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ZHONGCE Club 19
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2019

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ZHONGCE RUBBER GROUP CO., LTD.

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ZC 中策家苑 family 2019

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New Era New Future

Mr. Shen Jinrong, ZC Rubber Group Chairman & President



The year 2018 is the 60th anniversary of Zhongce Rubber Group. During the past 60 years, Zhongce Rubber has grown from a small factory producing rubber shoes to one of the top 10 global tire manufacturers and witnessed the favorable market situation as well as the splendid achievement of Chinese tire industry. Today Zhongce Rubber expects the sales revenue approximately of 4 billion US dollar together with a rapid growth of net income for 2018, remaining as the largest Chinese mainland tire manufacturer. The performance result relies on the trust, confidence, supports, and contribution from our partners all over the world. You will receive our great appreciation from me, and from all 30,000 Zhongce Rubber staffs and employees.

Forecast on 2019 is full of uncertainty with weak economy growth but the moderate demand. Possible trade war and the continuous anti-dumping cases bring more pressure on Chinese tire industry and force the industry to restruct and integrate. Merging and acquisition might be popular, and certain suppliers would suffer more if they keep no key competence of quality, technology, and know-how. Zhongce Rubber, as the industry leader in China, will continue to support all our partners to expand the market shares by the commitment of safety and value, by the pursuit of innovation and technology, and by the key competence of cost and efficiency. We will definitely achieve a better future together.

Consistent upgrading and improvement will be imposed on the products, service, marketing and distribution network of Zhongce Rubber so as to support the expansion in such a tough market. We will devote to supply most suitable products with high quality and competitive price to meet the demands from global market and fight for more shares. Meanwhile, Zhongce Rubber introduced MES production system supported by AliCloud to upgrade the production efficiency and improve the order processing. For service, Zhongce Rubber introduced AutoSpace program in China in order to support local dealers to provide standardized and high-quality service to end users. Zhongce Rubber invests and will invest more on the branding and marketing activities in order to promote the brand awareness and the brand image. Furthermore, Zhongce Rubber plans to launch more dealer program to provide special support on retailers together with our partners to occupy the shelves and promote the sales.

Eying on the future, Zhongce Rubber will compete in the market with not only the cost and efficiency but also the value and vision. New technology and business mode focusing on the tire life value chain will be introduced to our partners so that we may extend the values chain for more business opportunities and expect more rewards. The past 2018 is a great milestone for Zhongce Rubber as we review our achievements and experience. Now the coming 2019 will be the start of new age for Zhongce Rubber and all partners to forward for a new future!

沈金荣



多元“化”联动发力 携手共进创新高

葛国荣

Great Achievements New Expectation

Mr. Ge Guorong, VP of ZC Rubber

刚刚过去的2018年，国际环境与外部政策形势复杂多变，轮胎行业承受着原材料价格剧烈变动、欧美市场反倾销壁垒、环保政策的限制等系列因素的影响，动力与压力并存，挑战与机遇同在。2018年又是中策成立60周年，中策大家庭一个甲子的共同努力下，造就了中策橡胶中国大陆排名第一、全球排名前十的行业地位，深化全球布局 and 经营思路，销售收入逐年递增，产品服务品质继续提升，获得了越来越多来自客户的认可。成为“世界上受尊敬的轮胎制造商”是中策的追求，迈步在这条康庄大道上，中策努力实现经济利益与社会责任共同发展。怀抱着一颗感恩的心前行，中策斗志昂扬，信心满怀地迎接2019年全新的挑战与机遇。信心来自全球各地的非常可靠的合作伙伴，来自中策高品质的轮胎产品，来自中策大家庭每一个人的全身心投入。而中策永远是合作伙伴们值得全心信赖的轮胎制造商。对于刚刚结束了60周年庆典的中策而言，2019年又是一个全新的出发。辉煌再造，由你我携手同行。

The past 2018 is a year with both hope and depression. Raw material cost floated with the unexpected oil price. The trade war and various anti-dumping cases blocked certain markets, which are important to Chinese tire manufacturers. Furthermore, the weak Chinese economy and the strong environment protection policy also force the industry to change for future. Also, 2018 is the 60th anniversary of Zhongce Rubber. During the past 60 years, Zhongce Rubber understands that the future relies on the trust and confidence from business partners, and the awareness and acceptance from the consumers and end users. Such trust and acceptance help Zhongce Rubber to rank as Top 1 in mainland China and Top 10 in the worldwide tire industry. Zhongce Rubber, keeping the vision "To be the most respected tire manufacturer", will face the challenge of the change by globalization, technical innovation, product and service upgrading, and efficient distribution. The reliable

partner, the popular products, and the contribution from every member of ZC family will bring the confidence and continuous rewards for the future. This is the commitment from Zhongce Rubber, a reliable supplier and partner, for the past 60 years and for the coming decades. Year 2018 passed as a milestone in Zhongce Rubber history and the coming 2019 will be the start of a new stage for more aggressive targets.

I. 全球化——出口强劲增长 Globalization to Enhance the International Business

二十多年前，中策开始以国际化视野探寻海外市场开拓，迈出了走向世界的第一步，逐步将中国制造的优质轮胎产品推向国际市场，让越来越多的消费者享受物美价廉的轮胎。此后，中策始终坚持践行全球化战略，坚持“走出去”的发展道路，代表着中国轮胎企业形象行走国际。尤其是近年来，中策倾力投入海外市场的建设和发展，以美国、巴西、欧洲、泰国四大海外分公司为基，全面铺开实施布局全球化战略。凭借完善的创新机制应用，中策实现产品与市场的深度融合，推动品牌与服务的多层创新，最终借助满足用户需求的创新性产品推动中策在海外市场快速而稳定发展，进而夯实其全球化布局的战略目标。

Zhongce Rubber has been involved in the international markets for more than 20 years to introduce safe and valuable products to the world. Today as the industry leader, Zhongce Rubber expands its sales, service, and production subsidiaries in U.S., Brazil, Europe, and Thailand in order to learn better about the local market, introducing more suitable products to consumers and end users, upgrading the localized service, and promoting the brand image. Zhongce Rubber is forwarding to an international supplier with the decided strategy.

在全球化战略的不断深化下，中策在国际市场份额逐年递增，出口贸易也随之不断增长。2018全年销售全钢轮胎1901万套(条)，增长10%；半钢轮胎3657万条，增长12%，中策轮胎销售额达到38.9亿美元，其国际市场销售收入创历史新高，实现增长21%。中策能够取得这样的佳绩，离不开中策大家庭全体成员的共同努力，在此衷心地感谢！在此基础上，在新的一年里，中策期待与全球经销商继续保持这样的发展势头，齐心协力，继续深化全球化战略，不断整合各项资源，进一步开拓深入国际市场，为实现共同的销售目标而努力奋斗，争取销售业绩在来年再上一层楼。

With the globalization strategy, Zhongce Rubber records great achievements in 2018 for the international business. The sales of TBR tire is 19.01 million pcs/sets (10% more than 2017) and of the Passenger and LT tires reports 36.57 million pcs/sets (12% more than 2017). The sales revenue reaches USD3.89 billion, also a 7.4% increase. The revenue from international market reaches a historic record and occupies more than 35% of the total revenue, increasing about 21%. Zhongce Rubber highly appreciate the hard work and contribution from all ZC family members and expect a further growing in the coming 2019 with the fixed strategy and continuous efforts.

II. 数字化——赋能智慧制造 Data for Smart Production

经济环境、行业环境的变动，要求中策不断赋予生产制造新的能量。为此，中策橡胶审时度势，战略布局，前瞻性地大数据、物联网、互联网、云计算、人工智能、智能识别等新技术运用到了轮胎工业制造领域，引领中国轮胎工业产品“换道超车”，实现智能化、精细化生产制造。

The change of economy and industry pushes Zhongce Rubber to innovate with new IT technology and data analysis for a smart production

to improve the efficiency and quality. Benefitting from the fast-developing IT tech, Zhongce Rubber applies the new tools of big data, internet of things, cloud computing, AI, and others for the production to offer high quality and more valuable tires to the customers.

基于绿色产业链的架构，中策逐步形成“一纵一体三翼”的轮胎全生命周期的绿色生态产业链大格局体系，推进数字化有效集成发展，形成中策ET智能工业大脑的应用开发平台，为高质量产品的生产奠定更加扎实的基础。该项目成为中国工信部2018年大数据产业发展试点示范项目之一，同时斩获IDC中国2018年“信息与数据转型领军者”，足以展示中策智能化生产的先进性。这一项目引入的智能化的大数据处理方法改变了以往中策对数据的传统认识，把沉默的数据价值发挥到极致，精准管控生产制造环节的每一道工序，甚至给出资源最优利用的方案组合。比如，哪几个产地的原料组合在一起质量最好，某个工艺处理环节该用怎样的参数配比可以使混炼胶的加工性能更稳定。最终提高混炼胶合格率3-5个百分点。

Zhongce Rubber focused on the tire value chain to enhance the production efficiency but reduce the cost. The cooperation with AliCloud results in the ET Brain program, which reveals a different way to analyze big data, a big change compared to the traditional data processing. The new ET brain may manage each step of production, not only giving the data report but also presenting the workable improvement proposals so that the production efficiency and quality may be greatly enhanced. The successful program was listed as the pilot project of big data development from Ministry of Industry and Information Technology of China and received the 2018 IDC (International Data Corporation) Digital Transformation Award in China. With such a tool, Zhongce Rubber is so confident to produce excellent quality tires suitable for the

global markets.

作为中策向信息化、智能化迈进的第一步，中策要通过工业大脑的智能化为产品质量的提升创造更多保证，为最大程度保障客户需求而精益求精。目前，中策更是和清华大学、浙江大学、阿里巴巴等开展多项合作，进行生产线的内在改造，以追求产品的一致性，全面升级改造各系列产品。在新时代，中策将以互联网、大数据、云计算应用于轮胎制造和服务市场，使其达到真正意义上的智能制造和智能服务。伫立时代前沿，中策将最新的智能系统引入制造生产，让每一条生产线开始“自动思考”，将“安全 & 有价值”理念贯彻到轮胎制造的每一个过程，不仅体现了一个全球领先轮胎企业的格局，同样也展现了一个轮胎制造商的责任与用心。

The ET Brain is the first step that Zhongce Rubber moves to smart production and advanced intelligence. With the support of the program, Zhongce Rubber refines on the quality and efficiency. Furthermore, Zhongce Rubber expands the similar cooperation with some other well-known universities such as Tsinghua University and Zhejiang University. The final target of such research and development is to impose the company mission "Safe & Value" to all process and steps of manufacturing, distribution, and service in the tire value chain in order to create more value for the consumers.

III. 技术化——创新产品研发 Innovation of Technology and Products

产品研发一直是中策发展的核心，也是屹立全球轮胎行业十强的根本保证。每年，中策投入数亿元研发经费，吸取国际最先进的轮胎前沿技术，同时开展产学研模式，与国内一流的高校、研发机构建立战略密切合作关系，针对轮胎低滚阻、耐磨、操纵稳定性、舒适性、驱动能力、抓地力、噪音等几大性能开展专项课题研究，为轮胎性能提升提供技术支持。自主研发的轮廓优化技

术，通过计算机的精密加持，实现轮胎整体应变的最小化，轮胎耐磨性增强93%。操控性能上，中策强化了轮胎控制侧偏刚度，有效提高整车的操控性能。在配方上，中策推出了以高性能偶联剂为基的低滚阻配方开发，使得轮胎的滚动阻力降低到5.0以下，大大优化了产品性能。此外，中策还与贝卡尔特、阿朗新科、埃克森美孚、陶氏化学等国际知名原材料供应商建立了长期稳定的合作关系，为高品质轮胎奠定基础。

Products and service are doubtlessly the key to success of any company. Millions of dollars are invested for new products and technology in Zhongce Rubber just in order to improve the quality and value continuously. Working with the R&D institutes in China and Europe, Zhongce Rubber carries out the fundamental research on tire performance such as treadwear, fuel efficiency, wet traction, noise, handling, comfort riding, and etc. Such research brings more performance features like the long mileage tire with nearly double tire life and new rubber compound reducing the rolling resistance and helping to save fuel. Meanwhile Zhongce Rubber sets up long-term strategic partnership or cooperation with world famous suppliers, such as Bekaert, Arlanxco, Exxon Mobil, Dow Chemicals and others, trying to secure the supply and quality of raw material of tires as well as the quality of tires.

如今的中策坚持以小步快跑的方式对产品进行更新换代，与全球消费者的需求变动保持同频共振。依托海外网点搜集的信息，中策以贴近消费者，满足当地市场的要求作为第一目标，实现了精准定位、精准开发。一系列新产品将在2019年——亮相上市，值得期待。

Today Zhongce Rubber pushes the product upgrading gradually based on the demand from local consumers. 2019 will be a fruitful year as Zhongce Rubber will launch more new products to expand the



sales and market shares.

半钢产品。中策针对欧洲新一代法规要求，推出了全系列乘用车产品，最大速度提升至Y级，滚动阻力和湿地抓着力均达到欧盟A级水平，达到了目前市场的顶级水平。为满足冬季北欧地区的特殊需求，中策开发了全新镶钉轮胎系列Z-506，冰雪路面抓地性能大大提升；针对普通消费者和商用车用户都希望一套轮胎全年使用的诉求，推出了定制特殊配方的欧盟四季乘用车轮胎产品Z-401，该产品拥有更加出色的抓地性能及磨损性能；为完善匹配不同车型，推出乘用车Z-107，主力规格覆盖14-18寸，稳定的操控性能带来安全舒适的驾驶体验。

For passenger and light truck tires, new generation tires for Europe market will be launched in 2019 covering the lines of studdable winter tires, all season tires and summer tires. Also, Zhongce Rubber upgrade the speed index of some sizes from "W" to "Y" and improve the wet grip and rolling resistance to "A" level based on the R117 regulations. The new studdable winter tire Z-506 is specially designed for Scandinavia area in

heavy snow climate as the traction on ice and snow is improved greatly with much less pressure on roads and less damage. The Z-401, new all-season tires for Europe, is applied with special compound which ensure both excellent snow traction and long mileage, so the tire will last through the whole year, unnecessary for the consumers to change tires in different seasons. The new summer tire, Z-107, covers the rim range from 14" to 18" with excellent wet grip and safe performance.

全钢产品。基于新威狮1代产品良好的口碑，结合全钢技术的最新研发成果，中策全面升级产品，即将推出新威狮2代产品。该系列产品通过冰山雪花认证，滚阻和磨损性能方面效果显著。此外，中策专为日本市场定制特殊规格225/80R17.5，专用于日系小轻卡。随着产品结构的不断完善，中策及时审视自我在市场领域的空白，及时开拓、填补细分市场，不断为特殊市场需求提供优质产品。

Truck tire line are the most competitive product line for Zhongce Rubber with the position from high end to low end. Such a strong line

provides various options for fleets and truck drivers facing different road condition as well as the different pay load choices. In 2019, the 2nd generation of premium WESTLAKE truck tires, specially for Europe market, will be tested on roads based on the experience and performance data collection from the 1st generation. The new generation is a line applicable for all seasons and road surface with snowflake marks, improved mileage, upgraded wet grip, and attractive fuel efficiency. Meanwhile Zhongce Rubber is willing to develop new products for specific niche segments such as the size of 225/80R17.5 designed for Japan market only. Zhongce Rubber aims to supply most suitable products to each niche markets and supports all our distributors to win more market shares.

OTR产品专业性强，市场细分度高，需要制造商在深入了解市场和客户实际需求后进行有针对性的改进。基于这种状况，中策组建了专业化的OTR销售团队，推出更多轮胎型号规格，产品已经基本覆盖除矿山运输车辆之外的主

要门类；在丰富 OTR 轮胎产品线的同时，力求逐步建立本土化的专业服务团队，为客户提供更好的消费体验，充分满足客户基于不同路况、使用条件的不同需求。同时，中策于 2018 年在泰国工厂增设了 OTR 生产线，保障非公路轮胎产品在全球范围内的安全供应。

OTR tire focuses on customers' individual demand requiring tailor made compound and structure improvements. Zhongce Rubber understands what the customer needs and builds up a professional sales team involved in OTR tires only. Nowadays Zhongce Rubber supplies a complete OTR product line covering most segments including construction, industry, port, mining and so on, but not the giant tires applicable for dumper trucks. Meanwhile Zhongce Rubber is setting up a new OTR production line in Thailand and preparing the local service team in the near future in order to secure the supply and improve the service and customer's satisfaction.

安全和价值是中策永恒的追求。中策销售代表走街串巷、深入市场，充分了解不同市场之间需求的差异，一批批针对当地市场开发的新产品源源不断推向市场，为消费者节省了支出、为经销商创造了价值和利润空间，也为中策橡胶自己创造了广阔的市场。而中策也会积极运用分公司的实地驻扎优势，实现了更好更快地搜集相关市场信息提，为全球消费者提供适应当地市场的高附加值产品。

Safe and value are the key of Zhongce Rubber's mission. The sales and service teams of Zhongce Rubber are busy in visiting fleets and end users trying to dig out the available, or even unrecognized hidden demands. Meanwhile, Zhongce Rubber continue to offer new products developed based on the visit to the fleets and customers. Such new products bring more value to the end users and the distributors, helping to expand the sales and market shares. This is the key to

success of Zhongce Rubber.

IV. 渠道化——开拓销售市场 Channel Support for More Market Shares

复杂的国际背景下，如何在激烈的国际竞争中立于不败之地，不断进行渠道开拓是必然选择。为进一步健全国际销售网络，中策坚持经销渠道的开发与维护并举，同步开展集团客户与零售渠道的大力开拓，在林立的轮胎企业中突出重围，提升市场份额，扩大市场影响力。

Zhongce Rubber realized that distribution channel should be very important to expand the market share as the distribution channel deliver tires to the consumers and offer the customer experience. Therefore, in the coming year, Zhongce Rubber plans to invest more on the support to distribution channel together with the local partners in order to help the retailers to sell more Zhongce Rubber products and expand the market shares.

在零售渠道方面，中策在中国大力推动车空间建设，力求通过统一形象、统一服务为消费者带来良好的消费体验。在此基础上，中策联合当地经销商在巴西、泰国、菲律宾等地开设零售门店，尝试将车空间服务理念推广到当地，更好地服务当地终端消费者。以泰国为例，目前泰国地区已经推动设立了超过 500 家 PCR 门店，实现了泰国市场 95% 的覆盖率。200 多家车队使用中策 TBR 产品，区域覆盖达到 91%。经过全面的走访考察，中策团队认真总结分析，多措并举优化零售渠道。在接下来的 2019 年，中策将继续推进门店建设，增加门店数量，建立渠道激励政策，强化客户信心和动力，将泰国门店建设成为零售渠道管理典范，并将其有效经验逐步在全球其他区域门店进行推广实践，强化零售渠道的优势功能。

For retailer shops, Zhongce Rubber is pushing the AutoSpace retailer program in China. The program supports the retailers with

same shop image and same service standard to bring upgraded customer experience for the consumers. Today, the program covers more than 26,500 shops in China. Besides, Zhongce Rubber is introducing such a program in some selected markets such as Brazil, Thailand, Philippines, and more. In Thailand, Zhongce Rubber supports more than 500 PCR tire stores covering over 95% area and serve more than 200 fleets in 91% of Thailand area. In the coming 2019, Zhongce Rubber will work together with all partners to offer more supports and helps to retailers for more stores and better images, furthermore, for more sales.

在这个既充满机遇，竞争形势又复杂的环境下，想要优化渠道结构，跳脱单一的传统零售渠道，集团客户市场的重要性不言而喻。集团客户拥有庞大的市场容量，更是公司未来销售阵地的主要增长点。随着中策产品市场占有率和品牌形象不断提高，强强联合已经成为必然趋势。近年来中策持续加强与全球车辆制造商及大型集团客户的合作，目前已经与奔驰、中集、SCHMITZ CARGOBULL、斗山机械、沃尔沃等主机厂以及 DSV、TIP、必和必拓等大型集团客户建立了合作关系，成为中策橡胶进一步冲击国际市场、向全球知名跨国轮胎企业进军的有力支撑。接下来，中策将继续寻求与大型集团客户的合作，深入了解他们的需求，为他们针对性定制轮胎产品，提供周到而满意的服务。

Besides the regular tire stores and distributors, Zhongce Rubber pays more attention on key accounts and local fleets. Such customers concern more about value and are willing to pay not for price only but for the total running cost. Zhongce Rubber is anticipating becoming their reliable supplier supported by the valuable products from Zhongce Rubber and high-quality service from local partners. Furthermore, Zhongce Rubber also eyes on the OE customers whose acceptance means

their approval of Zhongce Rubber's products, quality and service. Today, Zhongce Rubber set up the business relationship with OE customers such as CIMC in China, Schmitz Cargobull in Germany, Mercedes in Egypt, Randon Trailer in Brazil, and the key accounts like DSV in Netherland, BHP Group in Australia, TIP. Meanwhile Zhongce Rubber is approaching more customers including Doosan in Korea and Volvo group. In the future, Zhongce Rubber will continue to approach more key accounts and OE customers to expand the business.

V. 精准化——营销服务升级 Precision Marketing for Brand Awareness

品牌承载着客户对产品以及服务的认可。随着企业越做越强，中策不断从低附加值转向高附加值升级。结合不同市场客户特性，中策通过多样化的平台来打造品牌形象，深化品牌形象内涵，实施精准营销，构建立体精准营销体系，切实提高公司产品品牌影响力、知名度和美誉度，其品牌文化逐渐被市场接受。

Brand is helping consumers to distinguish the specific product from the other competitors. More and more important is the brand as Zhongce Rubber realized from the experience in past years. The understanding on brand pushes Zhongce Rubber to invest more on marketing and promotion aiming that Zhongce Rubber's brands will be aware and recognized by global consumers.

紧张刺激的赛车比赛有着广泛的受众群体，尤其在欧洲等地区影响力颇大。结合这一现实情况，中策在爱尔兰、英国、德国、西班牙、澳大利亚、约旦、日本、泰国、加拿大等地赞助了一系列拥有大批关注度的赛车比赛以及众多知名赛车手。专业轮胎媒体是很多潜在客户的阅读对象，尤其是大型车队和汽车生产商，因此同样是中策继续攻占的阵地，软新闻与硬广告、线上与线下双管齐下，强化中策品牌在行业内的

知名度，让更多潜在客户认识优质的中策产品。同时，在机场、高速路口等人流聚集的地方，投放品牌广告，增加品牌曝光度。

For marketing and branding, Zhongce Rubber works together with local partners to sponsor the drifting, which is quite popular in Europe and other markets. The talent drivers from Ireland, UK, Germany, Spain, Australia, Jordan, Japan, Thailand, and Canada are using Zhongce Rubber's product on racing tracks and help to promote the brand awareness of Zhongce Rubber's brands. Also, Zhongce Rubber posts ads and latest news on the professional media aiming all the potential customer to attract their eyes. Besides, Zhongce Rubber invests more outdoor boards and ads, which are quite popular for the public promoting the brand awareness.

中策支持鼓励经销商在当地市场进行针对性营销，如促销性活动、品牌广告投入，为经销商提供更多广告、活动支持，增加客户黏性。联合经销商开设更多线下门店，通过车空间、品牌门店为客户提供更加细致化服务，以完善的服务拉动品牌，以良好口碑促进销售，切实将中策品牌扎实在消费者心中。中策将进一步加大市场营销的力度，推进公司品牌建设，提高品牌知名度，将中策品牌与其他中国制造区隔开来；完善商业模式，明确“为客户提供安全与价值”的定位，细分目标市场，推动中策在市场中优势地位的提升，提升市场份额；与经销商一起进一步推动对终端客户的服务，为经销商创造更大的市场空间。

For promotion, Zhongce Rubber works together with local partners to promote the sales. Support to the local distributors is helpful to increase the sales as such support covers most of the expenditure of local partners, such as the dealer conference, dealer incentives, local retailer stores displays, sales giveaways, and so on. Zhongce Rubber carried out all the efforts for

the target to expand the market share and to differentiate Zhongce Rubber brands from other competitors with the company mission of "Safe & Value".

2018 年是中策成立 60 周年，这 60 年里，为客户提供安全、有价值的产品一直将成为中策奋斗的使命。多年来，不论行业地位如何转换，对轮胎事业的真诚始终不变，对客户的用心始终不变，长存的那份感恩始终不变。未来，中策将一如既往地怀着感恩之心前行，以客户为中心，不断投入技术研发，大力提升产品性能，研发更多能够满足消费者需求的新产品，让中策成为国际上“中国质造”轮胎产品的代言人，而不仅仅是“中国制造”。同时，推进多种营销手段深化企业品牌形象，让更多客户正确认识中策及其产品，并建立起对中策品牌的情感关联，逐步形成品牌忠诚度。此外，在中国、泰国生产基地的基础上，中策继续考虑在全球主要市场建设新的生产基地和销售、服务体系，为更多客户提供周到而全面服务。面对风云诡谲的市场环境，如何打造下一个辉煌的历史，中策期待与全球经销商一起来完成。

Year 2018 is the 60th anniversary of Zhongce Rubber. During the past 60 years, Zhongce Rubber, keeping the mission of "Safe & Value", cherished the business relationship with all our partners and involved in the tire industry full heartedly. We highly appreciate the trust and support from all our partners and we will move forward to bring more rewards for all our partners. We will focus on the customer demands, develop new products, improve our efficiency, and enhance the brand image. We will continue the brand marketing and promotion, continue the expansion of production capacity in both China and overseas markets, and continue to improve the service for local customers. Our ultimate target is to bring more profits and benefits for all our partners through our mutual efforts. Zhongce Rubber is expecting a bright future in the next 60 years.

ZC Rubber Hosts Global Partner Conference in Hangzhou



ZC Rubber hosted its global partner conference at Hangzhou headquarters and celebrates its 60th anniversary. More than 1000 partners from all over the world gather and witness the growing of ZC Rubber.

Shen Jinrong, president of ZC Rubber, expresses the sincere gratitude to all the partners' support during the past 60 years. He introduced the company story of ZC Rubber: how to grow into top 10 global tire manufacturer. "At the beginning, we produced rubber shoes, two-wheel tire, and expanded products covering PCR, OTR, TBR, agricultural tire and Industrial tire. From Zhejiang's Wangjiangmen to Xiasha, Jiande, Fuyang, Anji and Thailand, ZC Rubber's products are spreading worldwide now."

"When 30 years ago, I walked in this factory, it was very small, with limited sizes to offer, But today, ZC Rubber, is biggest tire manufacturers in mainland China and biggest producer of TBR in the world, because of quality, consistent regular supply and innovation in the tire industry." Aziz Rakla, the president of Rakla Tires, said. He has witnessing 30-year development of ZC Rubber in the global market.

Ge Guorong, vice president of ZC Rubber, shared that company experience three stages: Chinese market only; expanding the international markets; globalization.

In the new globalization stage, Shen Jinrong shared that in his speech "We must change "follow-up" into "transcendence" in R&D and production, and put the internet technology, data analysis and Cloud technical support into tire manufacturing and service market for smart production and services."

On the conference, ZC Rubber also signed the strategic cooperation with Guo Konghui, Academician of China Engineering Academy focusing on automobile research, and Jilin University who has national laboratory specializing in technology of automotive industry. Cooperated with professional R&D institution, ZC Rubber is committed to upgrade the effectiveness of product innovation and bring high-quality products to consumers.

"Now we meet the new customer demand quickly & effectively and supply thousands of SKUs, covering over 95% vehicles. We also provide mobile service and smart tire system for customers to perfect the service." Ge Guorong said.

United, industrious, eyes on future and cooperation are the key words of ZC Rubber family. "Everything we do is for customers and satisfying customers with products service & value. We also seek for mutual benefit cooperation with partners and expect to experience more 60 years with all our partners."

In the future, as Aziz Rakla say, "make the tree (ZC Rubber's logo is a rubber tree) stronger together, which gives us the fruit and we all should sincerely support ZC Rubber", and ZC Rubber is committed to be one of the most respected tire manufacturers and push human being to move forward.

ZC Rubber also hosted the smile ride charity relay ceremony to help more children with cleft lip/palate in China.



2018 Global Tire Company Rankings
Based on 2017 results. Includes subsidiaries.
(Figures in millions of dollars, translated at average annual currency exchange rates)

2017 Rank	2016 Rank	Company/Headquarters	2017 Tire sales	2017 % of total corp. sales	2016 Tire sales	2016 % of total corp. sales	2015 Tire sales	2015 % of total corp. sales	2014 Tire sales	2014 % of total corp. sales
1	1	Bridgestone Corp.* Tokyo, Japan	*24,350.0	*75.0%	22,121.0	*75.0%	*24,045.0	*75.0%	*26,045.0	*75.0%
2	2	Group Michelin** Clermont-Ferrand, France	*23,560.0	*95.0%	21,129.4	*95.0%	*22,130.0	*95.0%	*24,668.5	*95.0%
3	3	Goodyear Tire & Rubber Co.* Akron, Ohio	*14,300.0	*93.0%	*13,845.0	*90.0%	*14,800.0	*90.0%	*18,355.0	*90.0%
4	4	Continental A.G.* Hanover, Germany	*11,325.0	*28.5%	*10,785.0	*25.0%	*10,780.0	*25.0%	*11,875.0	*24.8%
5	6	Sumitomo Rubber Industries Ltd.* Kobe, Japan	6,755.1	86.7%	6,029.9	85.6%	6,051.2	86.3%	6,917.7	87.3%
6	5	Pirelli & C. S.p.A.** Milan, Italy	6,034.2	100.0%	6,380.0	100.0%	6,933.6	100.0%	7,992.2	???
7	7	Hankook Tire Co. Ltd. Seoul, South Korea	*5,535.0	*92.0%	5,008.7	91.6%	*5,320.0	*90.0%	5,595.4	88.0%
8	8	Yokohama Rubber Co. Ltd.* Tokyo, Japan	4,862.4	81.6%	4,209.0	79.9%	4,152.8	79.8%	4,703.2	79.6%
9	9	Maxxis International / Cheng Shin Rubber Yuenlin, Taiwan	3,955.5	100.0%	3,887.0	100.0%	3,847.0	100.0%	4,441.3	100.0%
10	10	Zhongce Rubber Group Co. Ltd. Hangzhou, China	3,621.9	96.4%	3,229.2	96.0%	3,395.3	95.4%	4,118.5	96.5%
11	11	Giti Tire Pte. Ltd.* Singapore	3,403.0	100.0%	2,890.58	100.0%	3,130.7	100.0%	3,474.08	100.0%
12	13	Toyo Tire & Rubber Co. Ltd. Hiro, Japan	2,920.5	80.8%	2,885.9	79.6%	2,690.4	79.8%	2,959.3	79.3%
13	12	Cooper Tire & Rubber Co. Findlay, Ohio	2,854.7	100.0%	2,924.9	100.0%	2,972.9	100.0%	3,424.8	100.0%
14	14	Kumho Tire Co. Inc.* Seoul, South Korea	2,523.5	99.0%	2,409.0	99.0%	2,663.0	99.0%	3,876.7	*99.0%
15	15	MRF Ltd.* Chennai, India	2,407.5	99.0%	2,070.0	99.0%	2,145.8	99.0%	2,325.8	98.7%

ZC Rubber Keeps Top 10 Among the Global Tire Company in 2018

Congratulations! ZC Rubber keeps the top 10 among the global tire company in 2018, according to the report launching by Tire Business.

In the recent years, ZC Rubber enters into rapid development phase on the globalization road and greatly expands the market worldwide with four oversea branches in Europe, Brazil, U.S and Thailand.

Since 2012, ZC Rubber has been keeping top 10 for the 6th straight year. In the year 2018, ZC Rubber' revenue reaches 3.62 billion. ZC Rubber is the only tire company in mainland China who in the global top 10

ranking and seriously show the comprehensive strength of ZC Rubber.

"We gain such achievement relying on the support of our customers and we really thank you for the trust and support from them. In the future, we will take the spotlight on the R&D and further improve the R&D technology and optimize production to produce more premium tires for global customers to meet their requirements. We also expect to a better future together with our global dealers in the coming year, and to be a respected tire company in the future."

ZC Rubber America Named Vice President of Sales



ZC Rubber has appointed Craig McFerrin as Vice President of Sales-ARISUN Brand of ZC America, U.S subsidiary of ZC Rubber in Walnut, CA.

ARISUN, a brand special designed for the North American market, is a complete Premium TBR & ST Brand, offering Smartway verified TBR products with excellent warranties and retread ability.

Mr. McFerrin was previously East U.S Sales Manager with ZC America for the past years, responsible for sales & growth of ARISUN Premium TBR- manufacturing China / Thailand. Craig keeps over 37 years' experience on the sales of commercial tires before joining ZC Rubber.

General Manager of ZC America Allen Chen said that "Craig on his new position will be in charge of the expansion of Arisun in U.S market and move ahead with plans for improving market share. We expect to expand our market continuously in the U.S. together with Craig."

To expand the market, ZC Rubber will continue to provide premium Arisun tires and meet specific truck requirements in local market by improving fuel economy and increasing energy efficiency. "We supply tires with safe and value from both China and Thailand to meet the demands for local customers. New Arisun smart tire system will also be pushed later to offer life cycle service in local market to build win-win cooperation with customers."

ZC Rubber America Inc- Walnut, CA.

Contact info:
mcmcferrin@zcrubberamerica.com

Walnut office:
info@zcrubberamerica.com

Web:
www.arisuntires.com

ZC Rubber to Expand Capacity in Its Thailand Plant



To provide more premium tires for customers, ZC Rubber has strategically decided to expand its Thailand plant capacity recently and it will include TBR, PCR and OTR capacity increase.

ZC Thailand as a subsidiary of ZC Rubber, operated in 2015, its production line already covered PCR, TBR, OTR and two-wheel tires line. Based on the demands growth of the global tire market, ZC Thailand will expand the capacity, increase PCR to 6.5 million, TBR 2.1 million, and add 12,000 pcs on OTR.

The operation of ZC Thailand will be improved not only on the production capacity, but also on the R&D and advanced equipment. "We strictly execute every detail of products, from R&D to production, to control the quality. We strive to provide customized service to different markets to match customer's demands, such as rolling resistance, braking and noise." Ge Guorong said, vice president of ZC Rubber.

ZC Rubber Thailand equipped by most advanced facilities, adopted the best raw materials, latest technology was supported by the R&D center from headquarter. Since 2015, the premium tires produced by ZC Thailand got

wonderful feedback from the Southeast Asia, Europe, America and Africa market and built high reputation in these markets. Plenty of New products with Value and Safe will be introduced to global market.

The company also announced that it added a new warehouse with 20,000 square meters in Thailand which will ensure the fast delivery to meet the urgent demands from global customers. There could be additional phases but they would depend on demand.



Genius Manufacturing for the Better Technology and Product



In the 2018 IDC China Digital Transformation Awards (DXA), ZC Rubber achieved "Excellence Leader of Information and Data Transformation" based on the ET Brain system provided by Ali Cloud of Alibaba group. IDC is the well-known company for events for the IT and consumer technology markets in U.S.

In the year 2019, genius manufacturing is the key word of ZC Rubber, covering advanced technology and premium product, focus on the development of tire performance and meet customer's requirements around the world maximally.

ET Brain makes ZC Rubber start the smart production phase. Since 2016, ZC Rubber has operated the ET Brain in the workshops for more than 2 years. The evaluation from IDC is that the cooperation between the ZC Rubber and Ali Cloud's ET Brain is the guided demonstration for the manufacturers in China to improve the efficiency in their production. With the help of ET Brain, ZC Rubber greatly improves the efficiency of compound mixing relying on

the data analysis of production. The strict control on the production line helps perfect the product quality and

For the products performance improving, ZC Rubber not only builds the cooperation relationship with the well-known internet company, but also works together with high-ranking universities such as Tsinghua University, Zhejiang University and Jilin University to get the support on the R&D for the tire performance. To bring "Safe & Value" for the customers, ZC Rubber develops with proven technology and introduces new tires for global customers covering TBR, OTR and PCR.

As the largest tire manufacturer in mainland China, ZC Rubber develops at the forefront of tire industry on the technology and products. More market segments for different demands will be covered. In the future, ZC Rubber will continue to practice the "Genius Manufacturing" into the technology and products and round out the existing presence on the world, and work hard to greatly improve the market share year by year.



ZC Rubber Was Awarded as National High-tech Enterprise

ZC Rubber was awarded as National High-tech Enterprise for its advanced R&D and high technology by Chinese government.

The National High-tech Enterprises is a policy of the Chinese government meant to promote rapid development of high-tech enterprises. There are strict standards governing inclusion. "It is our great honor to be the National High-tech Enterprises, which is full recognition of the R&D capabilities and improved technology in the products. It also is a mark of R&D towards a higher level." Shen Jinrong said, the president of ZC Rubber.

The project started in 2016 after a preparing meeting convened by Shen Jinrong,. During the two-year preparing, the company has perfect the innovative R&D system, Headquartered as the center, covering factories in Xiasha, Fuyang, Jiande, Anji, Qingquan and Yonggu etc. The management on every phase of R&D is improved to greatly support the innovation and development in the group.

For ZC Rubber, the achieved honor is not only just honor, but also a responsibility that provide more high

performance products for customers. As National High-tech Enterprise, ZC Rubber will qualify obtain a series of concessions to help chosen enterprises to do more independent research and development. "Technology is the core competencies to improve the market share in the global. We will invest more on the R&D and strength the capability for the high-quality products with safe and value, to make a sustainable development of our company with the technical support." The company said.



OE Expansion Worldwide



In the year 2018, ZC Rubber expanded the OE customers worldwide and provided perfect service for them, and will further focus on the channel expansion in the coming year.

In Europe, ZC Rubber has built cooperation relationship with DSV, Schmitz Cargobull, TIP Trailer and Horváth Rudolf. DSV is one of the largest European transport company and now it is also the agent of Westlake in Nordic market. Schmitz Cargobull is the well-known manufacturer of semi-trailers and trailers in Germany, equipped with WTM1, WTR1 and WTL1. TIP Trailer is the transport equipment leasing company in Scandinavia and the extensive amount of tires are supplied for use at TIP Trailer Services workshops in sites in Denmark, Finland, Norway and Sweden. Horváth Rudolf is the large Hungary fleet, equipped with WDL1, WDL1 and WTL1.

In China, ZC Rubber supplied tires for the leading integrated express logistics fleets including SF Express, ZTO Express and Deppon Logistics, and provides service for more than 20 thousand vehicles of SF and 5000 vehicles owned by ZTO Express. They are satisfied with the trailer and truck tires very much with good mileage.

In Thailand, ZC Rubber had expanded its tire supplies to All Thai Taxi, a large taxi company in Bangkok, Thailand owned 500 Hybrid taxis, to provide premium Westlake PR18 tires and excellent service for them. Also ZC Rubber provided tires for X-ray machines of Bureau of Customs in

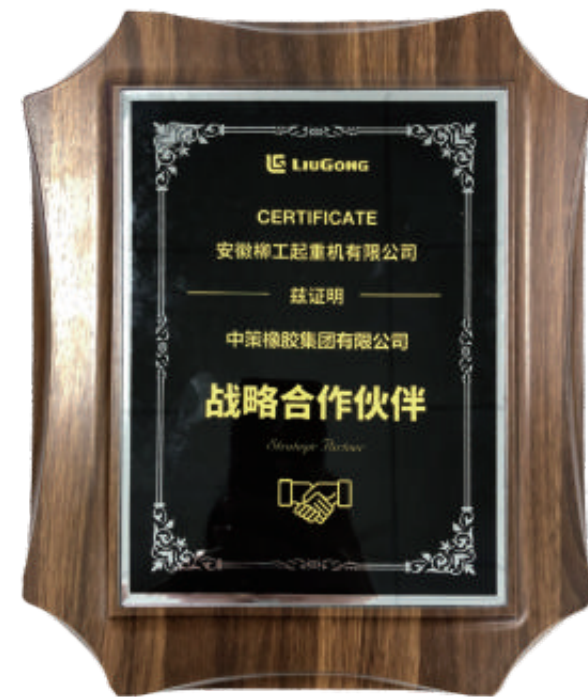
Philippines.

"We appreciate the trust and support from them for our tires. That's the best recognition of our product quality." ZC Rubber said. The team also met DSV in ZC Thailand factory in Nov. for the further business cooperation on the new Westlake together with Interpneu, Westlake dealer in Europe.

ZC Rubber believes that product positioning strategy influence customers. New Westlake tires are positioned as the upgrade version of Westlake relying on its better quality and attract more customers who have higher requirements for product quality. "We view tire quality as a priority to meet different demands of global customers and cooperate with well-known fleets and distributors, and perfect service network and channel in global market." In the future, more new Westlake tires will be equipped on cooperated new trucks and trailers and more fleets are contacting for the cooperation.

For the market expansion, ZC Rubber will continue to provide marketing support and introduce new TBR tire to more people. "We will practice our ongoing commitment to innovation state of the art technology for our customers and perfect the service to meet their requirements. In the coming year, we will expect improve the market share based on high quality products."

ZC Rubber Received the Excellent Supplier Awards



ZC Rubber earned excellent supplier of the year honors from the well-known OE customers including SINO Truck, FOTON, JAC, SAIC Motor and Liugong Machinery in China.

In the past 2018, ZC Rubber supplied premium tires for the leading Chinese vehicle

manufactures, who produce passenger car, truck, trailer, skid steer loaders and forklifts. Most of them are the long-term cooperators of ZC Rubber and built the relationship with ZC Rubber for many years.

"We are very proud to be awarded as the Excellent Supplier by them. It is recognition of the value of products and our close cooperation relationship." Equipped ZC Rubber tires, those vehicles sells in different counties worldwide, popular among the customers.

Premium products and prefect service are the key ingredients OE customers rely on for select ZC Rubber. According to the market demands, ZC Rubber R&D center improves the innovation on compound and pattern to improve the performance on the high mileage and fuel efficiency. Also ZC Rubber improves the quality control system and focuses on consistently meeting customer requirements and enhancing their satisfaction.

In the future, ZC Rubber will continue to provide full support for OE customers by improving the product quality and service, and launch more high-quality new products to meet the requirements.



Dealer Meetings Around the World

ZC Rubber hosted dealer conference in the different era including Philippines and Thailand for the market expansion and improving in 2018.

The main topic of the meeting in Thailand is "More Progress More Achievement", which focuses on improving the market share in local tire market. "Our sales of TBR in 2017 hit a historic record ranking as one of the top global manufacturers and the 32.5 million PLT sales includes 11 million pcs China sales that ranking as No. 1 in China. It is great result for us with the effort of all members of ZC family. Thank you for your support & contribution." Ge Guorong, vice president of ZC Rubber, said to the dealers.

He also introduced the Thailand factory plays an important role on the global market expansion with 4.4 million PLT and 1.4 million TBR, especially greatly improve the market share in Thailand. In the coming year, ZC

Thailand will continue to expand the product lines as well as the capacity for the global customers.

For the development of two-wheel tire, ZC Rubber' bike business revenue increases to over 30 million US Dollars and newly developed SOT tires are accepted by Mobike and OFO, two of the most popular bicycle sharing companies in China. At present, Mobike already enters in Thailand and the local people can enjoy the bikes conveniently. Furthermore, ZC Thailand' motorcycle production starts by the end of 2017 to meet the demands of the Asian markets.

ZC Rubber will also support the operation of Auto Space project, including consumer flagship store and commercial flagship store. Now more than ten thousand of the stores have opened in mainland China and in Thailand, two Auto Space stores covering Goodride and Westlake opened last year. "Expansion of the Auto Space

targets 'Bring Happiness for Stores & Consumers' and means the improvement of service from tire manufacturer. ZC Rubber's Auto Space devotes to be the professional, reliable, vigorous express service provider to perfect the service for local customers." Ge Guorong said.

In Philippine, on the expansion of the market, Ge Guorong shared target ideas for different channels. He said that "Wholesales lead to express and low cost value-added service and platform is more important than operation. For the retailers, it would focus on better experience, simple choice and new technology. ZC Rubber will support local dealers on the market expansion and increase the sales profit in the year 2018, to craft a better future together."

In his remarks at the conference, Ge Guorong shared that three phases in the company developing of ZC Rubber: to meet demand—for more market share and to

survive—consistency and customer satisfaction. "After 60-year development, nowadays we are in the third stage to practice our ongoing commitment to innovation and technology, and meet the individual demands of global customers for their target products."

For the channel perfect, ZC Rubber will focus on both wholesale and retail store expansion. Wholesale trends to focus on express and efficient value added service with low cost. And retails will concentrate on customers' experience and simply choice supported by new IT technology.

"We devote ourselves to achieve new record on TBR and PCR together with global dealers and customers in both replacement market and OE market. The products and service we supply focus on the value, safety, function and convenience for global customers."





Store Expansion Worldwide



ZC Rubber has opened new stores worldwide to perfect the service for global customers and the stores cover Brazil, Philippine and Thailand etc.

The new Westlake tire store in Brazil is located in Manaus and is the first TBR store in the North Brazil, which specializes in parts and service for Truck & Bus tires.

The new store is operated by local dealer PMZ peças e Pneus, ZC Rubber's long term cooperater in Brazil. "In this store, we only provide TBR tires with competitive price and high quality. Westlake tire is a well-known tire brand in Brazil and hit the market with varies of tires to meet different demands."

As the one of the four branches worldwide, ZC Rubber' Brazil company commits to expand the market and perfect the service for local customers. Also strong support dealers on the brand marketing and service

improving including the stores expansion. As such, it is pleased to see that ZC Rubber is growing its presence in Brazil market quickly. Nowadays, local customers can purchase Westlake tires in more than 49 stores covering the whole North Brazil.

In Philippine, 10 new Westlake stores operate in the year 2018, located in different cities including Tuguegrao city, Urdaneta city Makati, Laguna, Cavite, Dagupan and Tabuk etc. The stores provide comprehensive service for the local customers to bring them great

"More new tires will introduce based on the special requirements from customers. And we will move ahead with plans for the stores expansion around the world and try to deliver our mission "safe & value" not only on the high- quality products but also our perfect service."



A Secured Supply A Promise for Future

It is the distributors, located all over the world, who support ZC Rubber to grow rapidly during the past decades. Tire distributors are the most important segment in the tire industry value chain. They linked the manufacturers with mass production capacity and billions of individuals of random and small quantity purchase. All distributors are expecting long-term, steady and profitable business with a reliable partner, which will be the key to success. Today the tire industry is changing while a reliable partner becomes more important than usual.

The rapid and splendid growth during the first decade of 21st century attracted various investors to expand much more extra production capacity than actual demand in early 2010s. The excess of capacity destroyed the market, brought down the price and exhausted the profits of both manufacturers and dealers. Furthermore, the offensive low price caused constant counter attack from different markets, such as the counter veiling and anti-dumping cases from U.S. and Europe. Meanwhile the environment protection and increasing labor cost brought up the production cost of Chinese tire manufacturers, who cannot continue the business mode of low price but more quantity.

From now on, ZC Rubber expects that more Chinese tire manufacturers will be wiped off due to their incapability of core competitiveness. All tire distributors witnessed the bankruptcies of several star manufacturers who used to compete in the market with extremely low price but poor quality. More are reducing their supply due to the lack of cash flow, shortage of labor, and high running cost. Furthermore, distributors in certain markets have to face

the high import tariff from the local government. Such tariff forces Chinese tires not so competitive as usual.

ZC Rubber forecasted the industry change in early 2010's and started the process of globalization accordingly. In year 2015 ZC Rubber announced the grand opening of its Thailand plant supplying passenger, light truck and medium truck tires in over 3000 SKUs. Today ZC Rubber Thailand expands its produce line to radial OTR and bias industrial tires, including forklift and skidsteer. Meanwhile ZC Rubber switched to environment friendly production in 2012 and invest millions of dollars for the environmental protection. Such investment brought up the cost of ZC Rubber years before but today the investment rewards as ZC Rubber's production is fully complied with the government rules and regulations. Also, ZC Rubber insist that safety and value are the key features of tires. Such features shall never be ignored whatever the price and whatever market situation.

The total output in China reduced 0.34% in 2018 after a continuous growth for nearly 20 years. However, ZC Rubber reports a growth of over 20% for the international market with its commitment of safe and value. The achievement comes from the variety of production location, the attention on environment and social responsibility, and more importantly, the support from the distributors all over the world. A secured supply will be a promise for the future for all distributors, and ZC Rubber will continue the support to expand the market shares, promote the brand image, and, finally, bring more profits and rewards for all our distributors. We are long-term partners crafting a better future.

From Best Raw Material to High Quality Products

ZC Rubber has built close cooperation with ARLANXEO and Axel Mobil

For the question "how to produce premium tires", ZC Rubber's answer is "start from best raw material". Raw material with good quality allows production of high quality products.

ZC Rubber has signed strategic cooperation agreements with many well-known suppliers such as ARLANXEO, SI Group, PetroChina, Black Cat Carbon Black, and Chengcheng New Materials. It has also established close cooperation with Axel Mobil to keep stable supply of raw materials for premium tires with safety and value.

Tires are a high-tech composite product that requires more than 200 different materials with specific properties. ZC Rubber selects critical suppliers relying on the quality of raw material and they are always the well-known companies

ARLANXEO is a world-leading synthetic rubber company and a joint venture of LANXESS and Saudi Aramco. As the long-term strategic partner of ZC Rubber, it focuses on offering Solution Styrene Butadiene Rubber, Neodymium Butadiene Rubber, Butyl Rubber and Halobutyl Rubber. Other partners U.S SI Group, PetroChina, Black Cat Carbon Black provided ZC Rubber with Chemicals, Carbon Black and Synthetic Rubber respectively.

Supplier ExxonMobil, the world's largest publicly traded international oil and gas company, supplies Synthetic Rubber including Butyl Rubber and Halobutyl Rubber. All these high-quality raw materials have laid the important foundation for the performance improving of tires.

ZC Rubber insists on offer tires with safety and value for global customers. The high-quality tire raw materials including natural rubber and synthetic rubber are critical to the performance of tires. Therefore, in the future, ZC Rubber continues to leave no stone unturned in its efforts to find the best raw materials around the world and bring tire performance optimization with safety, comfort, lower noise and wear resistance for customers.



New Tires are Coming In 2019

In the coming year, ZC Rubber will launch series of new tires and size for different markets to meet the local customer demands on both TBR and PCR.

TBR PART

2nd generation of new Westlake tires



It is the upgrade version based on the 1st new Westlake tire and also adds the latest technology of ZC Rubber to improve the tire performance. The new tires marked M+S are used for the trucks and buses on icy and snowy winter roads and provides drivers with outstanding performance covering lower rolling resistance and longer mileage. These tires are growing in popularity in Europe and will arrive soon.

- Target segments: **Premium**
- Better mileage (+20%)
- Better grip performance(and looks)
- Premium design/advanced mold technologies
- Size lineup:
First wave >> 315/70, 315/80
Second wave>> 295/80, 295/60 315/60
- Target RRC: **C-D**
- Target Wet: **C-B** (3pmfs)

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New size for Japanese light trucks



ZC Rubber will introduce new size 225/80R17.5 special for the light truck in Japan. To expand the market, ZC Rubber perfects the product structure based on the different market demand. After the market research focusing on the light trucks' characteristics, ZC Rubber divides a segment market of potential customers and meets their requirement.

PCR PART

ZuperEco Z-107

It is the economical passenger tires with high quality. And wide cover 14-18 inches on the sizes. New UHP design provides better handling and comfortable driving with drivers on the road.

All Season Elite Z-401

Four season tire for European market. It has new groove design for better grip performance on the wet and snowy road. The special formula only for the four season tire brings customers wear resistance and high mileage.

ZuperSnow Z-507

New winter tire with asymmetric design. It is produced for high-performance passenger cars and optimized contours bring excellent handling and braking for drivers driving on the snowy and icy road.

ICEMASTER SPIKE Z-506

New studded winter tire. It is the upgrade version on the performance based on the SW606. Target nail on the tread help pass the road pressure testing and also provide excellent snow and ice grip performance.



TBR Tire Evaluation from DSS Transport

ZC Rubber' dealer Derby Stock Supplies (DSS Transport Services) is a trucking business with 6 prime movers/body trucks and 20 trailing units based in Derby, Kimberley Region of Western Australia. From April to December 2018, their trucks & trailing equipment operate 7 days a week on some of the most gruelling roads in Australia including the Gibb River and Kalumburu Roads with Westlake tire.

The CR926D trailer tire, the CB972 & EZ373 drive tires and the WTM1 in 385/65R22.5 steer tire are the backbone of the business. They are all extremely strong tires with chip resistant compound and can handle a repetitive pounding from rocks with up to 140T GCM triple road train application in over 40 degree heat. Prior to

the Westlake's it wasn't uncommon to only get 4 x 1500km round trips out of a set of other brand drive tires before they were torn to shreds, pulling heavy loads up some challenging jump ups.

In order to save our equipment, drivers and the customers freight, we are constantly altering tire pressures from as low as 25PSI to 100 PSI to suit weight of the load and the road conditions ahead which can vary. Running loaded equipment with low tire pressure improves the journey significantly for all except the tire. We are asking a lot of a tire at low pressures, the heat building up in the tire can be scorching, but allows the tire and its ply's some cushioning as the rocks roll under. The Westlake's stand alone in this extreme application, especially when it is pumped back up to 100PSI for a bitumen job at 100km/hr in 40 degree heat. This is

where blowouts are most likely to occur, and at DSS we only have at most 1-2 blowouts a year.

With the trucks on tight turn around times to offload, service and reload, the pressure is on and time is short. Westlake tires are constant performers with no tire scalloping, minimal flats and strong side walls. We get to wear the tires flat with no tire chipping. This all saves the workshop an enormous amount of time and gets the trucks back on the road faster. Westlake tires have dramatically turned the equipment side of the business around from where I hated tires to now I can't wait to fit the next set of Westlake's.

From Stuart Kempton
Director of DSS

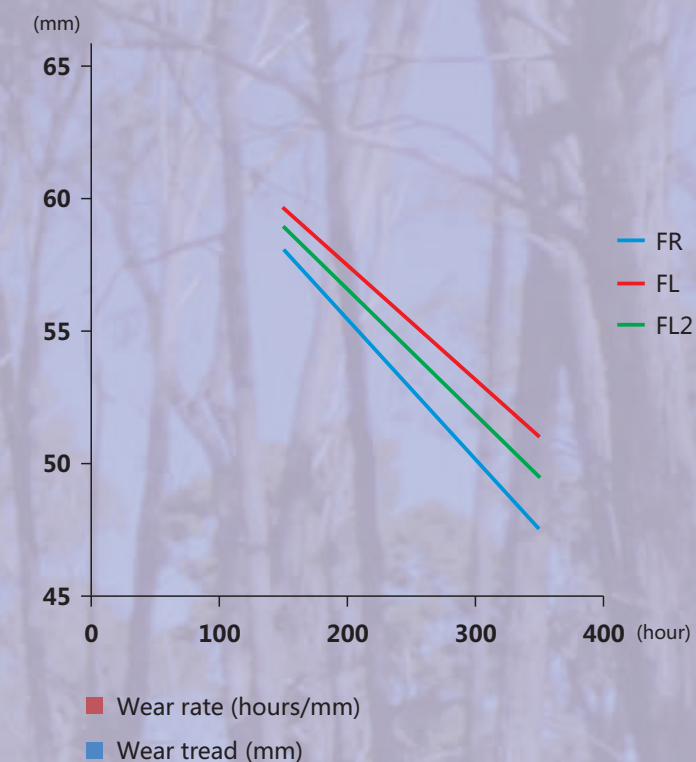


Customer Review for OTR Tire

ZC Rubber's OTR tires are supplied globally and received good evaluation from customers because of the long mileage and wear resistant. Westlake and Goodride are the well-known brands of ZC Rubber, offering OTR tires for customers.

Goodride CB797 17.5R25 is the new generation all steel radial L5S OTR tires designed for underground. ZC Rubber has supplied 77 Nos. Tires of 17.5R25 L5S to Underground mines of Uranium Corporation of India Limited. These mines are located in Jharkhand state of India. They are very happy with Goodride performance because of its excellent performance and lower CPH. The original tread depth is 66mm. The result of tread depth in different tire positions in vehicle from customer:

Westlake logger tires also received good product evaluation from the customers focusing on the long mileage and wear-resistance. The customer said that comparing with previous performance of other brand tires, Westlake tire have longer mileage and the remaining tread has 40mm after 1085 hour driving. "The customer's approval is the best proof on our products quality. More OTR tires will be provided relying on the drivers and market' feedback. We will continue to bring exceptional quality for them and meet their demands."



2019 New Products of Bicycle Tires



PHANTOM SPEED
H-5233

If you are looking for the fastest option, then take PHANTOM SPEED. The small center knobs have an excellent rolling resistance. Combining with aggressive shoulder knobs, you don't have to be afraid of riding through the next corner.



PHANTOM DRY
H-5234

For your all-round dry conditions, choose PHANTOM DRY. Its medium height of tread provides great traction and control under the braking. Tight knobs at the center minimize rolling resistance, open spaces on the shoulder give you safety and stability when through the corner.



PHANTOM WET
H-5235

When the weather becomes more unpredictable, PHANTOM WET is the tire of choice. Higher knobs with more space between them allow for confident cornering in wet and loose conditions. Perfect combination for all-round the year is to put PHANTOM WET on the front combined with PHANTOM DRY on the rear.



PHANTOM MUD
H-5236

Designed for muddy conditions, without losing the focus on being rideable when you reach some hard packed surface. When the conditions turn ugly, then choose the PHANTOM DRY.

2019 New Products of Motorcycle Tires



The perfect super-sport tire

- High tech performance radial tire designed for occasional track day and aggressive street rider
- Cutting-edge design for the tread pattern provides improved water drainage on wet condition
- Excellent control when breaking for corners
- New polymer compound used as well as on PCR tires delivers high mileage and outstanding handling and cornering performance

Enjoy the road, enjoy the race

- High tech performance radial tire with aramid belt construction guarantees excellent stability at high speed
- New generation of riding feedback: an incredible sense of confidence for cornering grip at every lean angles
- Long grooves with "λ" shaped tread pattern design optimize wet performance
- New polymer compound used as well as on PCR tires delivers high mileage and outstanding and cornering performance

S-TMC technology

S-TMC, Semi thermal melting compound. This new compound has been obtained excellent grip performance with burnout in 3 minutes. The extremely soft compound with a hardness of 58A, is designed for racing sport. A quicker adaptability to a wider range of conditions ensures highest level of grip both in dry and in wet conditions.

SPT technology

SPT, steel belt protection system on tread. Steel belt structure, with a single ply of steel banding around a nylon carcass. Steel features a higher anti-puncture of the tire and this allows the increase of the tire mileage. Steel belt reduces the dynamic deformation of the tire under centrifugal forces, giving the tire an excellent high-speed stability.





ZC Rubber's Exhibitions Globally

To introduce tire products to global customers, ZC Rubber attended exhibitions around the world in 2018. SEMA show in U.S, IAA & tire Cologne show in Germany, Bauma Africa, PNEUSHOW in Brazil and KIAE 2018 in Kazakhstan and Rubber Tech China are included. ZC Rubber displayed PCR, TBR, OTR and Agriculture tire. "On the exhibition, we introduce target tires with enhanced durability, handling, traction and grip to different segment of customers. We will also improve the investment on R&D and technology and offer more premium tires with safe and value to meet demands of global customers."







Chaoyang and Arisun Brand Participate in German EUROBIKE in a Row

ZC Rubber has participated in the EUROBIKE exhibition in Germany for many years. This is the most popular and most market-oriented bicycle exhibition in the Europe. This year, We showed Chaoyang and Arisun brand as usual. In the exhibition, we showed some of our new products, the E-LINER series and the PHANTOM series. Herzlichst Zypern team, one of our sponsored teams, their men and women team, had gained the first and second places respectively with the new series Phantom, during the XCO Germany National Championship in mid-July, 2018.





ZC Rubber in Guangzhou Motorcycle and Accessories Exhibition

ZC Rubber has shared its popular MC and ATV tires with customers from 13th-15th Dec, covering the brands of Chaoyang, Trazano, Arisun, and Ornate.

National Motorcycle and Accessories Exhibition is one of the most professional one for motorcycle tire, and accessories. Lots of the domestic and international exhibitors who were looking to expand their business felt that this fair would provide a platform for them to find relevant products. Thousands of customers visited the exhibition and enjoyed a wider range of product, serves, and solutions in the three-day business platform.



GOODRIDE
PREMIUM TIRES



Goodride Supported Race Queen Grand Prize in Japan

"GOODRIDE Japan Race Queen Grand Prize 2017" was held in Japan and Akutsu Mao was standing out from 400 girls, achieved No. 1 race queen.

The Japan Race Queen Award started voting by nominating 100 people among more than 400 race queens after the first stage and the top five voting points will be selected for the Japan Race Queen Award at the final stage.

Started from November 13, 2017, the match sponsored by ZC Rubber's Goodride tire and fan voting was carried out for about two months. Akutsu Mao gathered the support of most fans and was chosen from all the Japanese race queens who played active role in domestic major race categories by the fans' Internet voting.

The award ceremony was held at the main stage of

"Tokyo Auto Salon", the world's largest custom car show, at Makuhari Messe on January 13, 2018, when all the votes were over. Five girls including Akutsu Mao, Masaki Ando, Chiemu Ikuta, Shimamura Oshigoshi, Yuki Fujiki are the GOODRIDE Japan RQ Grand Award Winner.

Each special prize selected among the winners was announced. Shimamura Ikuta won the "Okinawa Custom Car Show Award" where image girl rights are given. Yuki Fujiki was awarded the "TV Tokyo Prize" to the race queen expecting a wide range of activities in television media. "Tokyo Chunichi Sports Award" to which the Tokyo Chunichi Sports Goodwill Ambassador's 2018 award will be sent and Fukuoka Asia collection "Fukuoka Asia Collection Award" where model appearance can be made and the prize of solo gravure is awarded "Weekly Playboy Award".



Westlake Tire Has Sponsored Well-known Baseball Team

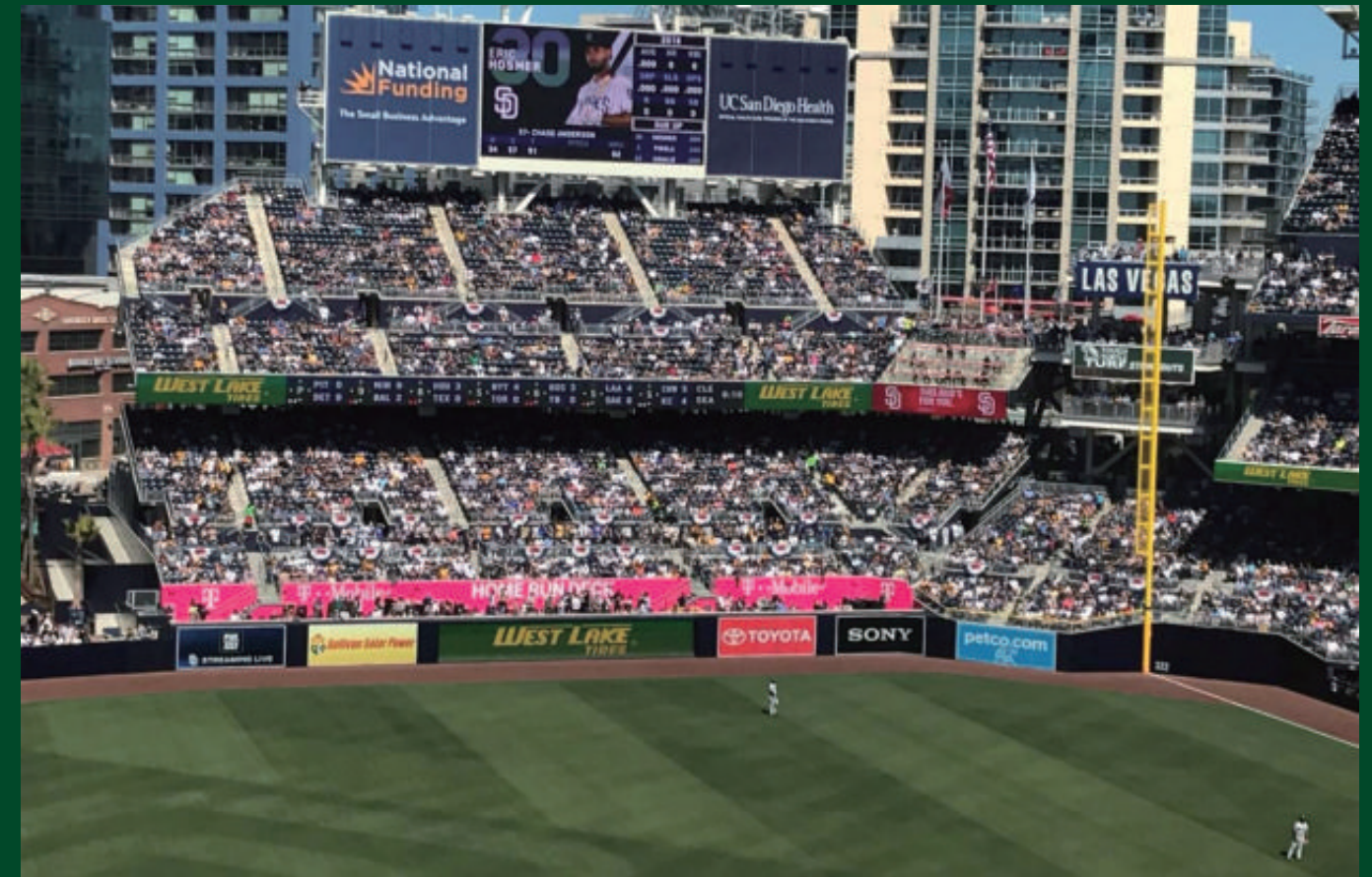
Westlake tire has struck a sponsorship deal with Major League Baseball's San Diego Padres for the 2018 and '19 seasons together with Tireco Inc, Westlake dealer in U.S.

The sponsorship includes a signage package, on-site activation and hospitality opportunities for dealers and VIPs, aiming to improve the brand image and brand influence in the local market. The Opening Day of baseball match was March 29 at Petco Park. Millions of consumers in the in Southern California and Padres' fans throughout the country via television broadcasts

"Baseball is one of the most popular sports in U.S and it provides perfect platform for us to introduce our tire brand to more customers in local market. It's a pleased cooperation between two teams." Westlake said.

"We're proud to associate ourselves with the San Diego Padres organization," Andrew Hoit, Tireco's vice president of sales and marketing. "We're excited for Opening Day and the opportunity to connect with loyal Padres fans for the entire 2018 and 2019 regular seasons."

For Westlake tire, it is not the first try in sports marketing. Westlake tire has also been twice supported Roman "Chocolatito" Gonzalez, Flyweight world champion. "In Westlake will take various marketing activities to greatly improve the brand influence around the world including the sponsorship, advertising and mass media and also support our dealers to offer the customized marketing for local market."



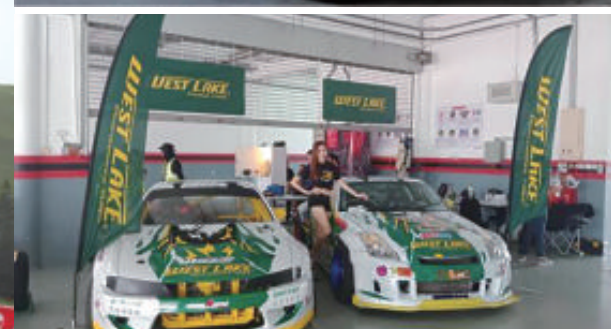


Sponsored Drifts Around the World

To introduce premium tires to global customers, ZC Rubber sponsored many drifts globally to help bring wonderful show for people. Sport RS tires are designed for drift only with special design and components based on competition experiences and have superior grip ability. The tires appeared in Europe, Asia, Oceania, such as British Drift Championship, Drift Masters GP-King of Riga, Gatebil event, Nürburgring Drift Cup Germany, Drift Masters Grand Prix European championship, Hi-Tec Drift Australia, Gymkhana Grid 2018 in South Africa and Malaysia drift championship etc. Meanwhile Goodride tire became the exclusive tire sponsor of Hi-Tec Drift Australia.

ZC Rubber also supported well-known drivers achieve well scores especially young drivers such as Beau Yates, Fredric Aasbø, Shanahan brothers, Oliver Evans James Abbott, Marty Hill and Scott. Beau Yates was the winner of Hi-Tec Drift Australia and Juha Pöytälaakso won in the Venetsia Drifting event Finland. Westlake Motorsport tires Norway driver Ole M. Davanger was the 2018 Norway drift championship winner. ZC Rubber will continue to sponsor drifts and drivers and help them get more achievement.

In the future, ZC Rubber will be going on providing marketing support including the drifts and drivers, and introduces premium tires for global customers, leaving no stone unturned in the brand improving.



ZC Rubber' Chaoyang team won in both the China Around Taklimakan (International) Rally in Xinjiang and Baja 1000 in Inner Mongolia, China. Equipped with SL369/SL366, the team showed the premium performance of the tires during the game.

Chaoyang Team Won in the Cross-Rally



Cyclists Sponsored by ZC Rubber in 2018



Radsportverband Team—Austria



jb BRUNEX Felt team—Switzerland



Bernardo Neves Cruz—Brasil



Nicola Rohrbach—Switzerland



Barbara Regina Jechow—Brasil

AFTERSHOCK ATV Tires of Arisun Brand Bloom Brilliantly in the DAKAR Rally



ARISUN

ATV Tire – **AR33**



The 40th Dakar Rally was held on January 6th-20th, 2018. It was divided into 14 stages in Peru, Bolivia and Argentina. Seven stages were completely carried out in the desert. The whole journey is 8,700 kilometers.

Arisun sponsored driver, Reinaldo Varela, used the AFTERSHOCK of Arisun brand which was specially designed for the DAKAR rally. After 14 days of intense competition, he won the DAKAR Rally SXS (All Terrain) category with 72 hours, 44 minutes and 06 seconds, 57 minutes and 37 seconds ahead of the second place.

Although the road conditions in this competition were very bad, AFTERSHOCK has given him great confidence, the driver said. During the whole race, the zero puncture, the super high speed stability and super grip, help Reinaldo Varela to obtain the champion.







ZC Rubber' Smile Ride Charity to Help Children With Cleft Lip/Palate



ZC Rubber launched the smile ride charity project to help more children with cleft lip/palate in Xinjiang, China and visited the children from Hangzhou to Urumqi, across 4,000 kilometers.

ZC Rubber helped more than 200 children with cleft lip and palate. The children from different cities of Xinjiang got the free orthopedic surgery and medical assistance.

"It was a meaningful activity for us. The children are so cute and we want to see them smile and laugh in their future life. That would be a very beautiful sight." ZC

Rubber said.

In the past years, ZC Rubber have been donated books and money in Tibet and visited the children of Cambodia without parental care, and sent shirts for the students in Treasure Cay Primary School. "We will continue to walk in the way of perfect charity and concern on the people in the western region of China and practices social responsibility as many as possible. Also we are committed to improve quality products and services to global consumers." ZC Rubber said.





Advertising for Brand Image Improving

In the year 2018, ZC Rubber devotes to enhance the brand image through the advertising on different channels including outdoor, car/truck, airport and magazine, and introduces the premium tires from China to the customers worldwide. In the future, ZC Rubber will continue to develop a strong brand image and increase the brand awareness forward, and also provide more marketing support for dealers.

