

Execution of the Shares Entrustment Agreement of PTG between AEOLUS and CNRC

Aeolus Tyre Co., Ltd. (hereinafter referred to as "Aeolus") and its controlling shareholder, China National Tire & Rubber Co., Ltd. (hereinafter referred to as "CNRC") enter into a Shares Entrustment Agreement today. According to the Shares Entrustment Agreement, CNRC entrusts 52% of shares in Prometeon Tyre Group S.r.l. (hereinafter referred to as "PTG"), which are indirectly held by CNRC, to Aeolus. The term of the entrustment is three years, which shall be automatically renewed upon expiration.

Aeolus was founded in 1965 and listed on the Shanghai Stock Exchange in 2003. Aeolus mainly manufactures more than 1.000 specifications and varieties of tyres for trucks, buses and construction machines, including "Aeolus", "Fengli" and "Henan" brands. Now it owns two manufacturing plants in Jiaozuo and Taiyuan, with more than 7.000 employees.

PTG is headquartered in Milan, Italy, and was formerly named as Pirelli Industrial S.r.l. PTG manufactures and sells a variety of tyres for trucks, buses and agricultural use, including Pirelli brand. PTG owns manufacturing plants in Egypt, Turkey and Brazil, with three research & development centers in Italy, Brazil and Turkey. The number of its global employees is more than 7.000.

Aeolus currently holds 10% shares of PTG. The execution of this Share Entrustment Agreement, in addition to the purpose of solving the horizontal competition issue, is conducive to further exert synergies for both parties and enhance their abilities to continuously create value for their shareholders.

In the future, Aeolus and PTG will actively leverage the advantages of both parties, comprehensively improve technological innovation and advanced manufacturing capabilities, and provide customers with more and better-quality products.

Aeolus and PTG will jointly promote channel synergy in market segments to provide customers with more convenience and value Services.

Aeolus and PTG will jointly optimize process in procurement, supply chain and other areas, to establish closer cooperative relations with business partners such as suppliers.

Aeolus and PTG will jointly promote a people-oriented, respectful and inclusive corporate culture to help employees of both companies cooperate closely and provide employees with a better career development platform.

<https://www.aeolustyre.biz/news/execution-of-the-shares-entrustment-agreement-of-ptg-between-aeolus-and-cnrc-n-41.html>