



BorgWarner United Transmission Systems Celebrates 10-Year Anniversary, Significant Production Milestone

- *Company celebrates the delivery of its 3 millionth dual-clutch module*
- *Ceremony highlights new energy trends in China and the future development path of Hybrid Electric Vehicles (HEVs)*
- *Anniversary puts spotlight on company's Dual Clutch Transmission (DCT) and Position 2 (P2) hybrid architecture capabilities*

Dalian, September 30, 2019 -- BorgWarner United Transmission Systems celebrated its 10th anniversary with an “Advancing the Collaboration · Driving the Future” ceremony at Hilton Hotel in Dalian, Liaoning Province, China. Government representatives, industry leaders, key customers and employees celebrated the phenomenal success achieved by this joint venture over the past 10 years, including the delivery of its 3 millionth dual-clutch module.

The venture, established through joint investments by BorgWarner and China Automobile Development United Investment Co., Ltd. (CDUI), was founded in 2009. The proportions of shares owned by BorgWarner and CDUI are 66 percent and 34 percent respectively. Located in the Dalian Jinpu New Area, BorgWarner United Transmission Systems Co., Ltd. manufactures the core modules for dual clutch transmission (DCT), and P2 hybrid architecture products, which can significantly improve a vehicle’s fuel economy and drivability. This year marks the 10th consecutive year of rapid growth for the plant and the successful delivery of the 3 millionth DCT made by BorgWarner United Transmission Systems. The company celebrated the delivery of its 30,000th DCT in 2014; within five years the production volume expanded by 100 times.

“As a technical leader in the transmission field, BorgWarner has more than 100 years of history producing key components and integrated systems for automotive transmissions,” said Tom Tan, Vice President of BorgWarner Inc. and President of BorgWarner China. “Our products mainly include wet dual-clutch modules, torsional vibration-damping modules, control modules, and hybrid modules. Ten years ago, the Dalian plant was opened with the mission to support China’s

automotive brands and to advance the technological capabilities of dual-clutch automatic transmissions. As a supplier of critical dual clutch parts, we have been dedicated to lean production and our commitment to innovation has earned us collaborative contracts with 11 China-owned brands such as FAW, SAIC, Great Wall Motors and Changan Automobile. As a result of 10 years' hard work, the roll-out of our 3 millionth DCT is not only a milestone but also a new starting point. In the future, BorgWarner's Dalian plant will provide our customers with key components for advanced P2 hybrid architectures as well as contribute to the advancement of China's new energy industry."

On the day of the anniversary ceremony, BorgWarner also held a round-table discussion with government leaders, customers and industry experts regarding the future development trends of DCTs in China and its applications in new energy fields in addition to the road ahead for hybrid electric vehicles (HEVs). BorgWarner also shared insights to the future development of its advanced transmission products.

The judges of the "Global Top 10 Best Transmissions" award also were in attendance and participated in a round-table discussion on the P2 hybrid application, sharing their acumen in the development of the HEV market. During the event, expert judges noted that, as the automotive industry is going through a complete transformation, the HEV market will likely experience the next explosive growth. As an indispensable transmission technology for hybrid electric vehicles, P2 architecture has become popular among various OEMs. BorgWarner's on-axis P2 drive module delivers cost-effective hybridization by being compatible with existing vehicle platforms. The innovative P2 solution offers the possibility of integrating up to three clutches, including a disconnecting clutch, which allows the system to decouple from the engine for pure electric driving, enabling customers to achieve both their individual fuel-efficiency and performance goals. By using BorgWarner's award-winning S-wind wire-forming process to create the motor, the P2 drive module produces high power and torque densities in an extremely compact package. The innovative manufacturing process allows BorgWarner to produce smaller, more powerful high-voltage electric motors on a mass scale and will help drive growth in the hybrid vehicle market. Besides P2 solutions, BorgWarner still can provide P1, P3 and P1+P3 architecture solutions. With its broad hybrid product portfolio, BorgWarner will help the development of the HEV and battery electric vehicle market in China.

About BorgWarner

BorgWarner Inc. is a global product leader in clean and efficient technology solutions for combustion, hybrid and electric vehicles. With manufacturing and technical facilities in 67 locations

in 19 countries, the company employs approximately 30,000 worldwide. For more information, please visit borgwarner.com.



BorgWarner United Transmission Systems Celebrates 10-Year Anniversary including the delivery of its 3 millionth dual-clutch module.

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