1. Project Name
Noclock II Aluminum Auto Heat Exchanger of Shandong Houfeng Auto Radiator Co., Ltd.

2. Company Profile
Shandong Houfeng Auto radiator Co., Ltd. (formerly Shandong Taian Water Tank Factory) has a work force of 1000 staffs, including 200 technicians and over 190 staffs with college or above education background. The fixed assets amount to 6.05 million US dollars. The company has three branches and one joint venture--Taian Lumei Auto Radiator Co., Ltd. It owns 150 special machines and 6 modernized production lines, producing 8 series 500 varieties of radiators. The annual production capacity reaches 1 million sets, including 0.25 million aluminum auto radiators. In 2001 the value of exported products reached 4.96 million US dollars and tax and profit amounted to 1.21 million US dollars.

3. Construction conditions of the project
The project is designed to develop and produce NOCLOCK II aluminum auto heat exchangers with NOCLOCK welding process and to promote the performance of the products.

4. Content and scale of the project
To build a new standardized plant and storage turnover workshop of 100,000 square meters. To introduce domestic or overseas advanced production equipment for special use to form a 1000-meters-long production line of aluminum heat exchangers and to increase production efficiency by 30%. To realize high-level automation. To reach an annual production capacity of 750,000 sets of radiators.

5. Total investment and constitution of the capital
The total investment of the project was estimated at 8.47 million US dollars.

6. Analysis on economic performances
After the completion of the project, sales revenue will be increased by 181.38 million US dollars and foreign exchange received from export will be increased by 10 million US dollars annually. The total investment will be recovered within 3 years.

7. The form and the period of the cooperation
Open to mutual consultation

8. Analysis and forecast on the market
On the domestic market. 85% of the heat exchangers for the larger joint venture or cooperative auto projects are imported. With the rapid development of auto industry in China, this project will save a great amount of foreign exchange for the country after its completion and starting operation. The market potential is great. On the overseas market. At present all the OEM fittings company are using aluminum heat exchangers. In addition with the individualized consumption and increased number of automobiles in use, the demand for auto parts on maintenance market is increasing. According to the export statistics of our company, the demand only in the US can reach 1 million sets a year. The overseas market potential is also great.
2 - The Project of WD618 Diesel Engines with an Annual Production Capacity of 10,000 Sets of Weifang Diesel Engine Works

1. Project Name
   WD618 Diesel Engines with an Annual Production Capacity of 10,000 Sets of Weifang Diesel Engine Works

2. Company Profile
   Weifang Diesel Engine Works is a state-owned enterprise with a work force of 12,000 staffs, including 1,000 technicians. The works covers an area of 1,390,000 million square meters; the building area of factory plant is 370,000 square meters. The total assets of the works amount to 204.51 million US dollars; net value of the fixed assets is 70.03 million US dollars. The works produces 2,000 WD615 diesel engines annually. In 2001 it reported sales of 197.10 million US dollars and earned foreign exchange of 40 million US dollars.

3. Construction conditions of the project
   To make full use of the current assets of factory buildings and equipment on the basis of the production of WD618 diesel engines.

4. Contents and scale of the project
   To build new production lines for WD618 engine blocks, cylinder caps, assembly, and test run and to reform the casting lines for engine blocks and cylinder caps. To increase the annual production capacity of WD618 diesel engines from 500 sets to 10,000 sets. To improve the quality of WD618 diesel engines with increased product mix and higher discharge standard. To save energy and lower cost. To fill up the gap of the diesel engines for heavy-duty freight cars over 30 tons on the domestic market and to meet the market demand.

5. The total investment and constitution of the capital
   The total investment of the project was estimated at 30.23 million US dollars.

6. Analysis and forecast on the market
   With advanced economic and technical indicators, WD618 diesel engine fills up the gap in high-speed diesel engines over 265kW in China. The engine is mainly used as fittings for the heavy-duty vehicles over 30 tons. At present the production of diesel engines of the same level is just at the starting point, with only few factories fitting for the entire car manufacturers. The demand for heavy-duty vehicles over 30 tons was estimated at 5,000 sets by the year of 2005. Our works plans to meet 80% of the demand, that is, more than 4,000 diesel engines annually. In addition, we will actively exploit the markets of large-sized engineering machines, watercraft power and power generation equipment to multiply the fitting market. The estimated annual demand is about 4,000 sets.

7. Analysis on economic performances
   The annual sales revenue was estimated at 114.87 million US dollars with an investment return ratio of 19.6% and investment return period of 5.1 years.

8. The form and the period of the cooperation
   Cooperation with a period of 3 years.

1. Project Name

2. Company Profile
   Shandong Bizhou Bohai Piston Co., Ltd. is a state-owned enterprise with a work force of 1,600 staffs, including 420 technicians. Its total assets amount to 43.53 million US dollars, at an assets liability ratio of 63%. The bank credit degree is AAA. The annual production capacity is 10 million pistons.

3. Construction conditions of the project
   On the basis of the original plant and equipment, to innovate the original equipment and process, producing energy economic and environmental friendly pistons for diesel engines.

4. Contents and scale of the project
   The project is designed to improve the previously innovated equipment on the basis the technical center for development and test of products at the state level. To reform the casting workshop, to add 2 real-time production lines in the heat treatment workshop and to set up 6 model production lines (with 2 lines introduced) for diesel engine pistons with flexibility all numeric control in the diesel engine piston machining workshop.

5. Total investment and constitution of the capital
   The total investment of the project is 22.98 million US dollars, which will be raised by the enterprise itself, introducing foreign capital or issuing shares.

6. Analysis and forecast on the market
   According to the forecast on the cars demanded and in use, heavy-duty cars demanded and in use by 2005 will reach 400,000 sets and 4.98 million sets. If it is calculated with a social maintenance rate of 30%, 8 cylinders for a heavy-duty car, 6 cylinders for a medium-duty car, the annual demand of pistons is about 3 million pieces. Adding the pistons for social maintenance and engineering machinery, the annual demand for high-performance pistons will exceed 6 million pieces. According to the analysis above, there is a great demand for auto diesel engine pistons on the domestic market in China.

7. Analysis on the benefit performances
   The annual sales revenue was estimated at 30.84 million US dollars with an investment return rate of 17.75%. The project construction period will last two and half years and the investment will be reimbursed within 4.15 years.

8. Form of cooperation
   Joint venture for a period of 15 years or to be negotiated bilaterally.
4 - The Project for the Development of Wheels without Inner Tires and Wheels for Engineering Machinery of Shandong Jining Wheel Works

1. Project Name
   The Development of Wheels without Inner Tires and Wheels for Engineering Machinery

2. Company Profile
   Shandong Jining Wheel Works is a state-owned, large-sized class 2 enterprise with a workforce of 1005 staffs, including 96 technicians. Its annual production capacity comprises of 1.2 millions sets of wheels and 5000 trailers. The total assets of the works amount to 19.23 million US dollars and the original value and the net value of the fixed assets amount to 12.70 million and 0.84 million US dollars respectively. The ratio of assets liabilities is 77% (the above assets includes land). The works reported sales revenue for 29.02 million US dollars in 2002.

3. Construction conditions of the project
   The wheels without inner tires and wheels for engineering machinery are developed early with rather complete varieties and mature techniques. It shares a great portion on the domestic market. As for the infrastructure, the current land reserve and equipment left idle can be used.

4. Content and scale of the project
   To build a comprehensive production line with an annual production capacity of 100 sets of wheels without inner tires and wheels for engineering machinery with the current idle workshop or land.

5. Total investment and constitution of the capital
   The total investment of the project was estimated at 7.26 million US dollars. The investment rate for domestic and overseas investors shall be negotiated bilaterally.

6. The analysis and forecast on the market
   Due to the rapid development of express highway and reorganization of auto groups, the demand exceeds supply for the wheels without inner tires and wheels for engineering machinery. The market potential is great. At present a big part of wheels without inner tires in China are imported. According to our investigations on the market and technologies in the US, Europe and Southeast Asia, the shape steel wheels have replaced by plate wheels without inner tires. The plate wheels are developed towards non-inner tires, light and high precision, with pressed wheels, forged aluminum alloy wheels and steel and aluminum all plane wheels as the representatives. The export of wheels for engineering machinery without inner tires, axle wheel steel and wheels for engineering machinery increases after China’s reentry to WTO.

7. Analysis on economic performances
   The construction periods is 18 months. The annual sales revenue is estimated at 21.77 million US dollars. The total investment will be reimbursed within 3 years at a return rate of 19%.

8. The form of the cooperation
   Joint venture, cooperation, technical introduction, stock control, stock holding, fund injection, or management introduction..
1. Project Name
   The Development of self-powered SF6 breaker and GIS of Shandong Taikai Electric Co., Ltd.

2. Company Profile
   Shandong Taikai Electric Co., Ltd. (formerly Taian High Voltage Switch factory) was founded in 1964 with an area of 160,000 square meters and a building area of 56,000 square meters. The total assets of the factory amount to 49.58 million US dollars, including the fixed assets of 20.56 million US dollars. It has a work force of over 1400 persons. It is a state-owned, large-sized class II enterprise and one of the “Key High-tech Enterprises” of the state “Torch Plan.” It has been awarded the title of the “Top 50 Tax and Profit Enterprises” in Shandong province machinery industry in 6 consecutive years, “Civilization Unit” in Shandong Province in 3 consecutive years and “Advanced Unit for Making the People Rich and Shandong Flourish.” The comprehensive economic indicators are in the top 10 places in the switch industry in China.

3. Construction conditions of the project
   The wheels without inner tires and wheels for engineering machinery are developed early with rather complete varieties and mature techniques. It shares a great portion on the domestic market. As for the infrastructure, the current land reserve and equipment left idle can be used.

4. Content and scale of the project
   The Company has a complete set of processing and testing equipment for production of 220kV or lower high voltage electric appliances and a purified assembly workshop with an area of 8000 square meters of high level and high quality. The Company has adopted advanced MIS management system and CAD/CAM technology broadly. It has established strict and efficient quality insurance system, laying a solid basis for the consecutive and steady improvement of quality.

5. The content and scale of the project
   To add totally more than 50 sets of equipment for 252kV impulse withstand voltage testing, pre-delivery testing and partial form testing, and pressing nest processing. To build new workshop and testing hall with an area of 10000 square meters. The annual production capacity is to reach 300 252kV self-powered SF6 breakers and 200 252kV whole sealing SF6 GIS products with advanced process engineering level in China.

6. Total investment and constitution of the capital
   The total investment of the project was estimated at 14.51 million US dollars.

7. Analysis on economic performances
   After the completion of the project, the sales revenue will increased by 60.46 million US dollars and profit by 4.84 million US dollars annually.

8. The form of the cooperation
   To be negotiated bilaterally.

9. The analysis and forecast on the market
   The 252kV breaker and GIS developed and manufactured by our company are equipped with all spring structure according to self-powered arc extinction principle. The design for arc extinction room is simplified, so as to reduce the operation work. It does not need supervision and the performance is reliable. The technical indicators are up to the internationally advanced level and the market potential is great.
6 - The Project of 100,000 Agricultural Vehicles Increased of Shandong Wuzheng Agricultural Vehicle Co., Ltd.

1. Project Name
   100,000 Agricultural Vehicle Increased of Shandong Wuzheng Agricultural Vehicle Co., Ltd.

2. Company Profile
   Shandong Wuzheng Agricultural Vehicle Co., Ltd. is a company with limited liabilities. It has a work force of 2000 persons, including 220 technicians. It covers an area of 190,000 square meters and a building area of 80,000 square meters. The total assets of the company amount to 21.03 million US dollars with an asset liability ratio of 81.1%. Its annual production capacity is 100,000 agricultural vehicles.

3. Construction conditions of the project
   There is quite complete infrastructure in the original factory, which can be fully used in the new project.

4. Content and scale of the project
   To adopt advanced agricultural vehicle production technology, equipment and process, to increase the annual production capacity to 200,000 agricultural vehicles. The project will be expanded and reconstructed in the original place of the company.

5. The investment, scale and budget of the project
   The total investment of the project was estimated at 8 million US dollars, of which fixed assets investment amounts to 6 million US dollars.

6. Analysis and forecast on the market
   The agricultural vehicle is developed in the specific market in China with Chinese characteristic, which conforms to the current consumption level of the farmers. After furious market competition, it has been on a steady development stage. It was estimated that the demand is 4.2 million sets by 2005, of which a small amount will be exported.

7. Total investment and constitution of the capital
   The total investment of the project was estimated at 14.51 million US dollars.

8. Analysis on economic performances
   The annual sales revenue is estimated at 90.69 million US dollars. The investment return period is 2 years at a return ratio of 40%.

9. The form of the cooperation
   Joint venture or cooperation
7 - The Project of Introduction of Assembly Lines for Car and Sedan Connecting Rod Bland Forging and Machining of Shandong Shanhai Connecting Rod General Co., Ltd.

1. Project Name
Introduction of Assembly Lines for Car and Sedan Connecting Rod Bland Forging and Machining of Shandong Shanhai Connecting Rod General Co., Ltd.

2. Company Profile
Shandong Shanhai Connecting Rod General Co., Ltd. is a collectively-owned enterprise. It has assets of 11.05 million US dollars, of which fixed assets amount to 5.47 million US dollars. The asset liability ratio is 49%. Its main products mix including 23 series 45 varieties of connecting rods for agricultural vehicles cars and sedans with an annual production capacity of 6 million pieces. In 2002, the company reported sales of 8.25 million US dollars, profit 1.21 million US dollars and foreign exchanged earned from export 0.86 million US dollars.

3. Construction conditions of the project
The project has been listed in the catalogue of key industries supported by the state and enjoys preferential policies. The processing techniques are sophisticated. The location is favorable with all complete water, workshop and electricity supply.

4. Content of the project
To introduce advanced technology and equipment from foreign countries and regions to set up new assembly lines for car and sedan connecting rod bland forging and machining, and to build a new workshop for car and sedan connecting rods 21 meters wide and 96 meters.

5. The investment, scale and budget of the project
The total investment of the project was estimated at 11.34 million US dollars, the rate of which will be decided through bilateral negotiations.

6. Analysis on the market
After reentry to the WTO of China, the state energetically encourages and supports the development of automobile industry in order to stimulate the economic growth. The domestic demand for the connecting rods is not less than 20 million pieces. The future of the market is bright. At the same, the company has established supply relationships with foreign clients in the US and Japan. The products will be exported on the international market as well.

7. Analysis on the economic performance
After the completion and starting operation of the project, annual sales revenue will be increased by 18.40 million US dollars, profit 5.13 million US dollars, foreign exchange earned 2 million US dollars. The investment return period is 4.51 years at a return rate of 33.9%.

8. The form of the cooperation
Joint venture, cooperation, or sole investment. The period is to be decided by negotiations.
1. Project Name
Expansion of Production Capacity for Crankshaft of Shandong Crankshaft General Works

2. Company Profile
Shandong Crankshaft General Works is a state-owned enterprise with a work force of 1700 persons, including 300 technicians. It covers an area of 358,000 square meters and workshop area of 130,000 square meters. The total assets of the works are 50.42 million US dollars, of which fixed assets amount to 34.46 million US dollars. The asset liability ratio is 55.9%. It produces 400,000 crankshafts of over 50 types including 6110 series, 6113 series, 6108 series, Kangmingsi series and WD615 series. It supplies for more than 30 famous companies of complete set machines with a market share of over 76%. In 2001 the works reported sales of 30.23 million US dollars and profit 2.7 million US dollars.

3. Construction conditions of the project
The demand for the raw material of the project can be met domestically. The construction condition is favorable with complete set of infrastructures.

4. Content and scale of the project
Forging project. To set up a modernized production line of 10,000 tons for crankshaft forging equipped with die processing center and forging heat treatment line with an annual production capacity of 300,000 (25000 tons) high-quality crankshaft die forgings with 4 or 6 cylinders. Machining project. To introduce key equipment for crankshaft processing to establish a processing line for flexibility 6 cylinder crankshafts with an annual capacity of 60,000 pieces.

5. The investment and capital constitution of the project
The total investment of the project is 58 million US dollars, the rate of which will be decided through bilateral negotiations.

6. Analysis on the market
The magnesium iron crankshafts produced by Shandong Crankshaft General Works is up to the internationally advanced standard. The production capacity has reached 400,000 pieces. The domestic market share exceeds 76%. Influenced by the state policies and technical advancement, the steel shafts market for sedans, medium and heavy-duty trucks have been rapidly developed. The state-owned and joint venture auto makers are asking the works to supply steel shafts fittings. The future for the development of steel shafts is bright with estimated annual demand of 300,000 pieces.

7. Analysis on the economic performance
The construction period of the project is 2 years. The annual sales revenue will reach 70.13 million US dollars. The investment return period is 5.5 years at a return rate of 34%.

8. The form of the cooperation
Joint venture or cooperation with a period of 20 years.
1. Project Name
   Engine Parts of Laiyang Tiangong Foundry Co., Ltd.

2. Company Profile
   Laiyang Tiangong Foundry Co., Ltd. is a stock-holding company. Its total assets and liabilities amount to 0.37 million and 0.15 million US dollars respectively. Its main products are founding, processing and export of machine parts. The annual processing capacity is 2500 tons. In 2002 the company reported sales of 0.28 million US dollars.

3. Construction conditions of the project
   There are ready-made workshop with sufficient power supply. The demand for the raw material of the project can be met domestically.

4. Content and scale of the project
   To produce engine parts and auto parts with introduction of air blast molding line and support equipment from German BMD.

5. The investment and capital constitution of the project
   The total investment of the project is 12 million US dollars. The shares of Chinese party are 30% and the foreign party 70%.

6. Analysis on the market potential
   The products are mainly used as supporting parts for the domestic and overseas large-sized companies. The market potential is great.

7. Analysis on the economic performance
   The annual sales revenue will reach 70 million US dollars. The investment return period is 5 years at a return rate of 20%.

8. The form and period of the cooperation
   Joint venture with a period of 20 years
1. Project Name
Mixed Flow Turbocharger of Yantai Vast Co., Ltd.

2. Company Profile
Yantai Vast Co., Ltd. is a joint venture enterprise with total assets of 16.93 million US dollars and total liabilities of 9.43 million US dollars. Its main products are thin-wall steel chrome-plated cylinder sleeves. It produces 700,000 pieces thin-wall chrome-plated steel cylinder sleeves every year. In 2002 the company reported sales 7.13 million US dollars, profit 0.82 million US dollars and foreign exchange earned from export 1.1 million US dollars.

3. Construction conditions of the project
There are ready-made workshop with sufficient power supply. The demand for the raw material of the project can be met domestically.

4. Content and scale of the project
To introduce advanced equipment for production of superchargers for vehicle use.

5. The investment and capital constitution of the project
The total investment of the project is 12.05 million US dollars. The shares of Chinese party are 60% and the foreign party 40%.

6. Analysis on the market potential
The products are mainly used in automobile engines to improve the motive power of the engines, to increase the economy of the fuels and to reduce the exhaust discharges. The products are mostly sold to Chaochai, Guangxi Yuchai and main engine producers in Chengdu. The market potential is great.

7. Analysis on the economic performance
The annual sales revenue will reach 33.73 million US dollars. The investment return period is 3 years at a return rate of 45.48%.

8. The form and period of the cooperation
Joint venture with a period of 20 years.
11 - The Project of Renovation of the Production Line for Sweeping Cars of Yantai Haide Group

1. Project Name
   Renovation of the Production Line for Sweeping Cars of Yantai Haide Group.

2. Company Profile
   Yantai Haide Cleaning Machinery Co., Ltd. is a stock-holding enterprise under Haide Group. It has a workforce of 200 persons and covers an area of 120,000 square meters and a building area of 15,000 square meters. The total assets of the company amount to 9.68 million US dollars. It is a specialized producer of sweeping machinery and over 30 types of semi trailer and several varieties of tippers with an annual production capacity of 3000 sets of different kinds of vehicles. Among the products, 8 items are up to the internationally advanced standard, 4 items are awarded state patents, 6 items fill up gaps in China.

3. Construction conditions of the project
   The project is located in the Haide Group Industrial Development Zone within the Yangma Island Traveling and Vacation Zone in Yantai with an area of 2000 mu, leaving sufficient space for future development. The supply of water, electricity, heat and gas can meet the need. The transpiration is convenient. There is adequate supply of raw materials.

4. Content of the project
   The project is designed to renovate the current production line, enlarge the production scale and increase the market share of the products by making full use of the existing facilities and a part of equipment, introducing foreign funds and advanced management experiences, and purchasing advanced production equipment from foreign countries and regions.

5. The investment and capital constitution of the project
   The total investment and registered capital of the project are 20 million US dollars respectively. The Chinese party and foreign party each contribute 10 million US dollars, accounting for 50% of the shares respectively.

6. Analysis on the market potential
   With the progress of China’s reform jointing with the world, the large cities will be developed into international metropolises, forming a big market for the sweeping car. It is a trend to apply mechanical sweeping. There is a spacious land and are many cities in China. Only in Beijing, the demand for sweeping cars is about 2000 sets, but there are 30 sets in use at present. The total annual production capacity of sweeping cars in China is 1500 sets, with a big gap from the market demand. The YHD5050TSL sweeping car of our company, with high technical contents and high added value, conforms to the state industry investment policies. The market potential is great.

7. Analysis on the economic performance
   After completion of the project, the annual production capacity will increased to 400 YHD5050TSL sweeper cars. The annual sales revenue will reach 14.81 million US dollars, and profit 3.98 million US dollars. The investment return period is about 4.86 years.

8. The form and period of the cooperation
   Joint venture, cooperative operation, technical support or compensation trade with a period of 10~30 years.
1. **Project Name**
Top-grade AI Electric Sedan Massage Seats with an Annual Capacity of 200,000 Sets of Shandong Zhaoyuan Kangtai Group.

2. **Company Profile**
Shandong Zhaoyuan Kangtai Group is a comprehensive company integrated with production of meters and machinery. It has a work force of over 960 persons, of which 545 are technicians. It covers an area of 40,000 square meters and a building area of 32,000 square meters. The fixed assets of the company amount to 10.40 million US dollars. It can produce 20,000 full automatic intelligent massage seats annually, and processes 200,000 sets (pieces) of parts for electric massage seats and 100,000 sets (pieces) of sewing works for top-grade seats for Japanese Panasonic Inc. In 2002 the company reported sales of 24.18 million US dollars, tax and profit 3.63 million US dollars (profit 2.18 million US dollars) and foreign exchange earned from export 10.50 million US dollars.

3. **Construction conditions of the project**
The company is located in the urban area of the gold capital of China --- Zhaoyuan City, nearby Qingdao, Yantai, Weifang and Longkou. There are favorable investment environment with convenient transportation and telecommunication conditions. The main raw materials of the project such as plates, tubes and sewing materials can be supplied by the domestic market. Other materials and assistant production materials can also be supplied on the domestic market.

4. **Content of the project**
In addition to the original production of full automatic AI massage chairs and auto seats, the project is designed to build a new production line for 200,000 sets of top-grade auto seats annually through introduction of foreign capital.

5. **The investment of the project**
The total investment of the project is 5 million US dollars, including fixed assets investment of 4 million dollars. The capital should be contributed by cash.

6. **Analysis on the market potential**
With the rapid development of China’s automobile industry, more and more consumers pay attention to the outside appearance, seats and interior decoration of their cars, including style, function and comfortability. The project will adopt internationally advanced technology to add artificial intelligence massage function to the top-grade 8-digit adjustment in order to meet the different market demand.

7. **Analysis on the economic performance**
After completion and starting operation of the project, the annual sales revenue will reach 70 million US dollars and the investment return period is about 1 year.

8. **The form and period of the cooperation**
Joint venture, or sole investment by foreign party, who can hold the majority shares with a period of over 10 years.
The Project of Plastic Parts for Automobile Air Conditioners of Yantai Shougang Dongxing Group Co., Ltd.

1. Project Name
   Plastic Parts for Automobile Air Conditioners of Yantai Shougang Dongxing Group Co., Ltd.

2. Company Profile
   Yantai Shougang Dongxing Group is a state-owned enterprise with 16 subsidiaries and a work force of over 2600 persons. The assets liability ratio is 58.6%. It can produce 2500 tons of metallurgical spare parts and 2.4 million petroleum penetrating charges, 250,000 automobile connection boxes, 500,000 sets of automobile air condition tubes, 360,000 automobile air condition systems, 2600 low and high voltage switch cabinets, 5000 hard alloy WC roll collars and 600 tons of neodymium ferrous boron permanent magnetism materials. In 2002 the company reported sales of 106 million US dollars, profit 8.32 million US dollars and foreign exchange earned from export 0.59 million US dollars.

3. Construction conditions of the project
   The project is located in the Dongxing Industrial Park within the Yantai Economic and Technological Development Zone. Shougang Dongxing Group will provide a workshop of 3600 square meters, small-sized equipment and a part of public utilities. The supply of water and electricity can meet the demand.

4. The investment and capital constitution of the project
   The total investment of the project is 5 million US dollars, of which the Chinese party contributes 51% and the foreign party contributes 49% or negotiated by the two parties.

5. Analysis on the market potential
   With the rapid development of China’s automobile industry, the demand for auto furniture is boosted. The auto air conditioner has become the important choice of the auto buyers. At present 80~90% of the common cars and 100% of the to-grade cars, 60~80% of the minibuses and about 30% of the light vehicles are furnished with air conditioners. There are more than 150 air conditioner manufacturers in China, among which 30 produces large-sized air conditioner plastic parts, but there is few can meet the demand for top-grade cars. The market potential is great.

6. Analysis on the economic performance
   After completion and starting operation of the project, the annual sales revenue will reach 7.3 million US dollars and profit 1.68 million US dollars. The investment return ratio is about 30%.

7. The form and period of the cooperation
   Joint venture, cooperative operation or negotiated by the two parties with a period of 15~20 years or decided through bilateral negotiations.
14 - The Project of Punching and Extruding Parts of Yantai Shougang Dongxing Group

1. Project Name
   Punching and Extruding Parts of Yantai Shougang Dongxing Group

2. Company Profile
   Yantai Shougang Dongxing Group is a state-owned enterprise with 16 subsidiaries and a work force of over 2600 persons, including over 500 technicians. It covers an area of 510,000 square meters, of which 210,000 square meters is Dongxing Industrial Park. The assets liability ratio is 58.6%. It can produce 2500 tons of metallurgical spare parts and 2.4 million petroleum penetrating charges, 250,000 automobile connection boxes, 500,000 sets of automobile air condition tubes, 360,000 automobile air condition systems, 2600 low and high voltage switch cabinets, 5000 hard alloy WC roll collars and 600 tons of neodymium ferrous boron permanent magnetism materials. In 2002 the company reported sales of 106 million US dollars, profit 8.32 million US dollars and foreign exchange earned from export 0.59 million US dollars.

3. Construction conditions of the project
   The project can make full use of the punching workshop of 4000 square meters, 50 sets 6.3~630 tons of punching and extruding equipment and a part of machining equipment. The supply of water and electricity can fully meet the demand.

4. The content of the project
   To introduce advanced automobile punching technology and to enlarge the processing scope.

5. The investment and capital constitution of the project
   The total investment and registered capital of the project are 7 million US dollars and 4 million US dollars respectively, of which the Chinese party and foreign party each contribute 50%, or to be negotiated by the two parties.

6. Analysis on the market potential
   The auto air conditioner punching parts are mainly used to support the 18 domestic auto makers including Yantai Shougang Electric Fitting Co., Ltd., Guangzhou Honda, Tianjin Xiali, Beijing Cherokee, Liuzhou Automobile, Hunan Changfeng, Fuzhou Auto, Shenyang Jinbei, Xiaosong Shantui and Toyota Coaster. The productive output reaches 4.8 million pieces, which still cannot meet the demand. With the rapid development of China’s automobile manufacture industry, Shanhai GS Dongyue Auto Co., Ltd. invested by Shanghai GS has started operation in Yantai Development Zone to produce Sail cars. The demand for air conditioner tubes will be continuously increased and the market potential is great.

7. Analysis on the economic performance
   After completion and starting operation of the project, the annual sales revenue will reach 6 million US dollars and profit 2 million US dollars. The investment return ratio is about 30%.

8. The form and period of the cooperation
   Joint venture, cooperative operation or negotiated by the two parties with a period of 15~20 years or to be decided through bilateral negotiations.
1. Project Name
   Overweight Dipper of Qilu Kogel Group Co., Ltd.

2. Company Profile
   Qilu Kogel Group Co., Ltd. has a workforce of 5000 persons, including 278 technicians. It covers an area of 900,000 square meters and a building area of 150,000 square meters. The total assets of the company amount to 39.45 million US dollars and registered capital is 14.50 million US dollars. Total liabilities amount to 21.66 million US dollars and fixed amounts are 28.94 million US dollars. It mainly produces special purpose vehicles and mechanical products for common use. It can produce 10,000 sets of special purpose vehicles. In 2001 the company reported sales of 82.58 million US dollars, profit 0.75 million US dollars and foreign exchange earned from export 1.85 million US dollars.

3. Construction conditions of the project
   The transportation is convenient. The technical basis is solid with complete set of water and electricity supply and other public utilities.

4. The content of the project
   To produce 200 overweight dippers annually.

5. The investment of the project
   The project is on the list of encouraged industries by the state. Its total investment is 10 million US dollars. The foreign party is expected to invest 4 million US dollars.

6. Analysis on the market potential
   The demand on the domestic market is estimated at 400 sets. The products enjoy a market share of 50%, 90% of which will be sold on the domestic market and 10% will be exported to the international market. The domestic market potential is great.

7. Analysis on the economic performance
   After completion and starting operation of the project, the annual sales revenue will reach 20 million US dollars and profit after tax 3 million US dollars. The annual export value will be 1 million US dollars. The investment return ratio is estimated at 15% with an internal return rate of 20% and return period of 6 years.

8. The form of the cooperation
   Joint venture, or cooperative operation with a period of 20 years. The construction period will last for 2 years.
1. Project Name
   Environmental Friendly Tank Cars of Qilu Kogel Group Co., Ltd.

2. Company Profile
   Qilu Kogel Group Co., Ltd. has a work force of 5000 persons, including 278 technicians. It covers an area of 900,000 square meters and a building area of 150,000 square meters. The total assets of the company amount to 39.45 million US dollars and registered capital is 14.50 million US dollars. Total liabilities amount to 21.66 million US dollars and fixed amounts are 28.94 million US dollars. It mainly produces special purpose vehicles and mechanical products for common use. It can produce 10000 sets of special purpose vehicles. In 2001 the company reported sales of 82.58 million US dollars, profit 0.75 million US dollars and foreign exchange earned from export 1.85 million US dollars.

3. Construction conditions of the project
   The transportation is convenient. The technical basis is solid with complete set of water and electricity supply and other public utilities.

4. The content of the project
   To produce 8000 oil tank cars, spraying cars, bulk cement cars, heavy oil heat insulated cars and cement mixer lorries annually.

5. The investment of the project
   The project is on the list of encouraged industries by the state. Its total investment is 6.89 million US dollars. The foreign party is expected to invest 4.72 million US dollars.

6. Analysis on the market potential
   The demand for the products on the domestic market is estimated at 40000 sets. The product enjoys a share of 20% on the domestic market with a sale rate of 100%.

7. Analysis on the economic performance
   After completion and starting operation of the project, the annual sales revenue will reach 60.46 million US dollars and profit after tax 1.62 million US dollars. The investment return ratio is estimated at 23.5% with a return period of 5.5 years.

8. The form of the cooperation
   Joint venture, or cooperative operation with a period of 20 years. The construction period will last for 2 years.
1. Project Name
2. Casting Center of China National Heavy Duty Truck Group Co. Ltd.
3. Company Profile
4. China National Heavy Duty Truck Group Jinan Auto Parts Co., Ltd. is a state-owned enterprise with a work force of 2450 persons, including 659 technicians. The plant site covers an area of 400,000 square meters and a building area of 150,000 square meters. The total assets of the company amount to 30.65 million US dollars. It mainly produces transmission shaft assemblies, wheel assemblies, auto seats, steering wheels, high-pressure castings, vacuum suction plastic products, wiring harnesses, sound insulation composite materials and other interior decorations. In 2001 the company reported sales of 36.28 million US dollars.
5. Construction conditions of the project
6. The Company has a solid technical basis and convenient transportation conditions with complete set of water and electricity supply and factory buildings.
7. The content of the project
8. On the basis of the existing casting facilities, the project is to be set up in another place selected to carry out technical innovations and reallocation of the exiting assets. Some advanced production lines will be established with key equipment such as workshop and supporting power facilities for melting, molding, and sand treatment, core making and casting finishing. The annual capacity will reach 15000 tons of shell body type castings.
9. The investment of the project
10. The total investment of the project is 10.86 million US dollars.
11. Analysis on the market potential
    The products are mainly used as fittings inside the group (12000 tons annually), and the others are sold in the social market and for export.
12. Analysis on the economic performance
    After completion and starting operation of the project, the annual sales revenue will reach 9.68 million US dollars and profit 1.94 million US dollars. The investment return period is estimated at 6 years.
13. The form and period of the cooperation
    Joint venture, or technical cooperation
1. Project Name
Automobile Seats of China National Heavy Duty Truck Group Co. Ltd.

2. Company Profile
China National Heavy Duty Truck Group Jinan Auto Parts Co., Ltd. is a state-owned enterprise with a work force of 2450 persons, including 659 technicians. The plant site covers an area of 400,000 square meters and a building area of 150,000 square meters. The total assets of the company amount to 30.65 million US dollars. It mainly produces transmission shaft assemblies, wheel assemblies, auto seats, steering wheels, high-pressure castings, vacuum suction plastic products, wiring harnesses, sound insulation composite materials and other interior decorations. In 2001 the company reported sales of 36.28 million US dollars.

3. Construction conditions of the project
The Company has a solid technical basis and convenient transportation conditions with complete set of water and electricity supply and factory buildings.

4. The content of the project
On the basis of the existing technical conditions such as factory buildings and equipment, the project is designed to set up new production lines for powder painting dressing and welding to form an annual production capacity of 40000 sets (pieces) luxury driver seats and air suspension seats.

5. Analysis on the economic performance
After completion and starting operation of the project, the annual sales revenue will reach 9.68 million US dollars and profit 0.97 million US dollars. The investment return period is estimated at 3 years.

6. The investment of the project
The total investment of the project is 2.56 million US dollars.

7. Analysis on the market potential
The products are mainly used as fittings inside the group (30000 sets (pieces) annually), and the others are supplied to the social market.

8. The form and period of the cooperation
Joint venture, or technical cooperation
19 - The Project of Pressed Wheels of China National Heavy Duty Truck Group Co. Ltd.

1. Project Name
   Pressed Wheels of China National Heavy Duty Truck Group Co. Ltd.

2. Company Profile
   China National Heavy Duty Truck Group Jinan Auto Parts Co., Ltd. is a state-owned enterprise with a work force of 2450 persons, including 659 technicians. The plant site covers an area of 400,000 square meters and a building area of 150,000 square meters. The total assets of the company amount to 30.65 million US dollars. It mainly produces transmission shaft assemblies, wheel assemblies, auto seats, steering wheels, high-pressure castings, vacuum suction plastic products, wiring harnesses, sound insulation composite materials and other interior decorations. In 2001 the company reported sales of 36.28 million US dollars.

3. Construction conditions of the project
   The Company has a solid technical basis and convenient transportation conditions with complete set of water and electricity supply and factory buildings.

4. The content of the project
   On the basis of the existing technical conditions such as factory buildings and equipment, the project is designed to set up new production lines for heavy duty wheel rims without inner tires and welding assembly, and to renovate the original wheel production line to form an annual production capacity of 200000 pieces of wheels without inner tires and 350000 pieces of shape steel wheels.

5. The investment of the project
   The total investment of the project is 8.32 million US dollars.

6. Analysis on the market potential
   The products are mainly used as fittings inside the group (over 300000 pieces annually), and the others are supplied to the social market.

7. Analysis on the economic performance
   After completion and starting operation of the project, the annual sales revenue will reach 9.68 million US dollars and profit 1.94 million US dollars. The investment return period is estimated at 5 years.

8. The form and period of the cooperation
   Joint venture, or technical cooperation
20 - The Project of Combined Type Boxcars

Project profile

1. Background: The company mainly produces combined type boxcars, which are sold to CKD cooperative companies in other cities in China and Japan, the US, Europe and Africa.

2. Market analysis: The quality of the products is reliable and demand of the products is steady with great market potential.

3. Production scale: 10000 sets annually

4. Sources of raw materials: Domestic

5. Sales areas: domestic and Japan, the US, Europe and Africa

6. Forms of cooperation: joint venture or cooperative operation

7. Total investment: 27.70 million US dollars

8. Investment expected from foreign partners: capital or technology

9. Construction site: Changchun Economic and Technological Development Zone

10. Floor area: 160000 square meters

11. Building area: 60000 square meters


21 - The Project of Color Plastic Bumper, Fuel Tank and Air Tunnel

Project profile

1. Background: to produce injection molding color painting plastic bumpers, fuel tanks, air tunnels and other plastic auto parts for FAW Volkswagen. The products have passed the attestation of ISO9002, VDA and ISO/TS16949.

2. Market analysis: With the rapid development of China’s auto industry and the increasing of consumption demand, the product has a bright market prospect.

3. Production scale: 300,000 sets of bumpers and fuel tanks and 200,000 sets of air tunnels annually

4. Sources of raw materials: Domestic

5. Sales areas: domestic

6. Forms of cooperation: joint venture or cooperative operation

7. Total investment: 120 million US dollars

8. Investment expected from foreign partners: capital or technology

9. Construction site: Changchun Economic and Technological Development Zone

10. Floor area: 450000 square meters

11. Building area: 160000 square meters


13. The progress of the project: approved

??The company profile

1. Company name: Changchun Junzilan Group Co., Ltd.

2. Ownership: state-owned

3. Legal representative: Liu Tiegao

4. Legal address: Changchun Economic and Technological Development Zone

5. Company profile: the company has a workforce of 3360 persons. In 2001 it reported annual sales of 62.61 million US dollars. The company has a floor area of 450000 square meters and a building area of 160000 square meters.

6. Construction and production conditions provided for the project: technology and equipment
22 - the Project of Automobile Air Cleaner

Project profile

1 Background: The company is mainly engaged in the production of automobile air cleaners, filter elements, automobile meters and electric appliances for FAW and its subsidiaries, FAW Volkswagen, Shanghai Cherry Auto Works and Beijing Auto Toyota Works.

2 Market analysis: The product adopts advanced technology. The market prospect is bright with steady consumers.

3 Production scale: 570,000 pieces of air cleaners and 210,000 pieces of filter elements annually

4 Sources of raw materials: domestic and overseas

5 Sales areas: domestic

6 Forms of cooperation: joint venture

7 Total investment: 12 million US dollars

8 Investment expected from foreign partners: capital or technology

9 Construction site: Changchun Economic and Technological Development Zone

10 Floor area: 21000 square meters

11 Building area: 12000 square meters

12 Analysis on economic performances: Annual sales revenue 11 million US dollars, profit 1.5 million US dollars after completion.

13 The progress of the project: approved

The company profile

1 Company name: Changchun Automobile Air Cleaner Co., Ltd.

2 Ownership: state-owned

3 Legal representative: Xu Xiantao

4 Legal address: Changchun Economic and Technological Development Zone

5 Company profile: the company has a workforce of 469 persons. In 1999, 2000 and 2001 it reported annual sales of 2.56 million, 2.83 million and 6.40 million US dollars respectively. The company has passed the attestation of VDA6.1, QS9000 and ISO9000 (2000).

6 Construction and production conditions provided for the project: factory buildings and equipment

23 - The Project of Automobile Engine Pressing

Project profile

1 Background: The company is mainly engaged in the production of automobile engine pressing belt wheels and water pumps for the automobile engine producers and automobile water pumps makers.

2 Market analysis: The product adopts advanced technology. The market prospect is bright with steady consumers.

3 Production scale: 1 million pieces annually

4 Sources of raw materials: domestic and overseas

5 Sales areas: domestic

6 Forms of cooperation: joint venture or cooperative operation

7 Total investment: 3.61 million US dollars

8 Investment expected from foreign partners: capital or technology

9 Construction site: Changchun Economic and Technological Development Zone

10 Floor area: 76000 square meters

11 Building area: 20000 square meters

12 Analysis on economic performances: Annual productive output 7.23 million US dollars, profit 0.64 million US dollars.

13 The progress of the project: approved

The company profile

1 Company name: Changchun Automobile Pressing Products Co., Ltd.

2 Ownership: liability limited

3 Legal representative: Wang Fumin
4. Legal address: Changchun Economic and Technological Development Zone
5. Company profile: the company has a workforce of 72 persons. In 1999, 2000 and 2001 it reported annual sales of 2.80 million, 3.20 million and 3.08 million US dollars respectively. The company has passed the attestation of ISO9001.
6. Construction and production conditions provided for the project: factory buildings and equipment

24 - The Project of Sedan Seats

Project profile
2. Market analysis: The product adopts advanced technology. The market prospect is bright with steady consumers.
3. Production scale: 150000 sets of seats annually
4. Sources of raw materials: domestic
5. Sales areas: domestic
6. Forms of cooperation: joint venture
7. Total investment: 6.02 million US dollars
8. Investment expected from foreign partners: capital
9. Construction site: Changchun Economic and Technological Development Zone
10. Floor area: 82900 square meters
11. Building area: 62000 square meters
13. The progress of the project: approved

The company profile
1. Company name: Changchun Xuxu Industrial (Group) Co., Ltd. Seats Branch
2. Ownership: non-governmental
3. Legal representative: Zhang Jingyi
4. Legal address: Changchun Economic and Technological Development Zone
6. Construction and production conditions provided for the project: Technologies and equipment
25 - The Project of Seat Framework for Cars (Sedans)

? Project profile
1 Background: The company mainly produces sedan seat frameworks and assemblies, luxury passenger car and top-grade truck seat frameworks and assemblies for FAW Volkswagen and FAW Group. The products passed the attestation of ISO9001, QS9000 and VDA6.1.
2 Market analysis: The product adopts advanced technology. The market prospect is bright with steady consumers.
3 Production scale: 200000 sets annually
4 Sources of raw materials: domestic and overseas
5 Sales areas: domestic
6 Forms of cooperation: joint venture or cooperative operation
7 Total investment: 6 million US dollars
8 Investment expected from foreign partners: capital or technologies
9 Construction site: Changchun Economic and Technological Development Zone
10 Floor area: 87000 square meters
11 Building area: 45000 square meters
12 Analysis on economic performances: Annual productive output 12 million US dollars, profit 1.45 million US dollars.
13 The progress of the project: approved

? The company profile
1 Company name: Changchun Xuxu Industrial (Group) Co., Ltd. Seats Branch
2 Ownership: stock holding
3 Legal representative: Liu Baoxiang
4 Legal address: Changchun Economic and Technological Development Zone
5 Company profile: The company has a workforce of 1000 persons. In 2001 it reported annual sales of 25 million US dollars.
6 Construction and production conditions provided for the project: factory buildings and equipment

26 - The Project of Vacuum Servo and Control Valve

? Project profile
1 Background: The project is designed to produces vacuum servos and control valves for FAW Volkswagen and FAW Group, No.2 Automobile Group Shenlong Auto Co., Ltd., Tianjin Xiali, Chongqing Changan, Hafei Automobile.
2 Market analysis: The product adopts advanced technology. The market prospect is bright with steady consumers.
3 Production scale: 50000 sets annually
4 Sources of raw materials: domestic and overseas
5 Sales areas: domestic
6 Forms of cooperation: joint venture or cooperative operation
7 Total investment: 4.22 million US dollars
8 Investment expected from foreign partners: capital or technologies
9 Construction site: No. B16, Weixing Road
10 Floor area: 20000 square meters
11 Building area: 15000 square meters
12 Analysis on economic performances: Annual productive output 7.23 million US dollars, profit 0.74 million US dollars.
13 The progress of the project: approved

? The company profile
1 Company name: Jilin Automobile Breaker Works
2 Ownership: state-owned
3 Legal representative: Zhao Songnian
4 Legal address: Changchun High-tech Industrial Development Zone
5 Company profile: The company has a workforce of 1595 persons. In 2000 and 2001 it reported
annual sales of 13.41 million and 15 million US dollars respectively. The company has passed the attestations of QS9000 and VDA6.1.

6. Construction and production conditions provided for the project: technologies and equipment

27 - The Project of Automobile DC Motors

Project profile

1. Background: Changchun is a famous automobile manufacture base in China. FAW Volkswagen and FAW Group are the key enterprises in the auto industry. The DC motor for automobile is one of the key products of auto manufacture industry.

2. Market analysis: With the expansion of auto production, the demand for DC motors will be continuously increased. The market prospect is bright.

3. Production scale: 500,000 sets annually

4. Sources of raw materials: domestic

5. Sales areas: domestic

6. Forms of cooperation: joint venture or cooperative operation

7. Total investment: 8.28 million US dollars; Investment ratio: Chinese party 30%, foreign party 70%.

8. Investment expected from foreign partners: cash or equipment

9. Construction site: Changchun Economic and Technological Development Zone

10. Floor area: 50,000 square meters

11. Building area: 30,000 square meters

12. Analysis on economic performances: Annual productive output 120 million RMB yuan, profit 12 million RMB yuan, tax 20.40 million RMB yuan.

13. The progress of the project: Feasibility study report has been completed.

The company profile

1. Company name: Changchun Yongtai Co., Ltd.

2. Ownership: state-owned

3. Legal representative: Du Qingshan

4. Legal address: Nongda North 4 Road, Changchun Jingyue Economic and Tourism Development Zone

5. Company profile: The company has assets of 69.54 million US dollars and its registered capital is 0.36 million US dollars. It mainly produces electric motors, automobile fuel tanks and civil explosives. It has a workforce of 1544 persons, including 183 technicians.

6. Construction and production conditions provided for the project: land, factory buildings, public utilities, equipment and part of current funds
The annual production capacity of steam turbines will be increased from the current 80MW to 300MW, unit capacity from under 12MW to 25MW. The annual sales revenue will reach 200 million RMB yuan. The capital introduced will be used to increase production equipment and cash flow.

**Forms of cooperation:**
Joint venture (ownership right transfer)

**Period of cooperation:**
Through friendly negotiations

**Total investment of the project:** 10000 US dollars
15 million US dollars (7.20 million US dollars has been invested)

**Capital Contribution and Constitution of the Chinese Party**
55% ?technical know-how, machinery and equipment, current assets

**Capital Contribution and Constitution of the foreign Party:**
45%?Machinery, equipment and fluid fund

**Estimated Investment return period:**
10 years

**Construction site:**
Guangzhou Nansha Technological Development Zone

The infrastructure provided by the local companies:
20000 square meters of factory buildings in Nansha Fanyu (in the form of lease)

**Raw materials:**
All the materials can be purchased domestically.

**Category of the project**
Heat energy power equipment

**Attachment:** Background of the Chinese party

**Background A:**
1. Ownership:
2. Date of establishment:
3. Registered capital:
4. Business scope:
5. Production scale:
6. Plant site:
7. Factory building area:
8. Number of staffs:
9. Number of technicians:

Joint venture
December 1994
7.20 million US dollars
Sales, manufacture and production of steam turbines and power generation equipment
Background B:
The current technological and business state:

The company is mainly engaged in production of industrial steam turbines and parts. It is one of the key designated steam turbine enterprises of the former National Machinery Ministry. The main product mix comprises steam turbines domestically made and with technologies introduced from foreign countries. The domestically made steam turbines are mainly steam turbines with unit power less than 6000 kW, including back pressure and suction condensation units. The steam turbines with technologies introduced are mainly steam turbines with unit power 3000~25000kW, whose performances, liability and automation are up to the international advanced standard. It is in the leading place in the same industry in China. The steam turbines with unit power under 25MW for electricity generation and driving adopts Czech SKOD technology, which is up to the internationally advanced standard in the 1990’s.
Project Name: High performance Automobile Engine Bearing Bush

Project Profile:
Anda Bearing Bush Co., Ltd. sells 80% of its products to the large auto makers. Especially the high requirement and high precision quality contributes a lot to the domestication of the introduced bearing bushes. Part of its products is exported to the foreign countries. The company is a famous enterprise in the auto parts industry in China. It enjoys a sizable market share in China’s auto engine bearing bushes.

Forms of cooperation: Joint venture or cooperative operation
Period of cooperation: Through face-to-face negotiations
Total investment of the project: (10000 US dollars)
5 million US dollars

Capital Contribution and Constitution of the Chinese Party
Equipment, funds, technologies and factory buildings
Capital Contribution and Constitution of the foreign Party:
Estimated Investment return period: 3 years

Construction site:
Guangzhou Non-governmental Business Scientific and Technological Park

The infrastructure provided by the local companies:
Complete set of equipment and factory buildings and old-hand workers
Raw materials:

Category of the project by state standard
Auto and motorcycle parts

Attachment: Background of the Chinese party

Background A:
1. Ownership:
2. Date of establishment:
3. Registered capital:
4. Business scope:
5. Production scale:
6. Plant site:
7. Factory building area:
8. Number of staffs:
9. Number of technicians:

Stock holding

The company specializes in the production of engine bearing bushes, linings, plummer blocks and linings for motorcycles and compressors. It can produce 40 million engine bearing bushes for different automobiles annually.
Background B:
The current technological and operation state:

The state of technologies: The company has its own technical working station. It developed CAD software. It is one of the bearing bush producers that can carry out independent product design. The state of operation: 80% of the products sold to the large auto makers. The products enjoy a big portion of market shares.
30 - Automobile Electronics
Project Name: Automobile Electronics

Project Profile:
To develop and produce automobile electronics, leading the development direction of automobile
to electronics, multimedia and intelligence.

Forms of cooperation:
Joint venture, cooperative operation or other forms

Period of cooperation:
10 years

Total investment of the project: (10000 US dollars)
2 million US dollars

Capital Contribution and Constitution of the Chinese Party
1 million US dollars, 50%

Capital Contribution and Constitution of the foreign Party: 1 million US dollars, 50%

Estimated Investment return period: 2 years

Construction site:
Within the plant site of the company’s subsidiaries or other places to be decided through bilateral
negotiations

The infrastructure provided by the local companies:
Raw materials:
The key materials are imported and others are purchase on the domestic market.

Category of the project by the state standard
Scientific and technological

Attachment: Background of the Chinese party
Background A:
1. Ownership:
2. Date of establishment:
3. Registered capital:
4. Business scope:
5. Production scale:
6. Plant site:
7. Factory building area:
8. Number of staffs:
9. Number of technicians:
State-owned (limited liability)
August 1996
242.96 million RMB yuan
Sales, manufacture of electronic products and telecommunication equipment, computers and parts, medical instruments, industrial automation facilities, movie and television equipment, instrument and meters, photo and recording equipment, household appliances. Wholesale and retail (excluding the goods under special control and operation of the state). Electronic equipment maintenance. Investment in, management on and earning from the share holding companies. Import and export of goods and technologies for self purpose or as agent (without separate import and export goods category), excluding the goods and technologies restricted or prohibited by the state. Operation of processing with imported material and processing with materials, parts and samples and compensation trade. Entrepot trade.

Background B:
The current technological and business state:
Project Name:
Guangzhou Huadu Automobile City

Project Profile:
The automobile city covers an area of 15 square meters. Guanzhou Fengshen Auto Co., Ltd. has been completed and started operation with an estimated annual production capacity of 300000 automobiles by 2006. The automobile city will be built into a comprehensive modernized auto city integrated with auto manufacture, auto parts production, auto trade and services, auto logistics, auto expo, auto science and technology, auto information and auto entertainment. Fengshen Auto Co., Ltd. will serve as the head of the dragon. Huadu Automobile City shall become a nuclear market for auto trade in south China and a significant base for entire car and auto parts production.

Forms of cooperation:
Joint venture, cooperative operation or sole investment

Period of cooperation:
To be decided

Total investment of the project: (10000 US dollars)
To be decided by the production scale

Capital Contribution and Constitution of the Chinese Party
land
Capital Contribution and Constitution of the foreign Party:
Estimated Investment return period:
Construction site:
Huagang Avenue, Huadu District, Guangzhou City
The infrastructure provided by the local companies:
Complete set of water, electricity, road, telecommunication equipment
Raw materials:

Guide to Investment in Huadu District and Guangzhou Huadu Automobile City

Category of the project by the state standard
Encouraged

Attachment: Background of the Chinese party
Background A:
1. Ownership:
2. Date of establishment:
3. Registered capital:
4. Business scope:
5. Production scale:
6. Plant site:
7. Factory building area:
8. Number of staffs:
9. Number of technicians:
32 - Jiangbei Machinery Factory of China Sanjiang Space Group
Modification project of automobile pressing parts lines with an annual production of 60000 sets

Project Content: This project is to utilize the existing equipment and facilities, expand the factory buildings and reinforce some processing equipment.

Total investment and constitution of the capital: Total investment amounts to 59.74 million RMB yuan, among which fixed assets are 29.74 million RMB yuan and fluid fund is 30 million RMB yuan.

Evaluation on the economic performances: Annual sales 140 million RMB yuan and profit 15.32 million RMB yuan.

Production Line of Auto Seats with an Annual Production Capacity of 50000 sets of Hubei Sanjiang Auto Interior Decoration Co., Ltd.

1. Project content: The project is designed to increase the annual capacity to 50000 sets of auto seats through introduction of advanced auto seats production lines, production process, detection method, and management system from foreign countries.

2. Investment and economic performances: Total investment 50 million RMB yuan. Annual sales revenue 200 million RMB yuan and profit 20 million RMB yuan.

33 - Investment Invitation for Automobile and Motorcycle Fittings Market in Yidu City

Investment Invitation

Yidu city is located in the interjunction of east Sichuan, west Hubei and north Hunan. It is a traffic main artery and commodity distributing center from E’Xi Autonomous Prefecture, Chongqing, and East Sichuan to Hunan, Guangdong and Guangxi. It is 40 kilometers from Yidu city to Yichang city (the Three Gorges Dam), 25 kilometers to Three Gorges Airport. Jiaoliu railway, Yichang-Wuhan-Huangshi Express Highway, Hurong Express Highway, 318 National Highway pass through the city. The Zhiceng Port in the city is one of the 9 largest water-railway combined transportation ports. The transportation is convenient and the environment is elegant.

There are 16000 cars and 30000 motorcycles in the city, the quantity of which are increased by 200 monthly. There is no big specialized market around 200 kilometers for such as big demand in the city and west Hubei, east Sichuan and Hunan. There is a specialty motorcycle market taking its shape in the city, attracting nearly 100 varieties of motorcycles from Shanghai, Zhejiang, Guangdong and Sichuan. We hereby invite the friends of all circles to build specialty auto and motorcycle fittings market in Yidu City.
Project content: Hubei Auto Fittings Plant has a casting production line, 2 cupolas of 3 tons, 160 sets precision machining equipment. It can produce chassises for heavy trucks. The plant also has 2 production lines for agricultural machinery fittings.

Construction conditions: The plant covers a floor area of 45592 square meters and a building area of 13182 square meters. It has factory buildings of 8500 square meters. Power supply is 530KVA. Water supply and transportation is convenient.

Total investment and constitution: The current total assets amount to 13 million RMB yuan.

Evaluation on the economic performances: The current production capacity of the company comprises 60000 sets of auto fittings and 30000 agricultural machinery fittings annually. Annual productive output reaches 35 million RMB yuan and profit 3.5 million RMB yuan.

The progress of the project: The plant can produce directly. The investors with fluid funds and sales outlets can invest in the plant with fast effeteness and generous return.

Forms of cooperation: Sole investment, merging and acquisition, lease or the assets of the plant transferred to the investors free of expense according to the investment scale and capacity of tax creation.

Company profile: Dawu Auto Fittings Plant has 150 technicians. Eight varieties of products such as auto rear axle housings, retarder housings, front wheel housings, and axle sleeves are up to the state standard and are fitted with several auto makers.