

Silk-FAW announces the location of the future Hongqi 'S' Series Production & Innovation Center in Italy

The site will cover an area of 320,000 square meters in Gavassa, Reggio Emilia

Modena, Italy / Changchun, China; May 3, 2021 – Silk-FAW, the joint venture between Silk EV, an international automotive engineering and design company, and FAW, one of China's largest automotive manufacturers, announced today that its new production site for the Hongqi "S" Series models will be located in Gavassa, in the municipality of Reggio Emilia in Italy.

The 320,000 square-meter site location will be home to Silk-FAW's manufacturing, design, research, development and innovation Center. Reggio Emilia represents one of the most competitive ecosystems in the Emilia-Romagna region, both for its central location within the Motor Valley and for its local expertise in mechatronics and robotics. Gavassa is located 9km from Reggio Emilia's railway station, the only high-speed railway station in the area. By car, Gavassa is a 40-minute commute from Milan and only 20 minutes from Bologna.

"We are thrilled that our manufacturing and Innovation center will be located in Reggio Emilia," said Jonathan Krane, Chairman of Silk-FAW. "Gavassa is an iconic area for the entire automotive network and an ideal location to meet our logistic and production needs. With this strategic location, we can attract top talent and leverage highly skilled resources in the area. I would like to thank the Emilia-Romagna Region and the Municipality of Reggio Emilia for supporting us. We are excited to contribute to the growth and innovation in this region through our expanding electric vehicle infrastructure and expertise".

Emilia-Romagna Region/Mayor quote

The production center will not only produce the Hongqi S9 – the first of the Hongqi "S" series, designed by Walter De Silva, VP Styling and Design at Silk-FAW, and recently unveiled at the Shanghai Autoshow – but it will also be the manufacturing location for the Hongqi S7. To help support Silk-FAW's continued growth, the Company announced last week the appointment of Amedeo Felisa as Special Advisor to the Executive Chairman and Member of the Senior Advisory Board.

About Silk-FAW

Silk-FAW is a joint venture (JV) between international automotive engineering and design company, Silk EV, and one of China's largest automotive manufacturers, First Automobile Works (FAW). Silk-FAW was formed to develop a series of ultra-luxury, high-performance, new energy sports vehicles for China and the global markets. The JV is the first investment between China and Italy in the super premium and premium auto segments and marks a major milestone under the Belt & Road initiative for China, Italy and the global automotive industry. Silk-FAW plans to launch the new fully electric and hybrid luxury models under the Hongqi 'S' series, which is well-positioned to capture the opportunities in the fastest-growing auto segments in the China and international markets.

About FAW GROUP

China FAW Group Corporation ("FAW" or the "Group"), formerly China First Automobile Works, was founded on July 15, 1953, when its first assembly plant was constructed. As one of China's oldest and largest automotive manufacturers, FAW has more than 130,000 employees, registered capital of RMB 35.4 billion yuan, and total assets of RMB 457.8 billion yuan.

FAW's manufacturing plants are located in northeastern China's Jilin, Liaoning and Heilongjiang provinces, northern China's Shandong province and Tianjin municipality, southern China's Guangxi Zhuang autonomous region and Hainan province, and southwestern China's Sichuan province and Yunnan province.

The Group owns the Hongqi, Bestune and Jiefang brands. In 2019, FAW delivered 3.5 million vehicles to customers. Group sales revenue in 2019 totaled RMB 620 billion yuan, while earnings amounted to RMB 44.1 billion yuan. In addition, the Group is 87th on the 2020 Fortune Global 500 list.

About Silk EV

Founded in 2018, SILK EV is an automotive engineering and design company headquartered in Emilia-Romagna, the Motor Valley of Italy, with additional operations in China and the United States.

Silk EV brings together the leading experts in Italian and global automotive design and engineering to build a global brand of new energy vehicles of world-class performance representing the pinnacle of technological innovation, connectivity, and design.

Silk EV's joint venture with China's FAW Group to produce the Hongqi 'S' series was officially launched in January 2021. The JV will be a unique opportunity for China and Italy to bring forth the future of mobility and electrification technology, thereby setting a new benchmark for the world and improving the global automobile ecosystem.

Silk EV is committed to a sustainable future globally and aims to build on the Motor Valley's existing integrated ecosystem to create an electric vehicle platform in Emilia-Romagna, Italy and China.

About Hongqi

Hongqi is a high-end, luxury automobile brand directly operated by China FAW Group Corporation. Hongqi, meaning "red flag" in Chinese, has its vehicles used for parades at national celebrations and features symbolic importance in China's auto industry. The first Hongqi car was made in 1958, making it the oldest Chinese passenger vehicle marque.

In January 2018, in a ceremony at the Great Hall of the People, China FAW announced its new Hongqi brand strategy to build the new Hongqi into a new high-end brand that will also be China's first global brand. In 2020, Hongqi sold more than 200,000 vehicles.

Silk-FAW

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