

Press Release

Munich/Shanghai, October 28, 2020

Knorr-Bremse DETC expands capacities with a new plant and continues in-depth cooperation with Dongfeng

- Knorr-Bremse DETC is building a new plant to meet the strong demand
- Start is scheduled for August 2021
- The new integrated plant will replace three existing separate factories
- High-level talks with Dongfeng reached agreement on strategic cooperation on Automated Manual Transmission (AMT), Advanced Driver Assistance Systems (ADAS) and Highly Automated Driving (HAD)

Munich/ Shanghai, October 28, 2020 – Knorr-Bremse DETC Commercial Vehicle Braking Technology Co., Ltd. (Knorr-Bremse DETC) recently held the groundbreaking ceremony at a 50,000 m² site in Dongfeng Industrial Park where a new plant is to replace the company's three separate existing factories. The aim is to expand manufacturing capacity, improve efficiency and reduce production costs with a view to strengthening cooperation with Dongfeng Commercial Vehicle. High-level talks with the new top management of Dongfeng Commercial Vehicle were held to discuss further cooperation. Knorr-Bremse DETC is a joint venture between Knorr-Bremse, the global market leader for braking systems and a leading supplier of other rail and commercial vehicle systems, and Dongfeng.

Groundbreaking ceremony for new Knorr-Bremse DETC plant

The new plant is scheduled to be completed and put into operation in August 2021. The first phase includes a built-over area of up to 24,800 m² on a 39,000 m² site. Since the joint venture was founded in 2015, revenues have increased fourfold and are expected to reach fivefold by 2025. Dongfeng Commercial Vehicle is the joint venture's main customer. The core product portfolio includes brake control, ADAS/HAD, powertrain, air supply, wheel-end and steering systems. The groundbreaking ceremony was attended by local government officials, shareholders, customer representatives and key suppliers.

"We are proud that Knorr-Bremse DETC has made such great progress in the past five years. Moving to a new plant will open up additional opportunities for the joint venture to expand. This will serve our customers better and will help to boost the local employment rate. We are looking to live up to our social responsibility and continue our local care projects," said Baoping Xu, Spokesman and Member of the Board of Directors of Knorr-Bremse Asia Pacific (Holding) Ltd.

High-level talks with Dongfeng Commercial Vehicle

Following the groundbreaking ceremony Mr. Baoping Xu was joined by Mr. Fei Xia, Executive Vice President of Knorr-Bremse Commercial Vehicle Systems China, and Mr. Wang Qiang, President of Dongfeng Commercial Vehicles, at a meeting with technical leaders and professional groups from Dongfeng. Dongfeng Commercial Vehicle expressed appreciation of the joint venture with its top-quality deliveries, efficient technical support and quick service. Meanwhile, the two parties agreed on the next steps in cooperation projects including AMT, ADAS and HAD. "Knorr-Bremse is a preferred strategic partner for Dongfeng. It is not only a supply relationship between Dongfeng and Knorr-Bremse, but also a close partnership. We hope to improve the strategic cooperation to a new level," said Mr. Wang Qiang.

Along with a strong call to promote the efficiency and safety of commercial vehicles in China, the in-depth cooperation with Dongfeng represents a convincing and positive response to the increased automation and networking of transportation operations. Going forward, Knorr-Bremse will keep up with the fast pace of progress in China in the integration of comprehensive systems.

Caption 1: Knorr-Bremse DETC's new plant is scheduled to be put into operation in August 2021. | © Knorr-Bremse

Caption 2: Mr. Fei Xia, Executive Vice President of Knorr-Bremse Commercial Vehicle Systems China, gave a speech at the groundbreaking ceremony. | © 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 29,000 employees at over 100 sites in more than 30 countries use their competence and motivation to satisfy customers worldwide with products and services. In 2019, Knorr-Bremse's two divisions together generated revenues of EUR 6.9 billion (IFRS). For more than 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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