



China Synthetic Rubber Corp.

3Q 2010 Investors' Conference

November 5, 2010

Disclaimer

The forward-looking statements contained in this presentation are subject to risks and uncertainties and actual results may differ materially from those expressed or implied in these forward-looking statements.

China Synthetic Rubber Corporation makes no representation or warranty as to the accuracy or completeness of these forward-looking statements and nor does China Synthetic Rubber Corporation undertake any obligation to update any forward-looking statements, whether as a result of new information or future events.

Agenda

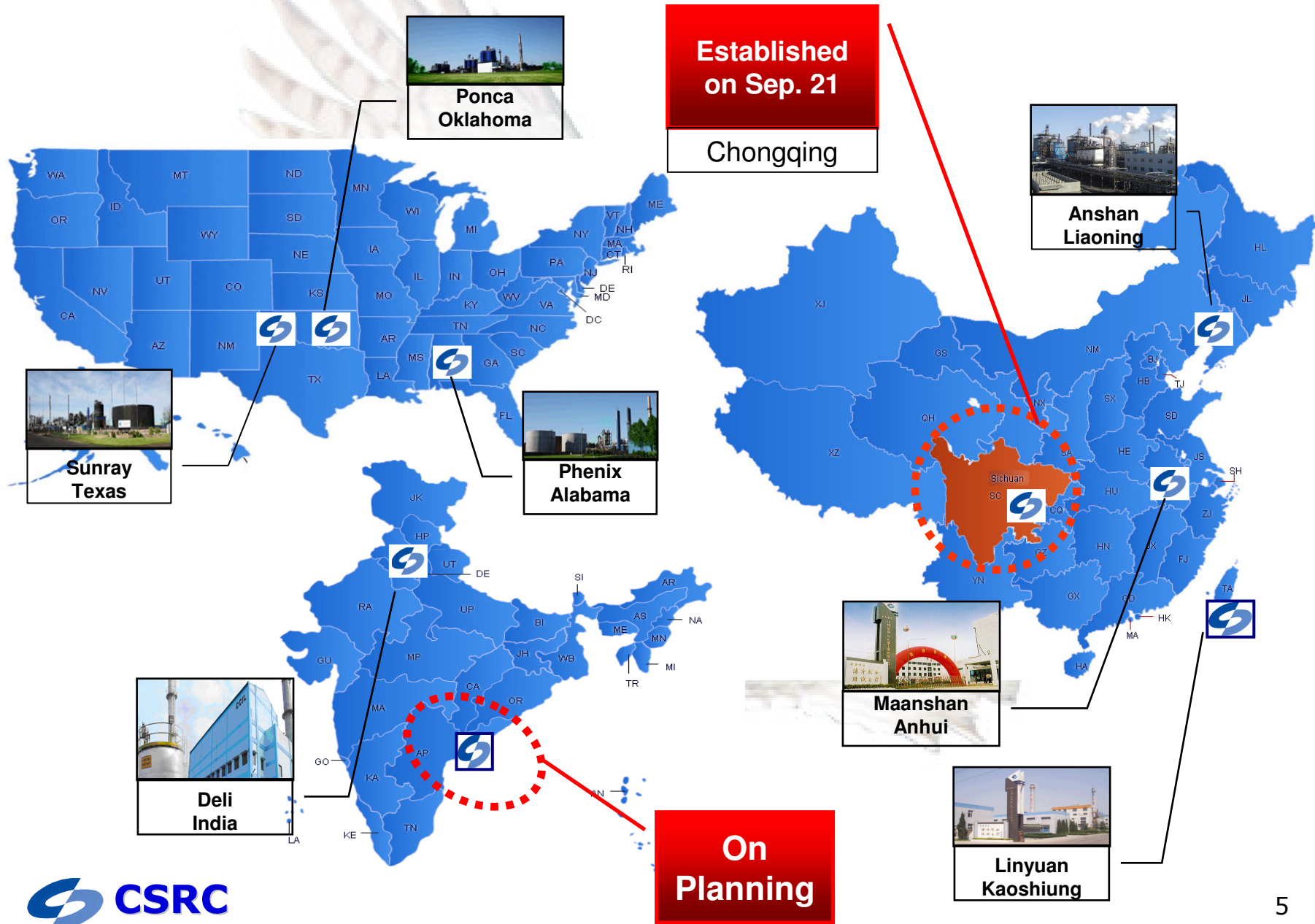
- **Company Snapshot**
- **FY3Q10 Financial Results**
- **CB Industry Status**
- **Business Outlook/Strategy**
- **Q&A**

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Company Snapshot

Established in Taiwan	June, 1973	Production Capacity	
Headquarter	Taipei, Taiwan	Taiwan	Lin-Yuan 120K MT
IPO in Taiwan	July, 1986	China	Maanshan 125K MT Ashan 70K MT
Market cap (as of October 29, 2010)	NT\$16,724million (US\$547million) Share price at NT\$30.45	USA	Phenix 90K MT Ponca 135K MT Sunray 75K MT
Employees (as of September 30, 2010)	127 in Taiwan 325 in China 277 in USA 215 in India	India	Deli 65K MT
Major Investment	Synpac-Biotech Research E-one Moli Energy- Lithium-ion Battery	Total	680 K MT

CSRC Carbon Black Business Overview



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FY3Q10 Result Highlights

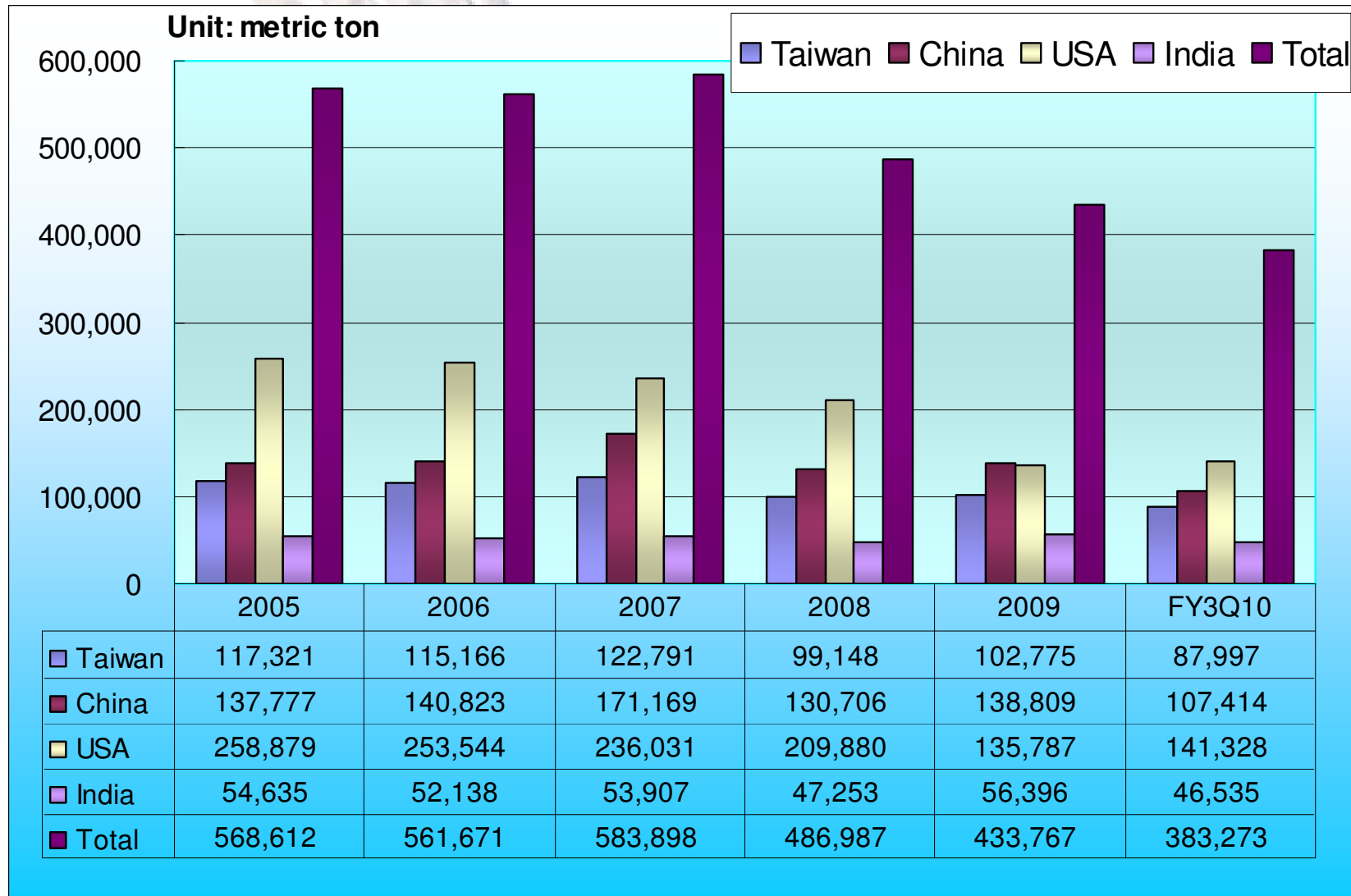
(In NT Millions except otherwise noted)	FY3Q10	FY3Q09	YoY
Net Sales_CB(consolidated)	12,632	9,174	37.7%
EBITDA	1,098	311	253.1%
Net Income	683	258	164.7%
EPS (NT\$)	1.27	0.60	111.7%
Gross Margin(%)	27.1%	20.4%	6.7 ppt
ROA(%)	4.7%	2.3%	2.4 ppt
ROE(%)	5.8%	2.9%	2.9 ppt
Total Assets	19,416	19,210	1.1%
Total Liabilities	3,528	6,604	-46.6%
Total Shareholders' Equity	15,888	12,606	26.0%
Free Cash Flow	555	(1,193)	-146.5%

FY3Q10 Income Statements (unconsolidated)

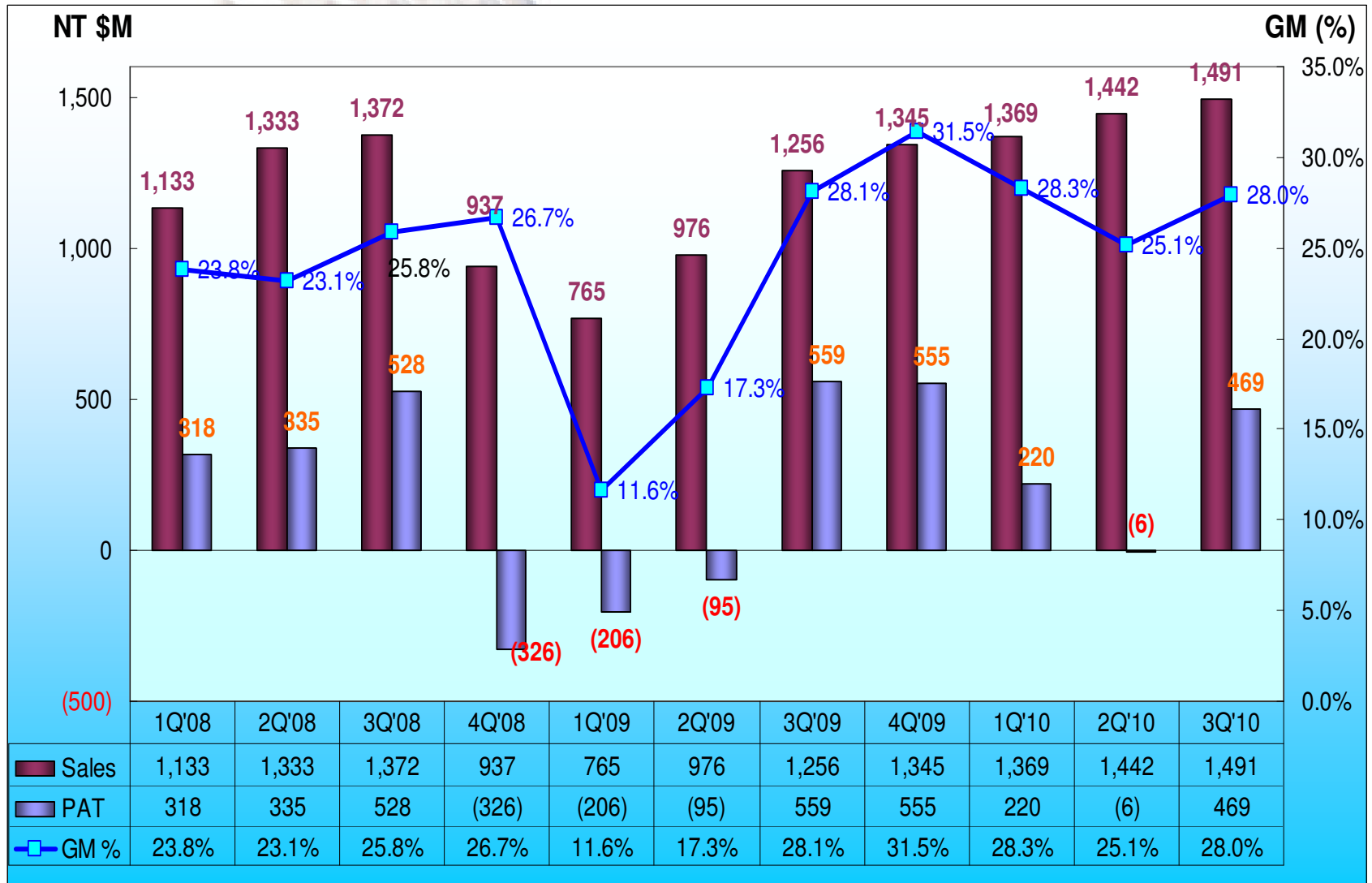
(In NT Millions except otherwise noted)

	FY3Q10	FY3Q09	YoY
Net Sales	4,303	2,996	43.6%
COGS	(3,136)	(2,385)	31.5%
Gross Profit	1,167	611	91.0%
Gross Margin	27.1%	20.4%	6.7 ppt
Operating Expense	(338)	(308)	9.7%
Operating Income	829	303	173.6%
Operating Margin	19.3%	10.1%	9.2 ppt
Non-operating Income (Expense)	144	(168)	185.7%
Income Before Tax	973	135	620.7%
Income Tax Benefit (Expense)	(290)	123	-335.8%
Net Income	683	258	164.7%
Net Margin	15.9%	8.6%	7.3 ppt
Basic EPS (NT\$)	1.27	0.60	111.7%

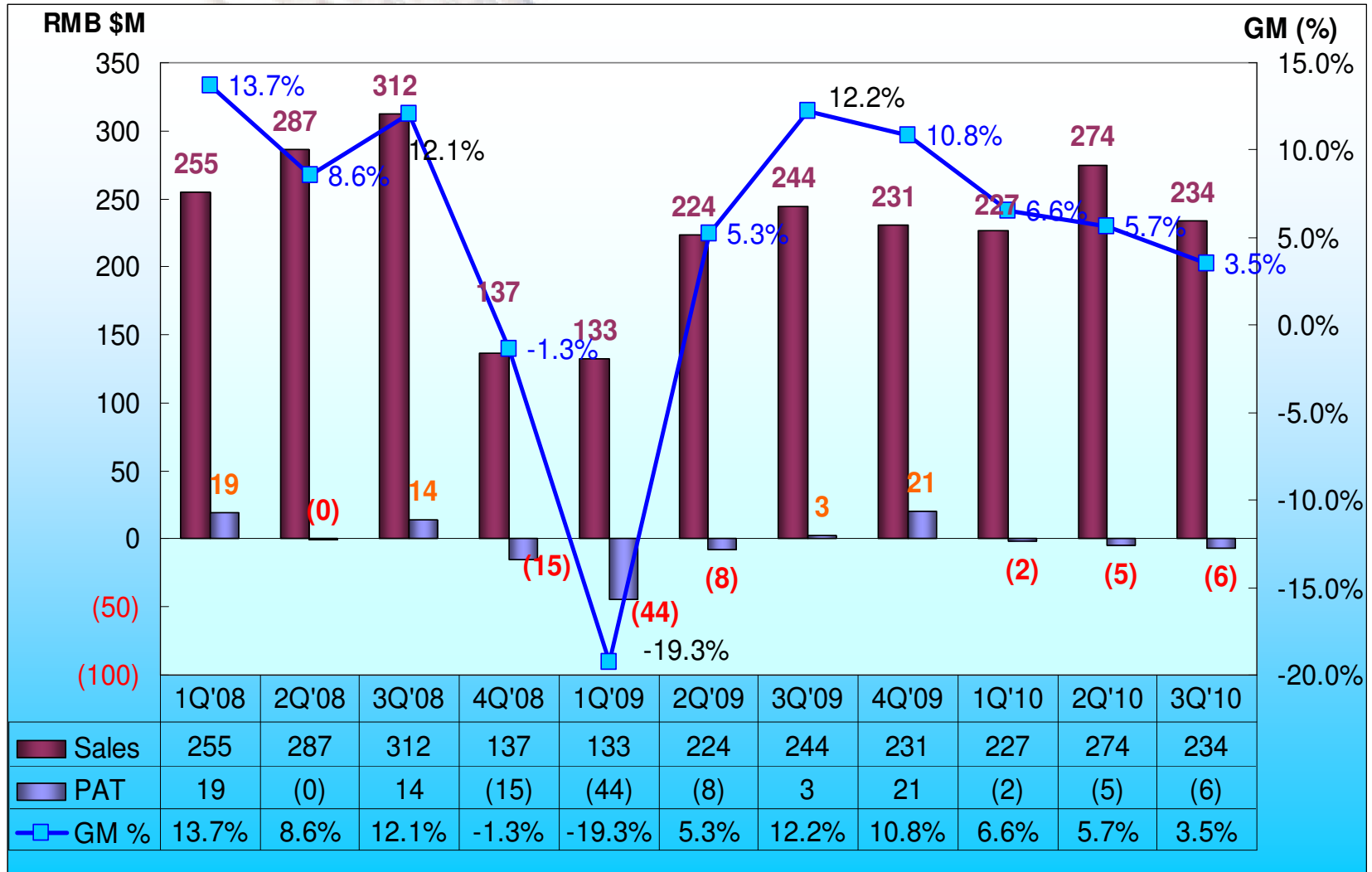
Carbon Black Sales Volume in Recent 5 Years



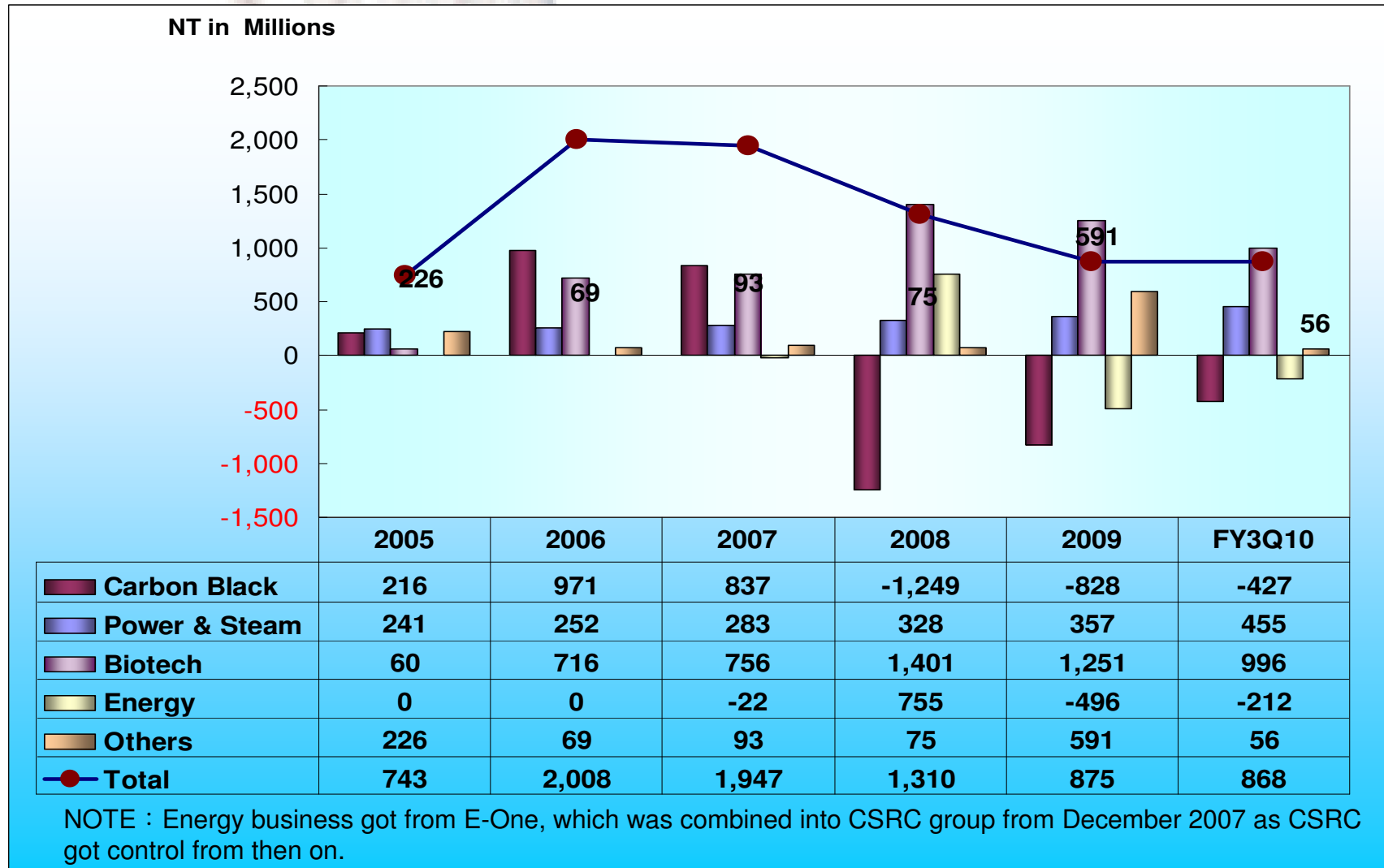
Sales / GM & PAT-Taiwan



Sales / GM & PAT-China



Operating Income by Business Units – Consolidated



FY3Q10 Cash flow Statements (unconsolidated)

(In NT Millions except otherwise noted)

CASH FLOWS FROM OPERATING ACTIVITIES

Net income

Adjustments to reconcile income to net cash provided by operating activities :

NET CASH PROVIDED BY OPERATING ACTIVITIES

CASH FLOWS USED IN INVESTING ACTIVITIES

CASH FLOWS FROM FINANCING ACTIVITIES

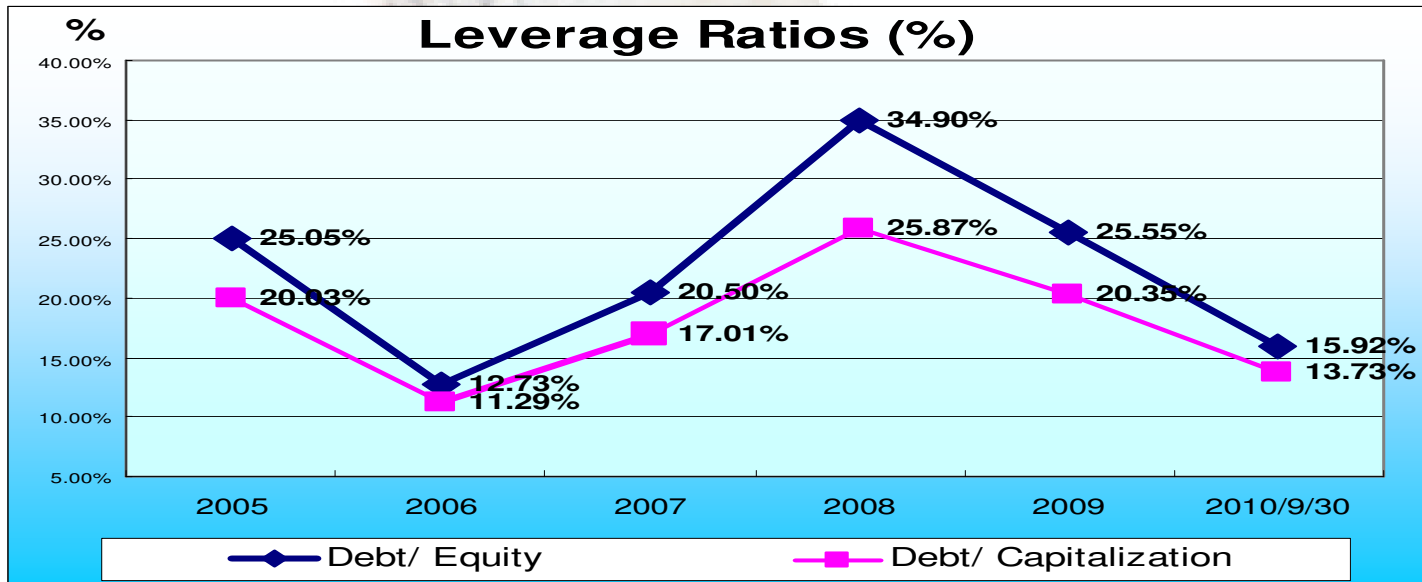
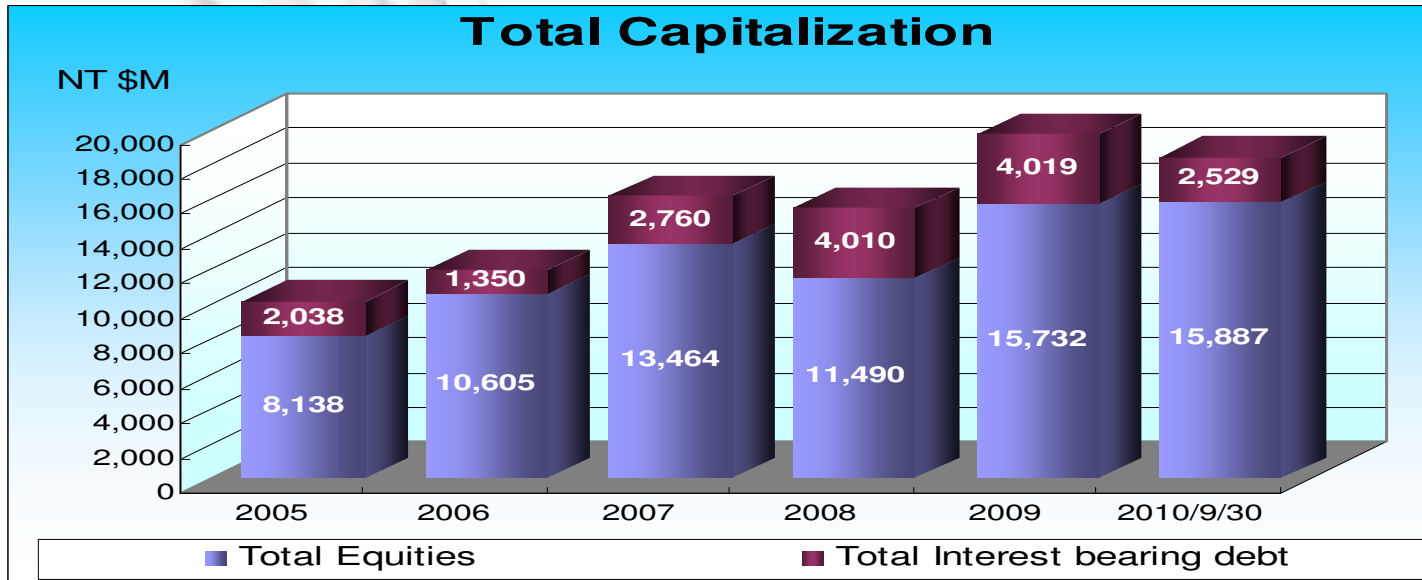
NET DECREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR

CASH AND CASH EQUIVALENTS-END OF PERIOD

	FY3Q10	FY3Q09	YoY
Net income	683	258	165%
Adjustments to reconcile income to net cash provided by operating activities :	786	850	
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,469	1,108	33%
CASH FLOWS USED IN INVESTING ACTIVITIES	(904)	(2,260)	-60%
CASH FLOWS FROM FINANCING ACTIVITIES	(2,257)	1,124	-301%
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,692)	(28)	
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	2,140	330	
CASH AND CASH EQUIVALENTS-END OF PERIOD	448	302	

Solid Financial Structure

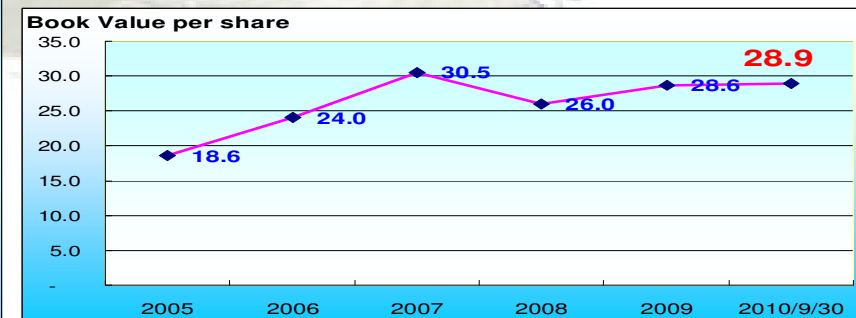
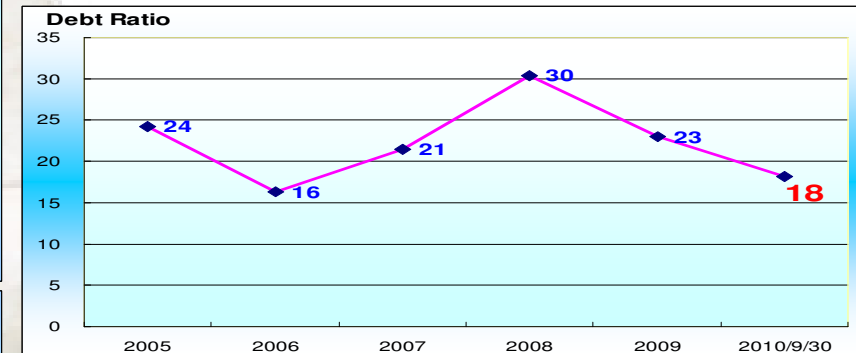
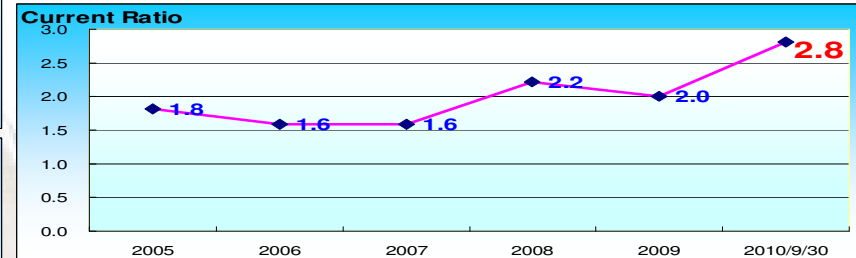
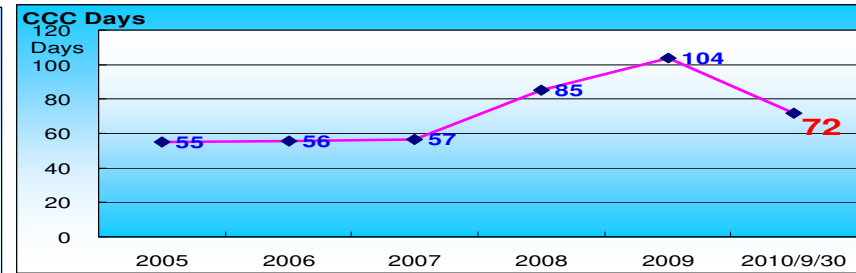
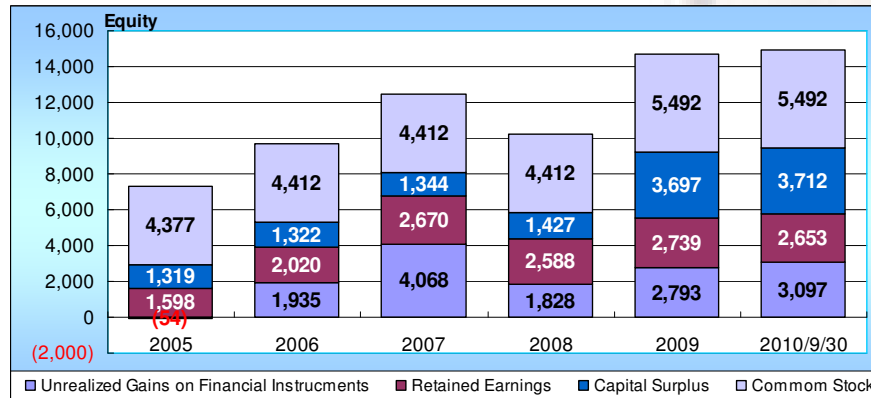
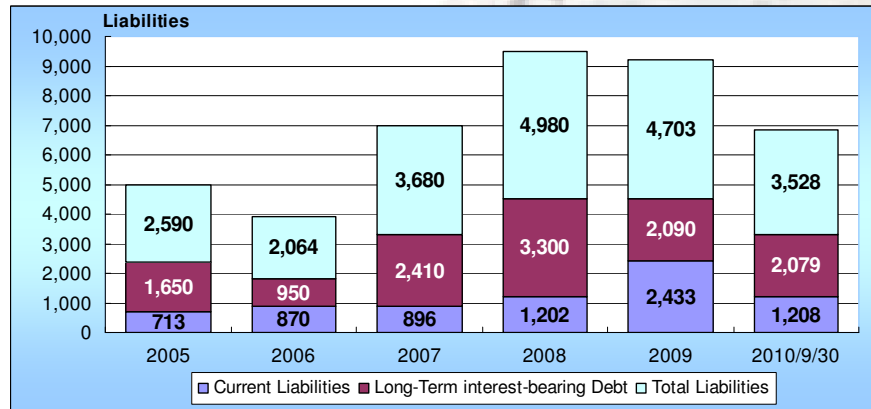
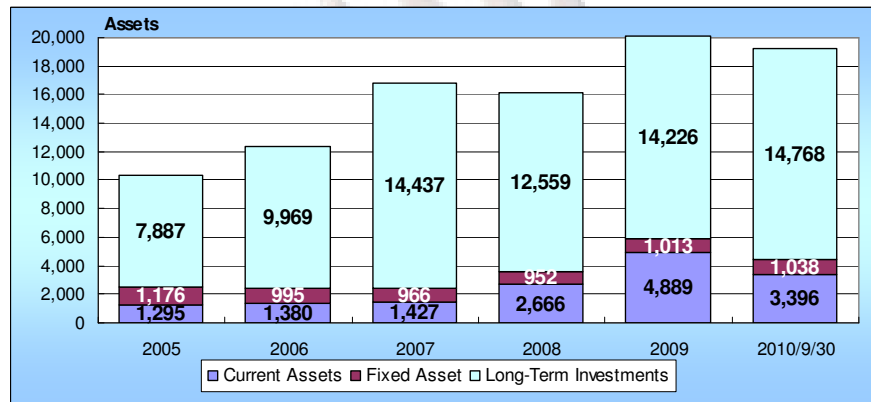


Solid Balance Sheets & Key Indices

Balance Sheets

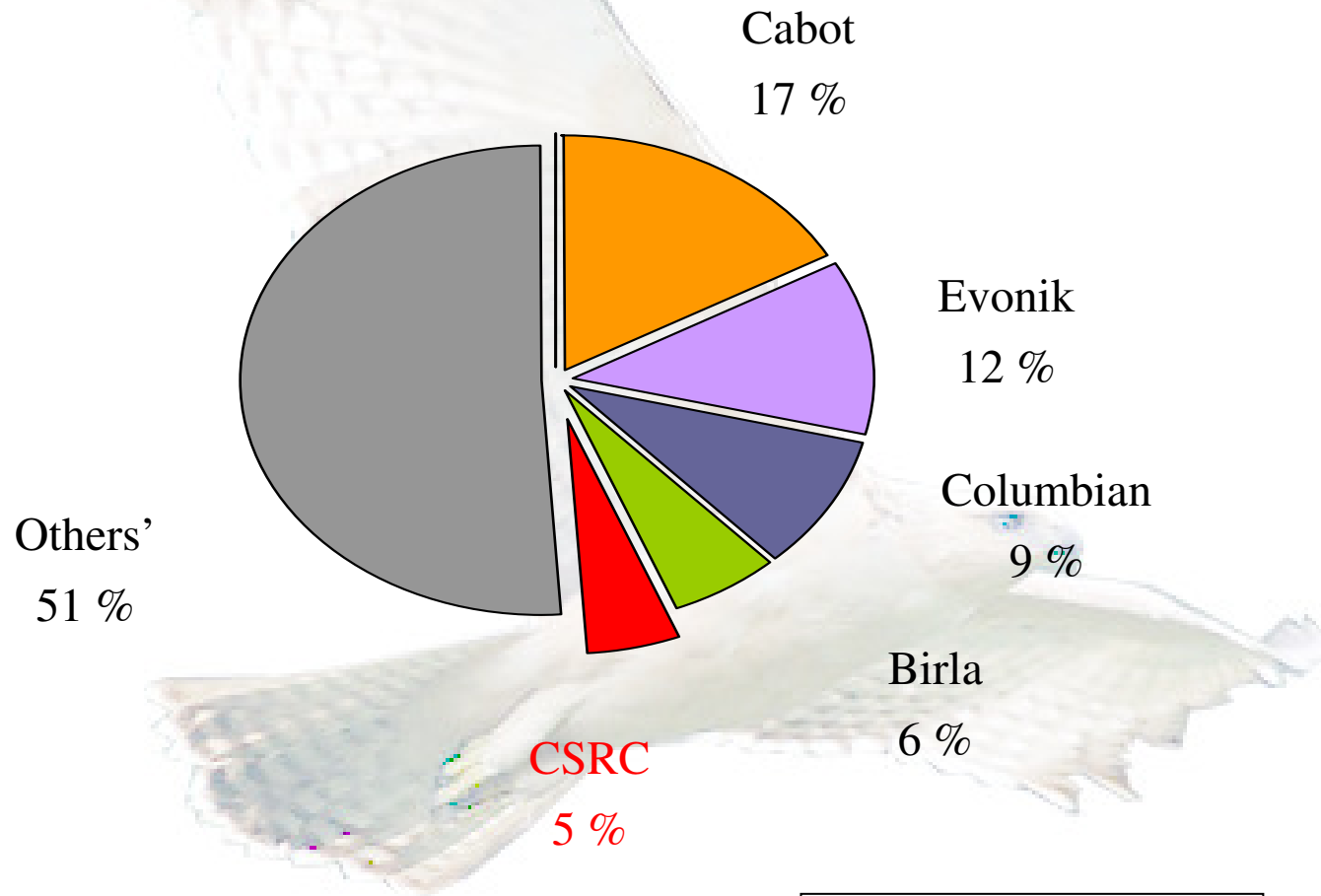
In NT Millions

Key Indices



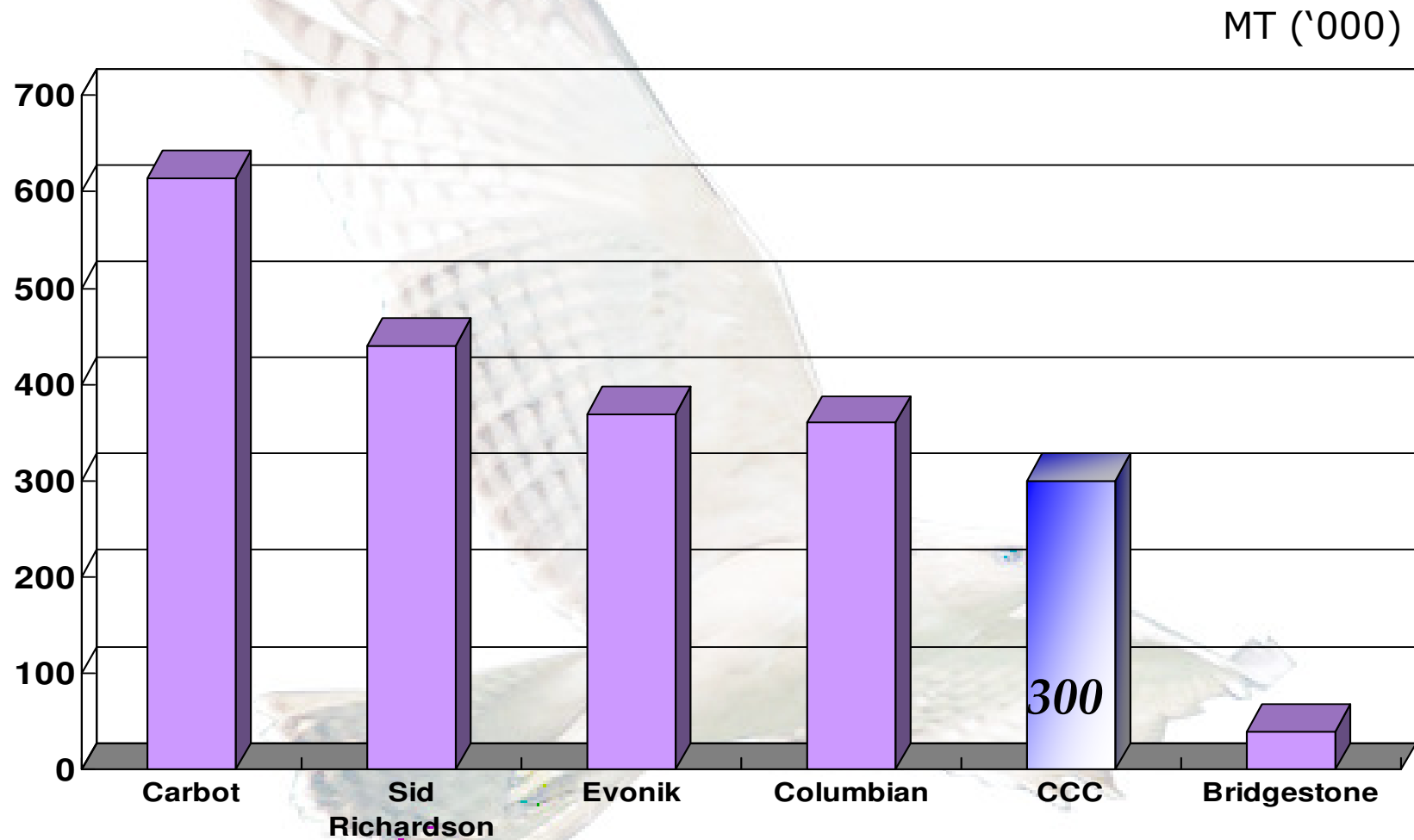
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Major Carbon Black makers' market share

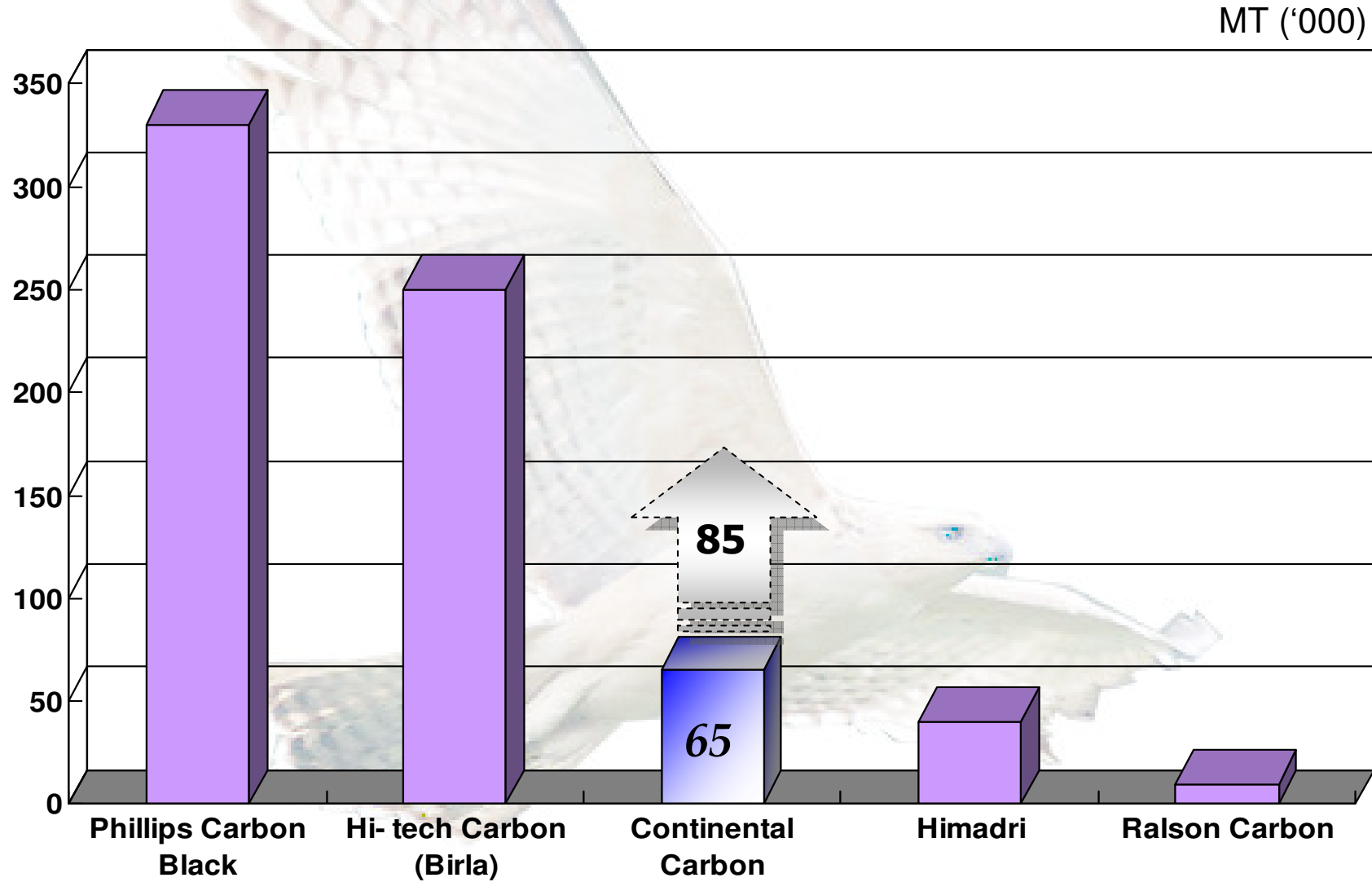


Source : Societe Generale

Major Carbon Black makers in NA

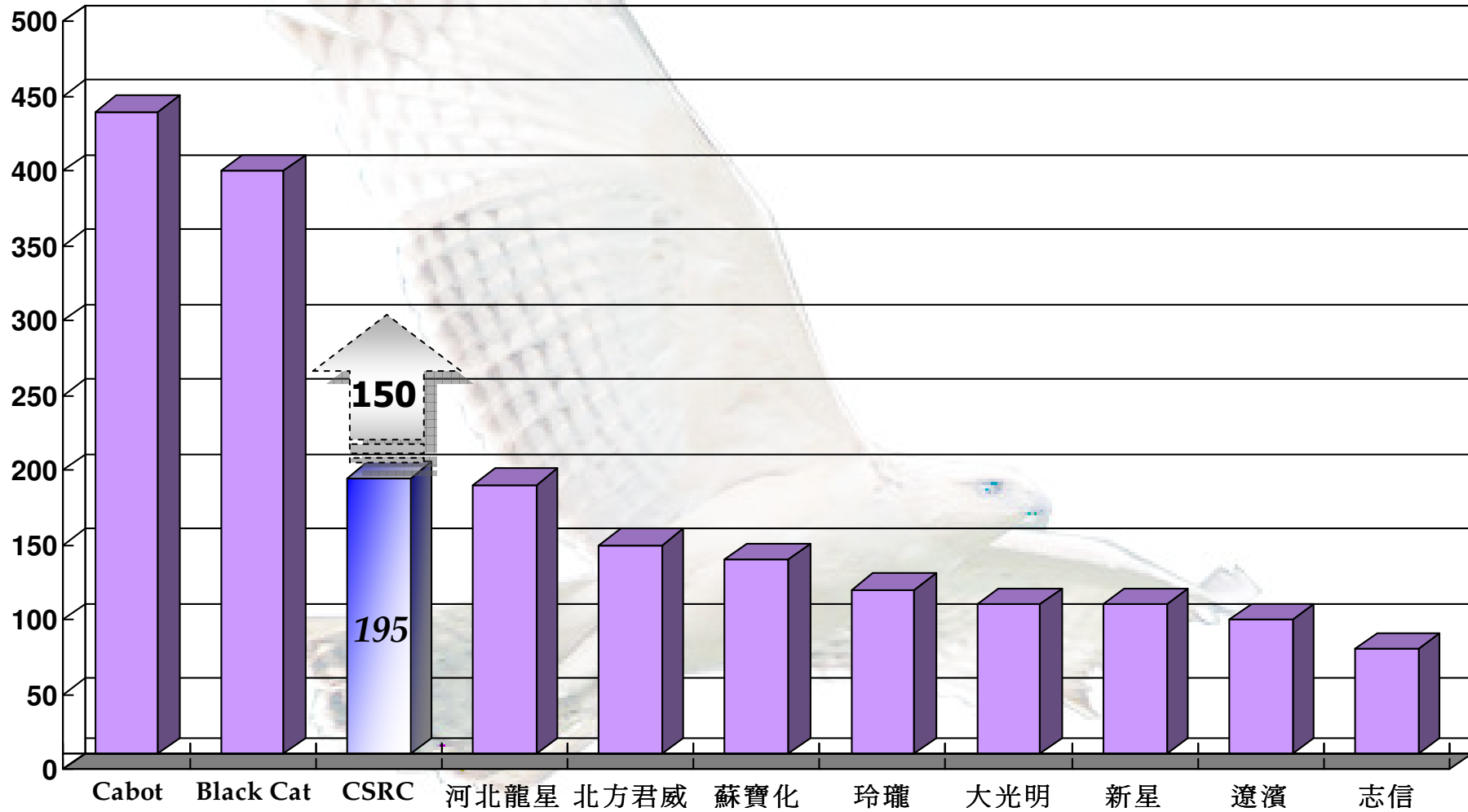


Major Carbon Black makers in India

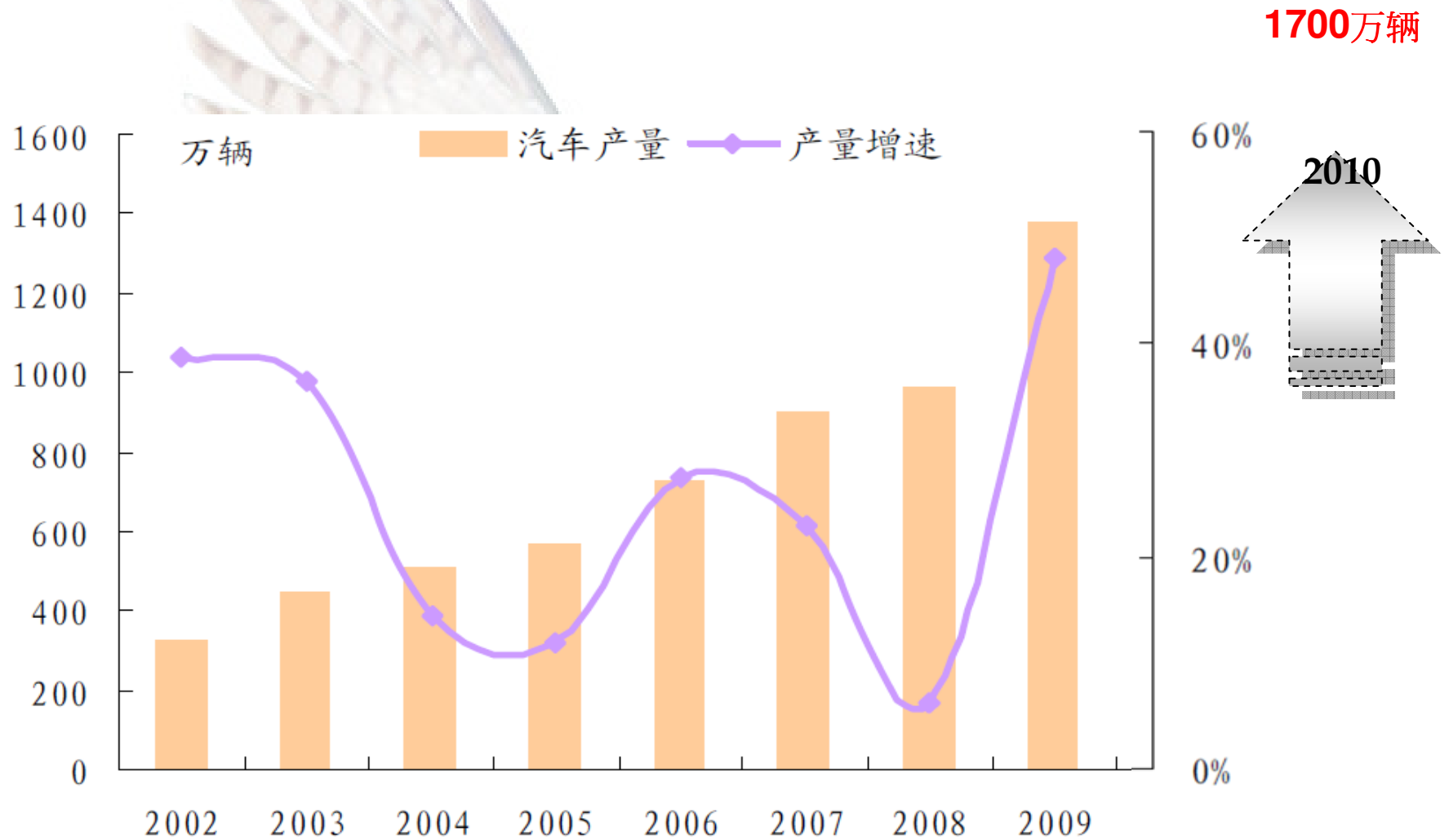


Top 10 Carbon Black makers in China

MT ('000)



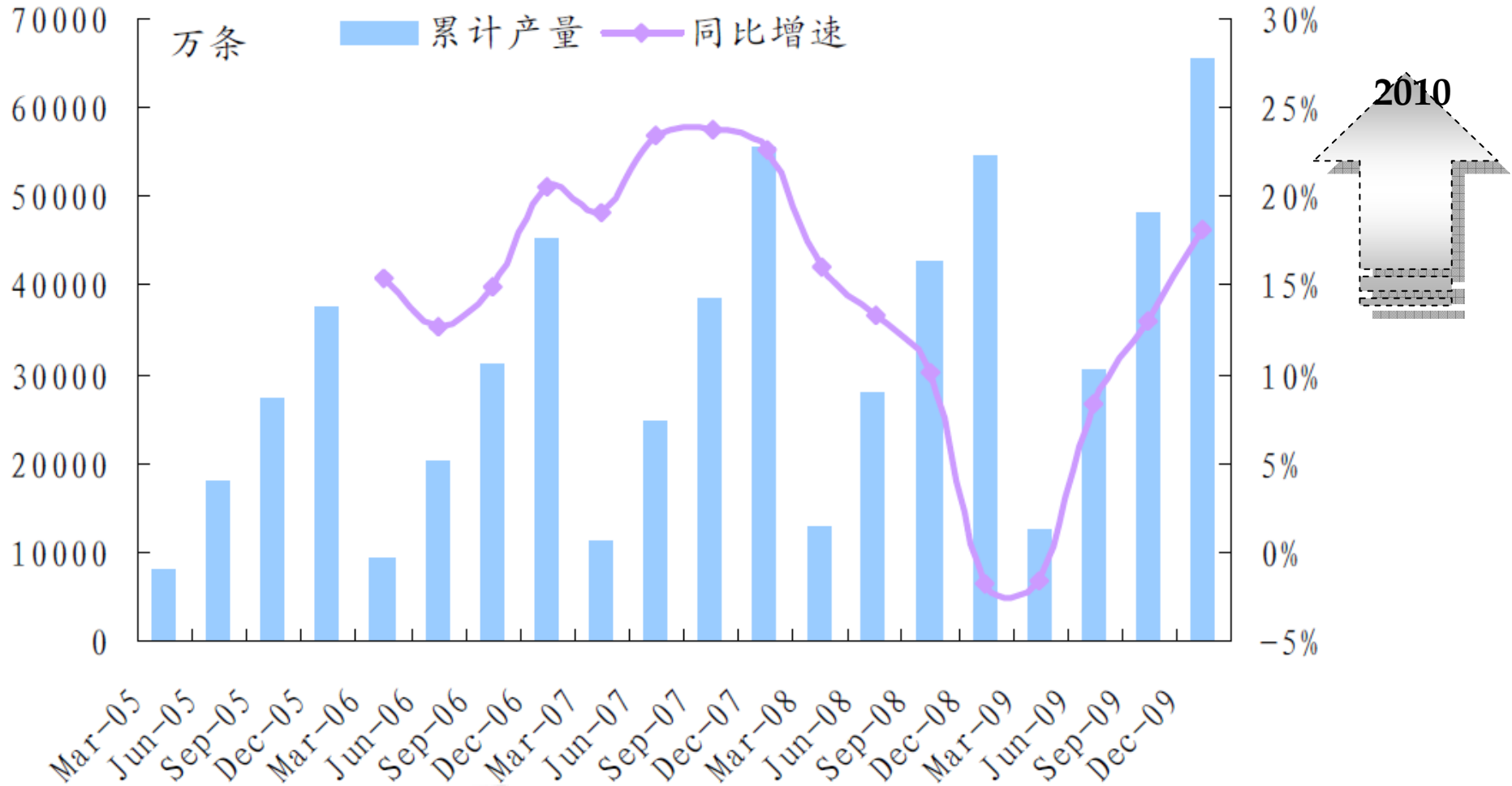
CAR Production in China



Source : Guotai Junan Securities

TIRE Production in China

7.5~8亿条



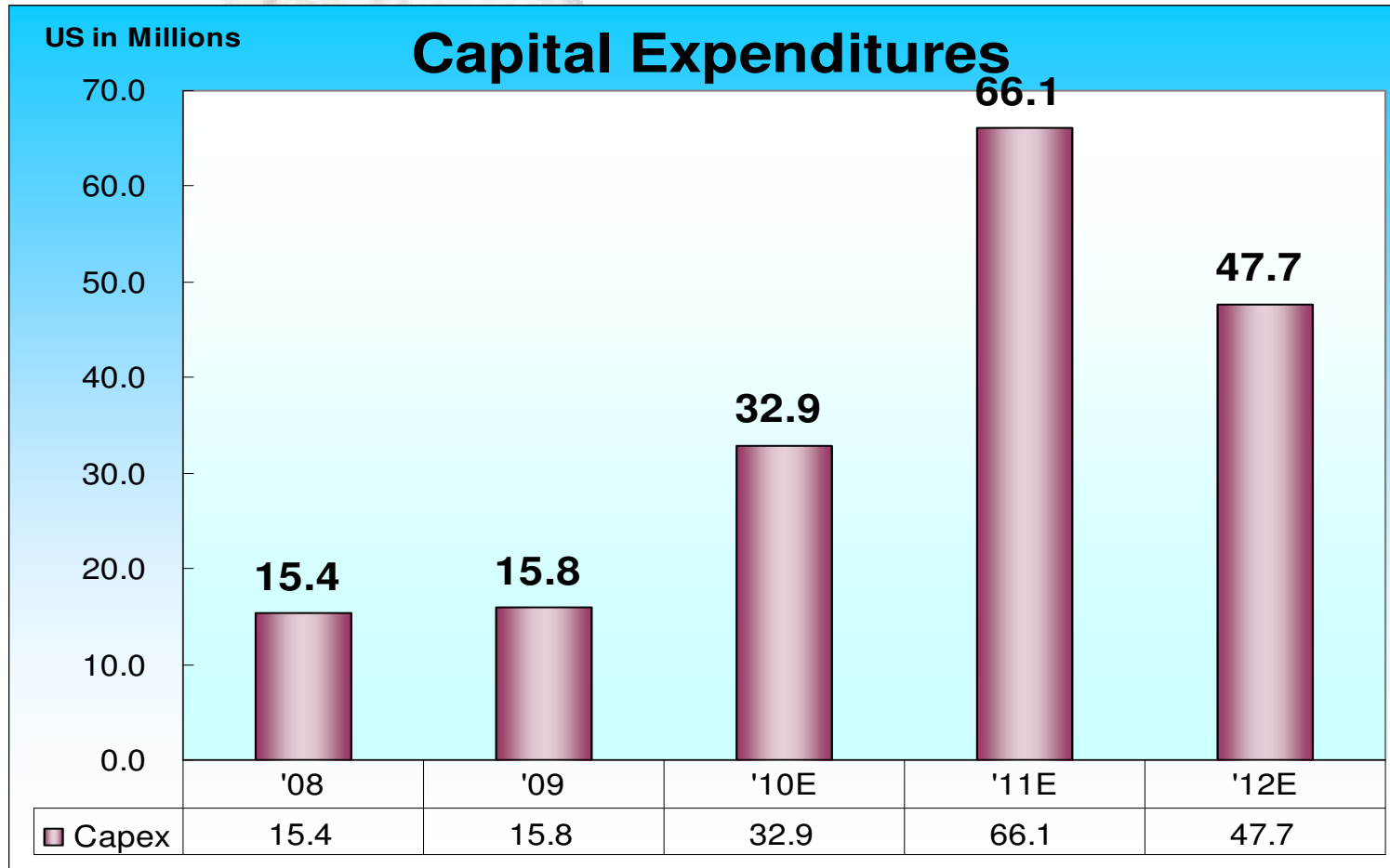
Source : Guotai Junan Securities

Carbon Black Capacity Expansion Plan

MT('000)

Location	2009Y	2010Y	2011Y	2012Y
China	195	195	280	340
India	65	65	150	205
Total	260	260	430	545
Growth	-	-	170	115

Capital Expenditures



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Business Outlook/Strategy

Carbon black

1. Maintain high utilization, more profit gains from steam & electricity
2. Carbon black capacity expansions throughout Asia
3. Synergize Procurement/RD/Sales/Production to be more efficient and competitive

Specialty Black

1. Extend and modify production in MAS
2. Develop new products for niche market
3. Work with strategic partners to develop new applications
4. Extend sales to worldwide market

Carbon Nano Tubes

1. Acquire nanotubes technology
2. Work with strategic partners to develop new applications.
3. Commercialize high-margin products

Energy (Li-ion-battery)

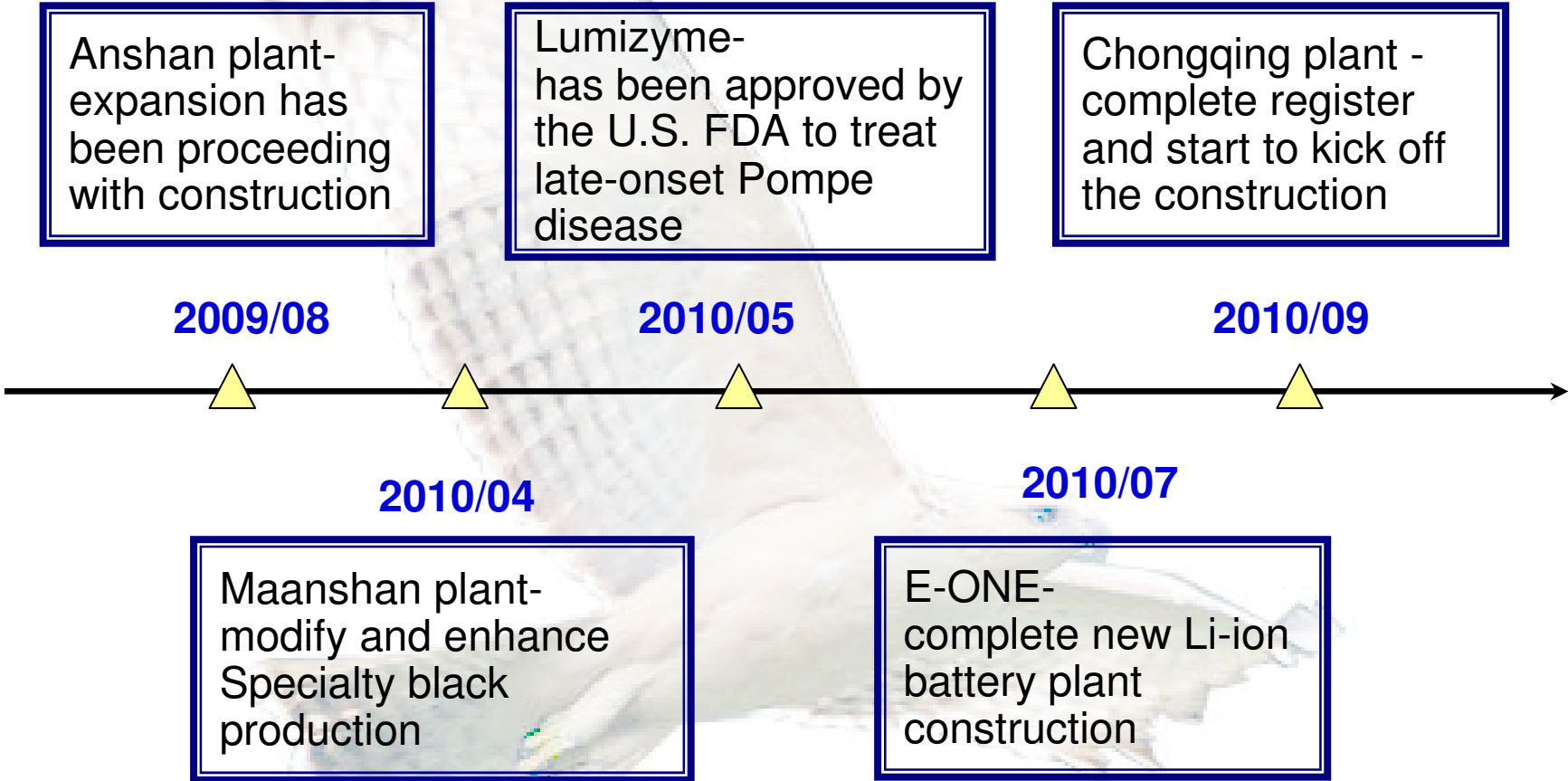
1. Develop new customers with new application.
2. Increase utilization and yield rate of production.
3. Speed product development work to meet market requirement.
4. Work with car maker to develop EV pack.

Biotech

1. SK- meet PICS within 2~3 yrs to enhance competence
2. Myozyme- continuing growth; Lumizyme- has been approved by the U.S. FDA to treat late-onset Pompe disease



Recap of Recent Important Events



CSRC (Anshan) Expansion Construction Timetable

CSRC (Anshan) Expansion Construction Timetable

Milestone	2009年		2010年				2011年			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
60K ton Tread Production Line	■									
25K ton Carcass Production Line	■									
90 ton Steam Power Production	■									

■ : Plan

CSRC (Chongqing) Construction Timetable

CSRC (Chongqing) Construction Timetable

Milestone	2010年		2011年				2012年			
	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Company Register	Actual									
Acquisition Land		Plan								
First 40 ton Steam Power Production	Plan	Plan	Plan	Plan						
Second 40 ton Steam Power Production					Plan	Plan	Plan	Plan	Plan	Plan
First 30K ton Tread Production Line			Plan	Plan	Plan	Plan				
Second 30K ton Tread Production Line							Plan	Plan	Plan	Plan

 : Plan
 : Acture

Anshan

反應器/油預熱器/空氣預熱器支架結構已完成



Anshan

新增廠區成品倉庫#1 主体結構已完成



Anshan

新增廠區油罐區主體結構已完成



Chongqing

中橡用地整地作業





THANK YOU!
Q&A