

## PRESS RELEASE

Selb, January 27, 2022

# RAPA and Sino-German Innovation Industry Park (SGIP) sign contract for new plant location in China

- Production of solenoid valves for air suspension planned
- Representatives from Selb and the Upper Franconia region are participating in the signing ceremony



*From left to right: Zhengming Pan (Director of the Jiangsu Provincial Representative Office), Ulrich Pötzsch (Mayor of Selb), RAPA board members Dr. Roman Pausch and Karin Wolf, Chairman of the Supervisory Board Horst Pausch with wife Traudl (Member of the Supervisory Board) after signing the contract for the new plant.*

In a festive hybrid event on January 25, 2022, RAPA Automotive and the Sino-German Innovation Industry Park (SGIP) signed a contract for a new plant at the Jintan site (Jiangsu Province) in China. The medium-sized company from Selb will manufacture air spring switching valves in the industrial zone there from 2024. A year ago, RAPA already announced its intention to establish a production capacity in China. The fact that the planned schedule will be met is also related to the successful start of the company's own sales office for China and the Asian market: Since October 2020, a team of five has been working for RAPA in Shanghai.

### **23 million euros invested in China**

For the medium-sized group of companies, the first plant in China is another milestone in internationalization. In the USA (Auburn/Alabama), RAPA has been represented with a production facility since 2014. "We are also already participating in the dynamic growth of the Chinese automotive market. We are gearing our valve technology development activities at our headquarters in Selb more intensively than ever to the requirements of our Chinese customers," says Dr. Roman Pausch. According to the RAPA CEO, the new fully automated production facility in Jintan ensures that RAPA's system parts reach customers quickly and that new local partnerships are formed. Specifically, this involves the fully automated assembly and functional testing of air spring control valves. The company is investing around 23 million euros in the new site, where 100 employees will work.

### **Technology partner of the best automotive companies**

On the occasion of the signing of the contract, Dr. Roman Pausch informed the participants about the status quo at RAPA: As a globally qualified engineering and technology partner of the automotive industry, the company counts manufacturers such as Mercedes Benz, Audi, Porsche, Jaguar Land Rover and Tesla among its customers. According to the RAPA boss, the service portfolio includes valves and components for the chassis and for the transmission area as well as mechatronic system developments in the vehicle. "China is the world's largest automotive market and lead market for e-mobility. RAPA's chassis components and e-mobility have a high correlation: this is our main reason to go to China, as we always act according to the principle 'local for local'." Dr. Pausch went on to explain that the company does not think and act in quarters, but in decades. For RAPA, the plant in China is a strategic decision for a continued successful future.

### **A win also for the Upper Franconia region**

On behalf of the city of Selb, Mayor Ulrich Pötzsch congratulated the two contract partners. On the 50th anniversary of the friendship between Germany and China, he said, this was a perfect and fitting gift. "Selb, with a population of around 16,000, is also constantly developing and has made the transition to a future-oriented economic structure." Numerous resident medium-sized companies have made a name for themselves far beyond the city and state borders with innovative ideas and products, he said. Of course, this also includes the RAPA company. The city of Selb is therefore very pleased that RAPA has maintained its loyalty to the Selb location for over 100 years. The mayor said, "As one of the city's largest employers, the company is naturally very important for the entire region." Ulrich Pötzsch extended an invitation to the Chinese partners to visit the Fichtelgebirge.

Representing the Chamber of Industry and Commerce of Upper Franconia Bayreuth and the district Marktredwitz-Selb, Dr. Laura Krainz-Leupoldt congratulated: "This signing of the contract is another step towards intensifying the relations between Germany and China." The development of Changzhou into an important industrial metropolis will also be noticed in the region of Upper Franconia, she added. In personal words, the IHK Vice President paid respect to the representatives from China who had joined her: "As a lover of modern architecture like the Pausch family, I remain speechless in front of the monumental cultural center by Gerkan, Marg and Partners with its unmistakable touch. You have created a wonderful, innovative environment for the further development of economic relations with China."

## Location with growth potential

The decision in favor of Jintan was a deliberate one: for example, the Jiangsu region cooperates with Bavaria in the automotive and auto parts sectors. Around 40 different high-tech companies from Germany have already set up shop in Jintan. The Sino-German Innovation Industry Park (SGIP) provides them with a good platform and assistance to open up the Chinese market. Dr. Roman Pausch: "We can use synergies here, exchange ideas with other automotive suppliers and take advantage of valuable SGIP services. In addition, a spatial expansion would be conceivable."

## Contract signing with guests from Selb and China

Numerous personalities took part in the hybrid event on January 25. On the German side in Selb these were the RAPA board members Dr. Roman Pausch and Karin Wolf, the chairman of the supervisory board Horst Pausch with his wife Traudl (member of the supervisory board), the deputy chairman of the supervisory board Ferry Pausch, Lord Mayor Ulrich Pötzsch, Dr. Laura Krainz-Leupoldt, vice president of the Chamber of Industry and Commerce for Upper Franconia as well as Zhengming Pan, director of the representative office of Jiangsu Province (China Netzwerk Baden-Württemberg/CNBW). Qiuxin Kan, Vice-Consul of the Economic Department of the Consulate General of the People's Republic of China was present from Munich.

From China:

Lei Sheng (Acting Mayor Changzhou City), Zhiliang Chen (Deputy Mayor Changzhou City), Chengtao Zhou (Secretary General of Changzhou City People's Government), Xiaohua Wu (Secretary / Acting Governor of Jintan District), Zinan Wang (CEO of RAPA China) and Fenkou Zhu (Director of Sino-German Innovation Industry Park, Changzhou) and other representatives.

## Press Photos

Picture Material: RAPA



*Fig.01: From left to right: Zhengming Pan (Director of the Representative Office of Jiangsu Province), Ulrich Pötzsch (Mayor of Selb), RAPA board members Dr. Roman Pausch and Karin Wolf, Chairman of the Supervisory Board Horst Pausch with his wife Traudl (member of the Supervisory Board) after signing the contract for the new plant.*

*Fig.02: Hybrid event on Jan. 25, 2022 "Signing Ceremony" in Changzhou.*

*Fig.03: Lei Sheng (Acting Lord Mayor of Changzhou) and Zhiliang Chen (Deputy Lord Mayor of Changzhou)*

*Fig.04: Dr. Roman Pausch signing the contract in Selb, Fenkou Zhu (Director of Sino-German Innovation Industry Park, Changzhou) signing in China*

*Fig.05: Sino-German Innovation Industrial Park, Changzhou / China*

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### About RAPA

*RAPA SE is the holding company - the strategic umbrella - of the medium-sized RAPA Group. The operative business is located in the subsidiaries RAPA Automotive, RAPA Healthcare and RAPA Industry. RAPA is a globally recognized engineering and technology partner as well as a system supplier for pneumatic and hydraulic valves and complete mechatronic solutions in the automotive, healthcare and industry markets - and has been for over 100 years. Dr. Roman Pausch heads the family-owned company in dual leadership with Karin Wolf. RAPA generated sales of over 170 million euros in 2020. In addition to its headquarters in Selb, Bavaria, RAPA is represented by subsidiaries in North America and China. RAPA currently employs around 1000 people worldwide.*

### RAPA Automotive

*RAPA Automotive is a wholly owned subsidiary of RAPA Holding and a globally qualified engineering and technology partner as well as system supplier to the automotive industry. Key customers include leading first-tier suppliers and manufacturers such as Mercedes-Benz, Audi, Porsche, Jaguar-Land Rover and Tesla. The service portfolio includes valves and components for the chassis and transmission area as well as mechatronic system developments in the vehicle. RAPA Automotive is the largest and best-selling division of the group, contributing about 90% of sales. The division is managed by Dr. Roman Pausch and Karin Wolf. In addition to its German headquarters in Selb (Bavaria), RAPA is also represented through branches in North America and China. About 900 employees work in the division; worldwide, the medium-sized group with international sales employs nearly 1000 people.*

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