



Press Information

Huf Group and Baolong Plan Joint Venture for Tire Pressure Monitoring Systems

Velbert, July 19, 2018 - The family-run Huf Group from Velbert and the Chinese automotive supplier Baolong from Shanghai signed a letter of intent to establish a joint venture in the field of tire pressure monitoring systems (TPMS). The aim is to accelerate growth through joint activities in the areas of development, purchasing, production and sales and to achieve a leading market position.

The new company will be launched on 1 January 2019. The Huf Group will contribute its tire pressure monitoring systems business to the joint venture. It consists of the two divisions OE (Original Equipped) and IAM (Independent After Market) with around 224 employees and locations in Germany, the USA and China. Baolong will contribute its tire pressure monitoring system division with locations in Shanghai and Wuhan as well as a total of approx. 400 employees.

As a family business with over 100 years of tradition, Huf is one of the world's leading automotive suppliers and a sought-after partner of the automotive industry. Customers appreciate Huf for its high-tech orientation, for competent and creative solutions and for its worldwide presence. Huf was the first company to develop components for the new vehicle access and driving authorization systems. In the field of tire pressure monitoring systems Huf develops and produces products and solutions for car and truck manufacturers all over the world and is one of the pioneers in the development of modern directly measuring tire pressure control systems. More than 20 years ago, the first electronic tire pressure monitoring system was developed for well-known automobile manufacturers.

Baolong is a stock market listed automotive supplier headquartered in Shanghai, China. Founded in 1997, the company has been developing and manufacturing automotive products and solutions. Today, the company has developed into one of the world's leading suppliers of tire valves. Baolong manufactures tire valves, exhaust pipes and tire pressure monitoring systems as well as other products with several production bases, R&D centers or sale centers located in China, the USA, Germany, Poland and Japan among others. In the field of tire pressure monitoring systems, the company



started the development from 2002 and grew rapidly in the following years. Today, the company is regarded as the market leader in this area in China.

The joint venture will closely integrate the activities of both companies at their locations in Germany, China and the USA and offer customers worldwide an even wider range of state-of-the-art products and solutions.

Charles Zhang, President of Baolong and Dr. Lars Placke, Senior Vice President and Head of Business Unit Tire Monitoring & Aftersales Solutions at the Huf Group, will lead the joint venture as Chairmen of a five-member Board of Directors. In addition, there will be a four-man Executive Team with Miller Feng as CEO (Baolong), Axel Hummel as CFO (Huf), Ralf Kessler as CTO (Huf) and Arno Fuchs as COO (Huf).

The shares of Baolong will account for 55% in this joint venture with Huf holding the other 45%.

Dr. Lars Placke: *“With Baolong we have the ideal partner because our markets complement each other perfectly and we are thus expanding our international presence together. The joint venture will bring us even closer to our customers and enable us to serve them from an expanded portfolio of products and services. This will significantly strengthen our common position.”*

Charles Zhang: *“The joint venture is an important step for both companies to further advance their tire pressure monitoring systems business and accelerate their joint growth worldwide. Our clear goal is to be on the list of world’s Top three suppliers in this area.”*

Ulrich Hülsbeck, chairman of the advisory board and member of the owner families: *“Baolong is a strong partner who fits in perfectly with us. The joint venture provides the right strategic impetus for the business, which we acquired, internationalized and successfully developed since 2012.”*

The official signing of the contract is planned for the beginning of September. Until then, further preparations are underway. The new company is scheduled to become operational from 1 January 2019.

Tire Pressure Monitoring Systems (TPMS) monitor tire pressure in motor vehicles to prevent accidents caused by incorrect tire pressures. In addition, optimum tire pressure can save fuel and avoid unnecessary tire wear.



About Huf Group

Huf Hülsbeck & Fürst develops and produces mechanical and electronic key systems, lock sets, steering locks, remote control systems, telematic and tire pressure monitoring systems for the automotive industry. Founded in 1908 in Velbert (Germany), the company first supplied lock sets to Mercedes Benz (now Daimler AG) in 1920. Today, Huf has approx. 7,800 employees located in 16 countries worldwide. More than 500 designers and technicians working in the offices in Germany, in the USA, in Romania, India, Brazil and China are engaged in research and development.

<https://www.huf-group.com/>

About Baolong

Shanghai Baolong Automotive Corporation manufactures and sells automotive parts and components worldwide. It offers auto electronic products that include tire pressure monitoring systems (TPMS) for passenger cars and commercial vehicles, pressure and temperature sensors, rain sensors, automotive camera systems, etc. The company also provides tire and wheel service products comprising tire valves and accessories, wheel balancing weights, wheel bolts and nuts, etc. It serves car makers and Tier 1 suppliers, as well as the IAM market and exports its products to approximately 80 countries.

In the United States Baolong is a shareholder in Dill Air Controls Products, one of the major distributors of tire pressure monitoring systems, and in Germany Baolong is a shareholder in Valor Europe GmbH, a sales organization for stainless steel exhaust tailpipes.

Shanghai Baolong Automotive Corporation was founded in 1997 and is headquartered in Shanghai, China. It counts more than 3600 employees and is listed on the Shanghai stock exchange.

<http://www.baolong.biz/en>

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