

**SAILUN GROUP**

**INTRODUCTION**

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## **I. Group Overview**

Sailun Group grew out of and developed with the support of Qingdao University of Science and Technology (QUST), renowned as the "Cradle of China's Rubber Industry", and has become a company that integrates tire research and development, production, and sales over 20 years.

Currently, Sailun Group operates 4 global R&D centers, 10 production bases and 1 production base under construction, with products sold in over 180 countries. In 2024, Sailun Group reported revenue of RMB 31.802 billion, and all key operating metrics achieved record highs.

Sailun Group produces a comprehensive product portfolio spanning 3 major tire categories: Passenger Car Tires (PCR), Truck & Bus Tires (TBR), and Off-The-Road Tires (OTR). It independently developed the world's largest 63-inch industrial radial tire, achieving global leadership.

Sailun is the first Chinese tire brand to become an official racing tires supplier to FIA (F é d é ration Internationale de l'Automobile). Its revolutionary EcoPoint3 tire, made with world-first material, overcomes the industry's "magic triangle" problem—delivering higher fuel efficiency, enhanced wear resistance, and shorter braking distances, earning the highest rating (A/A) under the EU Tyre Labeling Regulations.

Additionally, Sailun also launched the world's first rubber industrial internet platform, "Eco-Rubber Cloud."

While continuously enhancing its product and manufacturing capabilities, Sailun Group has also repeatedly achieved record highs in brand value. Sailun Group ranked 10th globally in Brand Finance Tyres Top 25 in 2025, reaffirming its position as China's most valuable tire brand.

## II. Development History

TIME	EVENT
<b>NOVEMBER 18, 2002</b>	Sailun Group was established
<b>DECEMBER 18, 2003</b>	First TBR was completed.
<b>2009</b>	QUST Industrial Chain Platform was founded.
<b>SEPTEMBER 2009</b>	First TBR tire was successfully tested.
<b>JUNE 2011</b>	Sailun Group was listed on the Shanghai Stock Exchange (SSE).
<b>APRIL 2012</b>	Vietnam production base started construction.
<b>AUGUST 2016</b>	Sailun successfully manufactured the world's largest 63-inch OTR Radial Tire
<b>APRIL 2018</b>	The world's first EcoPoint <sup>3</sup> tire from mass-production.
<b>JUNE 2020</b>	The world's first rubber industrial internet platform, “Eco-Rubber Cloud”, was released.
<b>MARCH 2021</b>	Investment in Cambodia production base was announced.
<b>MAY 2025</b>	Indonesia and Mexico production base rolled out first high-performance PCR.

**JUNE 28, 2025**

Sailun launched EcoPoint<sup>3</sup> Tires Vogue Series

### III. Corporate Culture

Mission	Make Great Tires.
Vision	Become a global influential tire company.
Core Values	Trust & Respect
Sailun Enterprise Spirit	Focus on self-transcendence and continuous innovation.
People-Centric Governance	Our people are our greatest concern.
Operational Principles	Work hard for a better life.
Team Principles	One group, united for a lifetime, committed to one goal wholeheartedly.
Cultural Mottos	Trust is the highest form of respect.
	Sailun people are the company's most valuable asset.
	Embrace failure as part of innovation.

#### IV. Global Presence

In 2012, Sailun established its first overseas production base in Vietnam

- the inaugural overseas production base by any Chinese tire enterprise.

Today, it becomes the world's largest single-site tire production base.

In 2019, Sailun partnered with local stakeholders to co-found the ACTR production base in Vietnam.

In 2021, Sailun launched Cambodia's first intelligent radial tire production base with 9 million annual PCR tire capacity.

In 2025, Sailun successively commences operations at its new production bases in Indonesia and Mexico.

Till now, Sailun Group has 10 production bases (Qingdao, Shenyang, Shenyang Heping, Dongying, Weifang, Vietnam, Vietnam ACTR, Cambodia, Indonesia and Mexico), 4 R&D centers (China, Europe, North America, and Southeast Asia), and 1 production base under construction (Dongjiakou, China). It also holds a controlling stake in the East China (Dongying) Intelligent Connected Vehicle Proving Ground. After completion, it will become China's premier and world-class integrated R&D platform for intelligent transportation systems and autonomous driving technologies. Sailun has established a global integrated system to cover R&D, production, sales and services for the tire industry.

In 2025, Sailun Group entered the global top 10 once again in the ranking of the world's top 75 tire companies released by Tire Business, achieving



sales of US\$4.363 billion—a 21.06% year-over-year increase and making it the fastest-growing company among the top 10.

In 2025, Brand Finance's 2025 World's Most Valuable Tire Brands report ranked Sailun 10th globally with a brand value of US\$905 million (13% growth over last year), reaffirming its status as China's most valuable tire brand for consecutive years (2024-2025).

## **V. Technological Innovation**

### **A. OTR Tires**

As a specialized segment in the tire industry, OTR demands advanced engineering and deliver versatile performance, serving pivotal roles across agricultural and industrial sectors. However, manufacturing these specialty tires represents a capital-intensive, high-risk, and technically demanding endeavor—characterized by prolonged development cycles, complex R&D challenges, and substantial investment requirements.

Since 2008, Sailun Group has been developing specialty tires from scratch. Through over a decade of ground-up innovation driven by integrated industrial chain collaboration, Sailun has achieved fully independent R&D and manufacturing capabilities for specialty tires without any prior experience or technological reference.

In 2009, the first giant radial OTR tire rolled off the production line from the Qingdao production base.

In 2016, Sailun successfully developed the world's largest 63-inch giant radial OTR tire, achieving global leadership.

By now, Sailun has mastered full-range giant radial OTR tire technology covering giant radial OTR, medium & small radial OTR, agricultural tires, bias OTR tires, and solid tires, totaling over 2,000 product specifications. Sailun has also achieved the end-to-end development and deployment of dedicated OTR manufacturing systems.

## B. EcoPoint<sup>3</sup> Tires

The EcoPoint<sup>3</sup> tire is a product developed by Sailun Group after more than ten years of independent research and development, designed to deliver higher fuel efficiency, enhanced wear resistance, and shorter braking distances. It uses the world's first continuous liquid phase mixing (EVEC) , overcoming the "magic triangle" problem that has plagued the tire industry for over a century. This innovation improves rolling resistance, wet grip, and wear resistance, earning the highest dual A-level certification under EU Tyre Labelling Regulation and various other authoritative recognitions, earning the title of "rubber tire industry's fourth milestone technology revolution."

In 2016, the authoritative industry magazine *Tire Technology International* featured this world-first " continuous liquid phase mixing (EVEC) " technology on its cover, praised this groundbreaking material as "liquid gold" and predicted that "a new liquid-phase mixing process could help the Chinese tire industry achieve a breakthrough and reach world-leading levels of tire performance."

In April 2018, the first batch of EcoPoint<sup>3</sup> tires rolled off the line at Sailun Group 's Dongying production base, marking a key step toward mass production of EcoPoint<sup>3</sup> tires.

Historically, the tire industry was plagued by the "Magic Triangle" problem—where improving any two of rolling resistance (energy efficiency), wet grip (safety), and wear resistance (durability) inevitably compromises the third parameter.

Conventional physical mixing confines compounding to solid-state blending of materials, resulting in compromised Nano silica dispersion.

In contrast, **continuous liquid phase mixing** (EVEC) facilitates liquid-phase homogenization of rubber and nanoparticles—ensuring superior dispersion uniformity while enabling enhanced molecular-level bonding.

According to certified testing data from TÜV SÜD, Sailun Group's internal testings, and Spain's IDIADA laboratory testing, vehicles equipped with EcoPoint<sup>3</sup> tires demonstrate:

- 8% lower fuel consumption (saving  $\approx 0.6\text{L}/100\text{km}$ ) for combustion engines
- 12% reduced energy use for EVs, extending range by 40-60km per charge
- 7m shorter wet-braking distance at 80km/h vs. standard C-class tires
- 20%-30% longer tread life
- 1-2 dB lower noise levels

EcoPoint<sup>3</sup> PCR, tested by an internationally authoritative third-party organization IDIADA in Spain (Applus+ IDIADA), achieved the highest

AA-level certification for rolling resistance and wet grip performance under EU Tyre Labelling Regulation, while EcoPoint<sup>3</sup> TBR received the "Energy Pioneer Award" from TÜV Rheinland, an international authority. 1 PCR tire and 3 TBR tires were simultaneously awarded TÜV MARK certification.

In June 2025, Sailun unveiled the EcoPoint<sup>3</sup> Tires Vogue Series—combining Eastern aesthetics with cutting-edge tire technology to deliver new driving experience. The Vogue series introduces 7 refined colors and features several proprietary technologies of Sailun: ARMOR SEAL, SILENT TREAD and RFID chips.

Throughout their entire lifecycle—from raw material selection, production, and product use to recycling—EcoPoint<sup>3</sup> tires achieve green, low-carbon, and sustainable development.

### C. Racing Tires

In 2017, Sailun Group officially embarked on its journey to develop racing tires, dedicating an entire year to the independent research and development of drift tires. In 2018, Sailun Group entered the D1 Drift Racing scene, and in its debut competition, it won four single-event championships as well as the annual overall champion for both solo runs and tandem battles. No other first-time participating team in D1 Drift Racing history has achieved such remarkable results.

In 2019, Sailun Group began competing in various domestic and international events, creating legendary stories in globally renowned motorsport competitions, like the FIA IDC, FDJ (Formula Drift Japan), China Taklimakan International Rally (CTR).

In 2024, Sailun was accredited as an official FIA tire supplier for international motorsport events, which was the first Chinese tire brand to receive the FIA "entry ticket" and the only one listed as a tire supplier for FIA events. Starting from the 2024 season, Sailun Group exclusively provides racing tires for top international events, including the FIA F4 Chinese Championship, TCR International Series in Asia, CTCC China Touring Car Championship, Korea CJ SUPER RACE, and China Touring Car Championship - Sports Cup.

In February 2025, PT01 track-ready high-performance tire was launched, co-developed by Xiaomi Auto and Sailun, debuted on Xiaomi Youpin Store, delivering extreme circuit performance for Xiaomi SU7 Ultra owners.

## VI. Smart Manufacturing

The founding intention of Sailun Group was to explore a path for the tire industry's transformation and upgrading through its own practices driven by informatization. After two decades of digital transformation in tire manufacturing, Sailun has cultivated multidisciplinary teams mastering both smart production and IT systems. This enabled a phased evolution from manual to automated, then intelligent operations—culminating in the 5G+Industrial Internet platform "Eco-Rubber Cloud".

In 2021, Sailun Group established the industry's first 5G + Industrial Internet intelligent tire factory demonstration line at its Qingdao production base. This demonstration line is characterized by five innovations: new equipment, new materials, new processes, new technologies, and new models. In Sailun Group 's digital production workshop, one can see intelligent production equipment, integrated aerial and ground logistics scheduling, and NPS intelligent building machines capable of producing a tire in just 35 seconds. RFID chips are embedded in tires to achieve full lifecycle management. This intelligent demonstration line not only delivers physical tires that satisfy customers but also provides every tire with a "digital twin," enabling traceability from user demand to the tire's entire lifecycle.

"Eco-Rubber Cloud" now integrates over 2,200 authorized distributors and more than 100,000 retail stores, delivering services to millions of vehicle owners.

Simultaneously, the Eco-Rubber Cloud platform empowers Sailun with modular, standardized, and platform-based rapid deployment capabilities—significantly accelerating new factory commissioning and reducing construction cost.



## **VII. Sustainable Development**

Sailun Group has established a comprehensive Sustainable Development Governance Structure, with the Strategy and Sustainable Development Committee operating under the Board of Directors. This is reinforced by three dedicated executive bodies—the Group Sustainable Development Leadership Team, the Group Sustainability Strategy Management Office, and the Group Sustainable Development Working Team—collectively forming a robust implementation mechanism that continuously drives effective execution of the Group’s sustainability initiatives.

Since 2013, Sailun Group has published reports on social responsibility, ESG (Environmental, Social, and Governance), and sustainable development. Among all the 12 reports, 8 focus on social responsibility, 2 on ESG, and 2 on sustainable development. Starting from 2023, Sailun Group has also begun releasing bilingual versions (Chinese and English) of its sustainable development report.

### **A. “eco+” sustainability strategy**

While deepening our commitment to industry advancement, Sailun Group officially launched the "eco+" sustainability strategy in fiscal year 2024. built upon four key pillars—eco-excellence, eco-harmony, eco-production, and eco-governance—and focusing on eight core action areas, the strategy reflects our dual mission to ecological preservation and economic development, with the "+" symbolizing the extension of the mission to our

business operations.

## B. Sustainability Targets

Sailun Group has also recently stated its future sustainable development goals. The first is to increase the sustainable content of materials in all tire products to 40% by 2030, and 100% in 2050. Second, by 2030, energy consumption per unit product will be reduced by 30% compared with 2022, and carbon emissions per unit produced reduced by 30%.

By the end of 2024, the sustainable material content in tires reached 31.8 %, while Sailun Group also developed the technology to incorporate over 75 % sustainable materials in PCR tires and over 80 % in TBR tires. Energy consumption per unit product decreased by 11.5% for PCR, 14.0% for TBR, and 23.7% for OTR compared to 2022. Carbon emissions per unit product decreased by 19.3% for PCR, 19.7% for TBR, and 29.9% for OTR compared to 2022.

## C. High-Sustainability Tires

Innovation-driven sustainability – the pursuit of perfection. More recently, Sailun Group unveiled two high-content sustainable material tires: a PCR tire with a 75% sustainable material content and a TBR tire with a sustainable material content of 80%, achieving rolling resistance coefficient of 6.0 and 3.8 respectively, meeting the highest rating (A/A) under the EU Tyre Labeling Regulations.

## D. Sustainability Awards and Honors

Sailun Group's ESG work has gained broad recognition from ESG rating agencies. Sailun Group received a A Rating from MSCI, making it the highest-rated Chinese tire companies by MSCI. It was awarded the Silver Medal by Eco Vadis, placing it within the top 15% of participating companies globally. It also received a B rating for "Climate Change" and a B rating for "Water Security", the highest CDP rating among Chinese tire companies. And it was rated A by the Wind ESG Rating, the highest level among Chinese tire companies.

Sailun Group has joined the United Nations Global Compact (UNGC) and is committed to continuous improvement to align its operations and principles more closely with the UNGC's Ten Principles. Concurrently, it recognizes the impact of human activities on climate change and joined the Science Based Targets initiative (SBTi) in 2024, responding to its urgent call for corporate climate action. It is currently developing specific emission reduction targets and implementation plans according to SBTi criteria, expected to be finalized and validated by SBTi by the end of 2025 to early 2026, contributing more to global climate change mitigation. It has also joined the Global Platform for Sustainable Natural Rubber (GPSNR), working with stakeholders across the global natural rubber value chain to promote the sustainable development of the global natural rubber industry.