

## **First 2017 Board of Directors Meeting of Hualete Held in Ningbo**

On February 16, 2017, the first 2017 Board of Directors Meeting of Ningbo Hualete Auto Decorative Fabrics Co., Ltd. (Huazhong occupies 50% of its shares) was held in Wenhui Hall on the 36<sup>th</sup> floor of Nanyuan Universe Deluxe Hotel in Ningbo, the board directors of Chinese and Germany factories presented the meeting.

On the meeting, summary about its operation in 2016 was made and a comprehensive arrangement for strategic plan in 2017 was worked out. In addition, with regard to the overall Chinese auto markets, the two sides discussed about strengthening cooperation and reached consensus. The focus of the meeting is the report and discussion about construction and human resources assignment of Ningbo Hualuote Auto Interior Decoration Co., Ltd. (wholly owned by Hualete (HK), a subsidiary of Hualete), the new factory established in Hangzhou Bay.

Hualuote built a workshop with a construction area of 18,000sqm. Now, the main body of the workshop is completed and accepted, which is predicted to be put into production in July 2017. The workshop mainly deals with the design, development, weaving, dying and finishing of high-end autos, roof and sunroof. It will introduce from Germany the most advanced production technology, processing equipment, inspection apparatus and center control system and ERP and other auxiliary production facilities and it boasts a world-class production and management technology.

The formal operation of Hualuote's new factory will improve and upgrade the existing domestic production procedures of auto fabrics and integrate into a whole production chain including the design, development, weaving, dying and finishing of auto fabrics, which will greatly enhance the market competitiveness of Huazhong and will serve as another milestone for marching towards both domestic and overseas markets.