

Press Release
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**Sanlian Casting adopts SinterCast technology
for Chinese commercial vehicle CGI production**

- Mini-System 3000 to be installed at Sanlian Casting foundry in China
- Series production of heavy-duty commercial vehicle cylinder heads
- Continued growth in Asia, with 19 installations in China, Korea and Japan

[Hejin and Stockholm, 28 February 2018] – Shanxi Sanlian Casting Co., Ltd, a specialist supplier of automotive cylinder blocks and heads, has acquired a SinterCast licence in preparation for the start of series production of Compacted Graphite Iron (CGI). Under the terms of the agreement, a SinterCast Mini-System 3000 and wirefeeder will be installed at the Sanlian Casting foundry located in Hejin, China. The Mini-System 3000 will be shipped during the first quarter of 2018, with the start of series production planned for mid-2018. The SinterCast technology will be used for a CGI upgrade to ensure the durability of a current-production 12.7 litre cylinder head, in advance of the nationwide rollout of the China VI emissions standard. SinterCast will also provide training and technical support, including 30 man-days on-site, for the establishment of a robust CGI series production process.

“With our series production experience from the grey cast iron version of this cylinder head since 2014, we made the strategic decision to partner with SinterCast to meet the aggressive launch targets for this CGI upgrade. As our first CGI series production programme, we will benefit from the broad SinterCast CGI experience and their local support” said Mr. Wei Fangzhi, Sanlian, Chairman of the Board, Sanlian Group. “As a specialist producer of commercial vehicle cylinder blocks and heads, CGI represents a clear growth opportunity for Sanlian. We look forward to working with SinterCast to establish our first series production reference and to develop our CGI market opportunity.”

“The Sanlian order reaffirms the need for CGI as modern heavy-duty engines evolve to meet the demands for increased performance and emissions compliance. With the China VI emissions standards incorporating the most demanding aspects of the current American and European emissions legislation, the use of CGI in Chinese heavy-duty engines will continue to increase. We continue to regard commercial vehicles as our largest growth opportunity” said Dr Steve Dawson, President & CEO of SinterCast. “The Sanlian installation marks our eleventh installation in China and our nineteenth installation in Asia. We are pleased that our longstanding support of CGI development in Asia, combined with our commitment to local commercial and technical support, has led to Sanlian’s decision to adopt our technology.”

For more information:

Dr. Steve Dawson

President & CEO

SinterCast AB (publ)

Tel: +44 771 002 6342

e-mail: steve.dawson@sintercast.com

Founded in 2002, **Sanlian Casting** is a specialist supplier of cylinder blocks and heads for the passenger vehicle and commercial vehicle industries. With more than 400 employees and annual production capacity of 38,000, Sanlian has established itself as a trusted partner to the domestic and export automotive and industrial power markets. A privately-owned member of the industrial Sanlian Group, Sanlian Casting is ISO 9001 and TS 16949 certified. For more information: <http://www.sanliancasting.com/en/>

SinterCast is the world’s leading supplier of process control technology for the reliable high-volume production of Compacted Graphite Iron (CGI). With at least 75% higher tensile strength, 45% higher stiffness and approximately double the fatigue strength of conventional grey cast iron and aluminium, CGI allows engine designers to improve performance, fuel economy and durability while reducing engine size, weight, noise and emissions. The SinterCast technology, with 44 installations in 13 countries, is primarily used for the production of petrol and diesel engine cylinder blocks and exhaust components for passenger vehicles, medium-duty and heavy-duty cylinder blocks and heads for commercial vehicles, and industrial power engine components for marine, rail, off-road and stationary engine applications. SinterCast supports the series production of components ranging from 2 kg to 9 tonnes, all using the same proven process control technology. As a specialist supplier of precision measurement and process control solutions to the metals industry, SinterCast also supplies a suite of tracking

technologies, including the SinterCast Ladle Tracker[®], Cast Tracker[™] and Operator Tracker[™], to improve process control, productivity and traceability in a variety of applications. The SinterCast share is quoted on the Small Cap segment of the Nasdaq Stockholm stock exchange (SINT). For more information: www.sintercast.com

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