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paragon starts joint venture in China

- **Framework agreement with Jiangsu Riying Electronics Co., Ltd.**
- **Joint venture for car electronics and sensors production and distribution**

Delbrück, September 2, 2014 – paragon AG, which has already operated a sales office in Shanghai via paragon Automotive Technology for more than two years now, is boosting its presence in China. paragon today signed a joint venture framework agreement with Jiangsu Riying Electronics Co., Ltd. headquartered in Changzhou City, Jiangsu/China (R&Y). The purpose of the joint venture is the production and distribution in China of certain electronic and electro-mechanic devices for use in automobiles, especially air quality sensors and other systems to enhance in-car air quality, as well as instruments and their respective components.

R&Y is a well-known Chinese developer, manufacturer and distributor of electronic solutions for the automotive and motorcycle industry, including sensors, automotive washer systems, electronic control systems, connectors, wiring harness systems and injection molded plastic parts.

To this end, paragon Automotive Technology in Shanghai will be converted into a joint venture in which R&Y and paragon will in future hold 35% and 65% stakes respectively. A branch will be developed as a production location in Changzhou, while the premises in Shanghai will focus on administration, application and sales. The establishment of the joint venture is subject to regulatory approval in China.

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Comments Klaus Dieter Frers, CEO of paragon AG: “By making this move, we are pressing further ahead with our internationalization strategy. This joint venture will significantly boost our activities in China, the world’s fastest-growing market. We expect to launch production on location before in 2015 and already anticipate the first order for the new company in the near future.”

Comments Shi Rongzhu, CEO of R&Y: “paragon is our partner of choice for a joint venture – that soon became clear in our first talks. With their competencies and track records, the two companies optimally complement each other when it comes to offering solutions to the automotive industry.”

Company profile

Listed in the regulated market (Prime Standard) of Deutsche Börse AG in Frankfurt am Main, paragon AG develops, produces, and sells advanced automotive electronics solutions. The portfolio of this direct supplier to the automotive industry includes products in the following business segments: sensors, acoustics, cockpit, electromobility, and body kinematics. Headquartered in Delbrück (North Rhine-Westphalia), paragon has branches in Suhl (Thuringia), Nuremberg (Bavaria), and St. Georgen (Baden-Württemberg), a sales office in Shanghai (China), and a subsidiary in Austin (Texas, USA).

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