

SMT Scharf further expands activities in China

Hamm, 31 January 2018 – SMT Scharf AG (WKN 575198, ISIN DE0005751986) has agreed a strategic partnership with leading Chinese mining group Shanxi Lu'an Coal Technology Equipment Co., Ltd. A joint venture has been formed for this purpose to promote sales as well as service & after-sales business for specific transport systems for Chinese mining.

With a 51 % interest, Shanxi Lu'an Coal Technology Equipment Co., Ltd. is the majority shareholder in the strategic joint venture Shanxi An'de Auxiliary Transportation Co., Ltd. SMT Scharf AG is acquiring a 40 % interest in the joint venture, while Shanxi Lu'an Haitong Industry & Trade Co., Ltd. is the third partner with a 9 % interest. SMT Scharf will invest in the mid six-digit euro range in the partnership.

Hans Joachim Theiss, CEO of SMT Scharf AG, explains the background to the partnership: "China – the world's largest coal producer – ranks among the most important foreign markets for SMT Scharf, one of the world's leading providers of underground transportation solutions and logistics systems. All the Chinese Lu'an Group's requirements in terms of SMT Scharf Group products will be served by the new joint venture. This wide-ranging access to the mining group also includes replacement parts supplies and services. As part of the partnership, we will benefit from our many years of experience in sales and from our local after-sales organisation."

Scharf Mining Machinery (Xuzhou) Co., Ltd., which was founded in 2013, is to ship mono- and duo-rail products in the future. Furthermore, Shandong XinSha Monorail Co. Ltd., SMT Scharf's second joint venture in China, supplies basic mechanical products. Theiss adds: "We are consistently expanding our business activities in China with our second sales-based joint venture, pursuing the objective of further strengthening our market position in the important Chinese market and exploiting the growth opportunities on offer to us."

Company profile of SMT Scharf

The SMT Scharf Group develops, manufactures and services transportation equipment for underground mining as well as for tunnel construction. The main products are captivated railway systems that are deployed all over the world, primarily in hard coal mines, but also in mines for gold, platinum and other metals. They are needed to transport material and personnel with payloads of up to 48 tons and on gradients of up to 30 degrees. In addition, the Group supplies the mining sector with chairlifts. The SMT Scharf Group is active with subsidiaries in seven countries, as well as commercial agencies worldwide. SMT Scharf generates a large share of its revenue in growing foreign markets such as China, Russia, Poland and South Africa. SMT Scharf AG has been listed in the Prime Standard (Regulated Market) of the Frankfurt Stock Exchange since April 11, 2007.

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