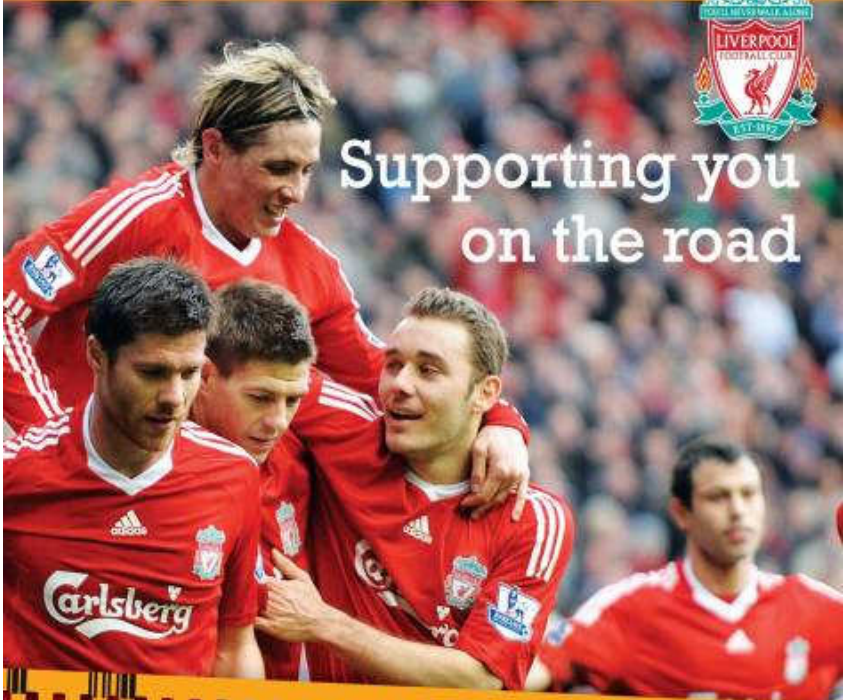
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