

QRT- A Joint Venture To Produce World's First & Only All Weather Tires With Retractable Stud Laid Foundation in Qingdao, China

January 18, 2007 Qingdao—World first and only all weather tires with retractable stud assembly facility laid the foundation today in Qingdao, China.

Q Tires Inc., a South Carolina based company has developed *Celsius*, a patented all-weather tire technology for automobiles. *Celsius* technology enables studs to be extended from the surface of the tire in snow and ice, yet lie below the tread when not required.

Celsius tires contain anti-corrosive safety studs that deploy when you need them, providing optimal control on icy roads, then retract when driving conditions are safer.

Celsius tires with retractable studs alleviate extensive road damage caused by permanent studs, and improve safety in all weather conditions. Celsius is the long awaited solution to challenging weather conditions.

R&T International, Ltd. a Qingdao based tire trading company with extensive sales network in the United States, Europe and Africa is Q Tires' China joint venture partner, Thus, QRT.

Both companies will invest up to \$12 million to establish a state of the art assembly facility. The 77,500 sq ft facility, the first phase of Q Tire's China project, will be established in the Qingdao Export Processing Zone on a property spanning 5.3 acres. The facility is scheduled to be completed in early July 2007.

Octaxias Company, L.L.C. is instrumental in establishing QRT (Qingdao) Tire Technology Co., Ltd and its former entity RPM. It shall continue to oversee the construction and trial production of the company in the months ahead.

