



Press Release

July 2012

For Immediate Release

Sailun Announces Double Acquisition

As of 10th July 2012, Sailun Company Ltd. is delighted to announce it has entered into a framework agreement intended to acquire equity stake of two Chinese tyre manufacturers.

Sailun will buy 100% equity stake of Shenyang Peace Radial Tyre Manufacturing Co. Ltd. for about RMB 120 million (£12.2 million).

Shenyang Peace has an annual capacity of 1.2 million all-steel radial truck tyres.

It will also acquire a 49 per cent equity stake in Shandong Jinyu Industrial Co. Ltd. for around RMB 200 million (£20.3 million).

Shandong Jinyu has capacity to produce 10 million semi-steel radial passenger car tyres per year.

This framework agreement is another indication of the strategic expansion and growth plans of Sailun.

Recent other initiatives include:

- An initial public offering of share capital which raised US\$100 million for capital expenditure
- Investment in a Vietnamese manufacturing facility, due to go on-stream in the first quarter of 2013
- Recent growth in European market sales across both the passenger car and radial truck tyre sectors has led to an upgrade of the Sailun's tyre logistics strategy. To meet increased demand and to maintain service level agreements and delivery standards, a new enhanced warehousing facility has been opened next to the Sailun Qingdao research, development, testing and manufacturing centre. The new 28000 square metre warehousing facility has a handling capacity for 750,000 passenger car and light truck tyres
- The European release of 13 Terramax CVR sizes in August

According to Martin West, Managing Director, Sailun Tyres (Europe) Ltd, Sailun is "committed to expansion and development within the industry and has a primary focus to be at the leading edge of technical excellence."

For Sailun Europe enquiries and information regarding this press release, please contact Richard Nicholson either by email (rnicholson@sailuntyre.eu or Richard@2112marketing.com) or telephone (+44 [0] 7917 402112).

End – 240712.