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family
2015

Steady Development for Future

Innovation & Benefits



Top 10 World Tire Manufacturer

Test Results for WESTLAKE Tires are Getting Better in Germany

HRB Pacific P/L - The Past, Present and Future



Steady Development for Future



ZC Rubber Group
Chairman & President:
Mr. Shen Jinrong

Today we shall say goodbye to year 2014. As usual, I hereby on behalf of over 30,000 ZC Rubber staff present our best wishes for all our customers, suppliers and stakeholders. Hope you have a happy, prosperous and successful new year!

Year 2014 brought the whole world a blooming US economy but slow development for most of other countries. Meanwhile the reform and reconstruction of China reduce the demand on tires, too. In such a year with the price competition, ZC Rubber family still achieved an outstanding result by customers' oriented strategy: new products development, marketing and branding, upgrading of the business mode and so on. The total shipment of ZC Rubber, 45 millions pcs of passenger, light truck and truck tires together with 92 million of bicycle and motorcycle tires, helps ZC Rubber to remain as No. 1 in China and Top 10 in the world, and keeps on increasing.

In the past year we have two more new plants located in Xindeng and Qingquan which are just one hour's drive from the head office. Also the Thailand plant, expected to be fully operational by mid of 2015, is still under construction. Furthermore ZC Rubber is keeping on investing on new facilities and equipments to face the future challenge of high labor cost and production efficiency for the competition in the coming year, ready for a better future.

The new year of 2015 will be a very important year for Chinese tire industry. It is a turning point while the government adapted to new normal of economic growth with steady growth and economic structure transform. The competitive manufacturing sector began to grow out of its reputation for low costs and low added value but service sector in China started to play more important roles. Therefore we need changes to

face the new business environment with new thoughts, new concepts, new strategy and new target.

We will keep on improve our management and product quality in the coming new year so as to present our customers more competitive and valuable tires.

We will focus on the interests of our distributors in such a competitive market to ensure certain profit which may support our distributors to continue the business.

We will invest more on R&D to develop new products based on the different demand from different segments. Market share is our top priority.

We will pay more attention on key accounts of our distributors and offer more support for more sales.

We will upgrade our service and create new modes so that our products may bring more value to the end users.

We will continue our marketing support to our distributors including the advertisement and promotions.

We will share the benefits of our growth with all our employees and stakeholders.

Year 2015 will be full of not only challenge but also hope. All ZC Rubber family members should be united and innovative to make steady progress base on products, branding and marketing, and distribution network. Let's work together for a better future.

沈金荣

创新驱动、合力共赢

——中策橡胶集团副总经理葛国荣

Innovation & Benefits

by Mr. Ge Guorong
Vice President of ZC Rubber



跌宕起伏的2014年终于过去了，这一年我们经受众多的风雨的冲击，例如美国双反、汇率变动、原材料价格下跌等，但是在大家的共同努力和坚持下，我们经受住了考验，中策大家庭仍然是全行业最好、最大的，正是因为你们的付出，中策才走的如此“坚挺”，在这里，我要代表中策橡胶集团向在过去的一年中为之付出艰辛努力的全球经销商、零售商表示衷心的感谢！

“风雨过后是彩虹”，2015年将是充满希望和机遇的一年，我们要突破传统思路，用创新来驱动我们的各项工作，合力迎接美好的明天！

In the past year of 2014, we faced so many issues such as the counter veiling and anti-dumping case in U.S, the floating of currency exchange rate, and the dropping cost of raw materials. In such a year ZC RUBBER family still achieved a remarkable result with the support from our customers and distributors all over the world. We remain as the No. 10 in the top 75 global tire manufacturers and keep our position of the largest tire manufacturer in China. I hereby sincerely express our thanks to all customers, distributors, and partners who are working with us during the past years. “If winter comes, can spring be far behind?” The tire market will be full of hope and opportunity as the global economics will accelerate with broadening recovery and booming developing markets. We need change our thoughts, habits and actions to meet the market and embrace a better future.

2014年全球轮胎行业略显回暖势头，美国市场更是一枝独秀，其2013年第三季度GDP增速达到5%，为近10多年的最快增速；欧盟国家也逐步走出全球金融危机的阴影，根据ETRMA统计，欧盟2014年替换市场乘用车轮胎较2013年增加2%，卡客车轮胎则增加4%，摆脱了持续下降的局面。其他市场如中东/非洲、东南亚及拉美均实现稳定增长，说明全球经济已经逐步从危机中缓慢复苏。

我们看到，虽然这一复苏的进程仍有曲折，但大方向是各个国家都不约而同的进行着产业结构的调整，对于制造业的重视程度有了空前的提高，新一轮工业革命呼之欲出。制造业的重新崛起，必然会带来物流业的再度繁荣和全球经济的又一轮增长，对轮胎消费和轮胎行业的发展注入新的契机。

随着2014年中国国内重卡轮胎市场增速减缓，加上国际市场日益严重的贸易壁垒的冲击，中国轮胎行业增速下降，出现了行业整合的趋势。对于那些实力小、在国际市场靠低价倾销为主的厂家，未来的市场会更加困难重重、雪上加霜，而中策橡胶凭借着

自己在产品系列、产品质量、品牌影响力等全面优势，仍然能够保持强有力的核心竞争力，能够在国际国内市场直面激烈的竞争。

在国际经济逐步回暖的大背景下，轮胎行业仍然是一个蓬勃的朝阳行业，国际市场仍有大量亟待满足的客户需求有待我们去发掘，中策橡胶将继续努力，持续改善，以满足终端客户不断提高的质量要求和服务需要，为更加美好的明天和全球经销商一起努力奋斗。

In 2014 we witnessed the growth of tire market in various areas. United States is the leader with a 5% GDP growth in Q3, 2015, the fastest growth during the past decade. In Europe, ETRMA (Europe Tyre & Rubber Manufacturer Association) reported 2% increase of shipment of consumer tires and 4% of truck and bus tires, albeit small growth, a positive result. Meanwhile emerging markets also announce steady growth. It is called a broadening recovery.

Most markets now focused on manufacturing again. In U.S. the President Brack Obama states to strengthen domestic manufacturing to create jobs and meet the challenges of the 21st century. German government announced the project of Industry 4.0. The government support definitely will bring flourishing logistic and more growth of the world economy, furthermore bring more demand on tires.

In China, the domestic market is slightly slowing in 2014 as the government target on a sustainable long term economic balance. Meanwhile the trade barriers from other markets also blocked the development of tire industry in China. Anyone who is not so capable in the industry and competes for market shares mostly by price will suffer more in such a difficult market. For ZC Rubber, the core competence of product, quality, brand and so one will help to win more shares in the market.

The recovering economy will ask for more for the tire industry. And there are so many demands which are not met by valuable ZC Rubber’s products. It is time for ZC Rubber to continue the improvements and upgrading to satisfy the customer needs on products and service and work together with global distributors for a better future.

2015年对我们既有机遇，更有挑战，机遇来自于国际轮胎市场

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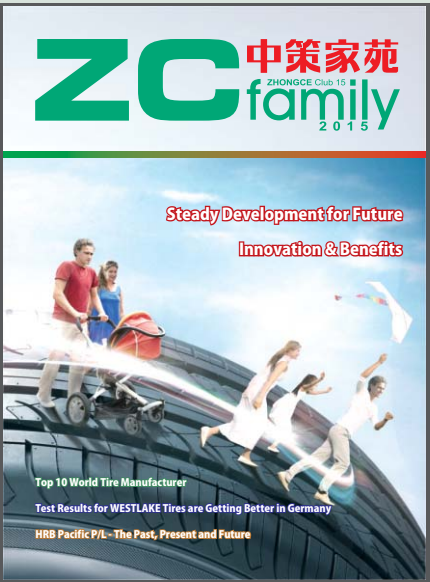
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对轮胎产品的质量、安全、节油、环保提出了更高的要求，例如欧盟市场标签法规第二阶段相关规定的实施。中策橡胶凭借强大的研发能力，将竭尽全力，充分满足客户及法规的相关要求。与此同时，中策橡胶的产品架构、销售渠道也将不断适应新的要求、面对新的挑战，必须改变思路，从产品、销售、服务的各个方面进行创新。

Year 2015 brings us more opportunities as the global tire market demands tires with good quality, safety, fuel efficiency and environmental friendly. For example, Europe published the Regulation No. 117 R3 requiring better tire performance of rolling resistance, wet grip and rolling sound emission. ZC Rubber, with decades of experience and thousands of R&D staff, will continue to supply tires fully complied with local authority regulations and meet the end users' demands. Furthermore ZC Rubber will keep on innovation and creation in different segments of products, sales and service.

1、创新产品性能：传统上中国产轮胎产品都被认为是廉价、低质的低档产品，但中策橡胶经过多年摸索研究，不仅在国内市场上提供极具性价比产品，占有着中国市场的最大份额，而且根据国际市场情况，在美国和欧洲分别推出了ARISUN品牌和花纹代码为WTL1、WSR1、WDR1、WTR1、WDM1、

WTM1、WTX1的高档全钢载重轮胎产品，在外观和内在质量上都有了长足的进步，一举改变了客户对中国产品的传统认识，成为中策橡胶未来跻身国际主流市场的基础。

2014年9月在德国汉诺威举办的IAA展会上，中策橡胶推出了根据欧盟市场需求开发的花纹代码为WTL1、WSR1、WDR1、WTR1、WDM1、WTM1、WTX1的全新卡车轮胎系列产品，覆盖了从长途高速到中短途混合路面的各类细分市场；开发过程中与欧盟经销商积极互动，确保产品能够精准定位，在竞争中赢得主动；所有产品全面采用新命名方式，更加直观明确，得到了欧盟及周边市场客户的高度评价。

在此基础上，针对部分区域市场客户特定要求，中策橡胶又推出了以AD153、AD156、AT161、AZ171等为代表的新一代入门级产品，为全球经销商提供了低成本解决方案。

与此同时，中策橡胶继续完善现有产品的规格系列，从而为全球经销商提供了从高到低的全品类、全系列产品，覆盖了各类路况、各种诉求的客户需求，为不断提升销量、扩大产品市场占有率提供了良好的保证。

1. Innovation of Products: ZC Rubber occupies the largest market share in China with tire of value. In international markets, ZC Rubber also set up the strategy to supply tires tailor-made for different area. In U.S. ZC Rubber launched ARISUN brand medium truck tires while in Europe, the flagship truck tires introduced are in the tread code of WTL1, WSR1, WDR1, WTR1, WDM1, WTM1, and WTX1. The new generation of ZC Rubber products will help to change the customer perception on Chinese products as the appearance and internal quality are improved greatly. They are the hope that ZC Rubber brands will be upgraded from the entry level.

ZC Rubber together with the partner PneuHage launched the new truck tire line designed for Europe market during the IAA show in Hannover Germany in September, 2014. The new line covers various segments of long haul, regional, and on/off service. The line is precisely positioned to be a premium truck tire designed and manufactured for Europe with the features of low sound emission, excellent wet grip and outstanding fuel efficiency without sacrificing the tire mileage. The new name of the tread is easy for the end user to decide the proper axle and application. All of the features will bring remarkable values for the end users compared to the competitors while end users will benefit from the new line. In general it is a start that ZC Rubber is upgrading the brand in international markets and expecting distributors will work together to achieve the target.

ZC Rubber also introduces some more entry level products in the tread code AD153, AD156, AT161 and AZ171 in order to meet the demands in selected markets. It is a solution of low purchase cost for the price sensitive segment.

With the strong product lines covering from the valuable to the budget segment, ZC Rubber provides various solutions to end users who are involved in different roads, different load and different driving habits. It is ZC Rubber's target to supply most suitable products in each segments to satisfy the end users and help to increase the sales.

2、创新销售方式和渠道变革：面对不断变化的市场需求，我们要继续推进销售创新，一方面通过目标导向，对销售区域内经销商根据完成销售目标的情况进行各种奖励和支持，进一步加



大经销商销售中策产品的忠诚度，实现销售稳定增长；另一方面利用高低搭配的优质产品，努力推进针对集团消费客户及配套客户的销售，利用性价比及综合成本优势争取销售最大化，覆盖各个细分市场。同时在竞争日趋激烈的市场上，中策橡胶将全力支持全球经销商进一步深入了解市场，发掘终端客户的核心需求，更好地提升渠道的价值。

中策橡胶将与全球经销商一起服务好当地的集团客户，针对当地主要运输车队及配套客户如欧盟的Schmitz Cargo Bull、香港出租车、新加坡港务局等，为他们量身定制特定的产品及服务解决方案，从而提高对集团客户的服务水平，增加集团客户使用中策产品的积极性以及未来对品牌的忠诚度。

2. Change of Business Mode and Distribution

Channel: It is a changing world so all the players in the market shall be ready for the new business mode. ZC Rubber will provide sufficient support and rewards to the distributors based on the sales target achievement in order to improve the loyalty and relationship with the distributors. Also ZC Rubber, with the full coverage product line, tries to help distributors to push the sales to key accounts (such as trucking company, fleets and OE customers) and to end users in certain niche markets. Furthermore ZC Rubber will support distributors to find the potential demand from the end users. In one word, the manufacture and distribution shall focus on the

customers and end users in order to approach different segments and achieve the most sales.

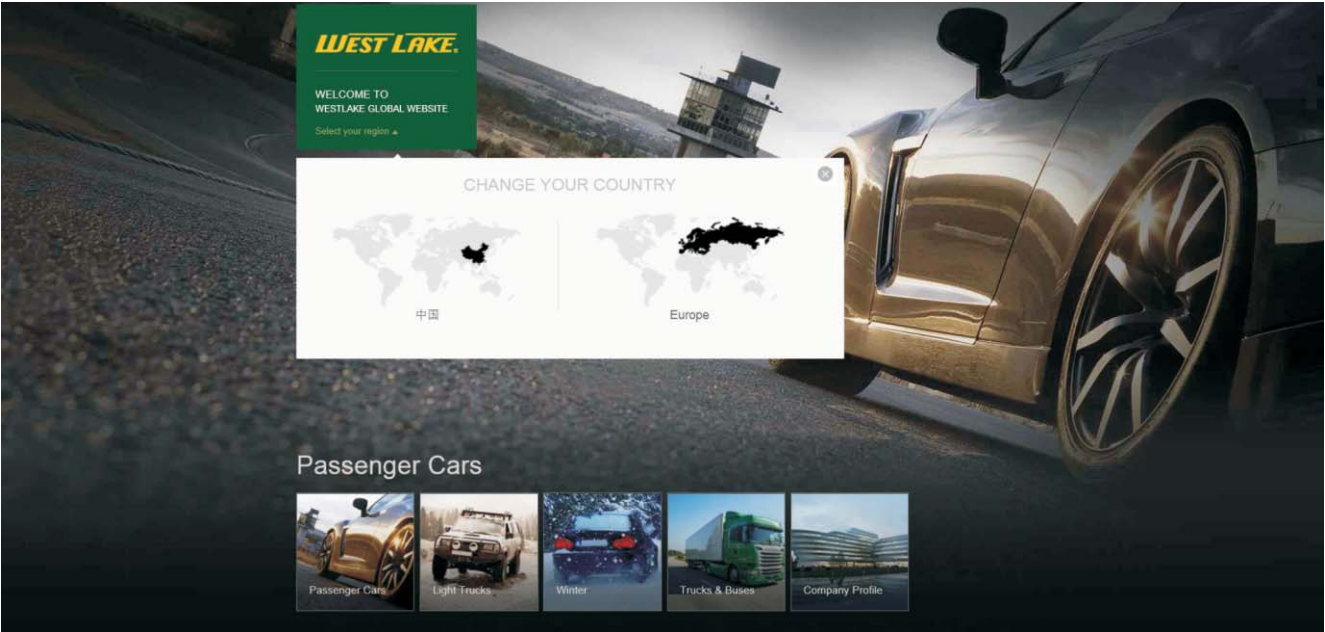
For key accounts especially OE customers and fleets, for example, Schmitz Cargo Bull, Taxi companies in Hong Kong and Singapore, and the Port authority of Singapore, ZC Rubber, together with the local distributors, set up various solutions based on the different demand from the customers. The solutions include not only products, but also the warranty, road service, complaint settlements, total running cost evaluation and so on. ZC Rubber is expecting such modes and examples will be helpful for distributors in other markets to increase the sales to key accounts.

3、创新服务内容：传统的经营模式已经越来越不能满足市场的发展要求，经销商在传统店面销售之外，应该更加重视提供产品的增值服务，在确保原有产品推广、展示、促销、仓储及售后服务之外，积极提高对集团消费客户的服务水平，在集团客户整体成本节省、轮胎回收及翻新、道路救援、轮胎日常保养方面增加投入，为维持客户的长久合作关系做好准备。

轮胎市场当前的价格竞争日益激烈，中策橡胶通过自身丰富的产品线，为经销商提供强大的支持，在不同的细分市场找到自己独特的卖点，将产品的性价比优势充分展示给终端客户。而经销商通过提高服务水平，又能够进一步提升终端客户体验，提高终端客户对中策产品的忠诚度，从而实现合作共赢，提升中策产品的销量。

3. Improvement of Service: Traditionally distributors sell tires in their shops or service depots. Today ZC Rubber is pushing distributors to improve the service, especially in commercial tire segment, so as to increase the profits. Distributors shall pay more attention to value-added service for end users, besides the display, promotion, marketing, logistics and claim settlement. If more value-added service, such as total running cost, retread and recycle, road service and tire daily maintenance, is available, key accounts will definitely be more loyal and face higher cost and expenditure in case they are going to change the supplier. That is the way how distributors establish a long term business relationship with the key accounts.





In such a competing market, ZC Rubber is providing supports by offering different products for different market, and showing the tire value to the end users. Meanwhile distributors are expected to invest more on service to improve the end users’ satisfaction. The mutual cooperation brings the trust and satisfaction for the end users, improves customers’ experience and loyalty, and helps the sales.

4、创新体验方式：互联网的崛起，给我们创造了一个全新的体验营销模式，也悄无声息的影响着生活的方方面面。线上选购、预约、支付和线下实体店装配、服务的新轮胎消费模式正在不断发展完善。发达的互联网科技给予终端客户更多信息的同时，仍然必须依赖实体店解决轮胎的拆装、体验。因此未来中策橡胶将加大网络宣传传播力度，在享受互联网带来丰富信息的同时，中策橡胶依然会支持全球经销商做好实体店，为终端客户提供更好的使用体验。

2014年，中策橡胶在全球多个国家启动了形象店建设，为终端消费者了解中策品牌、感受中策产品提供了平台。2015年形象店建设工程将进一步推进，使更多的消费者了解、体验中策，更好地接受中策的产品，忠诚于中策的品牌。

4. Creation of customer experience: More than the traditional store display and sale, distributors today have more choices to promote the sales with the help of internet. Online purchase and appointment is becoming more and more popular with the offline mounting and service. Meanwhile end users rely more on internet to gather information about the products and service than the distributors’ introduction. Now ZC Rubber, for online communication, is by launching different websites in different language in different area. Meanwhile ZC Rubber keeps on the support to set up flagship stores in 2015 all over the world. End users may search for the information about ZC Rubber through internet and find the products and service in local flagship stores. That will be an outstanding experience which will attract more customers for ZC Rubber products.

创新是未来中策橡胶和全球经销商前行的动力，而创新的终极目标是多赢。马云在首届世界互联网大会上有一段精辟的演讲：做任何生意，必须想到三W（Win赢），客户首先要赢，第二个Win，合作伙伴一定要赢，第三个你要赢，三个W，你少中间任何一个，这个生意没法做下去。我对此感同身受，面对轮胎市场日趋激烈的竞争，我们工厂如何来赢，我们中策的经销商如何来赢？在这块激烈竞争的市场，提升产品质量、提供增值服务，最终提高市场占有率，我们和我们的伙伴才能赢。此外我们如何让消费者也要赢？我们要让消费者既获得安全可靠、高性价比产品，又能够享受到便捷、贴心的服务。最终中策橡胶和全球的经销商把心聚在一起，把力使在一起，通过创新的手段，在改进产品质量、性能的同时，全面提升我们的营销、服务、管理的水平，努力扩大市场份额，实现共同发展，共创美好未来！

Innovation, creation and constant improvement will be the force pushing ZC Rubber and global distributors forward to achieve our target that all parties involved will benefit from the business. Mr. Ma Yun, CEO of Alibaba, expressed his thoughts in the World Internet Conference Wuzhen Summit that any business will bring three W: 1st W is that customers win, 2nd W partner win and 3rd W manufacturer win. The three parties in the business are so important and functional that none of them may be ignored. Without anyone of them the business cannot continue. Such words ask the questions to ZC Rubber: how customers, distributors and manufacturers will win in such a competitive market. In our thoughts, customers win by receiving safe and reliable products with value, and quick and customer made service; distributors win by providing value-added service and keeping reliable supplier; and finally manufacturer wins by producing qualified products which are popularly accepted by end users. In the coming year, ZC Rubber will continue the innovation and improvement of products, service and customer experience together with global distributors and craft a better future!

Top 10 World Tire Manufacturer

No.1 Tire Manufacturer in China



2014 Global Tire Company Rankings

Based on 2013 sales. Includes subsidiaries.

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

2013 Rank	2012 Rank	Company/Headquarters	2013		2012		2011		2010	
			Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales	Tire sales	% of total corp. sales
1	1	Bridgestone Corp. Tokyo, Japan	27,390.0	75.0%	28,575.0	75.0%	28,450.0	75.0%	24,425.0	75.0%
2	2	Group Michelin Clermont-Ferrand, France	25,545.0	95.0%	26,222.0	95.0%	27,413.6	95.0%	22,515.0	95.0%
3	3	Goodyear Tire & Rubber Co. Akron, Ohio	17,586.0	90.0%	18,900.0	90.0%	20,490.0	90.0%	16,950.0	90.0%
4	4	Continental A.G. Hanover, Germany	11,150.0	25.2%	10,895.0	25.9%	10,645.0	25.1%	8,100.0	23.5%
5	6	Pirelli & C. S.p.A. Milan, Italy	8,007.2	98.1%	7,634.8	97.8%	7,802.2	99.0%	6,320.5	98.4%
6	5	Sumitomo Rubber Industries Ltd. Kobe, Japan	6,971.3	87.3%	7,763.4	87.2%	7,413.0	87.2%	5,850.0	85.0%
7	7	Hankook Tire Co. Ltd. Seoul, South Korea	6,868.1	99.0%	6,259.0	98.9%	5,744.2	97.8%	4,513.1	89.6%
8	8	Yokohama Rubber Co. Ltd. Tokyo, Japan	4,915.6	79.7%	5,570.0	80.0%	6,028.0	81.0%	4,750.4	79.2%
9	9	Maxxis International/Cheng Shin Rubber Yuanlin, Taiwan	4,768.6	100.0%	4,630.9	100.0%	4,268.0	100.0%	3,356.4	100.0%
10	10	Zhongce Rubber Group Co. Ltd. Hangzhou, China	4,529.1	96.6%	4,557.6	94.6%	4,262.6	95.1%	3,226.1	97.2%
11	15	GITI Tire Pte. Ltd. Singapore	3,755.7	98.4%	2,695.9	100.0%	2,893.6	100.0%	2,207.5	100.0%
12	11	Cooper Tire & Rubber Co. Findlay, Ohio	3,439.2	100.0%	4,200.8	100.0%	3,927.2	100.0%	3,361.0	100.0%
13	12	Kumho Tire Co. Inc. Seoul, South Korea	3,419.0	99.0%	3,599.5	99.4%	3,522.1	99.4%	3,025.9	99.8%
14	13	Toyo Tire & Rubber Co. Ltd. Osaka, Japan	2,970.0	78.8%	2,867.2	78.6%	3,064.6	75.4%	2,500.0	73.6%
15	16	Triangle Group Co. Ltd. Shandong, China	2,712.4	100.0%	2,469.8	100.0%	2,527.1	100.0%	2,258.9	100.0%

Test Results for WESTLAKE Tires are Getting Better in Germany

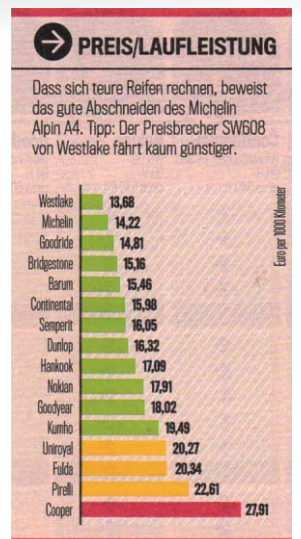
In Germany, Austria and Switzerland the winter tire market is very attractive. In these three countries the part of winter tires in the sales figures of the replacement market is more than the summer tire segment. A lot of influence in the clients decisions which brand he will buy comes from test results in the big car magazines.

In most of the tests Chinese products were at the very end of the pack with results of insufficient, unsatisfactory or even dangerous. The test crews bought the tires from international tire jobbers and sometimes they tested products which are normally not sold in central Europe. Since three years ZhongCe Rubber takes influence in the choice of their products and is in permanent contact with the test crews. Jan Hennen, former head of press department at Michelin, is since 2011 working as a consultant and contact person to the press and testing persons in the central Europe region.

After the first better results in Gute Fahrt (Volkswagen group magazine), Camping Caravaning (magazine for camping cars) and in Auto Bild 2012 we now received two results for the winter tire WESTLAKE SW 608 in the most important winter tests for this season. Auto, Motor & Sport, the magazine with the longest tradition, tested 10 tires from all premium brands. Here we got the last position, but more important is the "partially recommended" judgement equal with Toyo. This judgement is the third-best level between six grades. The gap to the premium brands is nearly small in this test.

Even more interesting is the actual winter test in Germanys biggest magazine, Auto Bild. This test is divided in three steps. In the first round 50 brands were tested only in the most important criteria wet braking. Here WESTLAKE received the 11th position and reached the second step for only the 20 best brands. Now the snow braking results cancels the next 5 tires with the poorest results. The best 15 of the brands with the added wet and snow braking results got into the final test with all criteria. For the first time ever WESTLAKE reaches this complete test and leaves a lot of well known brands and all other Chinese tires behind.

At least the WESTLAKE SW 608 finished on the 14th rank with top results in noise and aquaplaning straight, good results in wet and average in dry or winter conditions. The test result "recommended" is between all the premium brands like a test win for WESTLAKE. The gap to the leaders is no longer very far away.



RP18: Choice of Customers!

The RP18 line is positioned by ZC Rubber as the premium touring tires for international market with the features of quiet, comfort, and handling.

This line was launched in year 2013. An internal test drive performed by Mr. Lee Woonsoo, the experienced tire test driver for Hankook, Renault-Samsun Motor, and ZC Rubber, show the improvement of the line compared to available SP06 line. The noise reduced by 3 dB from 74dB to 71 dB, fully complied with the latest European Regulation No.117. For comfort, the test drive sensed much less vibration and impact harshness compared to SP06. Furthermore RP18 performed the speed of 75 KM/H in a slalom test on wet surface compared to 64KM/H of SP06 and 10% less braking distance than SP06. With the test result, the improvement is rather astonishing but how about the market feedback?

ZC Rubber pushed the sales of RP18 throughout the year 2014 with a good record. The production line is in fully operational for customers in North America, Latin America, Europe and other markets. Distributors think highly of the new line not only because of the excellent performance but also the quality.

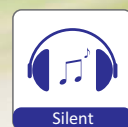
A retailer comments to a ZC Rubber sales representative will : "Our customers might not sense the difference of handling result in your test, but they can feel the more comfortable ride with less noise. Customers may notice

the change by themselves and definitely they will love the tire with such a good performance. Also I sold hundreds of tires during the past 6 months without any customers' dissatisfied comments or complaints. Customers will know the quality in the coming years and they will buy more RP18. I myself is quite confident about the new line."

Another comment from a car driver said, "I used Westlake tires before but can only say they are acceptable. But the new RP18 is really astonishing. You did a great job this time."

Meanwhile, ZC Rubber is planning to expand the RP18 line in the coming year of 2015. The line will be one of the "POWER" lines of ZC Rubber with good quality and full size coverage, so the distributors will have more choices of sizes but in one pattern, and will reduce their inventories and save the running cost of warehouse, promotion, and communication. Previously the RP18 line covers the sizes from 13" to 16" with the aspect ratio of 50/55 to 70/80. Now ZC Rubber is going to add more sizes in 17" ~ 22" and 40/45 ~ 70/75 series. With the new sizes coming in the following months, customers will enjoy a powerful and complete flagship product line offered by ZC Rubber, the largest tire manufacturer in China.

RP18 line has already accepted by customers worldwide and brought car drivers the enjoyable feelings. The features of quiet, comfort and handling.



New WESTLAKE Truck Tire: The New Stage!

ZC Rubber and PNEUHAGE, the most important partner in Germany, launched a new truck tire line during the International Motor Show IAA 2014 in Hannover. The line is in the brand of WESTLAKE, which is one of the top brands of ZC Rubber. Both parties invested time, energy and most advanced technology for the new line and expected the line will help to upgrade the position of ZC Rubber's product.

The line, in 7 patterns and 14 sizes, covers 4 different niche markets of long haul, regional, mixed service, and MaxLoad. Over 90% end users may find suitable pattern and size for their truck and enjoy the tire performance. In the future the line will be expanded continuously to meet the demand from end users.

The line is a remarkable achievement of over three years' hard work. During the period both parties made a complete market investigation about European truck tire market to find out the opportunity how to introduce a good brand with excellent quality but reasonable price, in one world, the VALUE. The line comes from the comparison among products, in various brands including

benchmarks and competitors, for the tire features, dimensions, performance, and so on. ZC Rubber applied the 20 years' experience and latest technology for the new line. The line is positioned as the top quality products, and also expected to compete in different market segments against GT Radial in Europe.

Pneuhage, the partner, is one of the largest tire distributor and service provider in central Europe. In the project Pneuhage contributed years of experience to promote the brand and sales. Also Pneuhage constantly collected the latest customers' feedback and comments on the new line helping ZC Rubber to improve the tire quality continuously. The joint cooperation guarantees the end users with qualified tires as well as excellent service.

Today end users are seeking for tires with best performance, best cost and best service. They pay attention to not only the tire price but also the total cost of tire life. ZC Rubber and Pneuhage will devote the ultimate efforts to end users' demand in the coming months with the new product and best service, and bring a better future for customers all of the world.

Tread

Compounds used in the tread depend on the tyre's specific application needs. WESTLAKE has various compounding strategies to minimise tyre treadwear, and maximise traction, fuel efficiency, and resistance to fatigue, chipping and scaling.

Belt Edge Cushion

WESTLAKE tyres feature a belt edge cushion to help to enhance the structure durability, and therefore extend the tyre life.

Inner Liner

WESTLAKE's inner liner is specially designed to maintain the air pressure of each tyre to avoid any possible tyre damage. The special inner liner compound ensures a significantly longer casing life.

Bead Filler

Two or more different compounds are used in WESTLAKE's bead filler to stiffen the bead for steering response and to control the flexibility of other parts of the tyre.

Belts and Casing

Thin, highly adhesive assembly compounds are used in WESTLAKE's tyre casing and belts to improve the steel cords strength.

Undertread

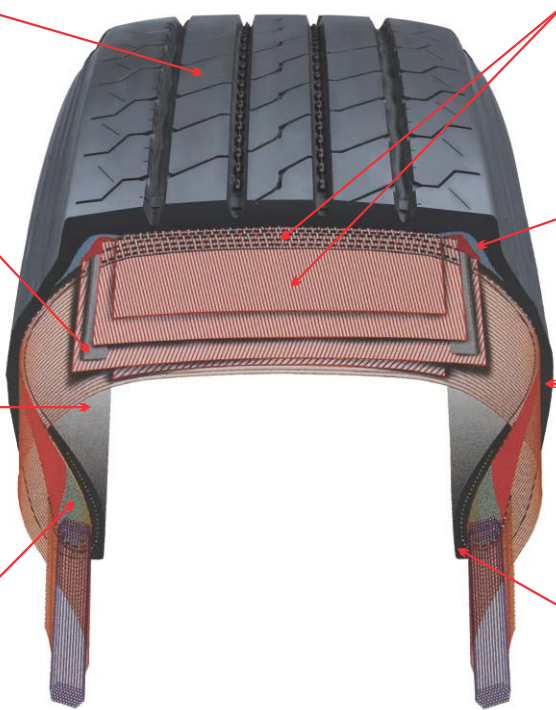
WESTLAKE's undertread compounds generate less heat in order to prevent tread separation.

Sidewall

WESTLAKE applies special sidewall compounds high flexibility, excellent durability and high resistance to fatigue and weather cracking.

Rim Cushion

WESTLAKE's rim cushion compound is highly resistant to the heat brought by the heavy load or transmitted by the rim so as to extend the tyre life.



POSITION: Trailer Axle					
WTL1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Steer Axle					
WSR+1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Drive Axle					
WDR+1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Steer Axle					
WSR1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Drive Axle					
WDR1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Trailer Axle					
WTR1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Drive Axle					
WDM1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Trailer Axle					
WTM1	Long Haul	Regional	Mixed Service	Max Load	
POSITION: Trailer Axle					
WTX1	Long Haul	Regional	Mixed Service	Max Load	

PCR 2015 New Product Introduction

Mud Tire Line



SL386

Premium tires designed for unpaved tough road (Professional Off-Road tyres)

Tri-Ply tire carcass guarantees outstanding performance on any tough road conditions, especially mud and sand surface.

Robust tread blocks promise excellent traction on unpaved roads.

M+S:	RIM SIZE	15 - 20
	SERIES	65 - 80
	SPEED RATING	N - Q



ON & OFF



Braking



Wet Traction



Mileage



New Winter Tire



SW658

New studless winter tires for SUV/CUV vehicles promise excellent performance on snow and wet road surface.

Special V-shape pattern with solid center rib guarantees outstanding traction on snow, slush and wet road.

SILICA TECH compound offers remarkable traction and longer tread life.

M+S	RIM SIZE	15 - 18
	SERIES	45 - 75
	SPEED RATING	T - H



Ice & Snow



Braking



Control



Silica



SW618

Premium studless winter tire providing excellent snow, slush and wet traction in cold climates

Special pattern design to promote aggressive bite in deep snow and wet road conditions

Superior tread compound keeps rubber flexible for maximum performance in extreme cold temperatures in winter

M+S

RIM SIZE

SERIES

SPEED RATING

13 - 17

50 - 70

T - H



Ice & Snow



Comfortable



Directional



Efficiency

TBR 2015 New Product Introduction

Valuable Tire for North America >>>



AS678

Applicable for steer and free-rolling wheel position
Five ribs with four straight grooves for precise handling
Special designed tire casing for better mileage and more value for customers
Cross rib sipes provide better wet traction and reduce external noise



AD757

Applicable for drive wheel position on long-distance and regional transportation
Solid close shoulder design with special tread compound for enhanced traction
Computer designed carcass reduces pressure on road and promotes even wear
Improved casing structure provides remarkable footprint which guarantees longer tread life



Wide Base Line >>>



AD781

Premium wide base drive tire suitable for long haul application.
Robust tread blocks offer outstanding traction on both wet and dry road condition.
Enhanced tire carcass guarantees lateral stability, longer mileage and easy retreadability



AT566

Wide base super single tire applicable for both steer and trailer service
Computer designed tread structure provide even wear with less pressure on the road
Long life tread compound with less heating enhance the original tread life
Strong steel belt improves the casing durability and promote multiple retreads



AT555

Wide base trailer tire specially designed for trailer service
Special compound and strong tire casing promise excellent tread wear and longer mileage
Straight grooves help to reduce rolling resistance and improve fuel efficiency



AT556

Wide base trailer tire specially designed for trailer service
Special compound and strong tire casing promise excellent tread wear and longer mileage
Straight grooves help to reduce rolling resistance and improve fuel efficiency





One Miracle in Two Decades

Lam Seng Hang Group of companies has been a regional distributor for South East Asia since 1986. Over the years, we have witnessed the growth and transformation of the then Hangzhou Rubber Company to now a renowned world class manufacturer.

Today, Chinese made products do not necessary mean compromise to quality when compared to those of foreign branded counterparts. Zhongce Rubber Group Co Ltd strives to be a market leader not only in production capacity, but also place paramount emphasis on research for product safety and reliability.

In line with Zhongce Rubber Group Co Ltd's vision, it is vital that we make changes to realize their business growth plan. As their distributor, we have to take on a leadership role in marketing the products and providing an integrated range of customer services, instead of modeling what our competition is doing. With this, we have restructured our business model in order to enlarge the dealers' network and to work with the larger fleet users directly.

We recognize the challenges when positioning West Lake brand of tyres in our markets and the creativity needed to put in place various advertising and promotion programs to create awareness and to stimulate ground interest and demand. These programs include advertising on vehicles and publications, participation in motor sports events, product display in dealers' shops, and creating an unique identity in unifying all dealers. Going forward, the marketing team will continue to focus on brand management to strengthen both the corporate and brand identity for both Zhongce Rubber Group Co Ltd and Lam Seng Hang group of companies.

With branding strategies in place, the sales team is entrusted to build a partnership relationship with the dealers and fleet users. Long gone are the days that we treat them as just customers. Dealer management is

important as we bring them into the West Lake family. Their vested interest must be taken care of before we expect loyalty to West Lake. Programs are in place to make sure that the dealers do not compete against one another, and that a concerted effort is put in to expand West Lake market share.

The in house technical team responsibilities will be expanded to include education program, performing trial runs and data analysis, and most importantly, to provide onsite support to resolve any technical issues. They will have to also work closely with their counterparts in Zhongce Rubber Group Co Ltd on product improvement so as to cater to various operating conditions, as not all tyres are created equal.

Back room operation does play a vital role in satisfying customers' needs. In recent years, we have invested heavily to increase storage capacity, installed an ERP system to manage the inventory and supply chain activities efficiently, and assembling an aggressive and knowledgeable team of sales, marketing and technical personnel. These investments will allow us to stay competitive and to better manage customer's expectations and needs.

In recent years, both companies have worked relentless to get ourselves enlisted as approved suppliers by many government linked corporations. With the continuous effort put in by Zhongce Rubber Group Co Ltd on research and product development, we have repeated success in securing tender contracts. This itself is a testimony to the efforts put in by both companies.

With the new factory in Thailand coming on board in 2015 to address custom and excise barriers in the region, and with the right mindset, right products and right services for our distribution partners, we are confident to grow with our valued partners.

HRB Pacific P/L The Past, Present and Future



Looking back, it all started in 2001 we became a distributor of ZHONGCE Rubber. From a small business run by husband and wife to a well organized company with 25 staff, four subsidies and six warehouses in NSW, it not only requires the endeavor from us but also the infinite support from ZHONGCE group.

Starts from scratch

1) Direct to final market

In 2001, we became a rookie of Australia tyre industry, which was lack of information about tyres manufactured in China. As a client joked about, who has become one of our top tier customers afterwards that "Are they still round if they are made in China?" To convince him, what I did at that time was to give him two tyres for free as trial because I do deeply believe Goodride tyre will speak for itself. After three months, I came back with surprise as he handed me a cheque with amount of two tyres. Since then, the cooperation between two business and friendship amongst two families has sprout.

It was not easy to do business with big tyre shops or branded dealerships since they usually require longer payment terms, more consignments or lower profit margins. Meanwhile, we have realized that legal requirements of Vehicle Tread Section 6 of the RTA Road Users Handbook3 specifies the technical standards tyres (including the spare) need to meet in order to be considered roadworthy. That means passenger vehicles tyres must be in good condition with a tread of at least 1.5 mm in depth across the tread surface and light truck and heavy vehicles are at least 2.00 mm.

Thus, we see there is a great opportunity in those local mechanics who are close to ultimate consumers and have obtained certain amount of customer pool via word of months.

2) Unique marketing strategy

We always keep the faith that doing business is not all about making tons of money but building values. By knowing that, full assistance from ZHONGCE rubber representatives was vital at the very beginning. And the help was not limited by supplying timely promotion and advertising products but the way how to assert the market, the way how to maintain the customers and more importantly, the way how to enforce position.

We have seen potentials from anywhere say mechanical shops, truck drivers, deliver man and taxi drivers and etc. And then, more people we know about, more thorough knowledge we gain about this industry. As other legislation states in Motor Dealer and Repairers Act 2013 every vehicle repairer has to gain a certificate after three years TAFE courses. In other words, those people who undertake this course are highly likely to know each other and keep contact after that. As what we believe in, people are the trigger to establish values of business.

Making friends among mechanics in all ages has been put in priority. First in first, communication is a non-stop run. It is fair to say no matter how charming, enthusiastic or persuasive you are, no one will likely remember you only from a two sided business card or a ten minutes chats. Keeping contact has to be done early and often.

Secondly, rewarding loyal customers will bring win-win results. Giving Christmas gifts to all our customers has been an annual event. The gift might cost no more than AUD \$20 but the profound meaning it embodied is unlimited. Thirdly, loyal customers are the best salesman. From years experiment in Australia automotive industry, word of months is one of the best cost effective ways in marketing strategies. Nowadays, we would not be surprised by receiving calls from non-existing customers who are referred by existing clients or heard of Goodride

from some mechanics.

3) Good tyres with Good service

To make a good product bright and shine, decent services is a must-have. After knowing most of customers in eastern suburbs have faced scarce storage room for tyres, we have launched a project named as "Just in time delivery". What it does is to insure there is no unnecessary delay between receiving calls and receiving tyres. In doing so, we have purchased thirteen delivery vehicles and well trained every driver to memorize all possible routs combinations from one customer to another without heavily depending on GPS. Moreover, we do not hesitate to put customer with urgent need in the first place although that would lead to certain detour to following customers.

Our service is been well known over a decade, as "We would probably not beat the price, but we would definitely beat the speed".

4) Better HRB, Better Company

Operating a company with dozens of staff and over thousands of customers was as absolutely new territory for us in the past. Fortunately, we could relatively conquer this issue with the direct instruction from ZHONGCE managing team. We deeply realize that recruiting Chinese employees, who are mainly from overseas student background, is of great importance in achieving company's goals. Internal improving and further developing are to increase the employee's job satisfaction and self-actualization at the same time. In addition, manager plays a critical role in making an employees' community that is comprised of wide range of activities such as fishing, karaoke, pinball

and so forth.

And what we try to reach is to setup a business that employees are not just willing to work for but more than willing to live with.

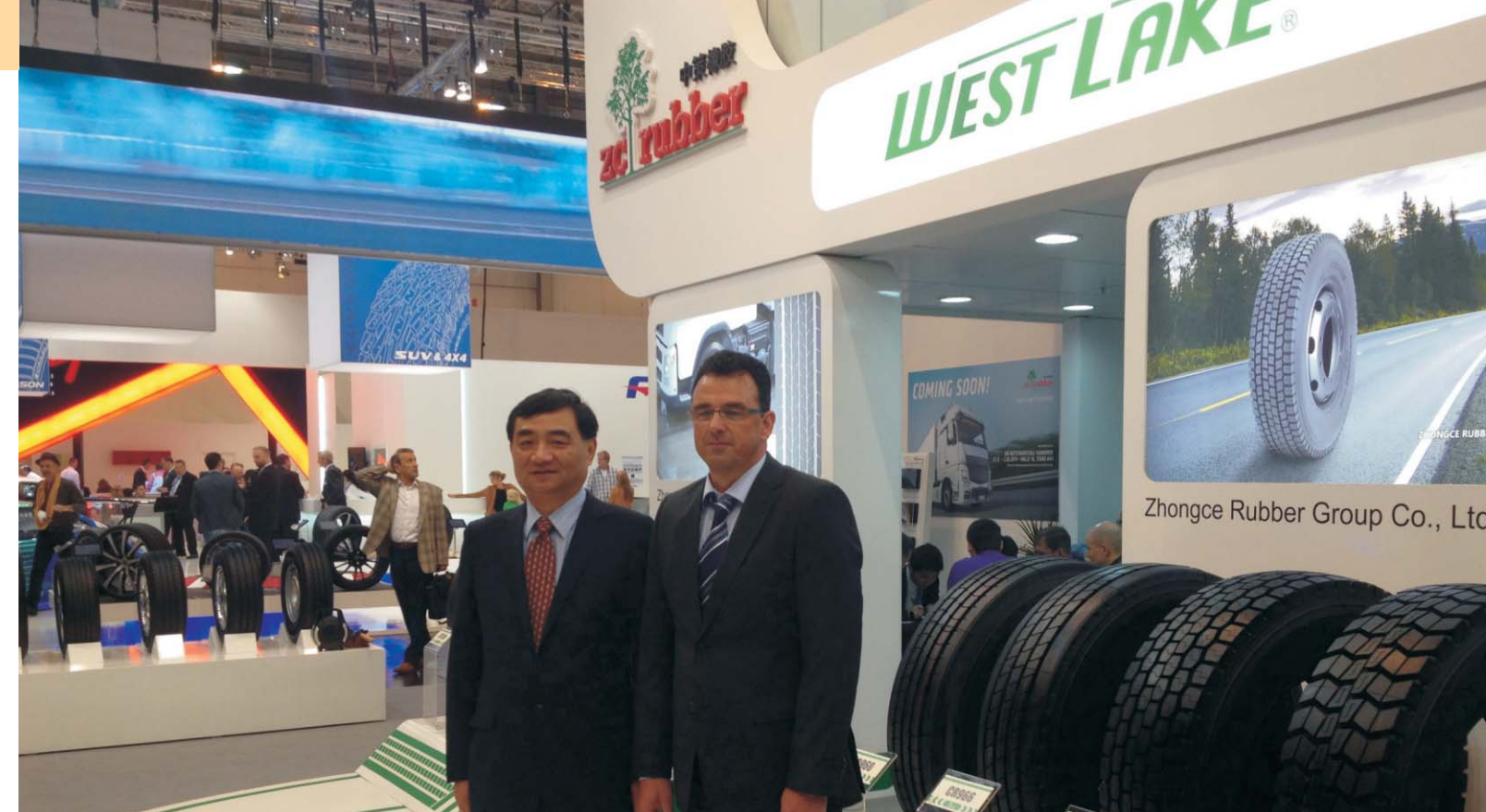
Looking into the future

To improve our Australian footprint, our branches have been opened in Riverwood (NSW), Wollongong (NSW), Gosford (NSW), Canberra (ACT) and so on. And there will be another branch opened in Newcastle in the foreseeable future. We are confident that chances are not just located in big cities, small or medium size suburbs with overall population over ten thousand people are targeted as primary preference.

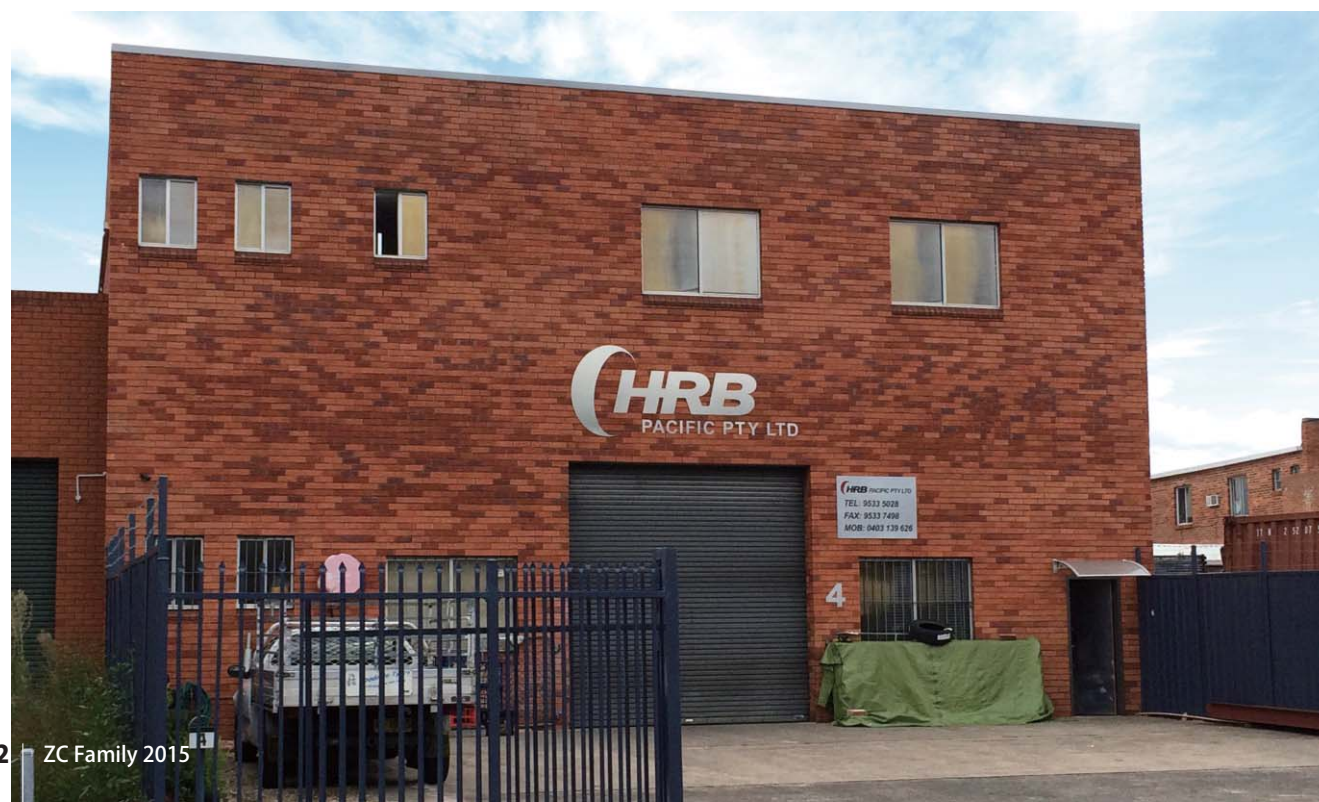
At the same time, more attention has been paid on advertising based on the Internet and social media. We have successfully had a online sales website vickysun.com.au, which establishes a wide open platform to all potential customers and to receive precious feedback from final users as well.

In the past fourteen years, what we done were full of passion and challenge and what we are going to do is enlighten by experience and opportunities. We are firmly convinced that the initial decision we made of becoming a distributor was a wise choice as growing national sales and rising brand awareness throughout Australia.

The sense of pride to be a ZHONGCE RUBBER distributor bursts out not just from me but my whole family and all employees who had worked with and who will be.



Marketing & Dealers Relationship >



• REIFEN ESSEN 2014



• SEMA 2014



• IAA 2014



Magazine Advertising





Tire Stores and Outdoor Advertising





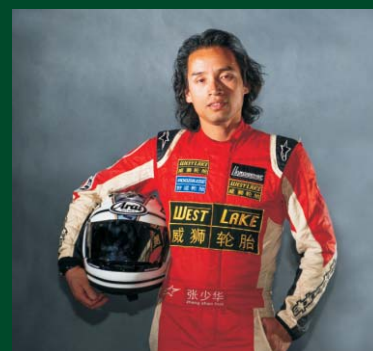
ZC Rubber Drifting Sponsorship



ZC Rubber in 2014 continued the sponsorship of drifting race throughout the world. In China, Europe, Asia and Oceania, WESTLAKE achieved great results with the help from SPORT RS drifting tire. The tire provides "incredible performance both in the wet and the dry during test", as Steve "Baggsy" Biagioni, the 4th of King of Europe and 3rd of British Drifting Championship. The outstanding tire performance brought good result not only in Europe but also in Southeast Asia and China. Chanatpon Kerdpiam, the driver in Thailand and Zhang Shaohua in China also think highly of the tire with its features and durability.



ZC Rubber is still expanding the SPORT RS line and upgrading the quality. The drifting race will be a good opportunity to promote the brand as the car racing and drifting are attractive to the young and energetic who are our potential customers. The power of ZC Rubber tire will definitely bring a better future for all of us.



Leisure Time of ZC Rubber Family

● ZC Rubber Annual Meeting



● ZC Rubber Team Party on New Year's Day!



● ZC Rubber Dealers' Party in Dubai



● ZC Rubber Dealers in U.S.A.

