

CHENG SHIN RUBBER IND. CO., LTD.

Investor Conference



August 16, 2017

Safe Harbor Notice

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>)



Participants

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



Company Introduction

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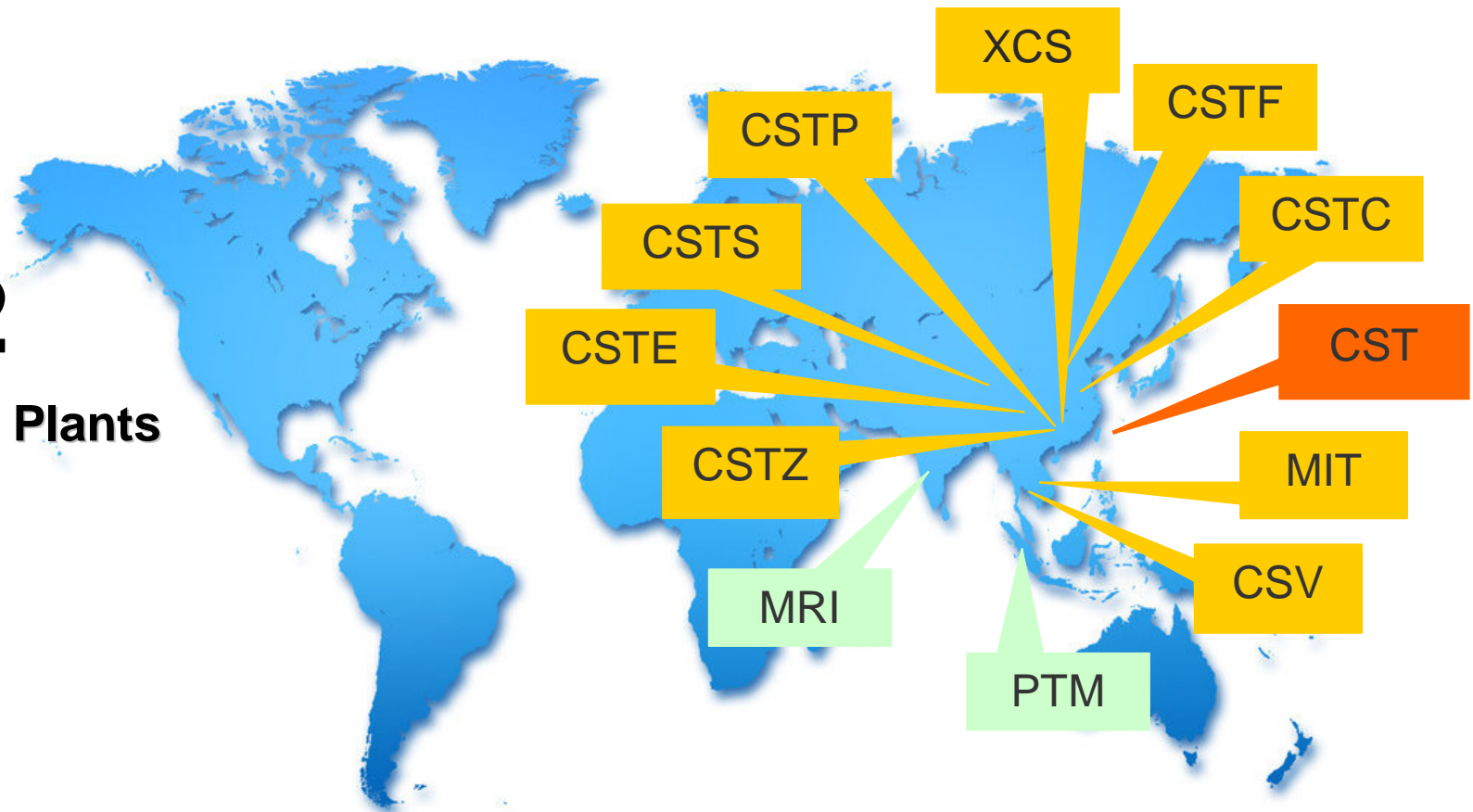
- ◆ Foundation : Jan., 1967
- ◆ IPO : Dec., 1987
- ◆ Headquarter : Chunghwa, Taiwan
- ◆ Capital : NT\$32.414 billion
- ◆ Chairman : Lo, Tsai-Jen
- ◆ Global top 9 of tire makers
- ◆ Number of employees :
6,165 (Taiwan) ; 32,218 (Global)



Base Date : 2017-06-30

Production Plants

12
Production Plants



Note1 : CST is the Headquarter

Note2 : MRI and PTM are under construction



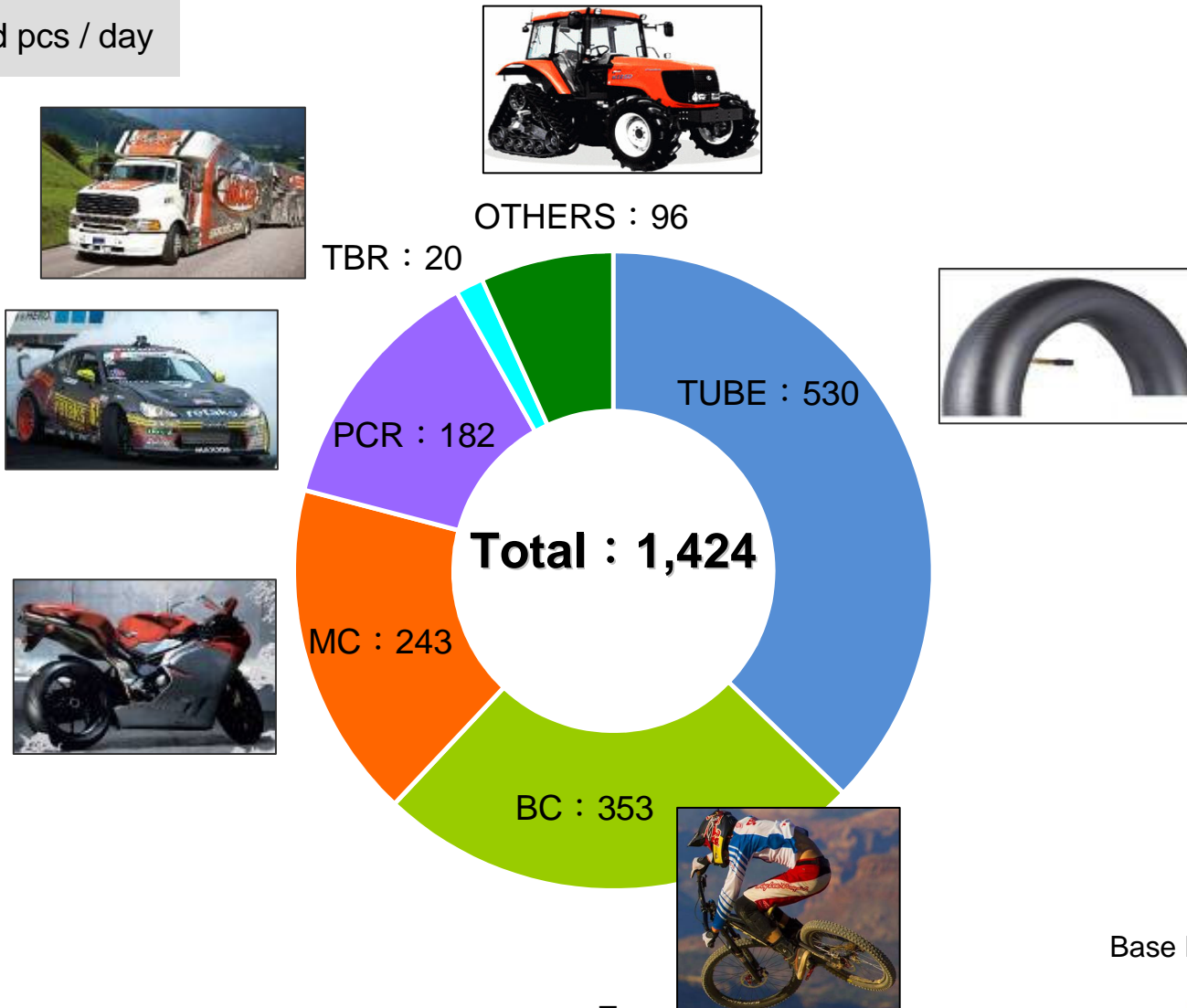
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Production Configuration

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

Production Capacity

Unit : thousand pcs / day





Operating Results

Statements of Comprehensive Income Overview (Consolidated)

Unit : NT\$ million

	2017-1H		2016-1H	
	Amount	%	Amount	%
Net revenues	57,010	100	60,366	100
Cost of good sold	(43,221)	(76)	(40,741)	(67)
Gross profit	13,789	24	19,625	33
Operating expenses	(8,440)	(14)	(8,529)	(14)
Operating profit	5,349	10	11,096	19
Non-operating gains & losses	(83)	(0)	(382)	(1)
Income before tax	5,266	10	10,714	18
Net income	3,685	7	8,070	13
EPS in NT dollar	1.12		2.48	

Source : CSTG Financial Report

Balance Sheet Overview (Consolidated)

Unit : NT\$ million

	2017-1H		2016-1H	
	Amount	%	Amount	%
Cash and cash equivalents	33,826	19	31,906	19
Inventories	17,701	10	12,201	7
Net property, plant and equipment	103,615	58	104,296	61
Total assets	179,549	100	172,186	100
Current liabilities	57,864	32	46,840	27
Long-term debts	24,138	13	23,866	14
Total shareholder's equity	80,022	45	86,153	50
Total liabilities and shareholder's equity	179,549	100	172,186	100

Source : CSTG Financial Report



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Statement of Cash Flow Overview (Consolidated)

Unit : NT\$ million

	2017-1H Amount	2016-1H Amount
CASH FLOWS FROM OPERATING ACTIVITIES	2,956	15,730
Net income before tax	5,266	10,714
CASH FLOWS FROM INVESTING ACTIVITIES	(8,179)	(6,051)
Acquisitions of property, plant and equipment	(8,317)	(5,942)
CASH FLOWS FROM FINANCING ACTIVITIES	11,305	448
Increase (decrease) in loans	11,254	413
Increase in cash and cash equivalents	4,932	9,585
Cash and cash equivalents at the end of year	33,826	31,906

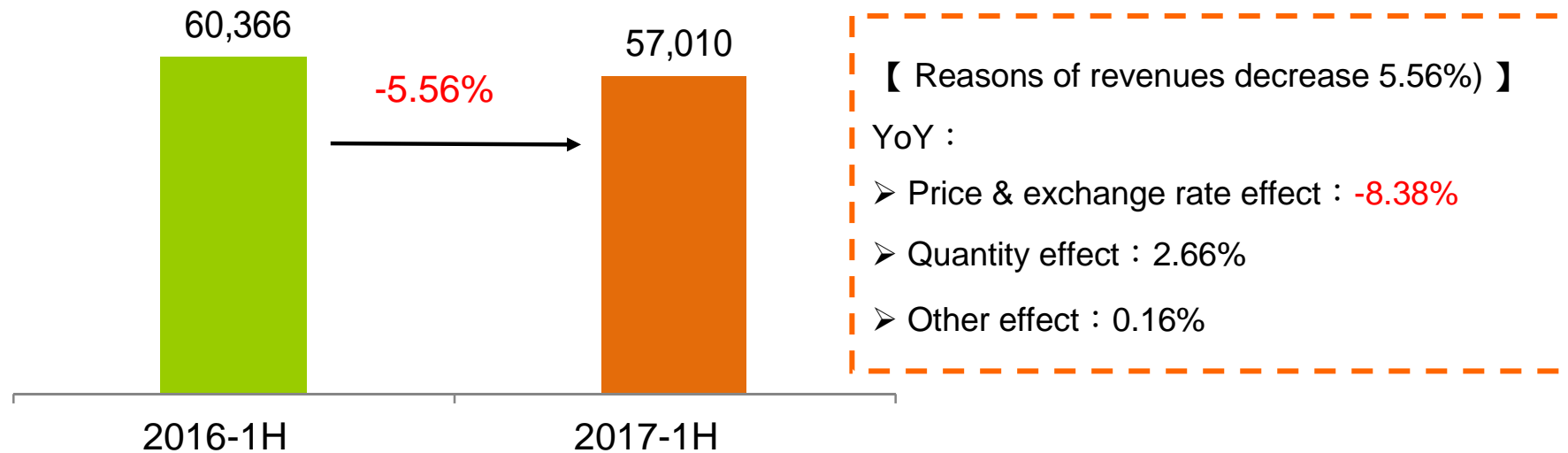


Source : CSTG Financial Report

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Revenues (Consolidated)

Unit : NT\$ million

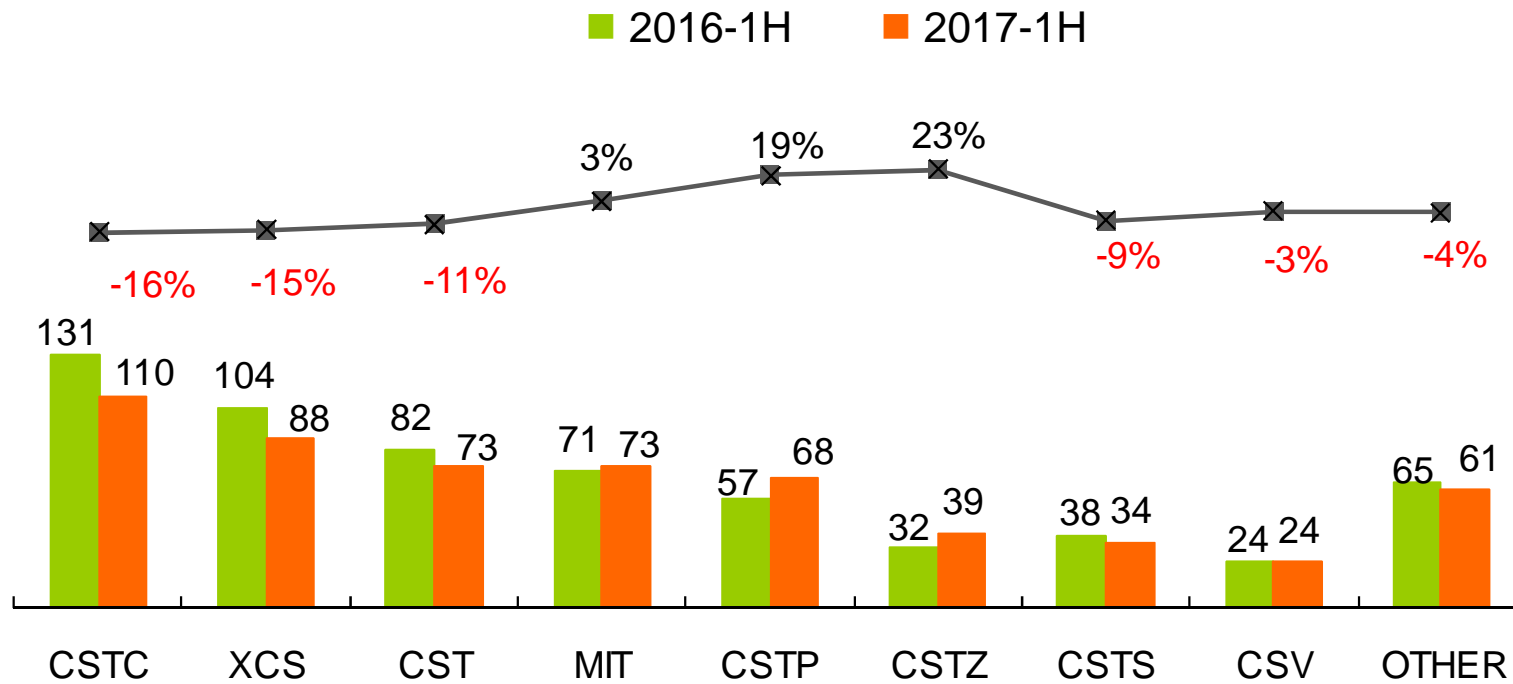


Source : CSTG Financial Report

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YoY Revenues (Consolidated)

Unit : NT\$ 100 million



Source : CSTG Financial Report

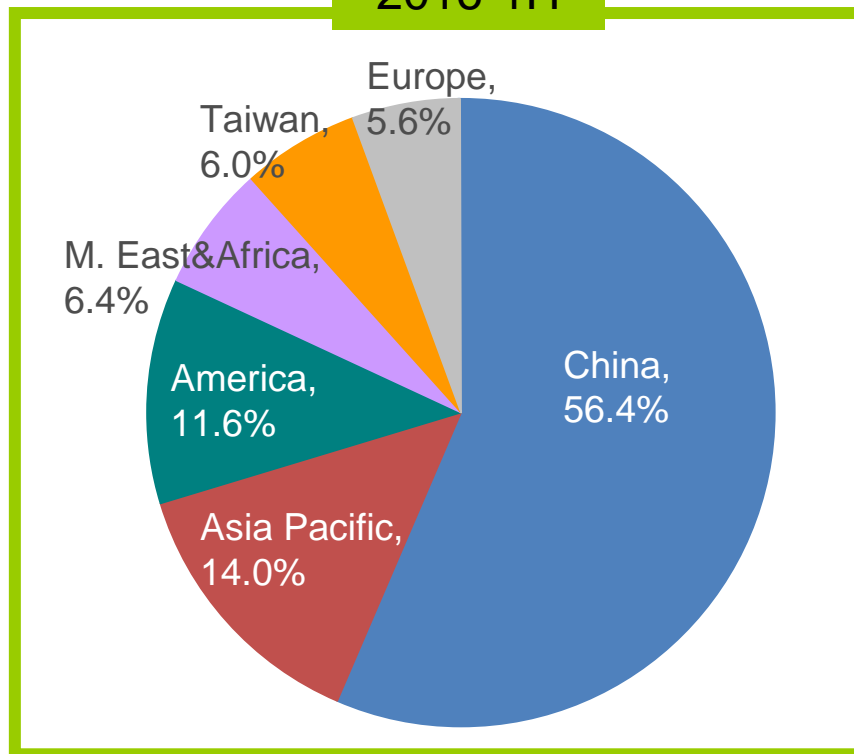


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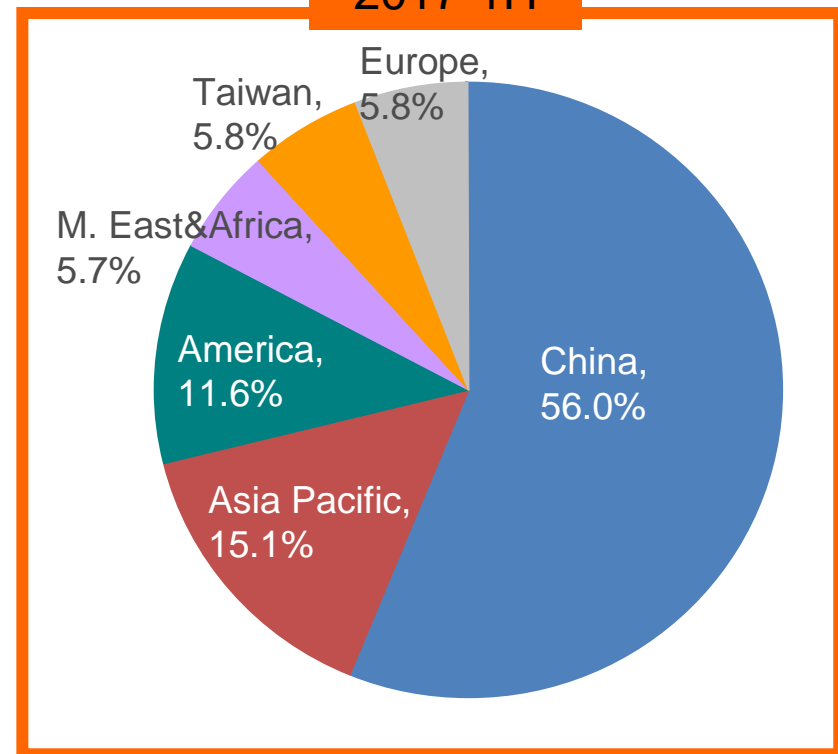
YoY Revenues by Region (Consolidated)

Unit : % of sales

2016-1H



2017-1H

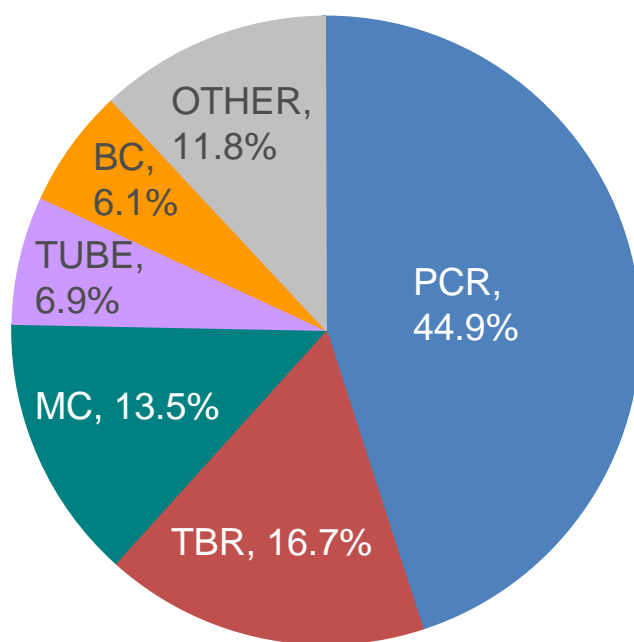


Source : CSTG Non-audited Financial Report
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YoY Revenues by Products (Consolidated)

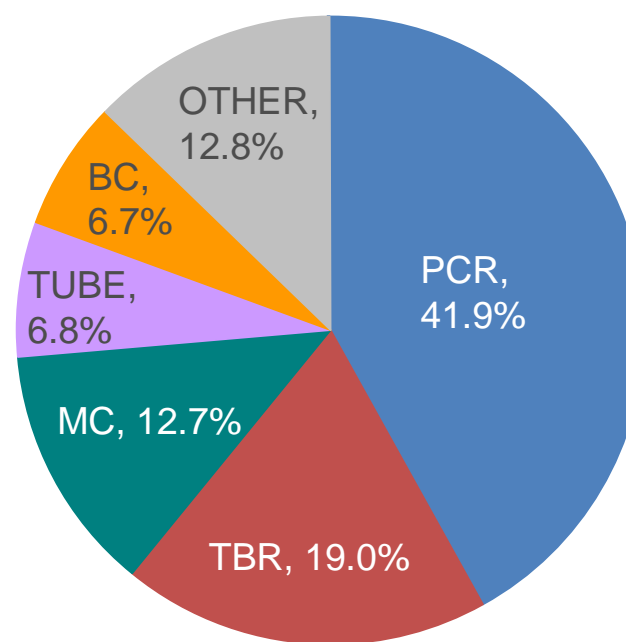
Unit : % of sales

2016-1H



Note : 17" ↑ tires is 23.5% of PCR sales

2017-1H



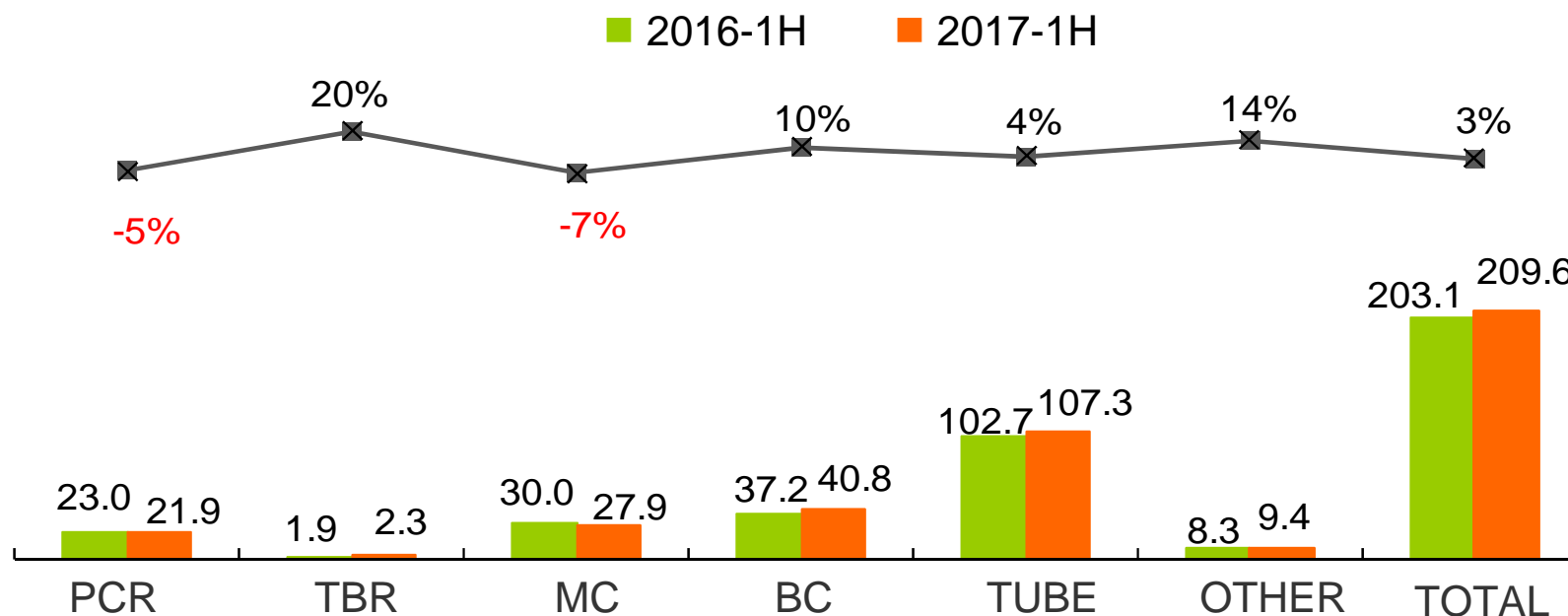
Note : 17" ↑ tires is 26.1% of PCR sales



Source : CSTG Non-audited Financial Report
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YoY Quantities by Products (Consolidated)

Unit : million pcs



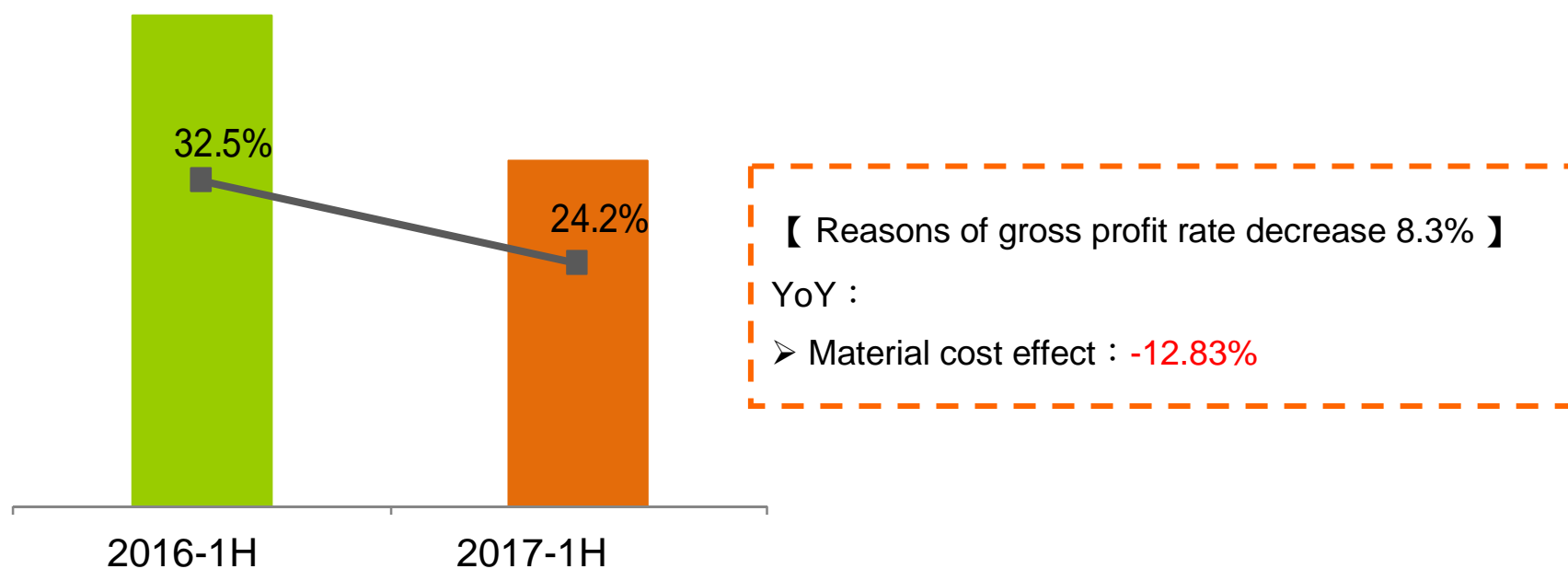
Note : 17" ↑ tires is 18.9% of PCR quantities in 2017-1H ; 17" ↑ tires is 16.9% of PCR quantities in 2016-1H



Source : CSTG Non-audited Financial Report

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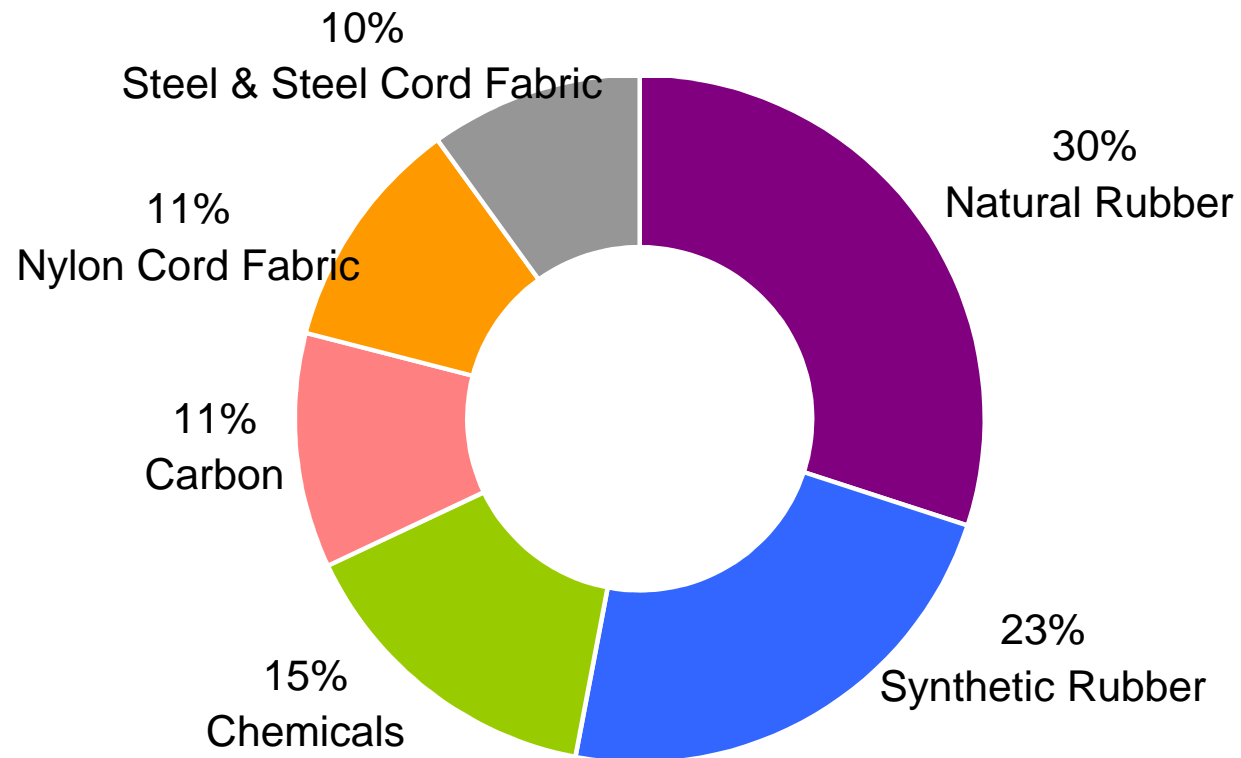
Gross Profit Rate (Consolidated)



Source : CSTG Financial Report

Material Cost

Unit : % of total material cost



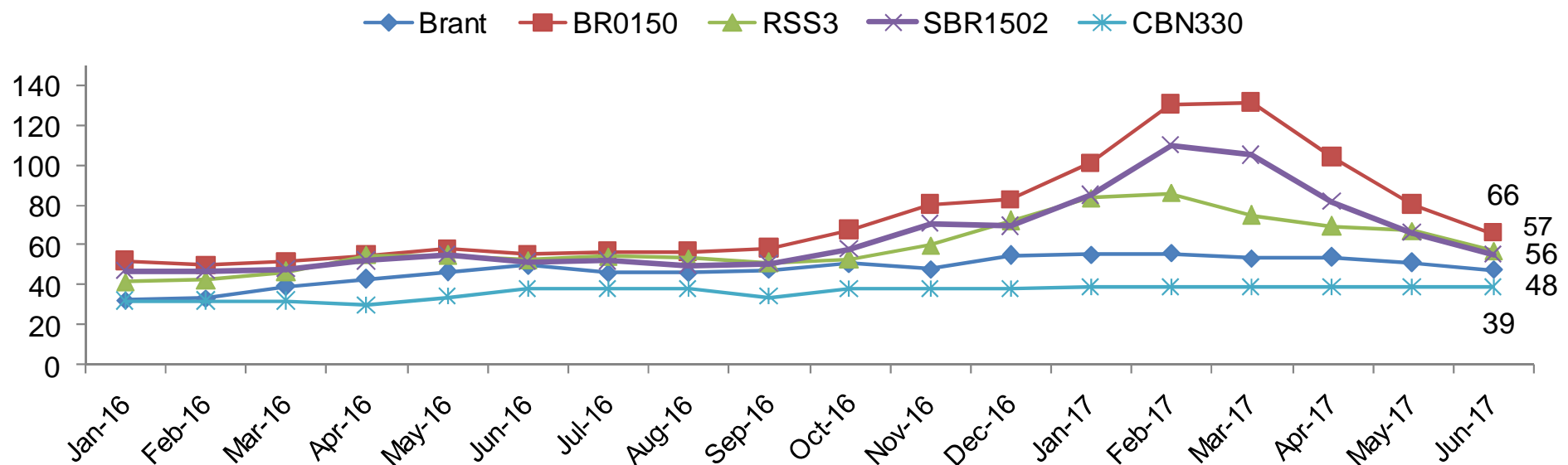
Source : CSTG Non-audited Financial Report (2017-1H)

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Material Price Trend – 2016~2017-1H

Unit :

Brent : USD/barrel BR0150 : NTD/kg RSS3 : NTD/kg SBR1502 : NTD/kg CBN330 : NTD/kg

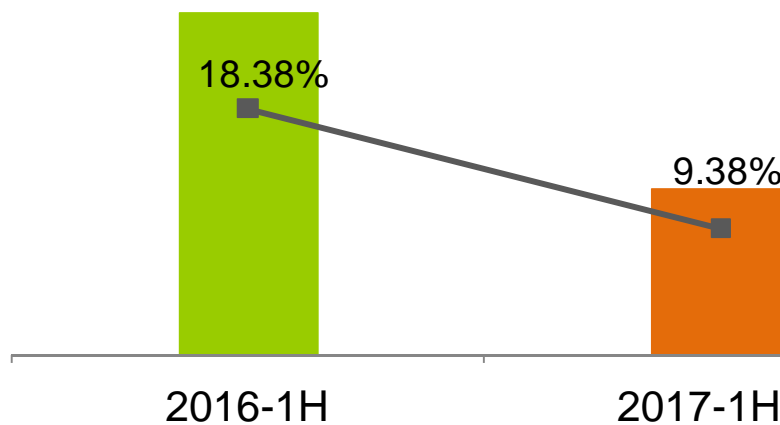


Source : <http://cip.chinatimes.com/>



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Operating Income Rate (Consolidated)



【 Reasons of operating income rate decrease 9.00%) 】

YoY :

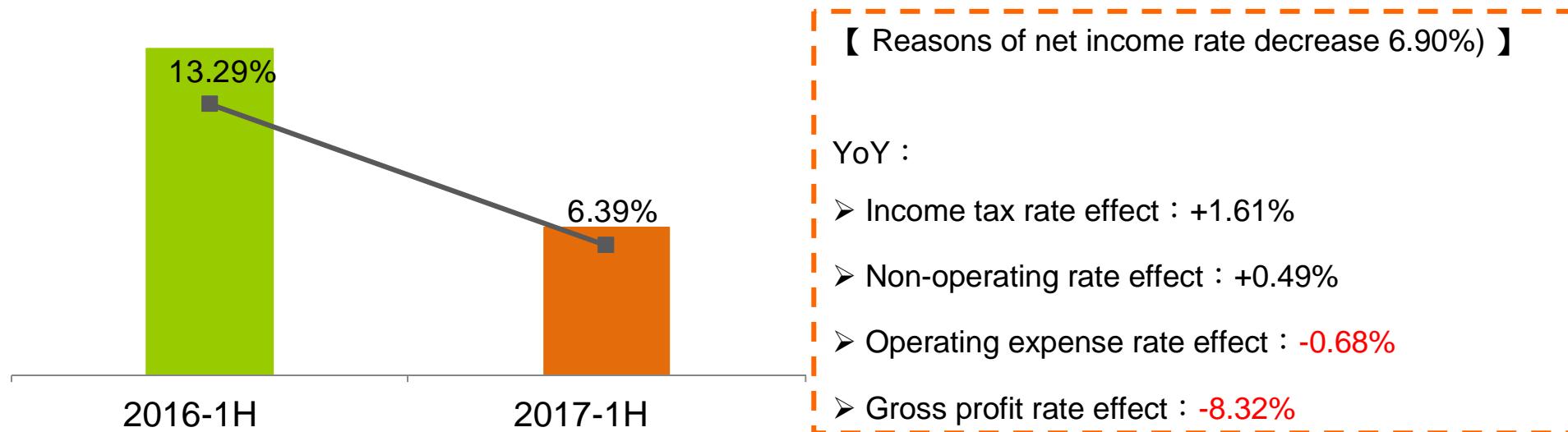
- Operating expense rate effect : -0.68%
- Gross profit rate effect : -8.32%

Source : CSTG Financial Report



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

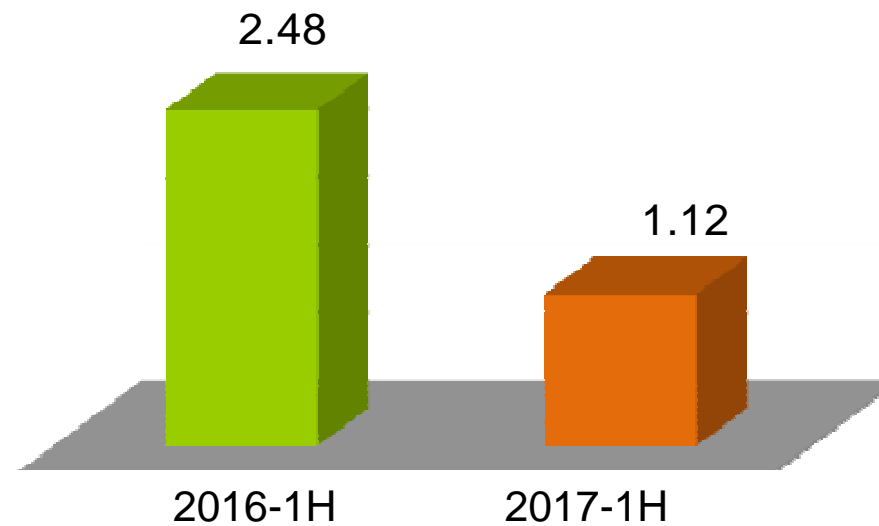


Source : CSTG Financial Report

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EPS (Consolidated)

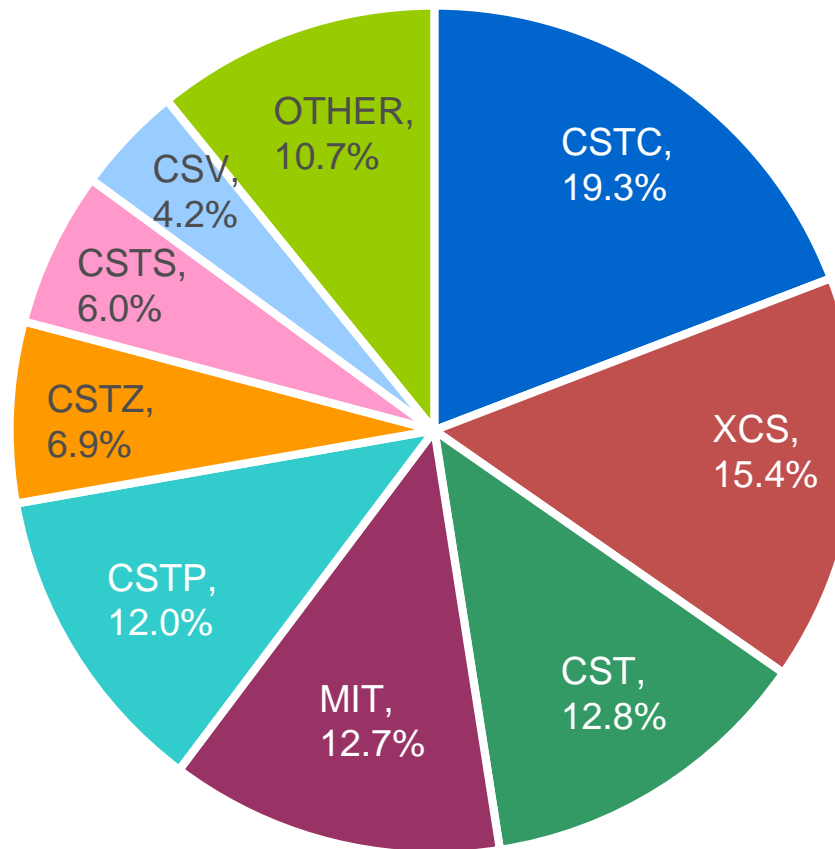
Unit : NT\$



Shares : 3.2414 billion shares

Source : CSTG Financial Report

Revenues by Subsidiary

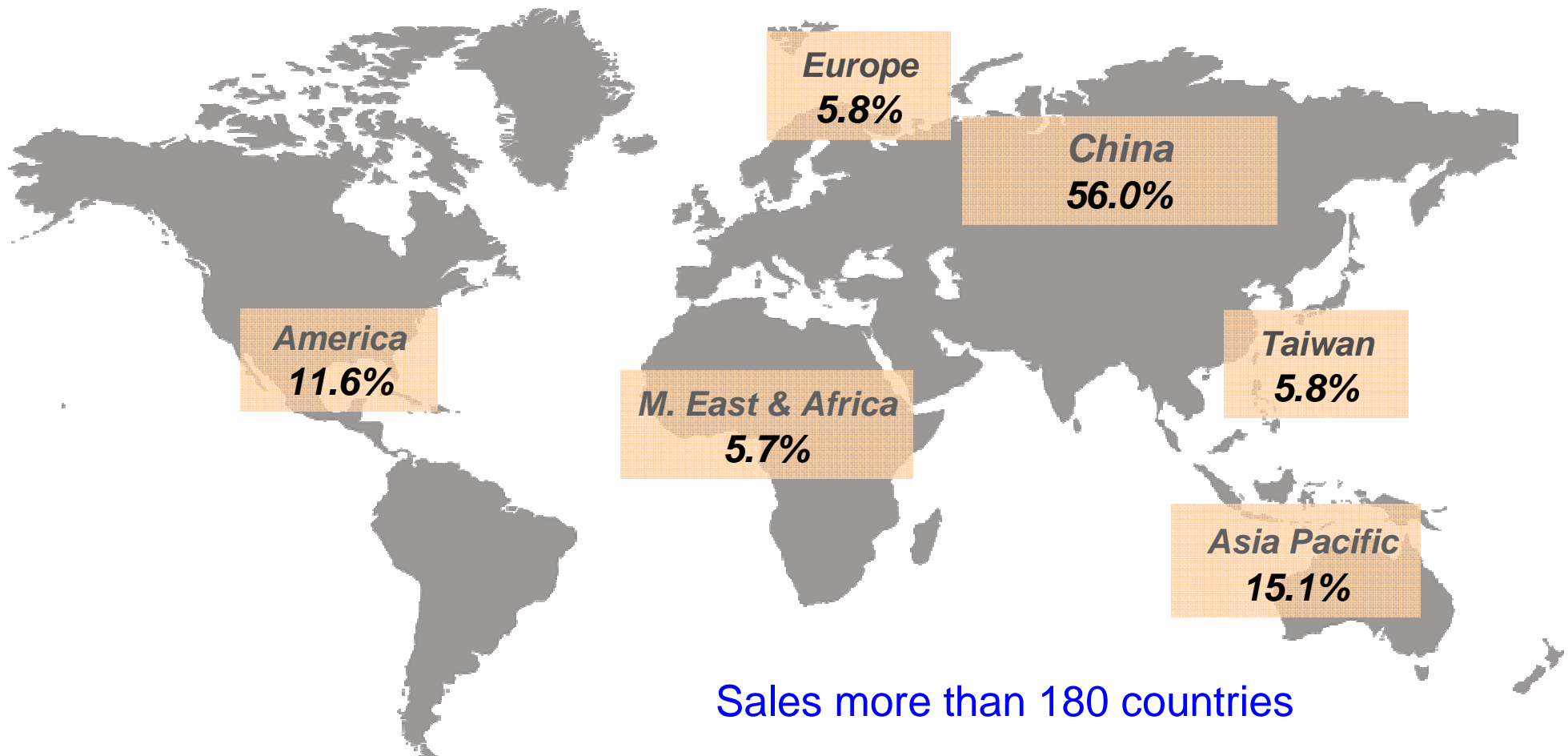


Source : CSTG Financial Report (2017-1H)

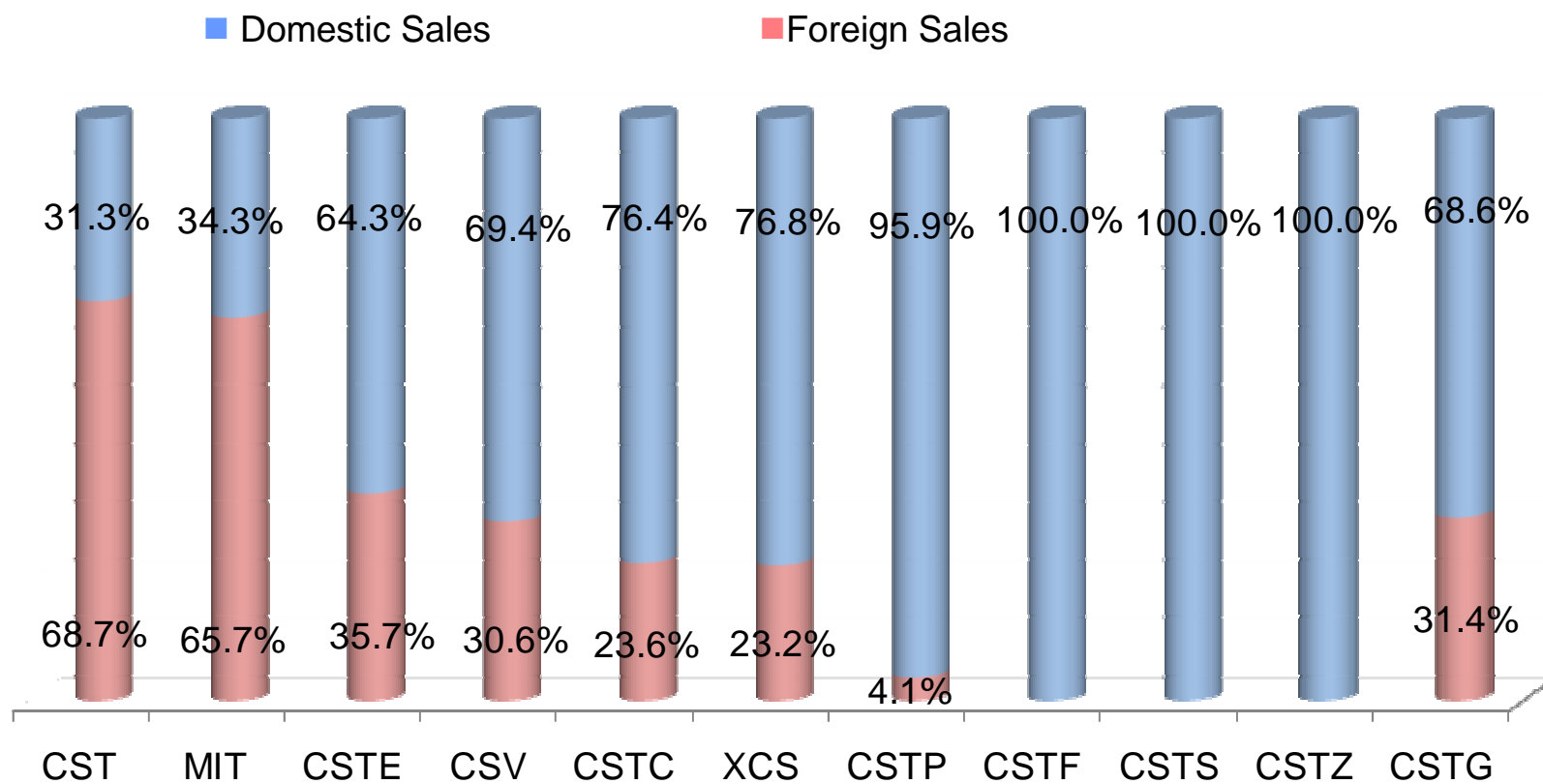


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Revenues by Region



Revenues by Domestic & Foreign Sales

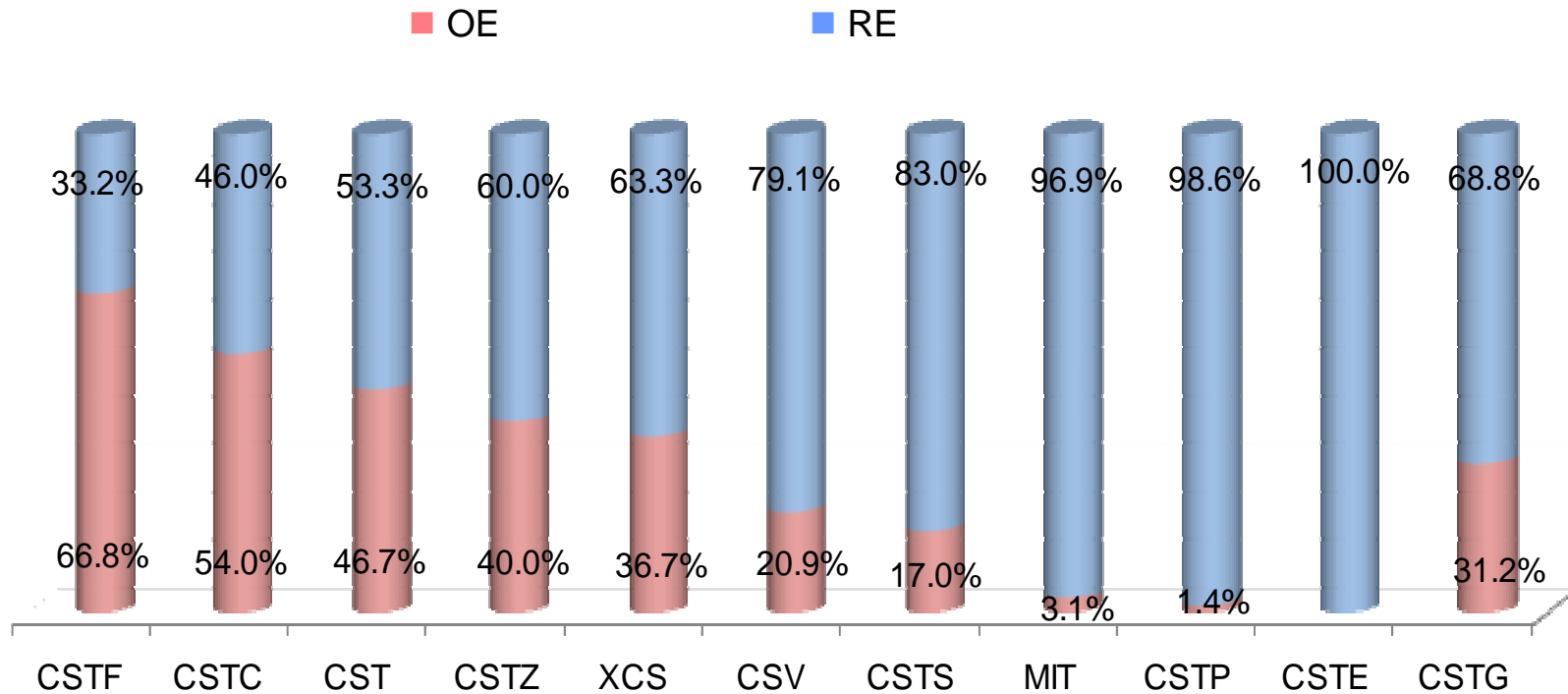


Source : CSTG Non-audited Financial Report (201-1H)



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Revenues by OE & RE Customer



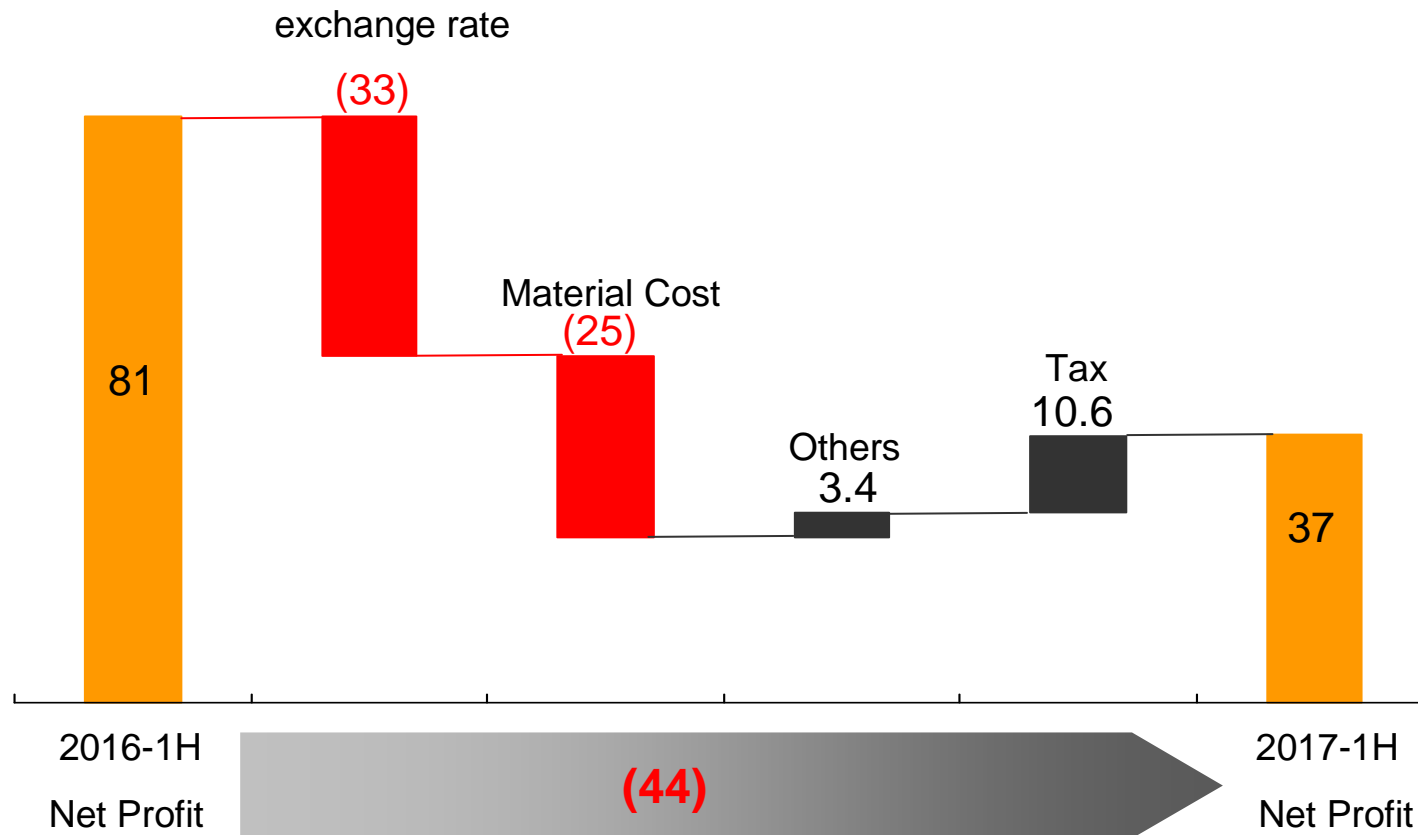
Source : CSTG Non-audited Financial Report (2017-1H)



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2017-1H Operating Overview

Unit : NT\$100 million



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MAXXIS Marketing Activities



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MLB Sponsorships



MLB
Detroit Tigers



MLB
New York Yankees



Sponsorship of Racing



Sponsorship of Racing



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Sponsorship of Racing



Sponsorship of Racing



Sponsors Norway Frisk Asker Ice Hockey



Show and Exhibitions

★ Shanghai International Bicycle Show



Show and Exhibitions

★ Exhibitions in Jakarta, Indonesia



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Show and Exhibitions

★USA Show



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