

INVESTOR NEWS

DEUTZ and SANY sign agreement on future joint venture site with the Chinese city of Changsha

- Agreement signed by both partners at ceremony to lay the foundation stone for the new production facility in Changsha
- Province of Hunan is contributing several tens of millions of US dollars
- Preparations for the joint venture to start production in 2021 are progressing well

On Saturday, Joint venture partners SANY and DEUTZ AG signed an agreement with representatives of the government of Changsha during the foundation stone laying ceremony at the production site in Changsha. DEUTZ AG and SANY, China's largest construction equipment manufacturer, had already signed the agreement to establish a joint venture in June this year. The aim of the two companies is to build a factory to produce high-performance engines in the province of Hunan.

The ceremony was attended by representatives of the Hunan provincial government. The province of Hunan supports the establishment of the joint venture and is contributing several tens of millions of US dollars in additional funding to the project.

The joint venture between DEUTZ and SANY is part of SANY's intelligent heavy truck project, a big-ticket project within the framework of SANY's digitalization strategy. In addition to various off-road applications, DEUTZ is also taking over the manufacture of heavy-truck engines for SANY. Initially, the plan is to supply SANY with around 75,000 new engines for off- and on-road applications in 2022. These engines will comply with the China IV and China 6 emissions standards and will be built at the new plant, not far from SANY's headquarters in Changsha, capital of Hunan province.

“We are delighted to have DEUTZ on board as our partner. We are looking forward to a long and successful partnership and firmly believe that this strategic partnership will lead our joint venture company to even greater success,” says Liang Linhe, Board member of SANY Group.

At the signing, Chairman of the DEUTZ Board of Management Dr. Frank Hiller said: “We are confident that our partner SANY will play a key role in the heavy duty trucks market and we are pleased to be able to make a significant contribution to this with our innovative engine technology. The generous financial contribution from Hunan Province is confirmation of the long-term interest and trust that the government has shown in us.”

One of the leading engine manufacturers in the off-highway segment, DEUTZ AG is thus stepping up its activities in the on-highway segment as well. The Company will be investing several tens of millions of euros in the joint venture and will hold a majority share of 51 percent.

Preparations for the joint venture to start production are progressing well. Construction work on the production plant is on track to be completed at the end of 2020, and production is scheduled to start in 2021.



Caption: Joint venture partners SANY and DEUTZ AG signed an agreement with representatives of the government of Changsha during the foundation stone laying ceremony at the production site in Changsha.

Persons in the picture (f.l.t.r.): Mr. SHEN Yumou (Changsha Economic Development Area Party Working Committee Secretary, Changsha County Party Committee Secretary), Mr. CHEN Fei (Deputy Governor of Hunan Province), Ms. XIE Jianhui (Hunan Provincial Standing Committee Member, Executive Vice Governor), Mr. XIANG Wenbo (Board member of SANY Group, President of SANY Heavy industrial Inc.), Dr. Frank Hiller (DEUTZ CEO), Mr. ZHANG Qinghong (Director of Changsha Economic Development Area Management Committee), Mr. DU Jiahao (Secretary of Hunan Provincial Party Committee and Director of the Standing Committee of Hunan Provincial People's Congress), Mr. Christian Zürnstein (DEUTZ Asia CEO), Mr. XU Dazhe (Deputy Secretary and Governor of Hunan Provincial Party Committee), Mr. HU Henghua (Hunan Provincial Standing Committee Member, Changsha Municipal Party Secretary), Mr. ZHANG Jianfei (Hunan Provincial Party Committee, Secretary General), Mr. LIANG Wengen (Chairman of SANY Group)

Upcoming financial dates

November 7, 2019: Interim management statement for the first to third quarter of 2019

March 12, 2020: 2019 annual report / annual results press conference

May 14, 2020: 2020 Annual General Meeting

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