

paragon opens first plant in China

- **Opening ceremony with many politicians, local business leaders, and customers as guests**
- **Launch of production at German Industrial Park in Kunshan**
- **Air Quality Sensor AQS first product to roll off assembly line**
- **From 2016 battery systems also to be assembled for the Chinese market**
- **Synergy effects from proprietary lithium ion battery cells expected in future**

Delbrück, November 5, 2015 – paragon AG opened its new plant in Kunshan (China) on November 4, 2015. Having been represented in China with a sales office just a few kilometers away in Shanghai since 2012 already, this is now paragon’s first production site in this major country. paragon already acquired its first customers and orders from the domestic automotive industry in advance. Following the plant opening in Texas (USA), this marks the second groundbreaking step in paragon’s internationalization strategy this year.

Comments Klaus Dieter Frers, founder and CEO of paragon AG: “Less than 10 months since our decision to open a Chinese production site we are already up and running. We found excellent conditions in Kunshan, and that directly next to numerous other medium-sized German companies. The key focus initially will be on our world-leading air quality sensor products, of course, which should be rolling off the assembly line very soon. We have already received several orders from Chinese customers. In China we have thus put in place a further major component of our internationalization strategy and our operations can now get started right away.”

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One absolutely key topic in China is the high level of air pollution in the country's fast-growing megacities. In response to this, the Chinese Ministry of the Environment is expected to act soon to turn the "Passenger Car Air Quality Assessment Guidelines" introduced in 2012 into a mandatory standard. This will further boost the already high level of demand for vehicle interior solutions. Adds Frérs: "We have really hit the mark here and are therefore offering even more extensive vehicle in-cabin air quality solutions – such as our ionizer systems and particle sensors."

Wolfgang Ketter has assumed the management of paragon's Chinese business. Ketter is a proven production expert with more than 25 years of experience in the automotive industry, of which numerous years as plant director for an automotive supplier in China.

Moreover, the topic of electromobility together with paragon's brand "Votabox" is set to play a major role in China in the near future. Within a "fables" concept, from the first quarter of 2016 paragon will have access for the first time to proprietary lithium ion battery cells. These will be produced by a specialist manufacturer in China exclusively for Votabox and will be governed by the company's extensive quality assurance requirements. This will enable Votabox to cover the entire battery assembly value chain, a factor that will generate valuable synergy effects. The objective for the first stage is to supply the Chinese market with battery packs for purely electric buses and utility vehicles, as well as with starter batteries for conventional cars and motorcycles.

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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 AG has branches in Suhl (Thuringia), Nuremberg (Bavaria), St. Georgen (Baden-Württemberg), and Bexbach (Saarland), as well as subsidiaries in Bexbach (SphereDesign), Kunshan (China), and Austin (Texas, USA).

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