

# SORL Auto Parts, Inc.

## (NASDAQ: SORL)

2014





**A Leading Manufacturer of Auto Brake System in China and the World**



**Growth Opportunities in China and Global Auto Market**



**Strong Relationships with Leading Chinese OEMs and Growing Aftermarket**



**Broadening International Sales Networks**



**Strong R&D Capability Creating Higher-Quality, Advanced Products**



**Experienced Management Team with Proven Execution Capabilities**



**Track Record of Financial Growth and Profitability**

**SORL is a Brake and Control System Tier One Supplier to the Commercial Vehicle (CV) Industry**

## Vision

Gain global market share as the world's best value brand

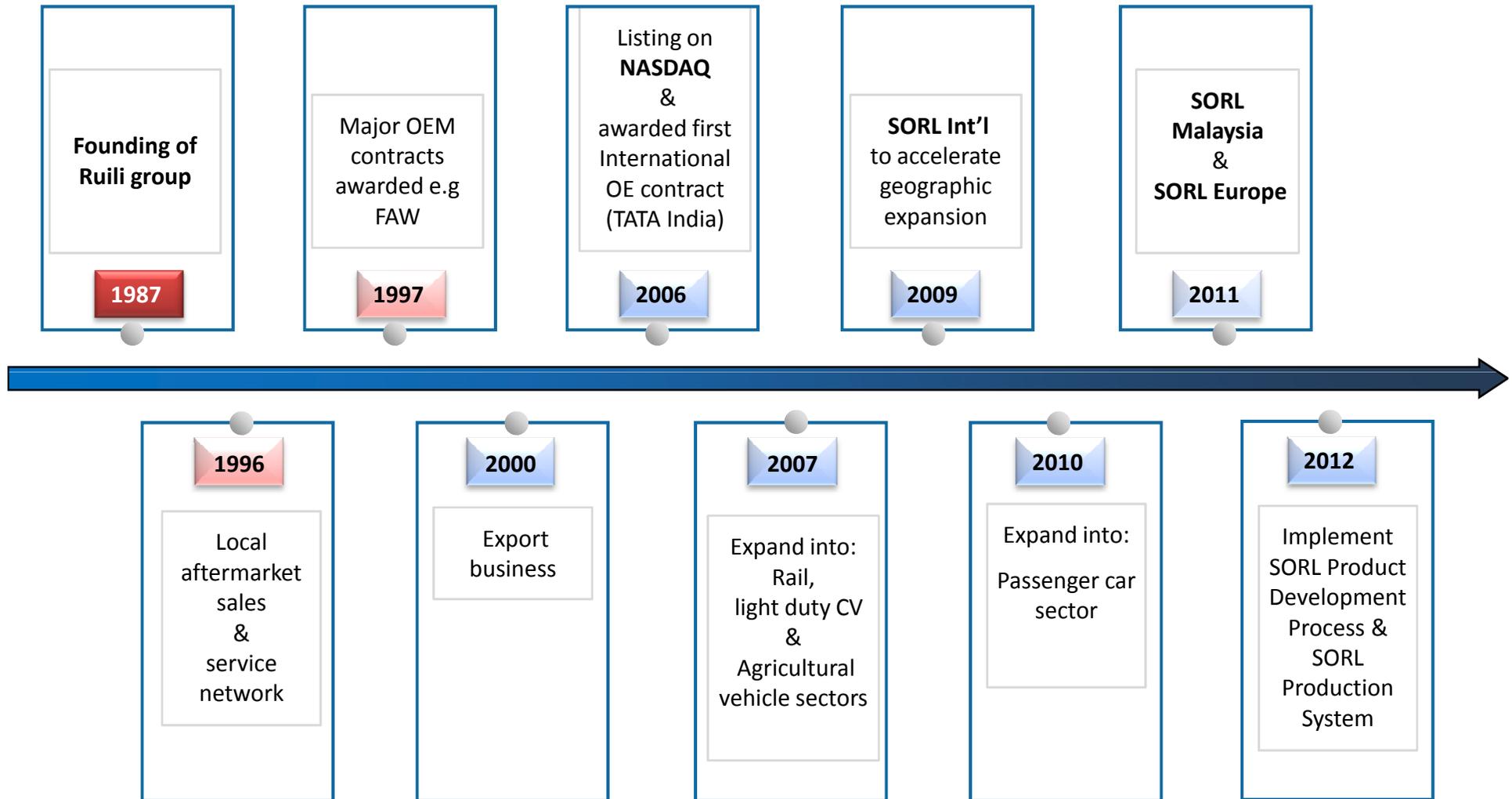
## Mission

- Increase safety on the road through advanced products
- Share value with customers
- Protect environment through sustainable development
- Create value for shareholders

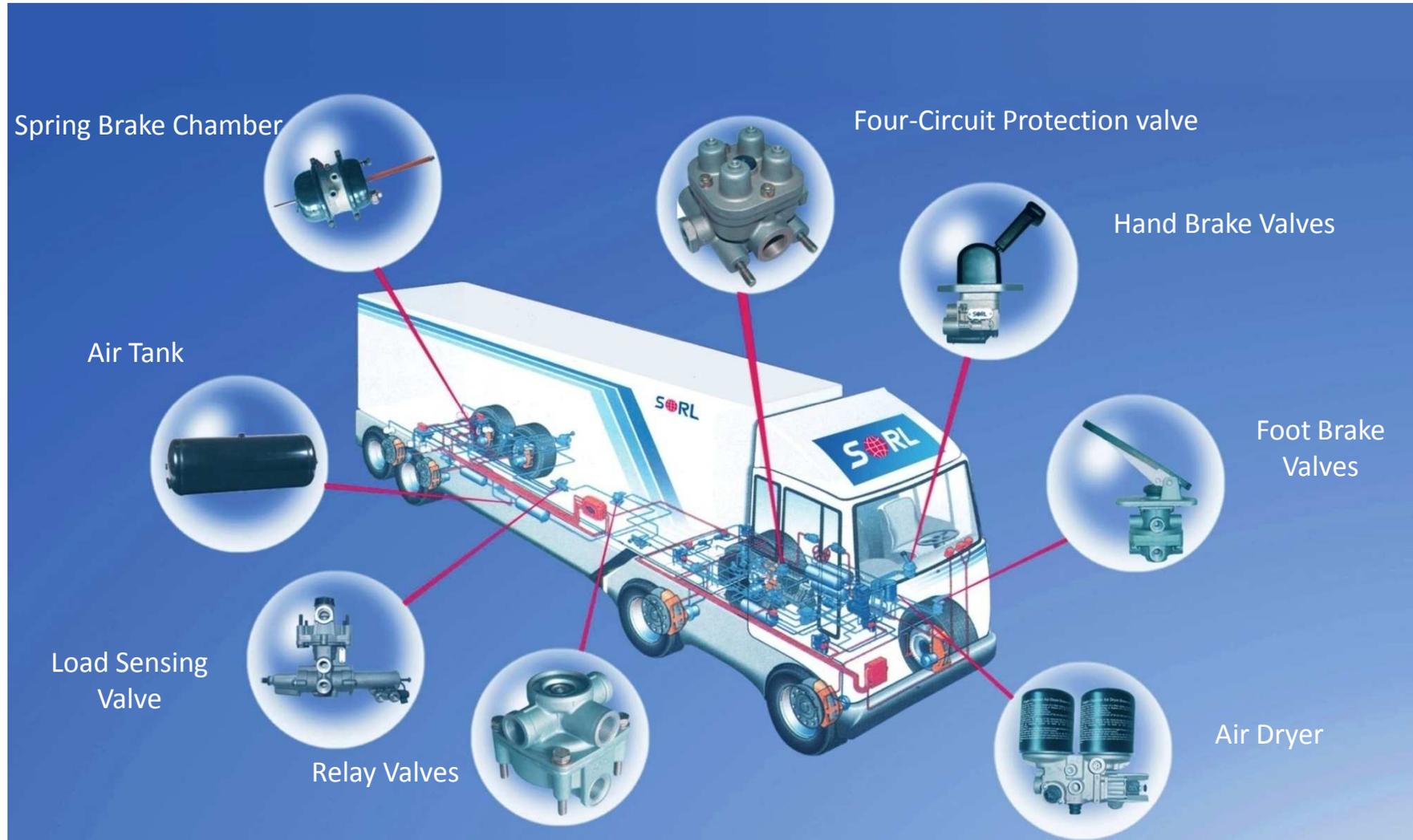
## Strategic highlights

- Leader in China CV Braking - Expanding Globally
- Focus on Innovation for increased safety and fuel saving
- Insure productivity, cost control and global quality
  - Deploy Six Sigma
  - Investing in advanced machinery and automation
  - Strengthen SORL Production System
- Deploy an effective management structure
- Deploy the new SORL Product Development Process

# Company Milestones

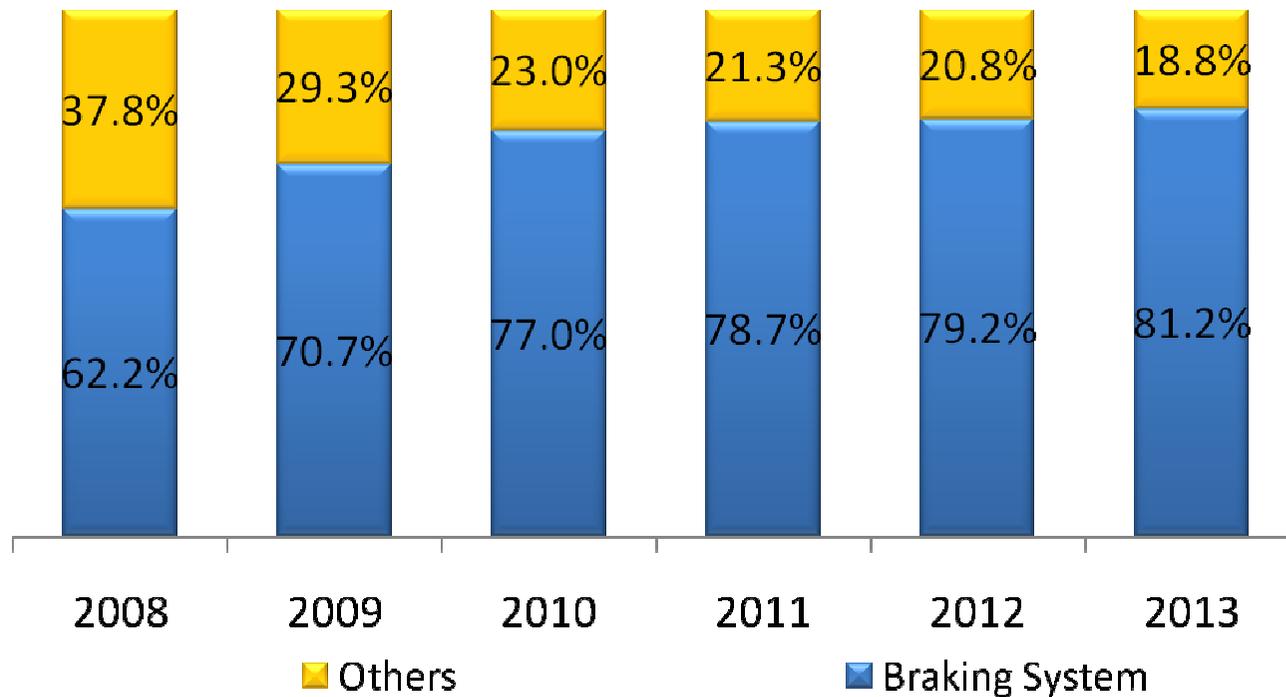


# Our Product Offerings



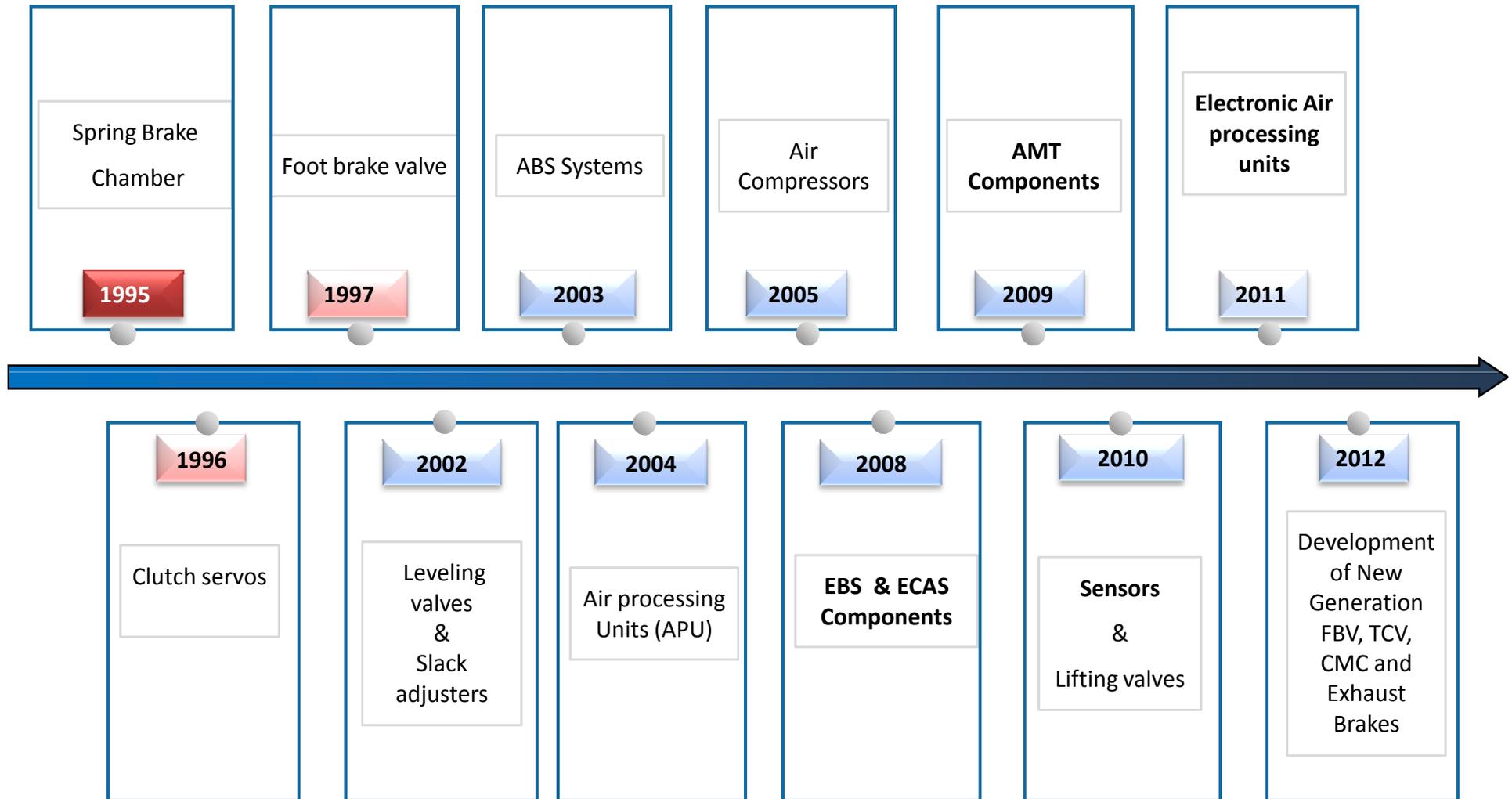
# Our Product Offerings

Percentage of Sales



*Note: Braking system includes air braking systems and hydraulic brake  
Others include air controlling systems, power steering and automotive electrical products etc.*

# Products Milestones



**Progress through introduction of new products**

## Highlights

*Safety – Comfort – Energy saving - Green*

- **Range of electronic systems to fulfill OEM requirements**
  - Conventional brake system products
  - Adding electronic brake components
  - Railway braking products
  
- **Product innovation to increase safety and fuel saving**
  - New energy -saving automotive brake products
  - EBS System
  - Electronic controlled Air Suspension System
  - Clutch transmission system (AMT)
  
- **Environment friendly manufacturing process**
  - 5S (SEIRI,SEITON,SEISO,SETKETSU,SHITSUKE )
  - ISO14001 Environmental Management System
  - REACH Compliance
  - Lean production and waste elimination

## Dedicated R&D Center

- Technical staff of 197 people, including 75 engineers or senior engineers

## Collaboration with Leading Universities

- Cooperate with leading universities in China



Tsinghua University



Tongji University



Zhejiang University



Harbin Institute of Technology

## R&D Projects Outsourced by OEM Customers

- 26 R&D projects outsourced by large-scale OEM customers in 2013

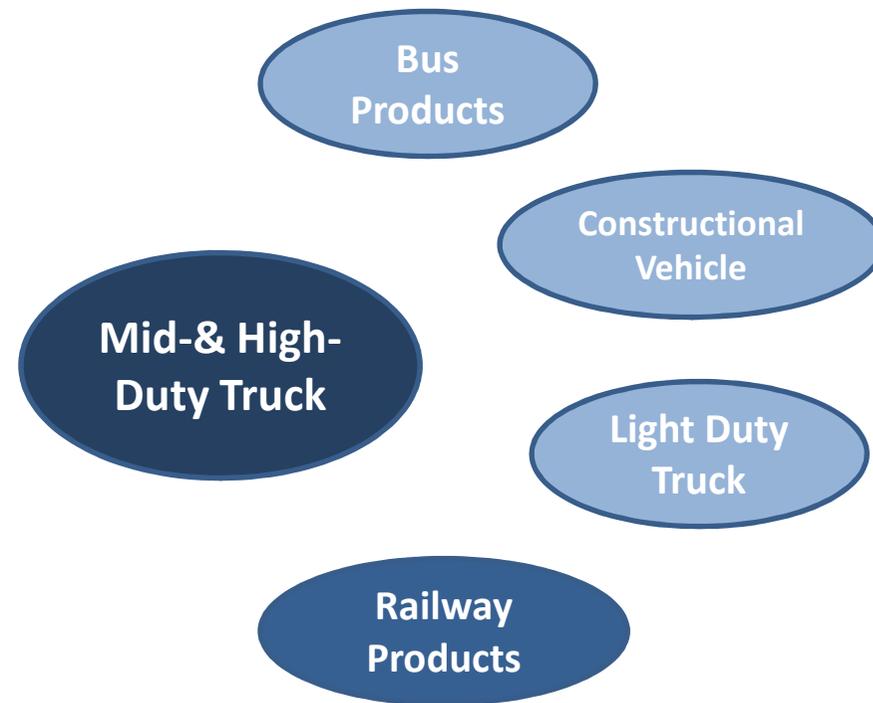
Currently owns 155 patents with 51 patents pending

R&D investment approx. 3% to 4% of annual sales

European office 'attracting talent'....

**All major Chinese OEM manufactures**

**70 OEM customers supported by 16 branches around China with more than 100 application engineers**





- Aftermarket - the birthplace of SORL !
- 26 national distributors **exclusively** representing SORL branded products; Servicing almost 2,000 sub-distributors.
- SORL's strong aftermarket position has supported SORL's OEM position

# Customers — China Competitive Edge

	<b>SORL</b>	International Competitors	Chinese Competitors
Relationship with Big Local OEMs	●	◐	◐
Nationwide Sales Network	●	◐	◐
Cost Competitiveness	●	◐	◑
Brand Recognition	◑	◑	◐
R&D Capability	◑	◑	◐
Delivery and Aftermarket Services	●	◐	◐

### Advantages over International Competitors in China

- Nationwide sales network and close relationships with big OEMs
- Lower cost structure with competitive product quality and performance
- China-based R&D efforts, closer to end market
- Timely delivery and superior customer service

### Advantages over Chinese Competitors

- Nationwide sales network and close relationships with big OEMs
- Higher product quality with competitive costs
- Well-known brands with 10+ years experience
- Strong R&D capabilities
- Timely delivery and superior customer service



## 2013 International Results

- Over 104 countries and regions
- 27.2% of total revenues

SORL International Holding, Ltd. ("SIH") joint venture founded in 2009 with international marketing and distribution team.

## Regional 'Hubs' being deployed

- Europe- Bulgaria (2012)
- Europe - Belgium (2011)
- South East Asia - Malaysia (2011)
- India (2010)
- USA – Chicago (2009)
- Hong Kong – (2009)
- USA - Los Angeles ( 2005)
- Middle East - Dubai (2001)



## Highly Efficient Manufacturing Process

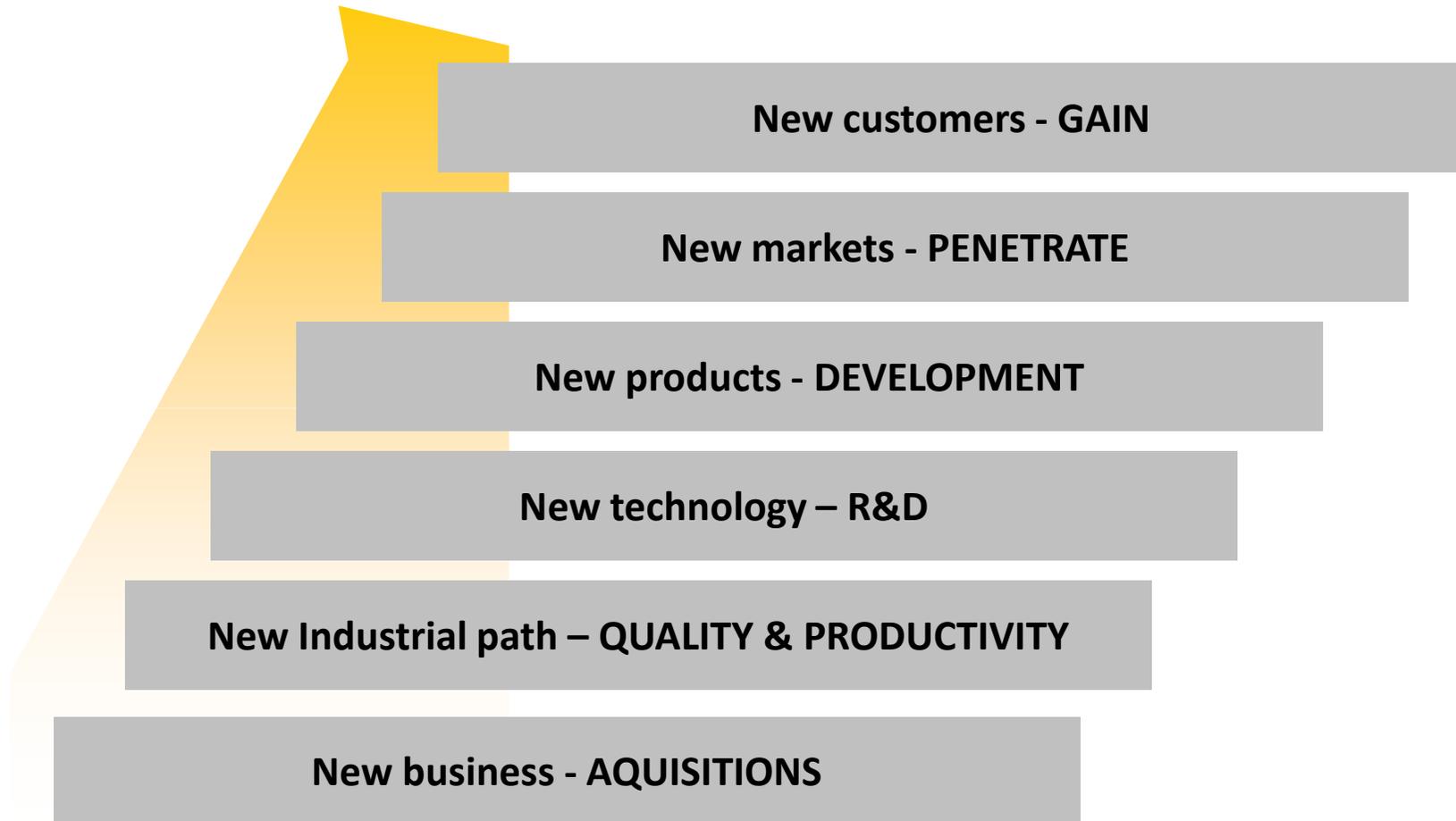
- Reorganize straight-line production lines to U-shape track
- Increasing automation of manufacturing processes
- Reduce cycle time to enable quick adjustments to production



## Quality (Certifications & Audit)

- ISO/TS16949 Quality Management System  
OHSAS18001 System, and ISO14001 Environmental Management System
- Lean, 6Sigma Deployment
- CSR (Corporate Social Responsibility)

# 6s Business Development Plan



**Mr. Xiaoping Zhang**

*Chairman and CEO*

- Founder, CEO & Chairman of the Board since Company's inception in 1987
- Over 20 years of experience in the auto parts industry
- Vice President of China Federation of Industry and Commerce Auto & Motorbike Parts, which is the biggest association of auto parts industry in China
- President of the Wenzhou Auto Parts Association

**Ms. Jinrui Yu**

*COO*

- COO since March 2012
- Over 15 years of experience in the auto parts industry
- Served as the Company's Production and Export Vice President
- Served as International sales Manager of Ruili Group Co., Ltd, from 1999-2004

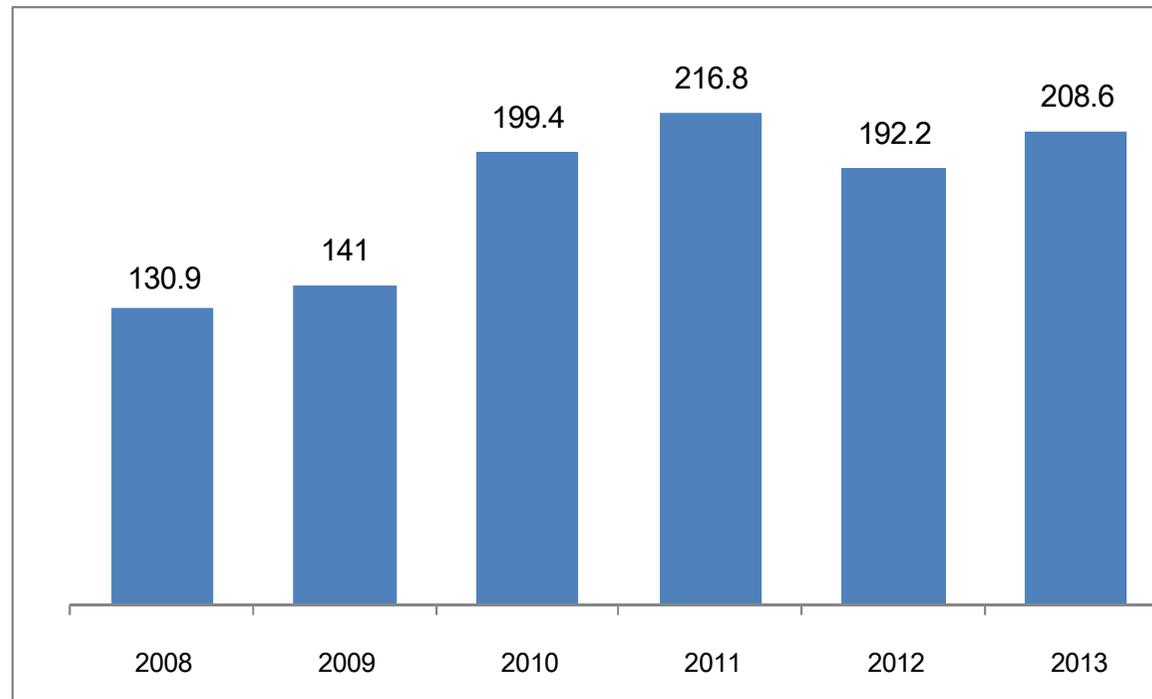
**Ms. Zongyun Zhou**

*CFO*

- CFO of the Company since 2004
- 2002-2004 worked as Financial Controller of Shanghai Huhao Auto Parts Manufacturing Company Limited
- 1996-2002 worked for the Auditing Department of Anhui Province, China, in charge of auditing state-owned companies in Anhui Province

## Revenue (FY08-FY13)

*(US\$ in million)*

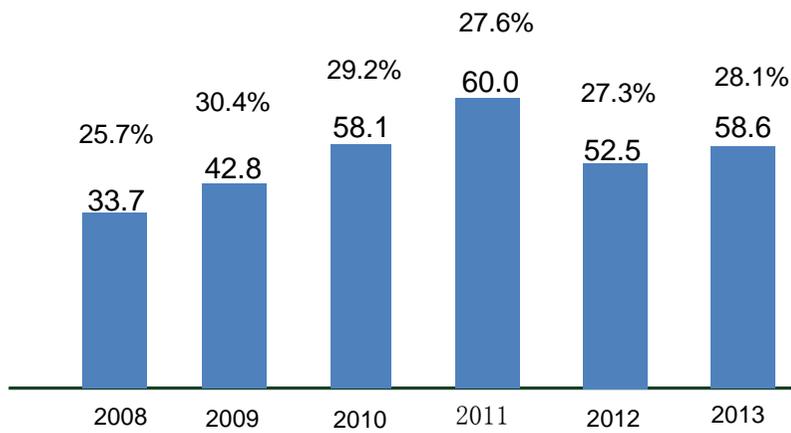


**Proven track record of revenue growth; CAGR of 9.6% from 2008 - 2013**

**Strong performance exceeding the market growth**

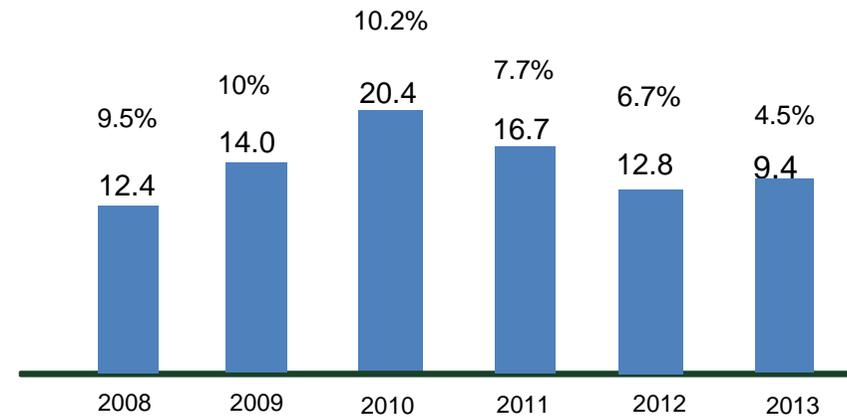
## Gross Profit / Margin

(单位: 百万美金)



## Net Profit / Margin

(单位: 百万美金)



THANK YOU!

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