

## Press Release

Munich/Shanghai/Dalian (China), March 19, 2021

### **Knorr-Bremse CVS expands capacity with new investment in China and strengthens cooperation with Dalian government**

- **Knorr-Bremse enlarging plant with new investment in China to meet booming demand**
- **Start of production scheduled for December 2022**
- **More than a decade of investment has unlocked the location's potential, winning contracts, setting up the Technology Center China (TCC), generating jobs and investments along the supply chain at Dalian in Northeast China**

**Munich/Shanghai/Dalian, March 19, 2021 – Knorr-Bremse, the global market leader for braking systems and a leading supplier of other rail and commercial vehicle systems, is enlarging its Dalian plant in China through a new investment designed to meet booming demand. Knorr-Bremse Commercial Vehicle Systems (Shanghai) Co., Ltd, Knorr-Bremse Braking Systems for Commercial Vehicles (Dalian) Co., Ltd, Knorr-Bremse AG, and Jinpu New District government recently held a joint online signing ceremony for a new investment at a 40,000 m<sup>2</sup> site in Jinpu New District, where a plant with a built-over area of 23,000 m<sup>2</sup> will replace the existing factories. The aim is to expand manufacturing capabilities that can be integrated with research & development and testing, in a move that is also designed to strengthen cooperation with Dalian government.**

An online signing ceremony was recently staged in Dalian, Shanghai and Munich to mark this milestone in Knorr-Bremse's drive to match with the fast pace of market growth in China. The signing ceremony was attended by Mr. Pengyu Li, Member of CPC Dalian Municipal Standing Committee, Secretary of the Party Working Committee and director of the Management Committee of Dalian Jinpu New Area (DJNA), and presided over by Mr. Dong Zhao, Member of DJNA CPC Working Committee. Groundbreaking is scheduled for June 2021, with completion slated for June 2022 and start of production for the following December. The first phase includes a built-over area of up to 23,000 m<sup>2</sup> on a 40,000 m<sup>2</sup> site. At the same time, the local government has also reserved 25,000 m<sup>2</sup> for the future expansion of the company.

Following start of production at the end of 2022, the new plant will integrate manufacturing, research & development and testing in one location and create 300 new jobs. These further steps continue the company's in-depth cooperation with the Dalian government. This dates back to 2004 when Hasse & Wrede CVS Dalian, China Ltd., the first joint venture between Knorr-Bremse and Dalian Innovation Parts Manufacturing Company, was founded.

#### **Next important step to open up more opportunities for Knorr-Bremse in China**

Through a synchronized video link, Mr. Pengyu Li expressed his congratulations and appreciation to Knorr-Bremse and the Dalian plant for the achievements recorded over the years, as well as for their contributions to the development of DJNA. "The signing ceremony for the investment agreement for Knorr-Bremse's new plant in Dalian signals that cooperation between DJNA and Knorr-Bremse has entered a new stage," he said.

"Knorr-Bremse is investing significantly in its manufacturing capabilities and skills in order to develop world-leading technologies for the future," said Dr. Peter Laier, Member of the Executive Board of Knorr-Bremse AG and responsible for the Commercial Vehicle Systems division. "In close cooperation with our local and other business partners, we are confident that we will be able to expand production, thereby continuing to develop products and solutions more closely adapted to the specific

requirements of the Chinese market. This is a very important step to open up more opportunities for Knorr-Bremse to expand in China in the future,” Dr. Laier added.

“We are proud that the Dalian plant has continued its excellent performance throughout recent years. It accounts for half of our commercial vehicle business in China. In view of the importance and rapid development of the Dalian plant, we will further expand production of braking and steering systems and continue to deliver leading-edge technology to our Chinese customers. And we also look forward to partnering with the new area government in the field of rail business,” said Baoping Xu, Chairman of the Board of Directors of Knorr-Bremse Asia Pacific (Holding) Ltd.

### **About Knorr-Bremse**

**Knorr-Bremse (ISIN: DE000KBX1006, ticker symbol: KBX)** is the global market leader for braking systems and a leading supplier of other rail and commercial vehicle systems. Knorr-Bremse’s products make a decisive contribution to greater safety and energy efficiency on rail tracks and roads around the world. About 29,700 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2020, Knorr-Bremse’s two divisions together generated revenues of EUR 6.2 billion. For 115 years the company has been the industry innovator, driving innovation in mobility and transportation technologies with an edge in connected system solutions. Knorr-Bremse is one of Germany’s most successful industrial companies and profits from the key global megatrends: Urbanization, sustainability, digitalization and mobility.

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