

A large Maxxis tire is shown floating in the air, tilted at an angle. It has a white multi-spoke wheel and a black tire with visible tread. Water is splashing around the bottom of the tire. Below the tire, a white BMW race car is driving on a wet asphalt track, also creating a splash of water. The car has 'MAXXIS' written on the front bumper and 'Bavarian Motorsport Service' on the hood. The background is a blue sky with white clouds and green hills.

**CHENG SHIN RUBBER IND. CO., LTD.**

**Investor Conference**

**August 16, 2016**

# Safe Harbor Notice

**MAXXIS**

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QUALITY

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SERVICE

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TRUST

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

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## Operating Results



# Company Introduction

# MAXXIS

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- ◆ 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 :  
5,415 (Taiwan) ; 30,202 (Global)



Base Date : 2016-06-30

# Production Plants

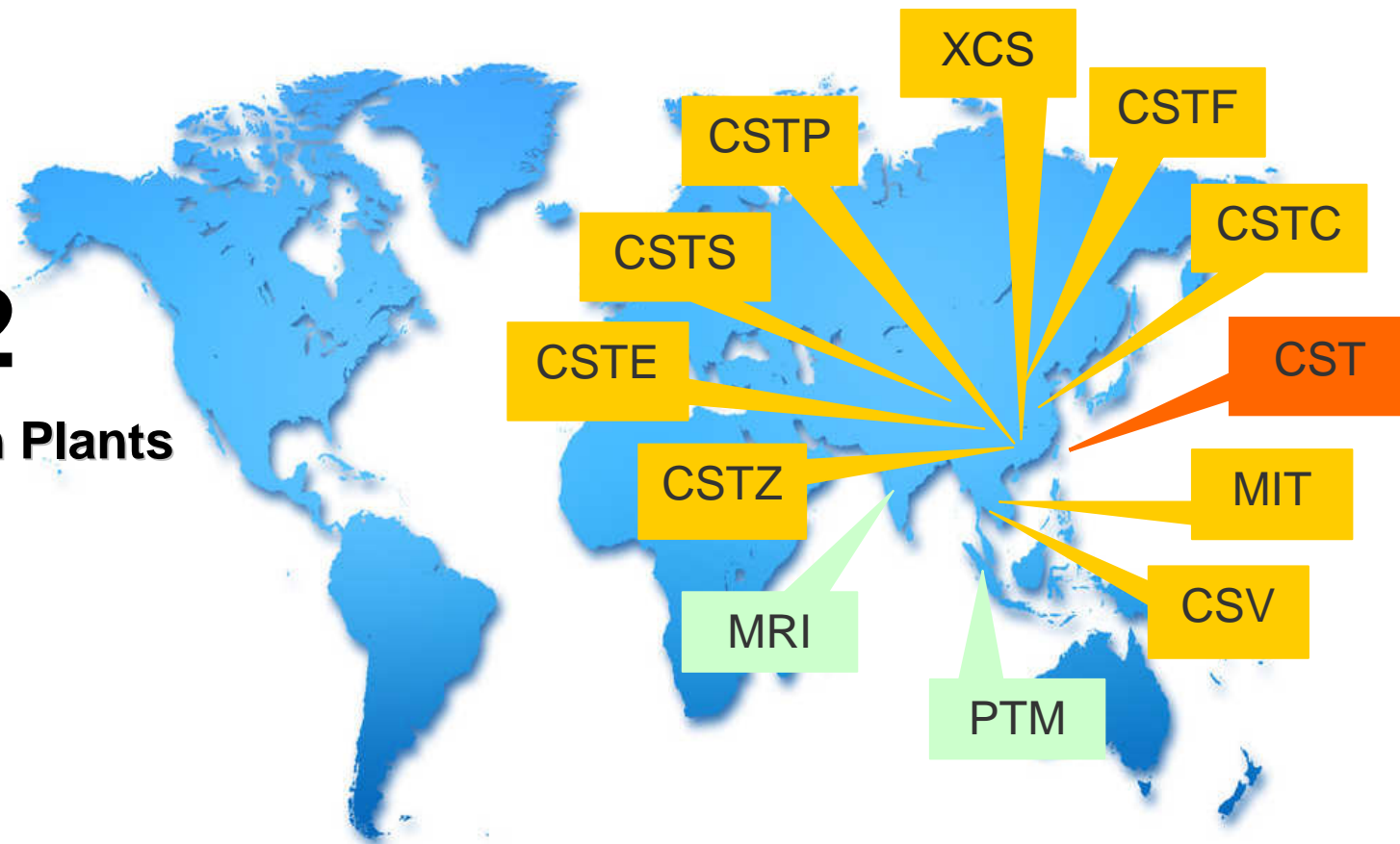
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**12**  
Production Plants



Note1 : CST is the Headquarter

Note2 : MRI and PTM are under construction

# Statements of Comprehensive Income Overview (Consolidated)

Unit : NT\$ million

	2016-1H		2015-1H	
	(Amount)	%	(Amount)	%
Net revenues	60,367	100	60,034	100
Cost of good sold	(40,741)	(67)	(42,104)	(70)
Gross profit	19,626	33	17,930	30
Operating expenses	(8,529)	(14)	(8,049)	(14)
Operating profit	11,097	19	9,881	16
Non-operating gains & losses	(382)	(1)	(638)	(1)
Income before tax	10,715	18	9,243	15
Net income	8,070	13	6,552	11
EPS in NT dollar	2.48		2.01	

Source : CST Financial Report

## Balance Sheet Overview (Consolidated)

Unit : NT\$ million

	2016-1H		2015-1H	
	(Amount)	%	(Amount)	%
Cash and cash equivalents	31,966	19	28,194	17
Inventories	12,201	7	13,602	8
Net property, plant and equipment	104,296	61	105,834	62
<b>Total assets</b>	<b>172,186</b>	<b>100</b>	<b>171,639</b>	<b>100</b>
Current liabilities	46,840	27	49,898	29
Long-term debts	23,866	14	22,618	13
Total shareholder's equity	86,153	50	83,259	49
<b>Total liabilities and shareholder's equity</b>	<b>172,186</b>	<b>100</b>	<b>171,639</b>	<b>100</b>

Source : CST Financial Report



# Statement of Cash Flow Overview (Consolidated)

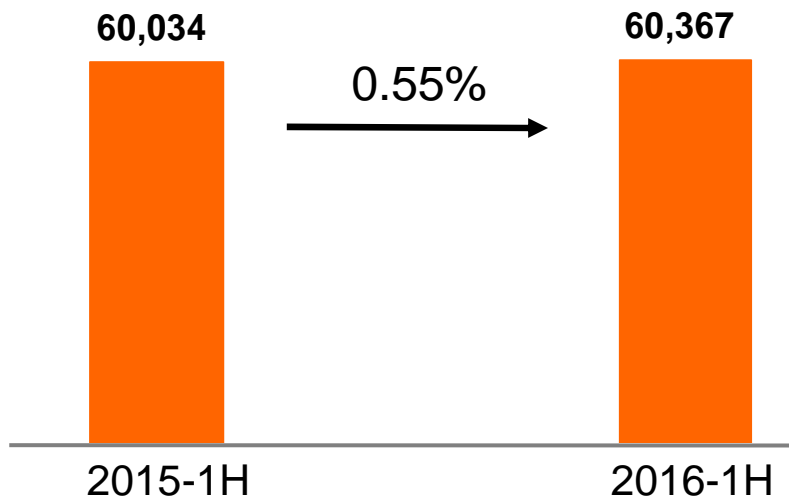
Unit : NT\$ million

	2016-1H (Amount)	2015-1H (Amount)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>15,977</b>	<b>13,453</b>
Net income before tax	10,714	9,242
Depreciation expenses	5,853	5,456
Accounts receivable 、inventories and accounts payable	1,895	2,282
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(6,306)</b>	<b>(5,858)</b>
Acquisitions of property, plant and equipment	(6,120)	(4,640)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>450</b>	<b>(118)</b>
Increase (decrease) in loans	(395)	(146)

Source : CST Financial Report

## Revenues (Consolidated)

Unit : NT\$ million



【Reasons of revenues increase 0.55%】

YoY :

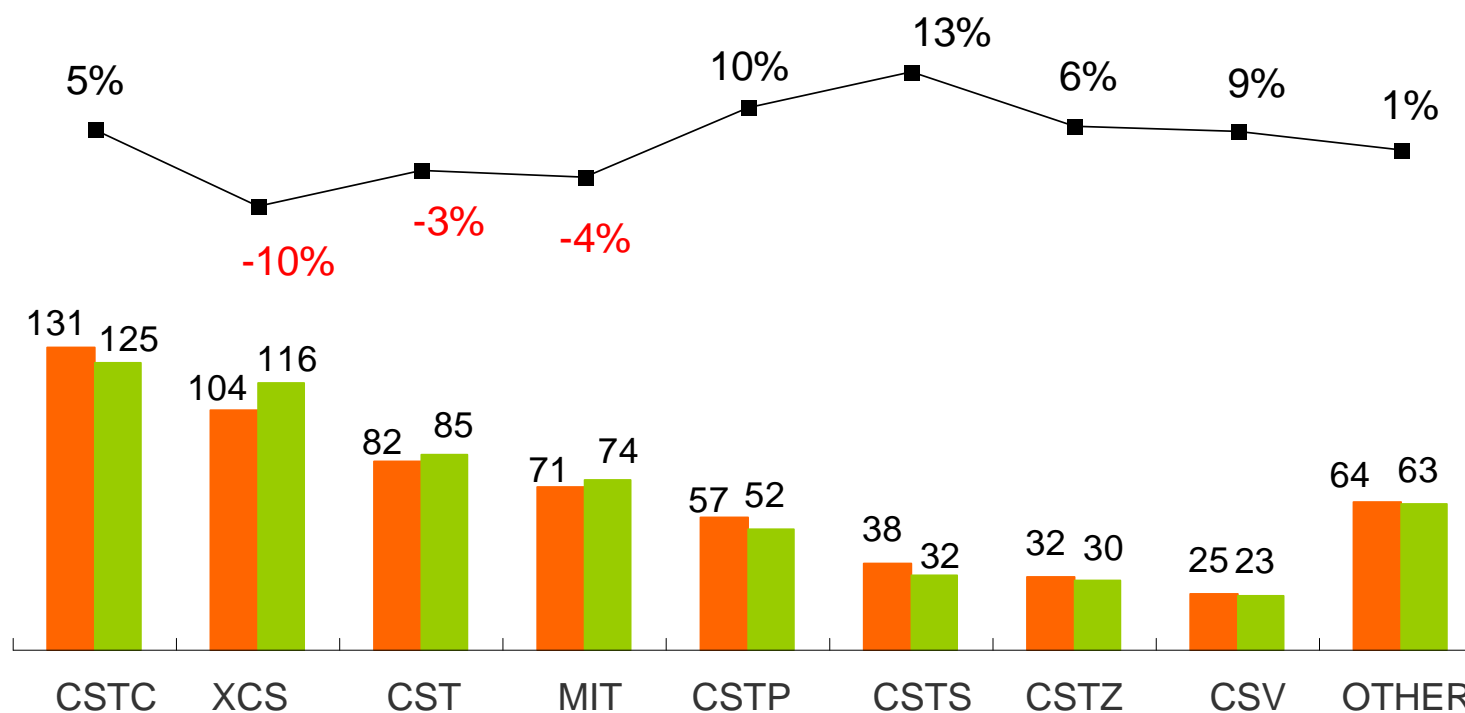
- Price & exchange rate effect : -8.08%
- Quantity effect : 8.52%

Source : CST Financial Report

## YoY Revenues (Consolidated)

Unit : NT\$ 100 million

2016-1H 2015-1H

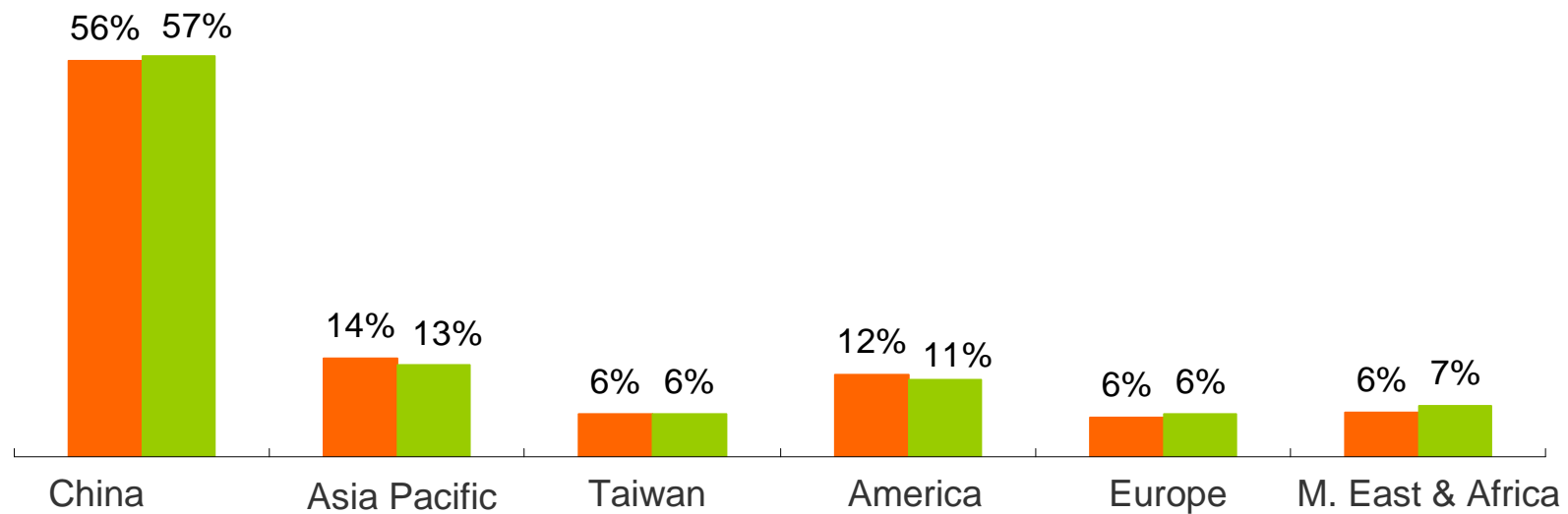


Source : CST Financial Report (2016-1H)

## YoY Revenues by Region (Consolidated)

Unit : % of sales

2016-1H 2015-1H

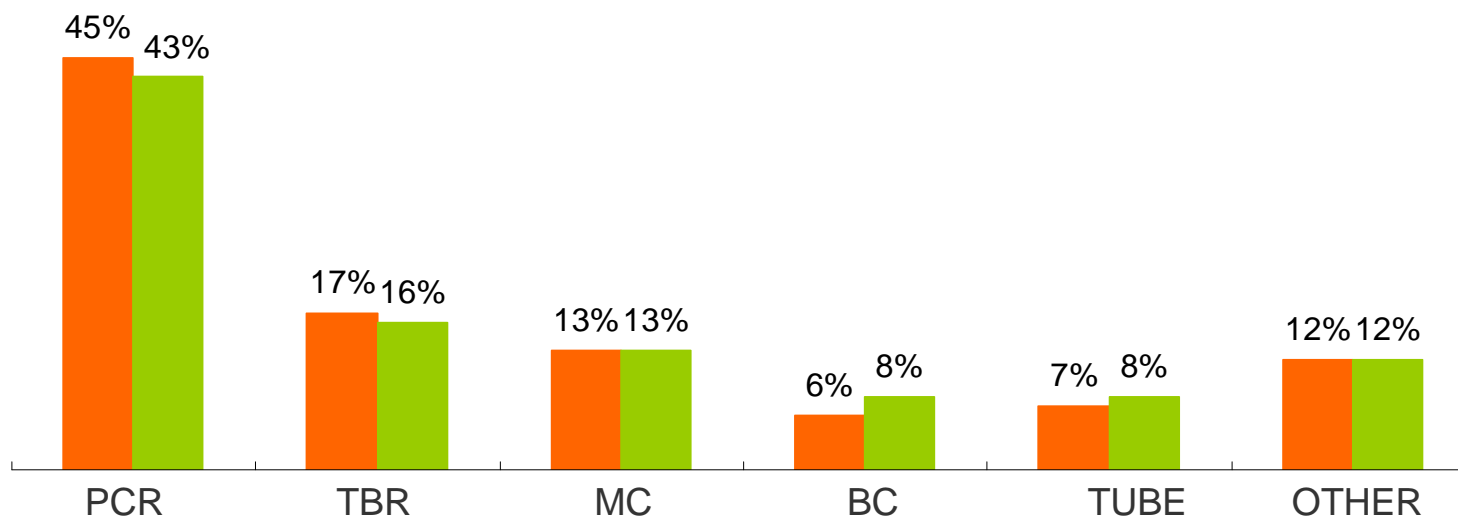


Source : CST Non-audited Financial Report (2016-1H vs 2015-1H)

## YoY Revenues by Products (Consolidated)

Unit : % of sales

2016-1H 2015-1H



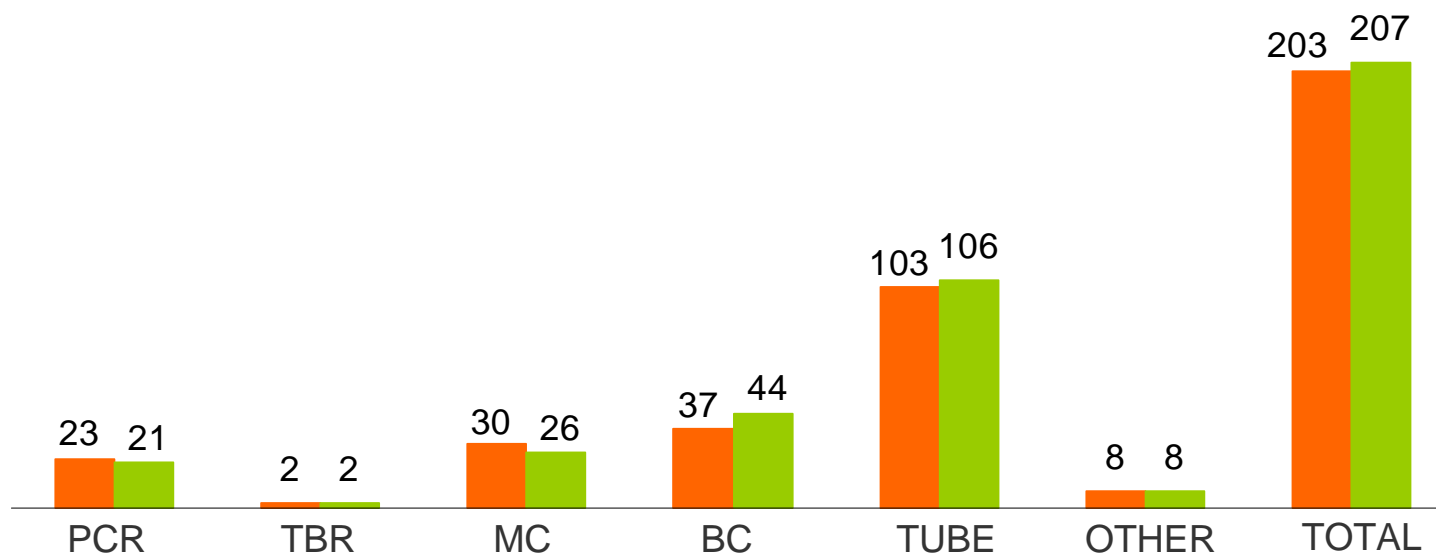
Source : CST Non-audited Financial Report (2016-1H vs 2015-1H)



## YoY Quantities by Products (Consolidated)

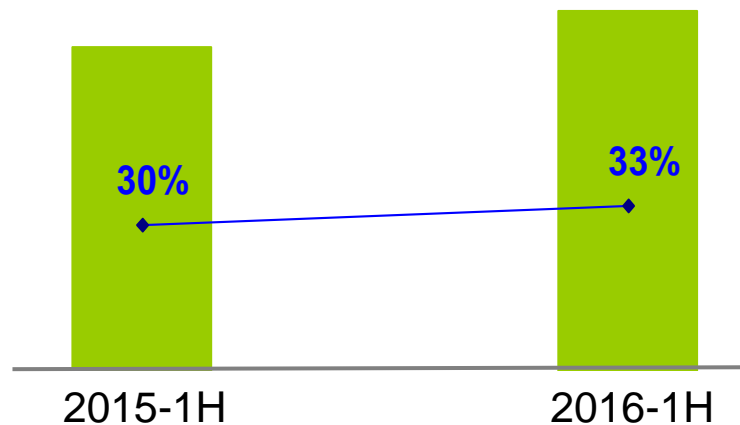
Unit : million pcs

■ 2016-1H ■ 2015-1H



Source : CST Non-audited Financial Report (2016-1H vs 2015-1H)

## Gross Profit Rate (Consolidated)



【 Reasons of gross profit rate increase 3.0% 】

YoY :

➤ Material cost effect : +5.3%

Source : CST Financial Report

# Material Cost

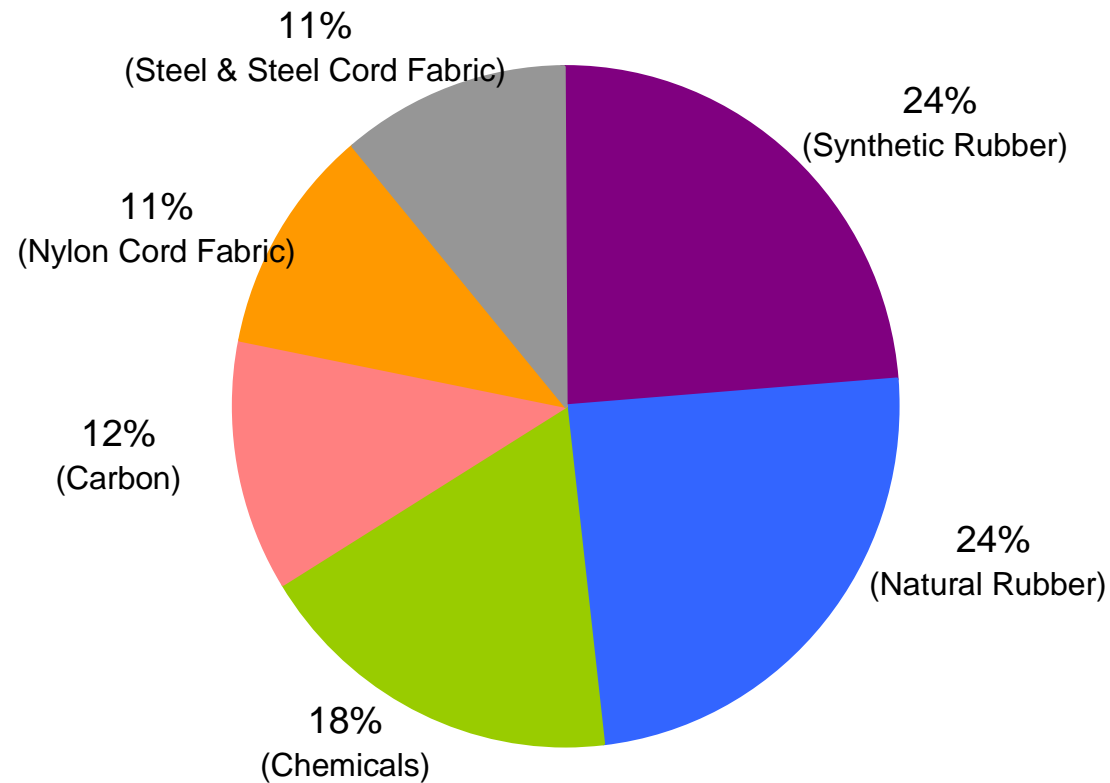
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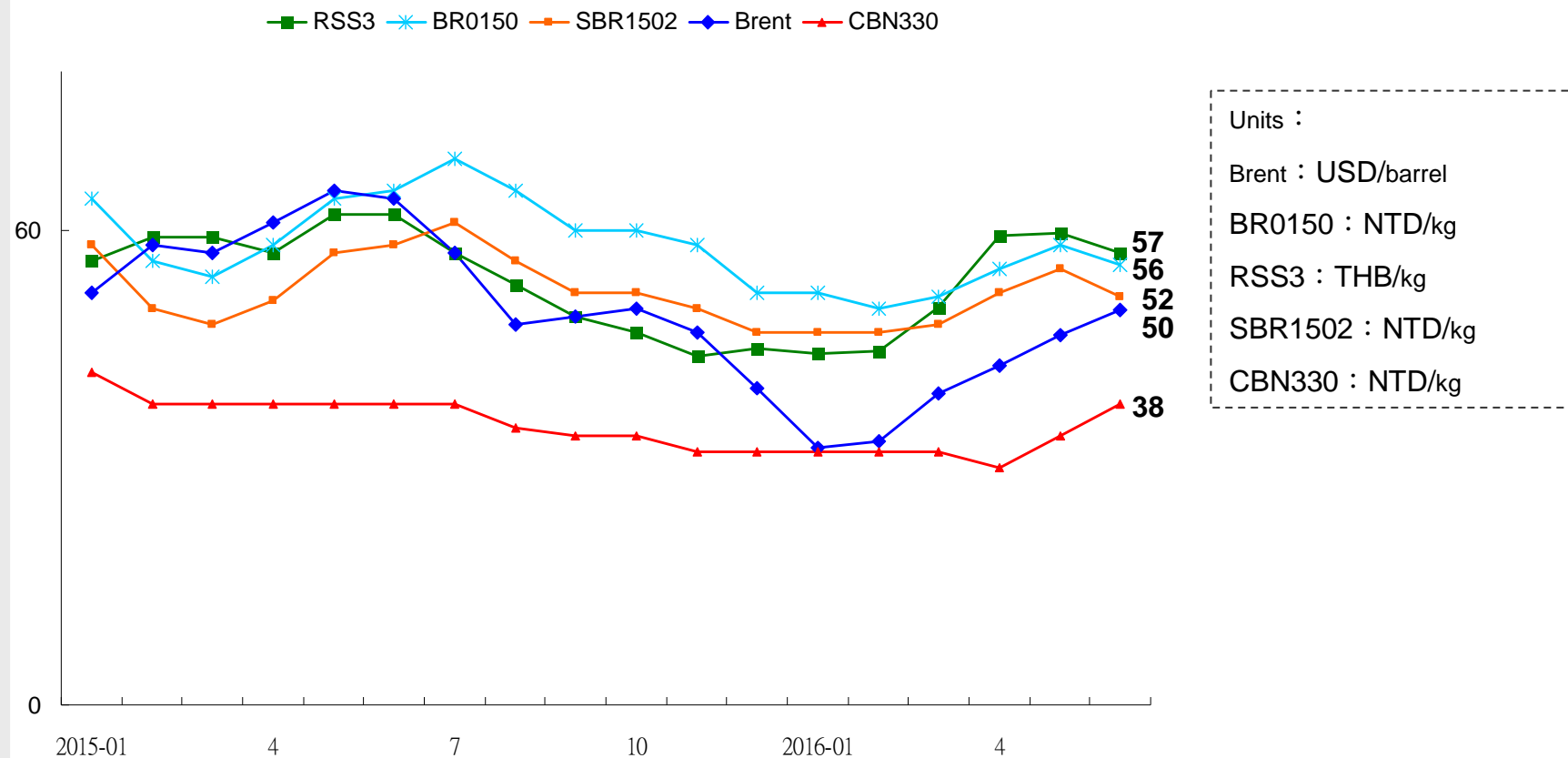
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Unit : % of total material cost



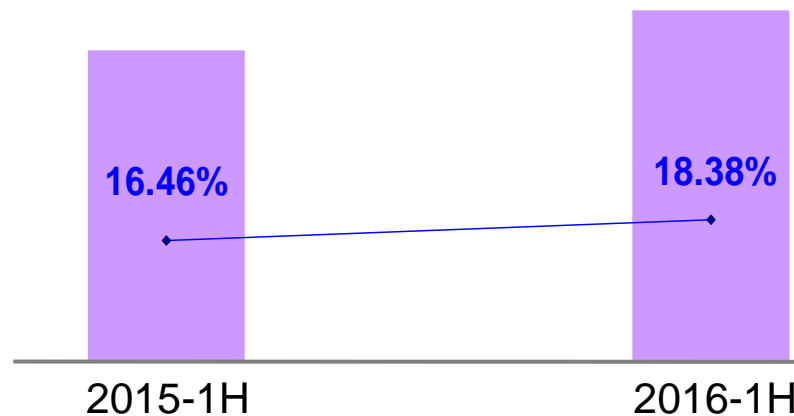
Source : CSTG Non-audited Financial Report (2016-1H)

## Material Price Trend – 2015~2016-1H



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

## Operating Income Rate (Consolidated)



【 Reasons of operating income rate increase 1.92%) 】

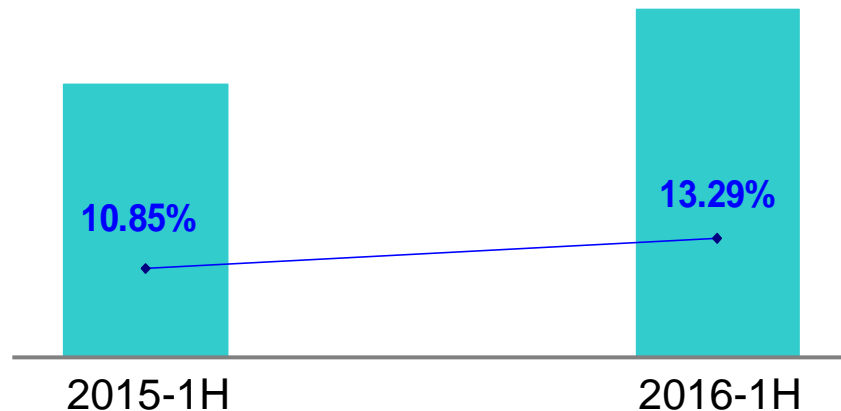
YoY :

- Operating expense rate effect : -0.72%
- Gross profit rate effect : +2.64%

Source : CST Financial Report



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



【Reasons of net income rate increase 2.43%】

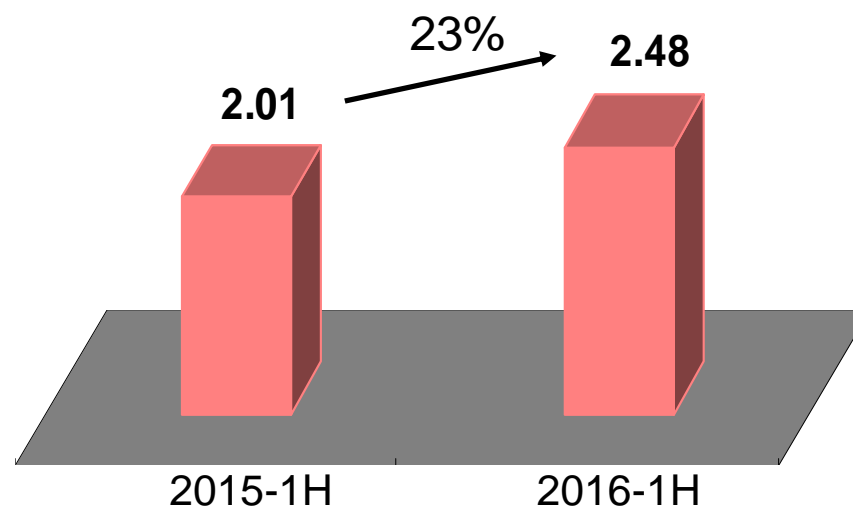
YoY :

- Income tax rate effect : +0.10%
- Non-operating rate effect : +0.42%
- Operating expense rate effect : -0.72%
- Gross profit rate effect : +2.64%

Source : CST Financial Report

## EPS (Consolidated)

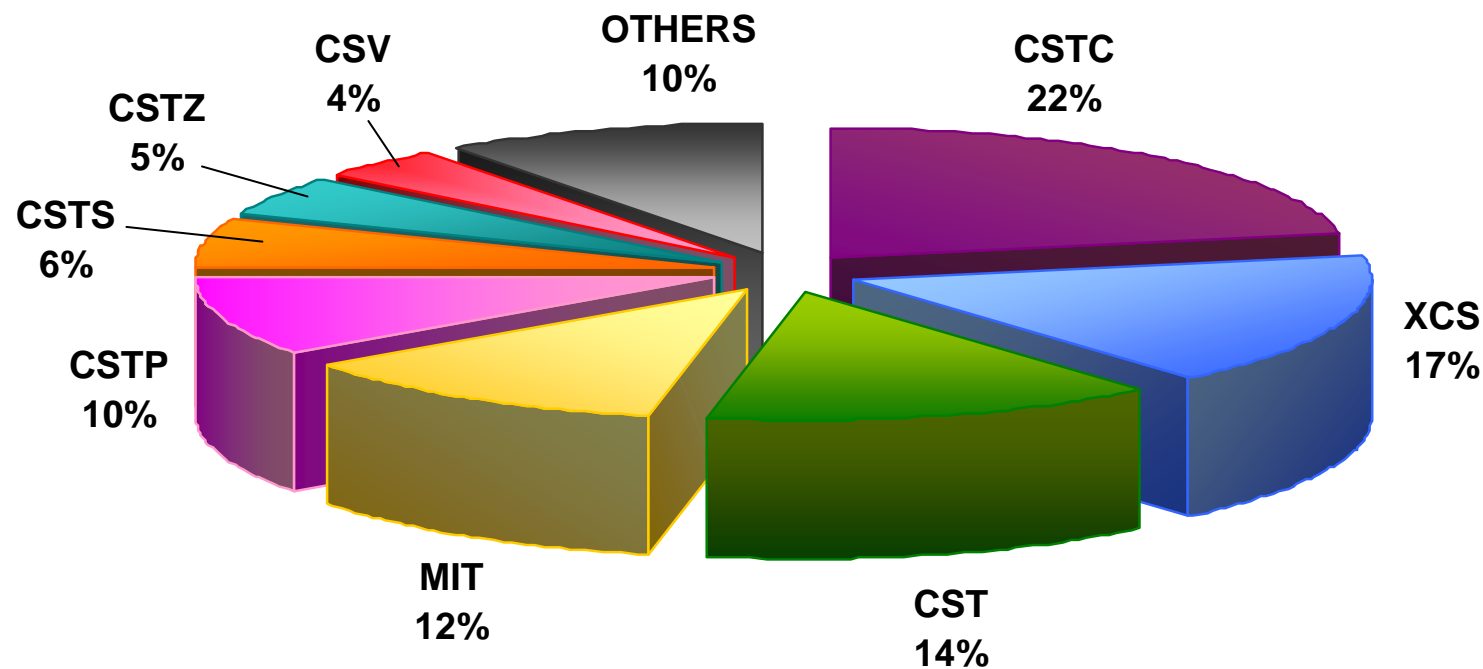
Unit : NT\$



Shares : 3.2414 billion shares

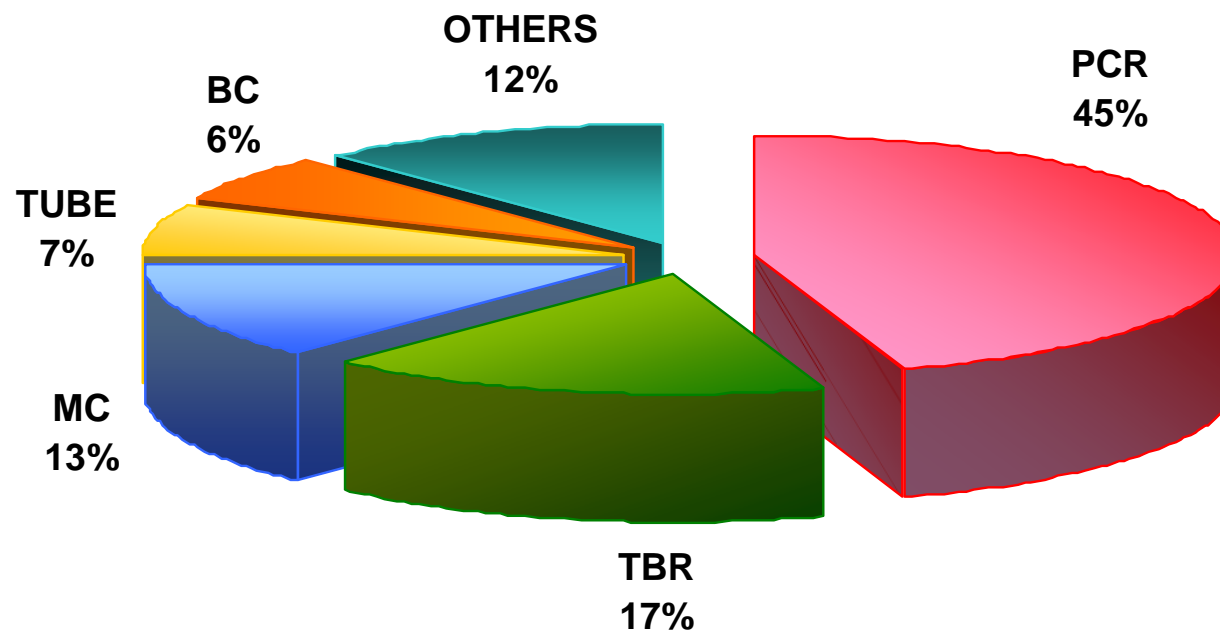
Source : CST Financial Report

## Revenues by Subsidiary



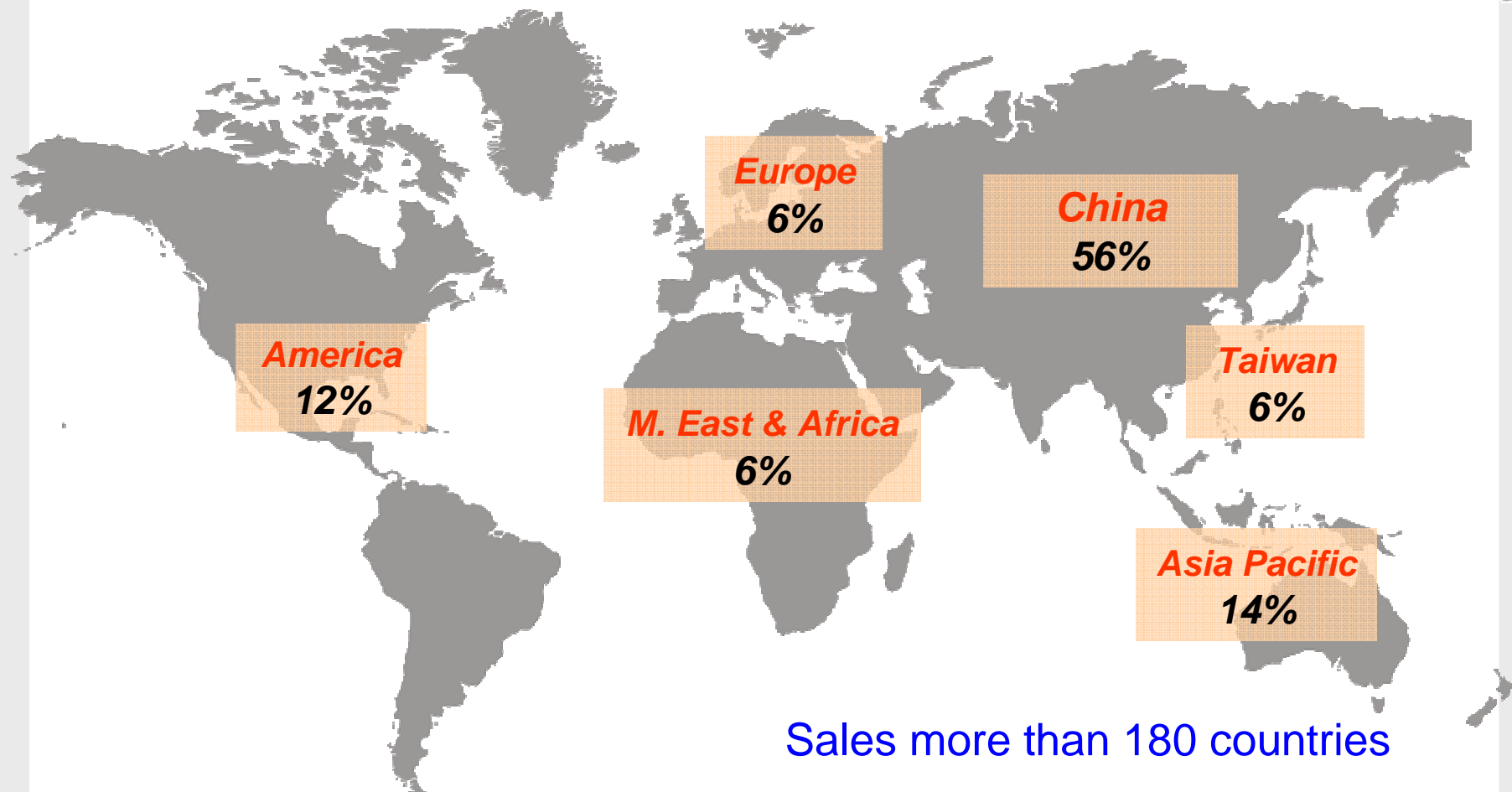
Source : CST Financial Report (2016-1H)

## Revenues by Product



Source : CSTG Non-audited Financial Report (2016-1H)

## Revenues by Region



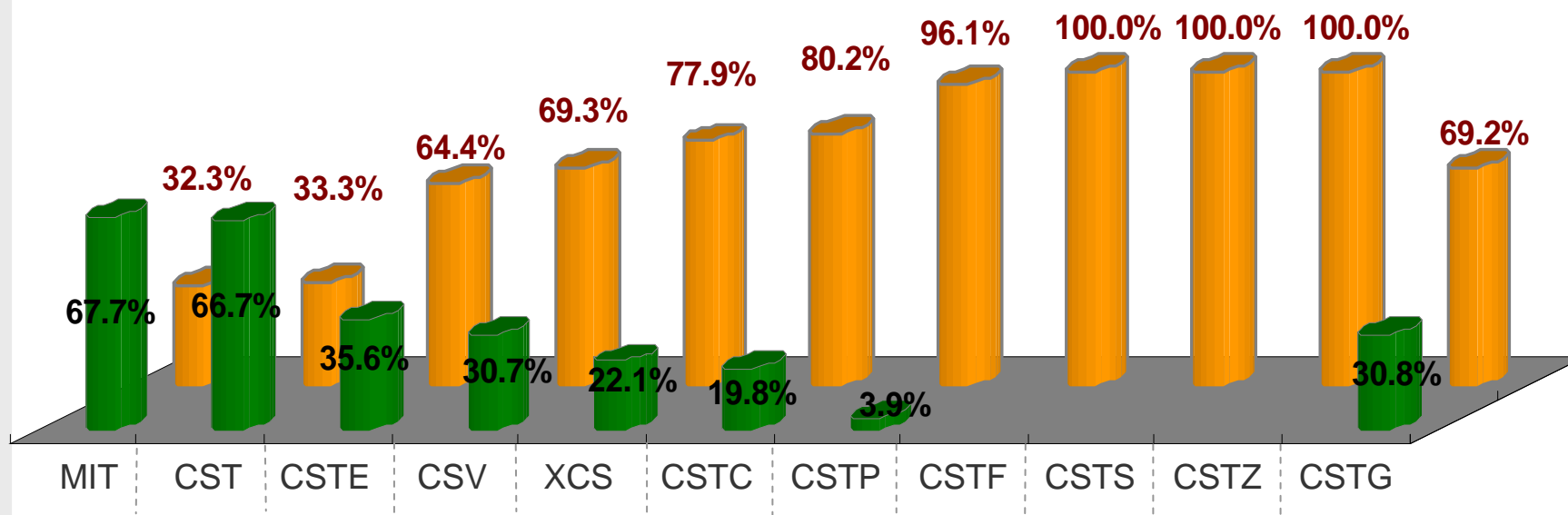
Sales more than 180 countries

Source : CSTG Non-audited Financial Report (2016-1H)



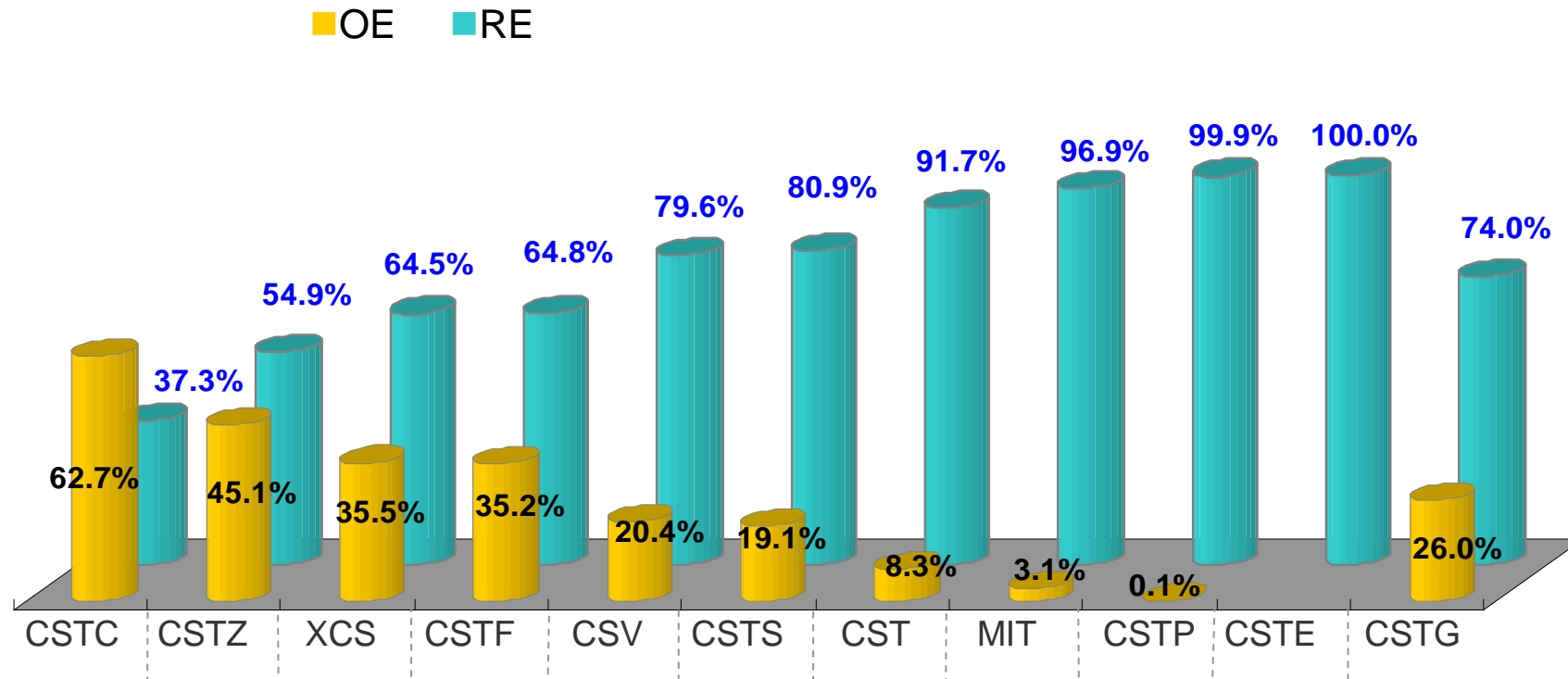
## Revenues by Domestic & Foreign Sales

■ Foreign Sales ■ Domestic Sales



Source : CSTG Non-audited Financial Report (2016-1H)

## Revenues by OE & RE Customer



Source : CSTG Non-audited Financial Report (2016-1H)

## Production Configuration

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

Base Date : 2016-06-30

# Production Capacity

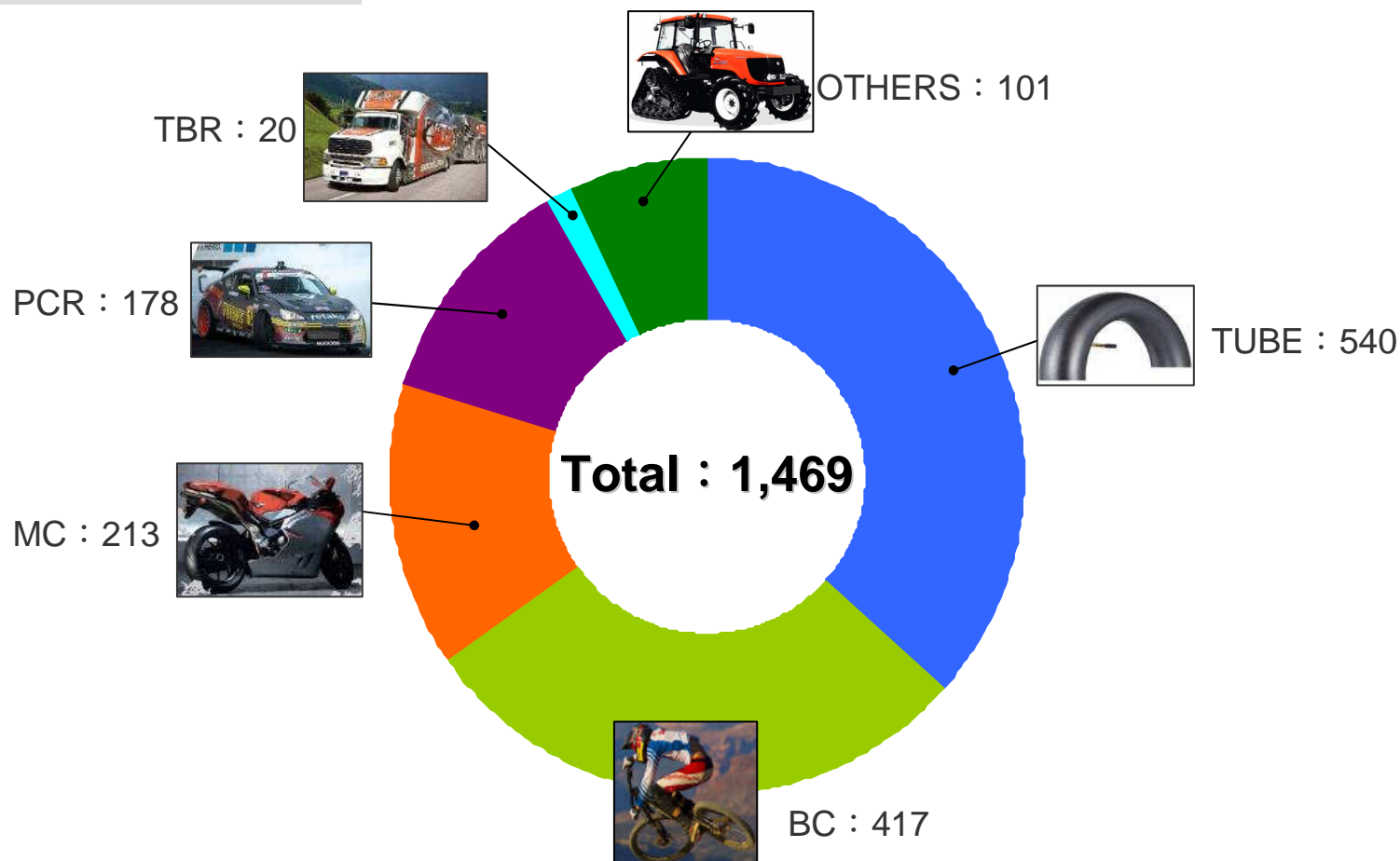
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Unit : thousand pcs / day



Base Date : 2016-06-30

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