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International Trade

Canada

南 FOCUS ON SOUTH CHINA

2
PEARL RIVER DELTA
AND
THE FIVE
SPECIAL ECONOMIC ZONES



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Dear Reader,

Let me first express my appreciation for your support to our first edition of Focus on South China published in June 1998. That edition was dedicated to providing Canadians with a concise introduction to the four southern provinces of Guangdong, Guangxi, Fujian and Hainan. The first edition was met with such an enthusiastic welcome not only in Canada, but also in South China, that a second reprint was necessary to meet the unexpectedly high demand.

With this edition, Focus on South China II, we are fine-tuning our focus to introduce you to the five key cities in the Pearl River Delta of Guangzhou, Dongguan, Jiangmen, Foshan, Zhongshan and also the five Special Economic Zones of Xiamen, Shantou, Shenzhen, Zhuhai and Hainan. Each of these ten areas has its own characteristics. Together, they make South China the hottest spot in Asia.

I trust you will find this edition as useful as the previous Focus on South China.

Paul S.H.Lau
Consul General of Canada Guangzhou

SP 917341

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CBF



Canadian Business Forum
Guangzhou, China

Dear Reader,

Welcome to our second edition of "Focus on South China", a joint effort of the Canadian Business Forum in Guangzhou and the Canadian Consulate General.

Over the course of the year, we have received numerous inquiries and suggestions from Canadian companies active or interested in southern China and I believe that we have successfully incorporated these ideas in our new publication.

The CBF, in close co-operation with the Canadian Consulate General in Guangzhou, continues to aggressively promote Canadian business expertise in this dynamic region. Our objective is to become a one-stop source of information for Canadian exporters and investors and we invite you to take full advantage of the broad knowledge and skills of our resident members. The scope of activity of the Canadian Business Forum has also developed steadily over the past year reflecting the increasingly diverse interests of our membership.

Should you like to promote your company's activities in future publications, submissions would be most welcome.

Dale A. Ward
President, Canadian Business Forum, Guangzhou
Director and General Manager, Bank of Montreal,
Guangzhou



Consulate General of Canada-Guangzhou

Trade and Economic Section

Who We Are

We are a team of Canadian Trade Commissioners and locally engaged Commercial Officers promoting Canadian goods and services exports, interational business opportunities and investment to Canada in the four southern Chinese provinces of **Guangdong, Guangxi, Fujian** and **Hainan**. Our offices work closely with the Canadian Embassy in Beijing, the Consulates General in Shanghai and Hong Kong, and the Consulate in Chongqing, to expand Canada's business links with China.

Our Trade Priorities

Our sector priorities, established through the Canadian International Business Strategy are:

- Building products and construction services
- Agricultural and food products
- Information technology, including telecommunications and computer software
- Environmental services and equipment
- Infrastructure, particularly power/energy and transportation

How We Can Help You

- We can match Canadian clients to local partners through our local contact networks.
- We can provide guidance to Canadians on local business practices, financial and legal services, business trends, reputable agents, distributors and partners and make introductions through associations and other networks.
- On a cost-recovery basis, we can organize seminars, participation in trade fairs or organize other events to showcase Canadian products or services.
- We can also provide contacts and costs for translation, event organizers and other professional business, legal and financial services.

How You Can Help Us

To provide effective and professional advice to our Canadian clients, we require:

- a detailed business profile, including reference to current export activities and strategy
- 5 to 6 "sales pitch" points we can use to describe your product or service
- specific questions you would like answered or information you require from us. Be precise.

Our Service Standards

Clients can expect the following service standards from our offices;

- All clients will receive a response
- Telephone calls from the region returned within one working day and from Canada within two working days (time difference)
- Faxes, e-mail messsages and letters answered within five working days
- All Canadian clients who arrive without an appointment can expect to meet a staff member.

OUR TEAM IN GUANGZHOU

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Consul and Trade Commissioner-Mr. Robert McDowell

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Map of China



- ★ Beijing, location of the Canadian Embassy
- Cities with Canadian Consulates General and Consulates:
Guangzhou, Hong Kong, Shanghai, Chongqing

South China

China's leading province in trade, **Guangdong** is the nation's wealthiest consumer market and the largest market for infrastructure.

With abundant forestry, mineral resources, and hydro-electricity, **Fujian** is the key recipient of new overseas Chinese investments.

Among the top ten destinations of foreign investment, **Guangxi** is one of China's fastest growing areas.

The hottest and the youngest province in China, the entire province of **Hainan** is a Special Economic Zone!

Map of South China



SOUTH CHINA STATISTICS

Total Area: 563,700 sq. km. Total Population: 155 million
Total Imports: Cdn\$ 87 billion Total Exports: Cdn\$ 100 billion
Actual Foreign Investment as of 1996: Cdn\$ 193 billion (47% of national total)

Total GDP: Cdn\$ 195 billion Average Annual GDP Growth: 11%

South China is the home of all of China's Special Economic Zones:
Shenzhen, Zhuhai, Shantou, Xiamen, Hainan

Guangzhou

Economic Centre of South China



Symbol of Guangzhou - the Five-Ram Sculpture

Guangzhou is located in the south central part of Guangdong Province, at the northern tip of the Pearl River Delta. The Tropic of Cancer passes through Taiping Town, a suburb north of the city. With Shenzhen, Zhuhai, Hong Kong and Macau, Guangzhou forms a key part of an economically developed network on the coast of the South Sea.

Guangzhou is an important city in China and has historically been the political, economic, cultural, technological, educational and informational centre



of southern China. With a history of over 2200 years, it now has eight administrative districts including Yuexiu, Dongshan, Haizhu, Liwan, Tianhe, Baiyun, Fangcun, and Huangpu, and its governance extends directly to the four satellite towns of Huadu, Conghua, Zengcheng and Panyu.

Guangzhou is a renowned homeland of overseas Chinese, with as many as 1,350,000 dependents or relatives living overseas, of which 520,000 are living in 116 countries and territories worldwide, and 830,000 are living in Hong Kong and Macau.

Virtually every province and city in China establishes a representative office in Guangzhou to strengthen economic relationships with Guangzhou and promote trade with foreign countries.

The sub-tropical climate in Guangzhou provides abundant rainfall, a mild winter and a warm summer. Trees and flowers flourish and blossom through different seasons, which is the reason why Guangzhou is called the Flower City. The Pearl River runs through the centre of Guangzhou and meets the East River, North River and West River as they move toward the sea. Five bridges link the two sides of the city. The south side of the city borders with the Pearl River Delta and shares the same fertile land and abundant agricultural production.

Overview of the Social and Economic Developments of Guangzhou

Guangzhou has sustained a relatively high growth rate since the reform in China. In 1997, the GNP reached RMB 164.283 billion, a growth rate of 13.5% over the previous year. The respective output in the primary, secondary and tertiary industries were RMB 8.525 billion, RMB 76.14 billion and RMB 79.618 billion, respectively. The GNP per capita was RMB 24,900, an equivalent of USD 3,000, which is the highest among the 10 largest cities in China.

Year	1978	1980	1985	1990	1995	1996	1997
GNP per capita (RMB)	907	1160	2302	5418	19366	22183	24895

Industries: In the year of 1997, Guangzhou achieved a total of RMB 237.681 billion in industrial output value, with Wuyang-Honda Motorcycle, Pearl-River Piano, Pearl-River Beer, 555 Batteries and GuangRi Elevator as the fastest growers.

Grain Production: Total production of grain reached 1,009,200 tons, vegetables 2,395,700 tons, sugar cane 773,900 tons, meat 308,300 tons and aquatic products 275,900 tons.

Electric Power: In 1997, total installed capacity reached 3,250,000 kilowatts, which satisfied the power demands for industrial and agricultural production



Year	1978	1980	1985	1990	1995	1996	1997
Growth in Industrial Output (billion RMB)	7.539	8.812	17.793	44.244	172.25	206.858	237.681

as well as people's livelihood requirements.

Financial Services: With improvements in the financial system, state-owned commercial banks, district commercial banks and foreign financial institutions are making strong progress. Foreign financial institutions now have 59 subsidiaries in Guangzhou, including 21 insurance institutions.

Afforestation: There are now 54 public parks in the city, public green land covers 1,855 acres, a coverage ratio of 27.5%.

Education: Enrolment rate of primary school, junior, middle school and post-compulsory education is 99.5%, 99.24% and 83.6%, respectively.

National Income: Per capita annual income is RMB 10,445 for city residents, and RMB 5,546 for rural residents, with average housing space of 10.79 square metres.

Transportation Hub of South China

Guangzhou has a highly developed transportation network integrating air, highway and sea transport. Through Huangpu Harbour and internal river harbours, sea transport reaches Hong Kong and subsequently, the rest of the world. Air routes connect Guangzhou with every major city in China. As well, the Jing-Guang Railway is connects Guangzhou to the entire country. Internal river transportation networks also connect Guangzhou to other harbours in the province. By 1997, total highway coverage in Guangzhou reached 4,381.5 km, a net increase of 19.8 km. The highway density reached 58.94 km per hundred square kilometres.

Total throughput of the harbours reached 751, 800,000 tons, ranking fourth of all national harbours. International container throughput reached 687,000 standard units, the cargo wharves had a throughput of 23.67 million tons, yielding a profit of RMB 3.25 million. Total completed investment in the year for



Container Harbour

harbour construction projects reached RMB 240 million. The State has also approved a project for dredging and deepening the Guangzhou Harbour to a depth of 11.5 metres.

Vehicles engaged in highway transportation totaled 90,300 units (not including taxis), handling a total cargo transportation volume of 136 million tons and passenger transportation volume of 175 million people. Total cargo transportation turnover reaches 5.875 billion ton/km, and total distance in passenger transportation reaches 8.111 billion person km.

Transportation Volume and Harbor Cargo Throughput			
Year	Cargo Volume	Passengers	Harbor Throughput
1978	67,850,000 tons	30,960,000	16,880,000 tons
1997	237,680,000 tons	177,250,000	83,900,000 tons

Foreign Trade:

In 1997, total foreign trade volume of Guangzhou was USD 12 billion, including USD 4.462 billion for imports and USD 7.538 billion for exports, with a monthly average of over USD 600 million. The total export value ranked the 3rd among all the provinces and municipalities, next to Shenzhen and Shanghai.

Foreign-invested enterprises hold a leading position with a 60% share of total exports. Export volume of foreign invested enterprises amounted to USD 4.571 billion, accounting for a 60.7% share of total exports. Customer material processing amounted to USD 1.079 billion, accounting for a 14.3% share, and general exports totaled USD 1.56 billion, accounting for a 20.7% share.

Light industry products are still the main commodities for export. The top ten categories of commodities with over USD 100 million export volume are: garments, handbags shoes and hats, textile, sports wear and stationary, household electric appliances, handicrafts, telecommunication equipment, household utilities, ships and ferrous metal. Handicrafts, sports wear and stationary, household electric appliances, ferrous metal and telecom equipment are the fastest growing categories. Mechanical and electronic equipment exports are growing steadily and amounted to USD2.033 billion, accounting for 27% of total exports in 1997.

The major export markets are still Hong Kong, United States and Japan, accounting for 72.5%, 6.95% and 2.4%, respectively. Apart from Asia, which had a growth rate of 15.8%, exports to other continents enjoyed a growth rate of over 30%. The growth rates for Europe and Africa increased to 70.5% and 78.1%, respectively. Total import value in 1997 amounted to USD 4.062 billion. Imports from Europe grew at a rapid pace, with a year-on-year growth rate of 55%. The top ten imported categories



A Visit to Guangzhou by the Deputy Minister of Agriculture

were textiles, plastics, telecom equipment, livestock products, ferrous metal, electric home appliances, handicrafts and paper, among which electric home appliances, ferrous metal, non-ferrous metal and handicrafts had the highest growth rates..

Export Commodities Fair

Guangzhou is an international trading city with great vigour and vitality. Since 1957, two sessions (spring and autumn) of the Chinese Export Commodities Fair have been held annually in the city. To date, 84 sessions have been held, which have attracted business persons from all over the world to do business in Guangzhou.

At the 84th session of the Fair in October 1998, total business turnover of 10.2 billion USD was achieved, translating into 25% of the total export value of the whole country. As many as 67,000 business persons from all over the world attended the session, over 800 were from Canada.

Foreign investment enterprises

In 1997, the Guangzhou Government approved 909 contracts for using foreign capital. The contracted capital totaled an amount of USD 3.111 billion, actual investment amount was USD 2.889 billion. The projects with direct foreign investment totalled 661, with contracted foreign funds of USD 2.715 billion of which USD 2.48 billion were direct investments by foreign investors. The other 242 foreign invested projects had a contracted funds of USD 26 million, with actual investment funds of USD 13.8 million. 452 projects, or 68.4% of the total, were directly invested in manufacturing industries which remains the investment mainstream. Commerce and the catering service sector were the two fastest growing sectors in the tertiary industry. Investments in real estate rebounded in the latter half of 1997. Projects in agriculture grew at a rate of 7 %.

In 1997, Hong Kong enterprises invested in 438 projects in Guangzhou, which accounted for a 66.3% share of the total direct investment projects in the

city. Hong Kong investments in Guangzhou are chiefly in restaurants, domestic trade and real estate projects.

The top ten investors by actual invested capital are: Hong Kong, Britain, the United States, Singapore, Taiwan, Japan, Canada, Macau, the British Virgin Islands and Switzerland. Out of the total foreign investments, over 80% were from Hong Kong, Britain, the U.S. and Taiwan.

Total industrial output of foreign invested enterprises for the year was RMB 87.826 billion, accounting for 48.51% of the total industrial output of the city, which emphasizes the role of foreign invested enterprises in the economic development of Guangzhou.

Year	1978	1980	1985	1990	1995	1996	1997
Actual Foreign Investment (million USD)	10	30	158	267	2253	2600	2894

Overseas Enterprises:

In 1997, eight enterprises were approved to be established outside of China, with a total investment of USD 1.48 million. These enterprises were distributed across America, Europe, Asia, Australia and the Pacific Region, among which four were trading enterprises and two were manufacturing enterprises. One of the manufacturing enterprises is for apiculture and breeding located in South Korea and the other is located in the USA for production and sales of knit goods. Guangzhou now has 183 enterprises overseas, 77 of which are in Hong Kong and Macau, 34 in North America, 28 in Asia (excluding Hong Kong and Macau), 20 in Europe, 14 in Australia, 8 in South America, and 2 in Africa.

Foreign representative offices in Guangzhou:

Over 300 foreign representative offices were established in Guangzhou in 1998, bringing the total to 2300 offices. They are chiefly engaged in import and export business liaison, preliminary investigation and research for investment projects, shipping agencies, and consultants for trade and the economy. By the end of 1998, four countries decided to set up five business and trade centres in Guangzhou, two of which are in full operation. These business and trading centers are not only engaged in the marketing and promotion of import and export commodities but also play a role in soliciting merchants and introducing investments by promoting Guangzhou.

International Economic and Technological Cooperation:

In 1997, China International Economic and Technological Cooperation Corp. (Guangzhou) has made steady progress in securing contracts for engineering overseas and other projects authorized by the State. Eight new contracts with a total contracted value of USD 22 million have been signed

Guangzhou International Corp. signed five new



contracts from January to December 1997, with contracted value totaling USD4 million. The projects included the assessment of Dogo Stadium, a technology transfer to Cambodia Pharmaceutical Factory, training aids of sports coaches to Cambodia, aid projects for the designing of the Zimbabwe Stadium and the Dental Hospital of Vanuatu. In the past year, this corporation made a breakthrough in its sand and stone export business in Macau by winning the contract for the seashore extension project for the construction of the Ocean World Park in Macau and the First Phase of the Macau Lu Huan New Power Plant, with total contracted amount totaling 120 million Macau dollars.

Development Zone - the major growth area in attracting foreign capital

Guangzhou Economic and Technological Development District (GETDD) is an industrial district approved to be established by the State in 1984. Many global corporations in the world have made investments in the Zone to set up factories and plants such corporations include P&G, Pepsi, Baxter, Arrows, American Standard, and Amway of the USA, Mitsubishi Electric, Yamaha, Casio, and Panasonic of Japan, ICI, Fustler, of the UK, Phillips of Holland, BHP of Australia, and ABB and Nestle of Switzerland.

The total industrial output of the Development Zone for 1997 reached RMB 19.85 billion, a growth rate of 23.9% over the previous year, accounting for 12.6% of the total industrial output of the city. The total export value reached USD 502 million, a growth rate of 8.7% over the last year. The exports in general trading grew at a rate of 14.75% over last year. A tax revenue of RMB 2.443 billion was achieved, an increase of 19.25%, and investment in fixed assets reached RMB 3.65 billion. Total number of industrial enterprises reached 321, of which 33 were newly established and 32 had an annual output value of over RMB 100 million.

Utilization of foreign capital in 1997 amounted to USD 717 million, a growth rate of 9.25% over the previous year and accounting for 32.61% of the total utilized foreign capital of the city. Actual utilization of foreign capital amounted to USD 405 million and 50 projects for foreign investment have been newly approved, along with 27 other projects approved for investment increments. There are 15 projects with investment amount over USD 10 million. More than 75% of the project negotiations have been successful.

At present, the GETDZ covers an area of 30 square kilometres. Both the soft and hard environments for investment are favourable. Forty-seven of the world's leading 500 enterprises have made investments in this Development Zone, involving 28 countries or regions in the world. Within the bounds of developed

area in the zone, the investment density per square metre is as high as USD 415 and the output density per square meter is RMB 14,700.

Exchanges with International Friendship Cities

Guangzhou and Vancouver, British Columbia became friendship cities on March 27, 1985. In October 1998, an economic delegation from Canada visited Guangzhou and the Pearl River Delta to further economic and trade cooperation. Prospects for future cooperation in education, construction material, environmental protection, high-technology and other fields look promising.

Guangzhou has now established friendship relationships with Kwangju city of South Korea, Ho Chi Minh City of Vietnam, Lyon of France, Frankfurt of Germany, Bari of Italy, Manila of the Philippines, Fukuoka of Japan and Linköping of Sweden.



Celebration of the Founding of the Children's Therapy Center

Brief introduction of Investment Projects in Guangzhou (1999)

- (I) Name of Project : Guangzhou No. 1 City Metro Line
1. Scale of construction : Overall length of 18.47 kilometres
 2. Main construction sub-projects: 16 stations, 15 tunneled sections, 1 carriage depot, 1 control center, 2 transformer substations, trains and carriages, fire-fighting systems, signaling systems, ticketing systems, etc.
 3. Total investment and composition: Total investment of RMB 14.075 billion, including self-financed RMB 9.365 billion and foreign investment of 541.28 million US dollars.
- (II) Name of Project : Pearl River Steel Mill
1. Construction scale and major products: Annual production capacity of 1 million tons of molten steel, 965,000 tons of hot-rolling sheets, 300,000 tons of cold-rolling sheets. Major products after operation include hot-rolling sheets (thickness of 1.5-12.7mm, width of 1000-1350mm and weight of 10-23.4 tons) and cold-rolling sheets (thickness of 0.5-2.0mm, width of 970-1270mm, and weight of 5-10 tons).
 2. Major sub-projects: Adopting the excessively high efficient arc furnace with the advanced standards of the incorporating continuous foundry and rolling of thin steel sheets; Major sub-projects include 150-ton ex-high efficient vertical arc furnace with frames, 150 steel ladle fine smelting



furnace, continuous foundry and rolling assembly of thin steel plates, single-frame reversible cold-rolling machines and accessories.

3. Total investment and fund-raising plan: Total investment is 666.5 million US dollars.

The funds are to be raised through registered capital of 166.63 million US dollars (an equivalent of RMB 1,383.03 million), commercial loans from abroad and export credits of 240 million US dollars (an equivalent of RMB 1,992 million), overseas fund raising of 120 million US dollars (an equivalent of RMB 996 million), RMB 300 million of enterprise security bonds to be issued, state bank loans of RMB 310 million and local financing of RMB 550.92 million.

(III) Name of Project: Expansion to 1 million production capacity of Guangzhou Steel Mill

1. Construction scale: Expansion the annual production capacity of 600,000 tons to 1 million tons, along with 560,000 tons of cast iron, and 1.29 million tons of rolled steel. Major construction sub-projects: two 38-hole coke-ovens, one 60-ton electric furnace, one 6000-cubic meter oxygen making unit, 250,000-ton medium-rolling high line facilities, hot-rolling seamless steel tube plant, rolling & quenching shaping facilities, and blast furnace oxygen-enriched powder coal air converting facilities.

2. Total investment and fund-raising plan: Total investment is RMB 3.22 billion, by the fund-raising approaches of self-financing by the enterprise, stock-issuing, utilization of foreign funds, bank loans, etc.

(IV) Guangzhou Downtown Section Communication Project

1. Construction scale: Inner ring roads with a length of 26.7 kilometres (14 crossovers) and supplementary sub-projects of traffic control and safety systems.

2. Major sub-projects: The city downtown section road construction project is a comprehensive project for the improvement of the city's infrastructure and overall environment, which includes six sub-projects of the road construction infrastructures, traffic control and safety systems, public commutation systems, pollution control of motorized vehicles, road maintenance, technical support.

3. Total investment and composition: Total investment is estimated at RMB 6.288 billion, comprised of 0.2 billion US dollars of World Bank loans (an equivalent of RMB 1.66 billion) and city construction complementary funds of RMB 4.628 billion.

(V) Name of Project: First Stage of Guangzhou Xinsha Harbor

1. Construction scale and planned products: 10 berths with capacity of 35,000 tons and annual cargo throughput of 10.6 million tons, with respective throughput as: No.1 berth (coal and ore) 4.2 million tons, No.2 (coal and ore) 3.6 million tons, No.3 (general purpose) 0.2 million tons, No.4 (bulk cargo) 0.8 million tons, No.5, 6 and 7 (miscellaneous cargo) 0.3 million tons each, No. 8 (general purpose) 0.2 million tons, No. 9 and 10 (timber) 0.35 million tons each.

2. Major sub-projects: harbor area earthwork, water and wood work, land area work, purchase and installation of equipment, and miscellaneous works.

3. Total investment and fund-raising plan: Total investment is RMB 1,716.33 million, including domestic funding of RMB 1,231.18 million, World Bank loan of 88 million US dollars (an equivalent of RMB 485.15 million).

VI) Name of Project: East, West and South Ring Expressways

1. Construction scale: Six-lane expressways with a total length of 38 kilometres with the first stage length of 19.4 kilometres and second stage length of 18.6 kilometres.

2. Major sub-projects: Joining the existing north ring expressway, the new expressways are to form a fully-enclosed and fully over-crossed highway ring around the whole city of Guangzhou. Sub-projects include road facilities, crossovers, tolling stations, safety protection systems, environmental protections and some other sub-projects.

3. Total investment and fund-raising plan: The total investment is RMB 4.5 billion, including foreign investments of RMB 4 billion and the self-financing of RMB 0.5 billion by the Municipal Expressway General Corporation.

(VII) Wuyang-Honda Motorcycle Expansion Project

1. Construction scale and planned products: Annual production capability of 300,000 motorcycles and 400,000 engines.

2. Major sub-projects: Completion of welding and plastic-injection production lines, purchase of engine production facilities, construction of 18,000m² workshop.

3. Total investment and fund-raising plan: The total investment for 300,000 motorcycle production project is RMB 610.5 million, including bank loans of RMB 305.25 million, self-financing of 305.25 million by the enterprises; and the total investment for 400,000 engine production project is RMB 213.76 million, including bank loans of RMB 157.2 million and self-financing of RMB 56.56 million by the enterprises.

(VIII) Name of Project: Liede Sewage Treatment Plant Project

1. Construction scale: Daily treatment capacity of 660,000 cubic metres of sewage, covering a served area of 66.5 square kilometres, with treatment level of grade 2. The scale for the first stage of the project is the daily treatment capacity of 220,000 cubic metres of sewage.

2. Major sub-projects: The whole project is divided into three stages for construction. The first stage is the Donghaocong Pumping Station, the sewage treatment plant, the 7.26 kilometres of water pipes and tanks, and the sewage collection systems along the way.

3. Total investment and composition: The total investment for the first stage construction is RMB 903 million, including 18.5 million German marks (an equivalent of RMB 100 million) and the municipal construction funds of RMB 803 million.

(IX) Name of Project: Guangzhou Paper Mill Expansion Project

1. Construction scale and planned products: Annual increased output of 130,000 tons of high-quality off-set printing paper, increased output of 50,000 tons of chemical heat ground pulp, increased output of 85,000 tons of deinked pulp, increased production heat load of 40 tons/hour, power load 36.4MW.

2. Total investment and fund-raising plan: The total RMB 75.6 million circulation funds. Fund sources are: special project loan of RMB 67.9 million by the State (including 20 million US dollars), circulation financial loans of RMB 52.92 million, self-financed funds of RMB 385 million (including the preparatory circulation funds of RMB 22.68 million.)

(X) Name of Project: 100,000-ton White Sheet Paper Project

1. Construction scale: Annual production capacity of 100,000 tons of super white sheet paper and white card paper



2. Major sub-projects: The first stage covers a space area of 780 mu with 120,000 m² under roof of which 45,898 m² are for the factory buildings. The thermal power station has an installed capacity of 18,000KW, and there will be two 500-ton exclusive wharves.

3. Total investment and composition: Total investment is RMB 1.42 billion (including foreign exchange 79.96 million US dollars), of which RMB 1.33 billion is the investment on fixed assets (including bank interests of RMB 90.88 million for the construction period), and RMB 90 million for circulation funds. Sources of investment funds: (1) registered capital RMB 440 million; (2) export credit loans 70.12 million US dollars (an equivalent of RMB 582 million); (3) securities to be issued RMB 60 million; and (4) self-financed local funds RMB 338 million. The funds are to be raised through the channels of bank loans, overseas financing, self-financing by the enterprises, local financial allocation, etc.

(XI) Name of Project: Guangzhou Baiyun District "Three High" Agricultural Demonstration District Project 1. Construction scale and planned products: The construction of a hi-tech agricultural demonstration district with a total area of 4000 mu, mainly engaged in flower plantation and high-quality fruits plantation. Simultaneously developing tourism and recreation industries in the process of environmental protection endeavors. Major products include non-polluted vegetables, high-quality flowers, fine-quality fruits and timbers.

2. Major sub-projects: 500 mu of high-quality flowers, 500 mu of fine-quality fruits, 400 mu of shady plants, 1,000 mu of ecological production forests, 1600 mu of holiday resorts areas, 120,000 m² of hot-beds, 300 ton refrigerated warehouses, a youth activity center, and 1900 m² of R&D space.

3. Total investment and fund-raising plan: Total investment is RMB 1.5 billion by stock-holders.

(XII) Name of Project: Guangzhou Art Museum

1. Construction scale: Area coverage 19,294 m², and building space 35,300 m². Three floors underground and three floors above ground. Total height 28.247 metres.

2. Major sub-projects: Guangzhou Art Museum is to be composed of: Lai Shaoqi Art Gallery, Zhao Shao'ang Art Gallery, Li Xiongcai Art Gallery, Guan Shanyue Art Gallery, Huang Xinbo Art Gallery, Liao Bingxiong Art Gallery, Yang Zhiguang Art Gallery, Ou Chu Contribution Collection Exhibition Hall, Zhao Taimi Contribution Collection Exhibition Hall, Guangdong Paintings in Various Historical Periods Hall, Calligraphy Collection Exhibition Hall, Treasuries Collection Exhibition Hall, Oil Painting Gallery, Sculpture Hall, Wax Statue Hall, Comprehensive Exhibits and Interchange Hall, etc. Besides there will be the administrative offices, membership clubs, academic and research rooms, relics storage rooms, convention rooms, parking lots, tea houses, restaurants, and other supplementary spaces.

3. Total investment and fund-raising plan: Total investment is RMB 178 million, which will be financed through municipal financial budgets.

(XIII) Name of Project: Computer Industry Town in Guangzhou Free Trade Zone

1. Construction scale: (1) construction of infrastructure

involving requisition of 400,000 m² of land and preparations of ground-leveling, supplies of power, water, gas, drainage, telecommunication, road access facilities; (2) computer industry town, with an annual output capability of 300,000 units of PCs, 2.5 million units of CPU boards, 300,000 sets of portable PCs and 900,000 m² of printed circuitry boards.

2. Total investment and composition: Total investment is RMB 1.24 billion, comprising RMB 0.45 billion for infrastructure construction and RMB 0.79 billion for the computer industry town. The sources for the former funds are: RMB 0.139 billion from the financial revenues of the Free Trade Zone, RMB 0.17 billion from the revenue of transferring land-use rights, RMB 0.061 billion from bank loans and RMB 0.08 billion from other sources. The fund sources for the computer industry town are all from foreign investments.

(XIV) Name of Project: First Stage Project of GIVS (Guangzhou Interactive Visual Servicing System)

1. Construction scale: A unified and comprehensive computer inter-switching platform is to be established in Guangzhou region by utilizing the regional switching technology. Commonindustrial measuring, charge payments and electronic currency tolling, electronic trading and other functions are to be realized on the net. The first stage will provide the services in measuring and payment-collections in electricity, water and gas for 100,000 end users.

2. Total investment and share-holders: Total investment is RMB 415 million, of which 30% are the capitals invested by the share-holders. The rest will be solved by way of bank loans and overseas fund-raising. The initial investment is RMB 183 million, which are contributed by the share-holders of Guangzhou Daily Group, Guangzhou International Information Consultation Corporation, Guangzhou Telecommunication Bureau, Guangzhou Xintai Group Corp., and Guangzhou Huamei Telecommunication Co. Ltd. (System)

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The GETDZ

R&F Group

A powerful force in the real estate market

When R&F Group was initiated in 1988, it mainly invested in real estate and soon distinguished itself with its originality, quality and its reasonable prices. Later, the group took real estate as the mainstay, and the scope of its business included real estate development and design, architectural construction, building marketing and property management as well as electronics and trade. Before long, it became a large multipurpose enterprise. Today there are five subsidiary companies in the group, namely, Guangzhou Tianli Property Development Corp., Guangzhou Tianli Construction Co. Ltd., Guangzhou Tianli Property Management Development Co. Ltd., Guangzhou Fuli New Technology Development Co. Ltd., Toprich Development Ltd., and Fuli (Canada) Hi-tech Development Co. Ltd.



Mr. Li Sze Lim
Chairman of R&F Group

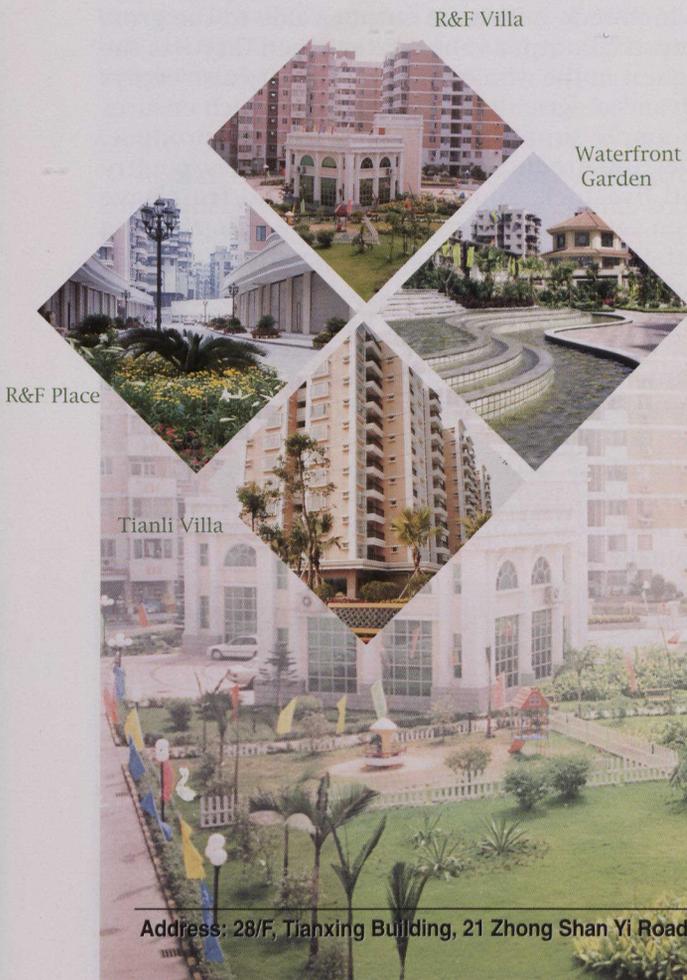
With real estate as its leading business, the group pays equal attention to the earlier stage, middle stage and later stage of real estate development. Meanwhile, with more than 200 administrative staff and thousands of constructors, it is capable of development, design, construction, marketing and management. Following a catchpenny policy, Fuli Group insists that the customer is God and develops marketable housings for ordinary citizens. This practical policy has helped the group occupy a large market, with its business gradually expanding.



R&F Place
A Modern Garden Community of European Style

Today, when the 21st century is drawing near, it has become a focus point to improve the quality of the residential quarters and protect the environment. Most citizens, especially ordinary breadwinners, are yearning for a cheap but comfortable house, plus fresh air and a blue sky. Whereupon, R&F Group, with its "Fuli spirit" serving people, has developed and built many high-quality buildings. At the same time it has spared no effort to reconstruct the old city and improve the living environment of Guangzhou City and has made its share of contribution in helping the citizens of Guangzhou City to move into their new, pleasing and beautiful houses. Its developed projects include: R&F Place, R&F Villa, Rainbow City Garden in Liwan District; Waterfront Garden, Xiatangxi Commercial & Residential Building in Baiyun District; Yingze Garden and Tianxing Building in Dongshan District; Tianli Villa, R&F Estate, Fuli Garden and Fuli Building in Tianhe District, with its floor space totaling over 1 million square meters.

The leaders of R&F Group are acute, enterprising and down-to-earth. Under their leadership, the group has risen high in the real estate market in a short time, and will build upon the previous achievements and its longterm strategies, seizing the opportunities to create a more splendid future.



Address: 28/F, Tianxing Building, 21 Zhong Shan Yi Road, Guangzhou, China Tel: 87302328 Fax: 87760029 Postcode: 510600

Garden of R&F Villa

Shenzhen

China's Modern Gateway



A Modern Metropolis

Shenzhen, adjacent to Hong Kong, is located in the southern coastal area of Guangdong Province and enjoys a subtropical maritime climate. The city was founded in 1979 with a total area of 2,020 square kilometres, 327.5 square kilometres of which was designated as the Special Economic Zone in 1980. With a coastline stretching 230 kilometres, it abounds in good harbours and bays and is rich in marine resources.

Shenzhen faces Hong Kong, separated only by a stretch of water. Between them are many sea and land ports, which make Shenzhen the major link between China and the world market, and the gateway for cargo, passenger transportation and economic and trade exchange for the country, especially for South China.

After the return of Hong Kong to China, the cooperation and link between Shenzhen and Hong Kong has become much stronger. Personnel, cargo and information exchanges, together with transportation and financing between the two cities is more advanced. In the past 18 years, Shenzhen has achieved tremendous economic development



and has created "Shenzhen Speed and Shenzhen Efficiency", transforming itself from a frontier village to a booming modern city on the Pacific Ocean.

Economic Development

In 1997, the GDP of Shenzhen reached USD 13.651 billion (note: 1 RMB=0.1208 USD similarly hereinafter), ranking 7th among all cities in China; the industrial output value was USD 15.166 billion, ranking 7th in the whole country. Its international trade amounted to USD 45.008 billion, making the city the largest importer and exporter in the nation for the fifth year in succession.

In the same year, the output values of the primary, secondary and tertiary industries accounted for 1.4%, 49.3% and 49.3%, respectively, of the city's GDP. An industrial pattern with a wide assortment of trades has emerged and over 2,000 types of products are being produced. Recently, the city's high-tech industries have undergone rapid development, with computer and software, telecommunications, bioengineering, microelectronics and basic components as the pillars. In 1997, the proportion of high-tech industrial output value to the gross industrial output value of Shenzhen City was the highest in the whole country. The city also enjoys advanced agricultural production, which ensures an ample supply of farm and sideline produce. Over 100 production bases for vegetables, poultry and livestock, aquatic products and fruit have been set up. The tertiary industry, also thriving with finance, information, tourism, commerce and trade, real estate, storage and transportation, has become a competitive industry in Shenzhen. With one of the only two stock exchanges in China and many financial institutions, Shenzhen is striding toward the goal of a regional financial centre. By the end of 1997, there were 100 financial institutions, 30,000 professional personnel, and more than 120 countries and regions that had established economic and trade links with Shenzhen.

Science and technology is playing a more significant role in the economic development of Shenzhen, which now has nearly 200 various scientific research and development institutions.

Infrastructure

Shenzhen has 17 ports, among which Luohu Port is the largest passenger port, Huanggang Port the largest cargo port, Yantian Port the second largest container seaport, and Huangtian International Airport the fourth largest airport in China. (Note: figures exclude Hong Kong, Macau and Taiwan). In 1997, the number of passengers crossing the border



through Shenzhen totaled 73.2902 million, accounting for 53.3% of the gross national number, and that of vehicles was 8.8263 million, accounting for 81.3% of the national total.

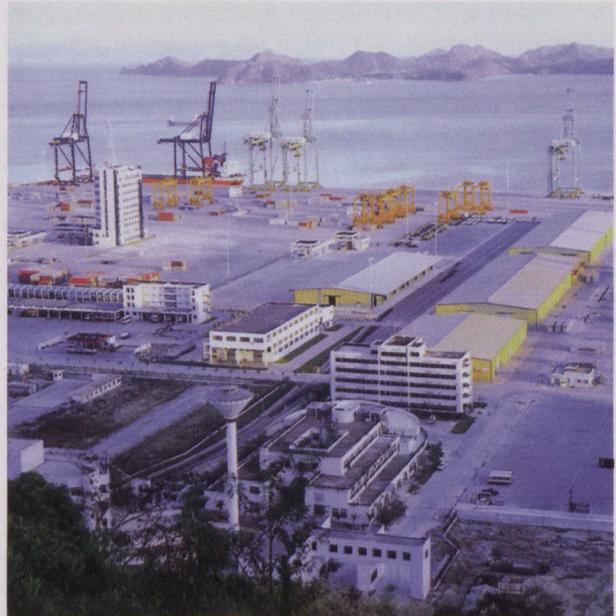
Shenzhen has built a three-dimensional transportation network, with roads, expressways, railways and quasi super-speed railways stretching out in all directions. The Beijing-Guangzhou Railway and Beijing-Kowloon Railway, the two main trunk railways in China, intersect in Shenzhen. Also, a connected cargo transportation network reaching Hong Kong and other 18 provinces, municipalities and autonomous regions has been established. At present, there are 8 harbours, 12 cargo docks and about 30 shipping lines, which lead to over 10 countries and regions such as Hong Kong, Macau, Japan, Europe, North America, and Australia. The business turnover of containers handled in 1997 totaled 1.148 million TEUs, ranking second in China. Equipped with advanced post and telecommunications facilities, Shenzhen now provides direct-dial telephone services to over 200 international cities and 2000 domestic cities and towns. Shenzhen has sufficient water and power supply, with daily water supply of 3.282 million tons and installed generating capacity of 3000 MW, fulfilling the household and production requirements.

Living Conditions

As a coastal city, Shenzhen enjoys a beautiful landscape and an agreeable climate. Scenic spots such as Splendid China, the Chinese Folk Culture Village, the Window of the World, the Safari Park, the Botanical Garden and the Bathing Beach attract an increasing number of visitors from home and abroad. Shenzhen has seven golf courses of international standards that have held many national and international tournaments. There are 85 star-level hotels in Shenzhen, including 6 five-star hotels and 4 four-star hotels. Over 2000 restaurants, both of Chinese and Western style, are located in Shenzhen.



The 1998 Signing Ceremony between B.C. and Guangdong



A modern port

Visa exemptions are given by the Chinese government to foreigners from Hong Kong who can stay 72 hours in the Shenzhen Special Economic Zone (SSEZ). In 1997, Shenzhen hosted 14.57 million tourists, among which overnight foreign visitors totaled 2.215 million. Shenzhen has a very active and comprehensive commodities market, including department stores, supermarkets, franchised shops, duty-free stores, special markets and wholesale centres. Both Walmart, the world's largest retailer, and Carrefour, Europe's largest retailer, have joined Shenzhen's retailing business. In 1997, the retail sales volume of Shenzhen reached USD 3.922 billion.

This city enjoys a well-protected ecological environment, with vegetation coverage of 44.1%. Shenzhen is aiming to become a garden city and has been named one of the four Model Cities of Environmental Protection in China.

Foreign Investment

Shenzhen's favourable investment environment has drawn the attention of a wide variety of foreign investors. By the end of 1997, investors from 63 countries and regions had undertaken 20,135 projects, with contractual foreign funds of USD 24.863 billion and actual utilized foreign funds of USD 14.74 billion. Of these projects, 15,173 were foreign direct investment (FDI) projects with utilized foreign funds of USD 10.374 billion and contractual foreign funds of USD 23.184 billion.

Among the FDI projects, 18 projects exceeded USD 100 million each, 100 projects were over USD 30 million, and 637 projects were over USD 10 million each. Fifty-one out of the 500 largest foreign investors



in China in 1997 established operations in Shenzhen. Among the largest 50 foreign-invested enterprises in China, Shenzhen secured 11, including Epson Engineering (Shenzhen) LTD., Ricoh Asia Industry (Shenzhen) Ltd. And Huaqiang Sanyo Electronics Co., Ltd. Huaqiang Sanyo Electronics Co., Ltd.

Global corporations are more actively investing in Shenzhen. To date, more than 100 corporations have invested heavily in over 180 projects, including some of the Fortune 500 companies such as Walmart, Pepsi, Du Pont, DEC, Morgan Stanley, Emerson, Compaq, HP, Whirlpool and IBM from the United States, Toppan Printing, Hitachi, Sanyo, Mitsui, Ricoh, Mitsubishi Electric, Matsushita, Dai Nippon Ink & Chemicals, Fujitsu and Komatu from Japan, Shell Oil, Courtaulds, BP and United Biscuits from the United Kingdom, Carrefour from France, Samsung, Hyundai Group and Kumho Construction from South Korea, Philips from Holland and Pacific Dunlop from Australia.

There are 53 foreign financial institutions in Shenzhen, including branches of Hong Kong Bank, Sanwa Shanghai Bank, ABM-AMRO Bank, Dao Heng Bank, Tokyo Mitsubishi Bank, Societe General of France, Banque Nationale de Paris, Standard Chartered Bank, Citibank and other international financial groups.

Foreign investment covers areas such as electronics, foodstuffs, textiles and garments, pharmaceuticals, metal and plastics, real estate, finance,

transportation, and restaurants. Of the actual foreign investment, the primary, secondary, and tertiary industries occupy 0.2%, 64.3% and 35.5% respectively. In general, the foreign-invested enterprises in Shenzhen have had good business performance and returns. Many enterprises continue to increase their investments and expand their business. In recent years, more than 200 foreign-invested enterprises have made annual increments totalling USD 300 million. Foreign investment plays an important role in Shenzhen's economy. In 1997, the output value and export volume of the foreign-invested enterprises accounted for 76% and 55%, respectively, of the gross industrial output and export value.



Fair Booths

Country/region	Contracts signed			Foreign Funds in Agreement (10 thousand US dollars)			Actual Utilization of Foreign funds (10 thousand USD)		
	Accumulated	Percentage (%)	Ranking	Accumulated	Percentage (%)	Ranking	Accumulated	Percentage (%)	Ranking
Total	18349	100		2309368	100		1186731	100	
HK	16106	87.78	1	1779507	77.06	1	763814	64.36	1
Taiwan	664	3.62	2	65535	2.84	2	38216	3.22	4
USA	483	2.63	3	75500	3.27	3	65644	5.53	3
Japan	291	1.59	4	90371	3.91	4	200149	16.87	2
Singapore	169	0.92	5	46112	2.00	5	15575	1.31	6
UK	90	0.49	6	31135	1.35	6	13422	1.13	6
Canada	69	0.38	7	19872	0.86	7	2858	0.24	15
Thailand	64	0.35	8	12660	0.97	8	6260	0.53	11
Australia	56	0.31	9	15438	0.67	9	7362	0.62	10
S.Korea	49	0.27	10	55308	2.40	10	7389	0.62	9
Macao	42	0.23	11	5597	0.24	11	2936	0.25	14
France	38	0.21	12	10685	0.46	12	28637	2.41	5
Vilking	32	0.17	13	23402	1.01	13	2599	0.622	16
Malaysia	24	0.13	14	4436	0.19	14	2141	0.18	17
Germany	23	0.13	15	6139	0.27	15	3139	0.27	13
Holland	17	0.09	16	10630	0.46	16	7974	0.67	8
Philippines	15	0.08	17	670	0.03	17	383	0.03	
Switzerland	13	0.07	18	5738	0.25	18	4658	0.40	12
Italy	11	0.06	19	893	0.04	19	32		

Status of investments in Shenzhen by foreign countries or regions.

Focus of Development in the Near Future

1. Increase effort on infrastructure construction in power supply, water supply, communications, telecommunications, etc. which are vital to the economy of Shenzhen.
2. Invigorate the development of exporting industrial products and increase the supplies of fresh agricultural products to Shenzhen and Hong Kong.
3. Develop substitute products for similar imported commodities to satisfy the demands of the Shenzhen market.
4. Develop highly competitive products with high technical standards and good economic efficiency.
5. Develop enterprises of sole foreign ownership and of joint ventures to invigorate the development of the associated processing industries.
6. Develop service industries in the sectors of commerce, trading, finance, science & technology, education, information, storage & warehousing etc. so as to enable the tertiary industry to better serve the requirements of an export-oriented economy.

Encouraged Projects

Shenzhen encourages investment in the following fields and projects:

1. Infrastructure construction projects in the way of roads, bridges, sea ports, harbours, power supply, environmental protection and municipal works;
2. Advanced appropriate technology and high-tech projects, especially the seven leading industries such as computer and software, telecommunications, microelectronics and basic components, electro-mechanical integration, audio & video, important light industries and energy;
3. Basic industries such as raw materials, components;
4. Large-scale key projects which can stimulate the development of relevant industries;
5. Projects whose products are mainly for export and which can earn foreign exchange;
6. Projects for producing import substitutes needed in the domestic market;
7. Tourism development projects with national, cultural and local characteristics.

Industries and Products with Restrictive Development

1. Products with huge existing output capabilities and limited market potentials;
2. Low-class products manufactured by using insufficient domestic material supplies or products relying on the imported raw materials but unable to be exported;
3. Products with backward technology, high consumption of water and energy, and high pollution;
4. Products processed with low-class supplied raw materials and much labour;
5. Products designated to be obsolete by the State.

Designated Investment Zones

While improving its overall investment environment, Shenzhen has designated various investment zones such as bonded areas, one large industrial zone, which provide more favourable investment environments and policies than

other areas.

1. Bonded Areas

Modeling on free trade zones and adopting some policies of free ports, the bonded areas follow international practices. Imported production equipment, goods, office equipment, and materials, components and packaging materials necessary for processing products for export which will be used within the bonded areas are exempted from import tariffs, VAT and consumption tax. For the goods transported into the bonded areas from abroad or transported overseas from the bonded areas, customs tariffs and license are exempted. Shatoujiao Bonded Zone-covering 300,000 square metres, focusing on advanced export-oriented industries with appropriate development of import and export trade, transit trade, warehousing, transportation, real estate and other tertiary industries.

Futian Bonded Zone-covering 1.35 square kilometres plus a residential area of 0.63 square kilometres, mainly developing international trade, warehousing, advanced industries and high-tech industries with relevant development of finance, information, goods display and commerce and trade service sectors. Yantian Port Bonded Zone-with 0.85 square kilometres in the first development phase, concentrating on transit trade and warehousing with necessary development of production material market, commodity sales exhibitions, categorizing, repackaging, mixing, processing and finance, insurance, information, transportation, etc.

2. New and High-tech Industrial Park

It is a state-level high-tech industrial park, with a total area of 11.5 square kilometres, mainly developing such four industries as electronic information, bioengineering, new materials and optical electro-mechanical integration, with electronic information industry as its pillar.

3. Longgang Grand Industrial Park

It covers 174.4 square kilometres, with 109 square kilometres available for construction and the planning area of 80.9 square kilometres. As a large industrial base, it takes the manufacturing as the mainstay, with the advanced industrial projects as the core, correspondingly develops the tertiary industries like finance, real estate, trade and services and vigorously develops basic industries and advanced industries like computer and software, micro-electronics and components, telecommunications, audio & video, electro-mechanical integration, instruments, refined chemicals, pharmacy and bioengineering, metal material industry, light textile industry, mechanical processing and automobile.



Shekou Industrial Zone



China Hi-TECH Fair

Approved by the State Council, the first annual "China Hi-Tech Fair" will be held on **October 5th-10th 1999 in Shenzhen**--the first special economic zone of China.

Features of the Fair:

The Fair will focus on the high technology. Hi-tech enterprises, universities, research institutes and transnational companies in China, Hong Kong, Macao, Taiwan and overseas will be invited to participate in the event. The Fair will become a prestigious event for technology transfer and hi-tech enterprise cooperation among China, Taiwan, Hong Kong & Macao.

Over a thousand investors will be invited to participate in the event and over ten thousand projects in different development phases will be present at the Fair. The Fair organizers will provide information gathering, technical evaluation, market analysis, negotiation techniques and investment services to the projects' vendors and buyers.

Major Activities:

1. Transfer of High Technology Advances

- 1). Electronic Information Industry
- 2). Biotech and Medical Technology
- 3). Advanced Materials
- 4). Machinery, Optical and Electrical Integration Products
- 5). Energy Saving and Environment Protection Industry

2. Exhibition

"COMNET", a concurrent fair organized by IDG, will bring many exhibitors including some of the largest multinational companies to the Fair. Registered in the US with a 17 years history, COMNET is an internationally renowned information technology, telecom & network exposition company.

Exhibit profile:

- Internet/intranet
- Telecom networking application
- E-commerce
- Printing and publishing
- Computer & basic components

3. Conferences & Seminars:

Well-known Chinese and foreign scholars, experts, entrepreneurs & professionals will be invited to deliver keynote speeches on the following topics:

- Financial market in the development of technology
- Venture capital & high technology
- Intellectual property and protection
- Capital restructuring
- The future trend of electronic information technology in the 21st century
- The recent development plan of China's electronic information industry
- Information network of government
- Biotech and medical technology
- Advanced materials and new energy

Please fax, e-mail, or mail the application form, so we may send you the invitation letter.

Address: Room 705, Science Hall, Shangbu, Road, Shenzhen 518031, P.R. CHINA

Fax: 0086-755-3220430

Hi-Tech transfer:

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Seminars & Conferences:

Tel: 0086-755-3227034,

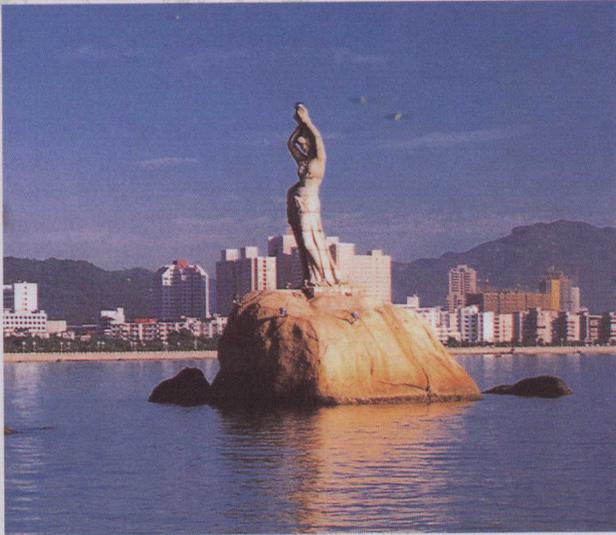
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website: <http://www.chtf.com>

Zhuhai

A Green City



Zhuhai Coast-line

Zhuhai is coastal garden city located in the south of Guangdong Province. It is connected to Hong Kong sea waters in the east and linked to Macau in the south. It is one of the earliest Special Economic Zones (SEZ) in China enjoying local legislative power authorized by the National People's Congress.

Zhuhai municipality was founded in 1979 and Zhuhai Special Economic Zone was established in 1980. For the past ten years, its economy has risen quickly, with urban construction and infrastructure continually improved. A comprehensive export-oriented economic structure has developed which takes industries as the mainstay with the coordination of other industries such as commerce and trade, tourism, finance, real estate, information, transportation as well as agriculture and fishery.

The city is a focus of foreign investment. By the end of 1997, it had granted approval for 7704 foreign projects, with a contractual foreign investment of USD

11.6 billion and actual utilized foreign funds of 5.6 billion. 2,459 enterprises with foreign investment had been set up and put into operation, whose gross industrial output value accounted for 70% of the city's total. To date, 25 international corporations have set up in Zhuhai.

Zhuhai City consists of one county and nine districts: Doumen County, Xiangzhou District, Wanshan District, Pingsha District, Qi'ao District, Zhuhai Harbour District and Zhuhai Hi-Tech Industrial Zone (otherwise known as Sanzao District), Zhuhai Bonded Zone and Hengqin Economic Development District. The municipal government is situated in Xiangzhou District.

Transportation

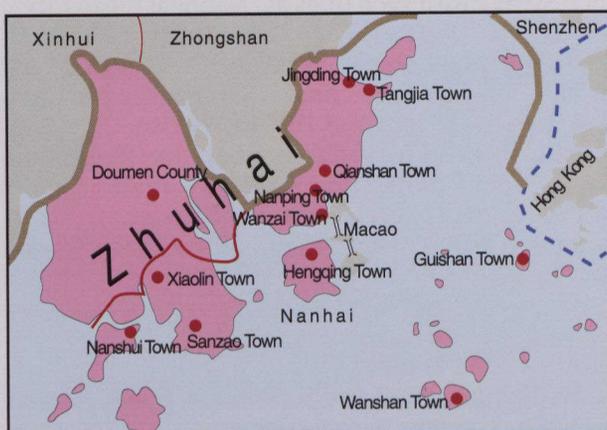
Transportation is very convenient in Zhuhai owing to a comprehensive land, sea, and air transportation network. Zhuhai Harbour is one of the main pivotal harbours in south China. Now, two 20,000-ton berths have been put into operation. In addition, there are nearly 100 berths of over 500 tons in other harbours, including Jiuzhou Harbour, Xiangzhou Harbour, Qianshan Harbour, Wanshan Harbour, Jing'an Harbour and Domen Harbour.

Highways run in all directions from Zhuhai to various parts of the country. There are 600 individual passenger and cargo transportation enterprises. There are more than 30 bus routes and over 2,000 taxis in the city. Distant passenger coaches can drive to nearly 100 cities all over China.

The construction of the Guangzhou-Zhuhai Railway started on October 23, 1997, with a total length of 142 kilometres and an investment of USD 3.4 billion. It is grade 1 standard and equipped for future electrification and linkage to Macau. The railway is planned to be completed in the year 2000, when the annual cargo transportation capability will reach 9.5 million tons and passenger transportation 160 million person times. Zhuhai Airport, having been constructed in accordance with international standards, occupies 4 million square metres and its runway is 4000 metres. It has opened more than 30 domestic routes, with over 130 flights a week.

Post and Telecommunications

Zhuhai's post and telecommunications facilities have been greatly improved. IDD and long distance calls extend to various parts of the world and more than 1,800 cities in China. The rate of popularity of telephones ranks number one among the major cities in the nation. Numerous communications services are provided such as EMS, digital data transfer, digital data special line, group exchange, electronic data interchange, wireless paging, mobile telecommunications and fax.

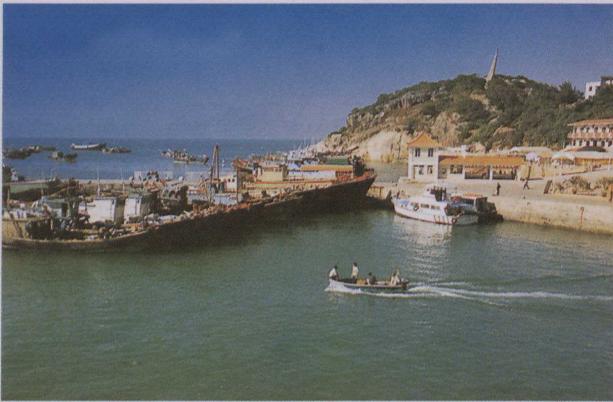




Water and Power Supplies

Zhuhai is rich in fresh water resources. The flow rate per second in the dry season reaches 1,000 cubic metres. A series of water supply facilities such as Xiangzhou Waterworks, Gongbei Waterworks and Western District Waterworks have been set up. With a daily supply capacity of 1.5 million tons, they not only meet the household and production needs of the city but also ensure a water supply for Macau.

It is mainly the Guangdong electrical network that provides electricity for Zhuhai. The city has also established a group of large-scale electricity facilities, including Qianshan Diesel Power Plant and Hongwan Diesel Power Plant. The Zhuhai Power Plant with a total capacity of 3720 MW is already under construction. The power generating capacity of the city amounts to 650 MW, which can fully satisfy the living and production requirements.



A City of a Hundred Islands

Financial Services

Currently, there are more than 600 financial institutions in Zhuhai, including branches of Nantong Bank, Standard Chartered Bank, Bank of East Asia, BNU Bank, Everbright Bank of China, as well as branches of state-owned banks.

National Economic Indexes

According to the official figures announced by Zhuhai Municipal Government in 1997, Zhuhai's GDP was RMB 23.5 billion, the average per capita GDP reached more than RMB 20,000, the industrial output value totaled RMB 48.33 billion, the handling capacity of the ports hit 13.40 million tons and the social retail sales volume registered RMB 9.38 billion. In addition, the gross import and export volume was USD 5.53 billion, the local financial revenue RMB 1.596 billion, the average income of the urban residents RMB 13,150 per year, and the average income of the farmers and fishermen RMB 3665 per year.

Awareness of Environmental Protection

The Municipal Government is determined to build

Zhuhai into "a modern garden-like coastal city" with developed science and technology, a prosperous economy, sustainable development space and a beautiful environment. Whenever economic benefits conflict with environmental protection, the citizens would prefer the latter. They believe in keeping a high-quality environment while developing the economy. Since the founding of the municipality, as many as 232 projects have been rejected because of environmental protection reasons, a few which had an investment amount of over RMB 100 million.

With a strong sense of environmental protection, the local government has considerably increased the investment in environmental protection infrastructure facilities. It has invested RMB 3 billion in building three advanced sewage disposal plants in the urban district and RMB 100 million in a refuse dump, with a daily handling capacity of 62,000 tons and 580 tons, respectively. It has also invested heavily in developing a system to separate rainwater from polluted water in the newly built and reformed districts. Garbage disposal using land-fills can dispose of all the trash on a daily basis. There are 75 enclosed-type trash collection stations over the whole city spread in well-designed locations. A trash burning ground with an investment of RMB100 million and a daily handling capability of 600 tons is under construction. The consistent investment efforts by the municipal government have effectively controlled the new pollution sources.

The atmosphere environment quality is in conformity with the National First Grade Standards. The urban API is less than 50 and the standardization rate of land and coastal water quality amounts to 97.3%. An urban natural ecological protection network has developed, with a green coverage of 39.9% and an average greenbelt rate of 114.97 square metres. Regional environment noise is declining and has been less than 60 decibels, the national standard, for three years.

Ever since 1991, Zhuhai City has been awarded successively with such titles as "National Clean City", "National Model City of Comprehensive Environmental Control", "Provincial Advanced City of Environmental Protection", "National Garden City" and one of the "National Top 40 Tourism Cities". In 1996, Zhuhai was designated by the State Environment Protection Bureau as one of the 69 experimental cities in which ecological demonstration districts are to be built. It was appraised as a "National Model City of Environmental Protection" in 1997.

World Class Exhibitions

With approval of the State Council, the Zhuhai Airport has become the only domestic airport that can

hold international aviation and aerospace exhibitions with demonstration flights. It witnessed China's First Aviation & Aerospace Exhibition in April 1996, which pooled various types of aircraft from all over the world and received over 700,000 visitors during the five day exhibition.

The airport hosted China's 2nd Aviation & Aerospace Exhibition on November 15, 1998. The scale was much larger than the previous year with the participation of Canada, the United States, England, France and Germany. Air transportation and quality service products were exhibited in addition to aerospace products.

Zhuhai has invested RMB 3 billion in constructing the Zhuhai International Automobil Racing Circuit. Being the first venue of international standards in China and the newest and best among the six F1 racing circuits in Asia, it will be likely to become the automobile sports center of Asia. Zhuhai holds international automobile races once a year, which draw hundreds of car drivers and thousands of working personnel from more than 20 countries and regions in Southeast Asia, Hong Kong and Macau.

Harbour Development Strategy

Gaolan Harbour, which is located in the western urban district, will be built into a large harbour with berths of 100 to 200 thousand tons and will be renamed Zhuhai Harbour.

Zhuhai Harbour covers a water area of 84 square kilometres with a coast line of 70 kilometres, it can hold 200 berths of ten thousand tons. The largest berth will be 250 thousand tons and its yearly handling capacity will be 2 billion tons. Among the recent planning construction projects are: one 20-thousand-ton dock, one 100-thousand-ton coal dock, one 250-thousand-ton oil wharf, and one 50-thousand-ton container terminal. Being at the intersection of rivers and sea, Zhuhai Harbour can be developed into a regional, comprehensive, and multi-functional river-and-sea port. Once the expressway



Canon's Joint Venture

between the city proper and the harbour is completed, it will be only a 30-minute drive to the centre of the city. The completion of the Guangzhou-Zhuhai Railway and two sea-crossing bridges over Lingding Sea and Huangmao Sea will link Zhuhai to the economically developed Pearl River Delta and, in coordination with Hong Kong, will become an international shipping and transfer base.

"Destiny Project"

The "Destiny Project" refers to the four projects that are aimed at improving the land, sea, and air transportation in Zhuhai. They are the Guangzhou-Zhuhai Railway, Zhuhai Harbour, Zhuhai Airport and Lingding Sea-crossing Bridge. Except for the completed Zhuhai Airport, the other three projects are still in the planning or construction.

Scientific and Technological Development

In the tremendous economic development of Zhuhai, which has turned from a coastal fishing village to a modernized city, science and technology has played a very important role, accounting for 34%. The contribution of scientific and technological improvement to Zhuhai's economic increase has come to a rate of 43%. In 1996, Zhuhai possessed 115 high-tech enterprises and 169 kinds of high-tech products of which about 70% are products up to internationally or domestically advanced standards. The total value of the high-tech products of Zhuhai in 1996 was as much as RMB 8.9 billion.

There were 115 high-tech enterprises in the whole city in 1996 and 122 in 1997. The gross output value of high-tech products in 1997 hit RMB 12 billion, making up 25% of the total industrial output value. In June 1997, Zhuhai held the founding ceremony of Guangdong Scientific and Technological Industries Demonstration Base, celebrating the completion of its first construction phase. China Aerospace Industrial Group Co plans to invest billions of dollars to establish a Zhuhai Aerospace Scientific Industrial Park, a high-tech industrial park in Zhuhai, focusing on aerospace products and involving food, bioengineering, mechanical-electronic integration, new energies and electronic information.

Projects Inviting Foreign Investments

(I) Farming, Forestry, Animal Husbandry, Fishery and Related Industries

1. Fine breeding of domestic fowls, animals and aquatic products (not including the rare and precious species exclusively existing in China)
2. Culturing of famous and unique types of aquatic products.
3. High-performance and safe pesticides (with effectiveness over 80%, and harmless to human beings, animals and crops)
4. High-density fertilizers (potash fertilizer and phosphate fertilizer)
5. New technology and new product of plastic sheet (fiber



membrane, light resolvable membrane, multiple purpose membrane and their raw materials.)

6. Antiseptics for animals (including antibiotic and synthetic chemicals)
7. Insect killers for animals
8. Fodder additives and fodder protein source development
9. New technologies and facilities for storing, preserving and processing of foodstuffs, vegetables, fruits, meats, and aquatic products.
10. Chemicals for forestry, and comprehensive utilization of low-quality timber and new technology for bamboo utilization

(II) Light Industry

1. Designing, processing and manufacturing of molds for non-metal products.
2. Pulp production
3. Post processing of leather and related technology and equipment
4. Rechargeable non-mercury CaMn batteries and lithium cells.
5. Sewing machines for special industrial uses.
6. Kapton
7. High-performance zymin
8. Synthetic perfume, mono-ion perfume
9. Substitutes for freon
10. Di-acetate fiber for tobacco processing

(III) Textile Industry

1. Textile synthetic fiber chemical wood pulp
2. Textiles for special industrial use
3. Dyeing and post-processing of synthetic fibers and fabrics
4. Additives, oil agents and dyes for fabrics

(IV) Transportation, Telecommunications

1. Technology and equipment for railway transportation: design and manufacture of carriages and major parts, line facilities, high-speed railway facilities; manufacture of communication signal and safety system monitoring systems and electrification devices.
2. Construction and operation of branch railways, local railway sections, bridges, tunnels, ferries, etc. (not for sole ownership by foreign investors).
3. Design and manufacture of highway and harbor new machinery and equipment.
4. Construction and operation of city metro and light track railways (the Chinese partner having the majority shares in the joint venture).
5. Construction and operation of highways, individual bridges and tunnels.
6. Construction and operation of harbor wharf facilities (the Chinese partner having the majority shares in the joint venture).
7. Construction and operation of civil airports (the Chinese partner having the majority shares in the joint venture).
8. Manufacture of asynchronous ATM switching facilities.

(V) Electric Power Industry

1. Construction and operation of the power plants with unit capacity over 300,000 kw.
2. Construction and operation of hydroelectric power stations.
3. Construction and operation of nuclear power stations (the Chinese partner having the majority shares in the joint venture).
4. Construction and operation of power plants with clean burning of coals.

5. Construction and operation of new energy source power plants (including solar energy, wind energy, magnet energy, geothermal energy, tidal power, biological matter energy, etc.)
- (VI) Ferrous Metallurgical Industry

1. Converter steel-making with a capacity of over 50 tons, super-power electric furnace steel-making with a capacity of over 50 tons.
2. Metallurgy of stainless steel.
3. Cold-rolling silicon steel sheets production.
4. Hot- and cold-rolling stainless steel plates production.
5. Steel piping for petroleum industry.
6. Processing and treatment of steel wastes.
7. Mining and ore dressing of iron ores and manganese ores.
8. Direct retailing and smelting of iron.
9. Mining of bauxite and hard clay and grog production.
10. Processing of needle-shape coke, crashed coke and kerosene.
11. Production of dry coke quenching.

(VII) Non-ferrous Metal Industry

1. Production of mono-crystalline silicon (diameter above 8 inches) and multi-crystalline silicon.
2. Production of hard alloys, tin compounds, antimony compounds.
3. Production of non-ferrous composite materials, new types of alloys.
4. Mining of copper, lead and zinc ores (not for sole ownership by foreign investors).
5. Mining of aluminum ores (not for sole ownership by foreign investors), aluminum oxides production with an annual output of over 300,000 tons.
6. Application of rare earth.

(VIII) Petroleum, Petrochemical and Chemical Industries

1. Production of ion membrane for caustic soda.
2. Ethylene production with an annual output of over 600,000 tons (the Chinese partner having the majority shares in the joint venture).
3. Polyvinyl chloride resin production (the Chinese partner having the majority shares in the joint venture).
4. Comprehensive utilization of ethylene by-products c5-c9.
5. Engineering plastics and plastic alloys.
6. Supplementary raw materials for compounds : bisphenol, butadiene-vinylpyridine, pyridine, 4,4 diphenyl methanol vulcabond, toluene vulcabond.
7. Raw materials for basic organic chemical industry : benzene, toluene, xylol and their applications.
8. Synthetic rubber : solution butylbenzene rubber, butyl rubber, bivinyl rubber, isoamyl rubber, ethylene-propylene rubber, polyester rubber, etc.



Zhuhai Harbour

SOUTH CHINA TIRE & RUBBER CO., LTD.



Chairman of the Board of Directors: Mr. Li Yujun



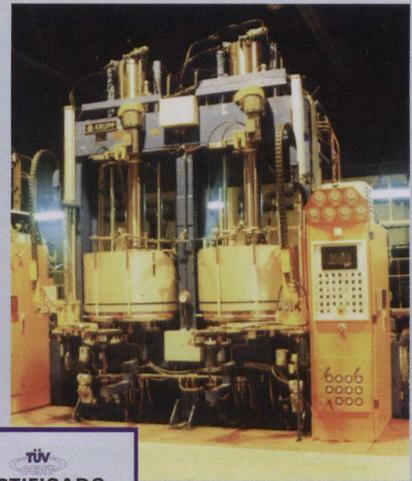
General Manager: Mr. Huang Zunguang

South China Tire & Rubber Co., Ltd., the first joint venture in China that is specialized in producing super radial tires for automobiles, introduced the complete world-advanced manufacturing technology from an American tire company which ranks

among the 10 world leading tire enterprises. Its major processing equipment and test facilities are imported from the developed countries such as U.S.A., Germany, England, Japan, etc.. Its production technology is in the lead of the tire industry in China.

The Company produces WANLI brand super radial tires with 60 sizes and more than 90 tread pattern designs. Its products have passed the certification of ISO9002 Quality Assurance System by Germany TÜV CERT and the certification of ISO9001 Quality Assurance System by Guangdong Quality Certification Center and also obtained approvals DOT from U.S.A., ECE from EEC, ADR23 from Australia, INMETRO from Brazil, etc. They are granted the parts release certificates from Shanghai Volkswagen Santana, FAW Changchun and FAW-Volkswagen Automotive Co., Ltd., in China and also selling well in more than 40 countries and regions in the world. The 3 sizes of grade V tires recently developed including 195/50VR15, 225/50VR16, 255/50VR16 have passed the national standard certification, filling in the gaps in the production of grade V tires in China.

WANLI brand super radial tires have many advantages such as increased wear resistance, reduced rolling resistance, higher energy saving, lower heat generation, better buffering, better grip on road and outstanding handling. It's a new generation of tires that are suitable for driving at high speed.



▲ The hydraulic curing presses introduced from Krupp Elastomertechnik GmbH. of Germany

◀ The certificate of conformity of ISO9002 quality system granted by TÜV Rheinlang of Germany

Address: Donghuan Road, Shiqiao, Panyu, Guangdong
Tel: (020) 84629574, 84611810
Fax: (020) 84610302
Zip code: 511400



▲ WANLI brand super radial tires 195/60R14 used as O.E. tires for Santana 2000 cars made by Shanghai-Volkswagen



◀ VIEW OF SOUTH CHINA TIRE & RUBBER CO., LTD.

Shantou

A Developing Coastal City

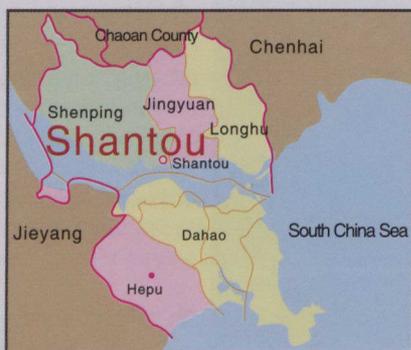


A View of the Booming City

Shantou, a harbour city and a famous hometown of overseas Chinese on China's southeastern coast, is one of the first Special Economic Zones (SEZ) in China. It governs five administrative districts—Longhu, Jinyuan, Shengping, Dahao and Hepu—and Nan'ao Island and, on behalf of Guangdong Province, also administers Chaoyang City and Chenghai City.

Shantou lies in the eastern part of Guangdong Province, 195 nautical miles away from Hong Kong and 214 nautical miles from Kaohsiung City of Taiwan. Shantou enjoys a sub-tropic oceanic climate, with the Tropic of Cancer crossing through it. Overseas Chinese born in Shantou and Chaozhou and their descendants are scattered in more than 40 countries and regions worldwide. The population density is approximately 2001 persons per square kilometre and the average cultivated area per person is about 119 square metres. Chaozhou dialect is the prevalent dialect among the populace and has thus become a specific language system to the area, similar only to the dialect spoken in the Minnan area in the south of Fujian Province.

The local customary charms include the "Four Chao": Chaozhou Opera, Chaozhou Music, Chaozhou Cuisine and Chaozhou-Shantou Kongfu Tea. Chaozhou Cuisine has already spread inland and has become part of the Chinese cuisine family.



Economic Development

Since the reform and opening-up policy, Shantou has attained substantial economic development. Shantou industries fall into five categories, namely, chemical, ultrasonic electronics, pharmaceutical, textile and machinery. Photosensitive materials, ultrasonic and electronic instruments, ceramics, drawn work, textiles, garments, medicines, and handicrafts are all traditional industrial exports. Shantou agriculture has been modernized, with four bases for rearing of fruit and vegetables, aquatic products, processing, and husbandry.

In 1997, Shantou's GDP was RMB 37.352 billion, and the total output value of industry and agriculture rose to RMB 58.65 billion. The import and export value totaled USD 6.873 billion, among which exports accounted for USD 3.477 billion, and actual utilized foreign investment accounted for USD 1.011 billion.

With its favourable SEZ policies, its improving investment environment, and its multitudinous and industrial labour force, Shantou has been attracting an increasing number of investors. By the end of 1996, 12,396 foreign invested contractual projects had been approved, with contractual foreign investment of USD 7.967 billion and actual utilized foreign funds of USD 4.39 billion. 4,657 of these projects are in the form of foreign direct investment (FDI) projects, and USD 3.682 billion out of the USD 7.595 billion FDI has been utilized. In 1992, Shantou was listed among the Top 50 Cities of Comprehensive Strength in China and among the Top 40 Cities with Excellent Investment Environment.

Transportation and Telecommunications

Shantou Harbour has 79 over-five-hundred-ton berths, including 8 over-ten-thousand-ton deep-water berths. The annual handling capacity of the harbour is 211.2 million tons, and the total volume of containers handled in one year is 365,000 TEUs. Shantou Harbour has freight business with more than 248 harbours of 53 countries and regions in the world. A multiple harbour complex comprising of Shantou deep-water harbour as the hub and a group of large, medium-and small-sized harbours with complete supplementary facilities has been developed.

The Guangzhou-Meizhou-Shantou Railway joins the Beijing-Kowloon Railway to make Shantou a key export terminal of the main trunk railways in China. Passenger trains run daily to Guangzhou, Shenzhen, Hengyang, Wuchang and Shaoguan, and freight trains connect to all parts of the country. As well, State Highways No. 324 and No. 206 pass through the city. The Gulf Bridge and Shenzhen-Shantou Expressway Bridge connect the three Special Economic Zones of Shantou, Xiamen and Shenzhen, therefore forming an important part of the major highway network in the



southeastern coast of China. At present, the traffic total highway coverage in the city is 1618 kilometres, with a density of 78.4 kilometres per hundred square kilometres. 176 passenger transportation lines have been opened and 3,400 coaches run daily to the main cities in south China, east China and southwest China. Freight transportation routes reach all parts of the country except Inner Mongolia and Tibet.

Shantou Airport, which is equipped for large planes such as Boeing 757 and Boeing 737 to takeoff and land on its 2,500-metre-long runway, has opened 40 flight routes to 38 domestic cities and 5 countries and regions, namely, Hong Kong, Bangkok, Singapore, Kuala Lumpur and Malaysia. The total number of passengers in 1996 amounted to 2 million.

The telecommunications industry in Shantou, based on program-controlled telephones, has extensively developed with the introduction of mobile, digital, satellite, and microwave telecommunications. The Shantou-Guangzhou Information Highway has been established and a middle-scale satellite station has been set up. The international mail exchange station sends mail directly to 12 countries, and long distance calls reach over 2100 cities in China and more than 210 cities abroad. Many new telecommunication businesses such as audio-video meeting, e-mail and audible post boxes have rapidly developed. There are 42.69 telephones per every one hundred urban residents. By the end of August of 1998, the mobile subscribers of the city amounted to 200,000, with a popularity ratio of 13%. According to 1996 statistics, among the 20 coastal cities of China, Shantou ranked fourth in telecommunication capability. Shantou's modern telecommunication system will develop rapidly when the submarine cable, which connects with 33 countries and regions from France in Europe to Japan in Asia, lands at the Shantou Telecommunications Station.

Infrastructure Construction

From 1991 to 1995, Shantou invested a total of RMB 12 billion in constructing infrastructure projects and facilities such as the Guangzhou-

Meizhou-Shantou Railway, the Gulf Bridge, the Shenzhen-Shantou Expressway, and the Huaneng Shantou Electric Power Plant. In 1996, RMB 4.4 billion was invested to improve the investment environment and the general appearance of the city.

From 1991 to 1995, it expanded the urban area to 90.4 square kilometres, roads to 472 kilometres, the water supply capacity to 720,000 cubic metres per day and the coverage rate of the green area to 31%. Public transportation in Shantou has developed into a multi-directional traffic network.

The real estate industry in Shantou has developed ever since 1984, with complex market activities including land sales, real estate transfer, intermediary services and property management. There are now 320 real estate enterprises in the city and the real estate market is developing steadily.

National Economy

Shantou's mainstay industry is light industry. Since 1996, the city has introduced 120 high-tech industries with high value-added output and intensive capital investment resulting in a total industrial output value of RMB 44 billion.

Excellent natural conditions and farmer intensive cultivation has kept the grain production of Shantou leading the whole country. In 1996, the grain output per mu was 1,196 kg. The culture of eels, shrimps, pearls, turtles, quality fruit and vegetables for export has resulted in an integrated system. There are 122 wholesale and specialized markets for agricultural products in the city with 11 towns with an annual output value over RMB one billion each, 64 villages and 13 enterprises with output value over RMB 100 million each.

By the end of 1996, there was 1,282 financial institutions in the whole city, including four branches of state-owned banks, one branch of a government bank and three branches of shareholding commercial banks; four branches of insurance companies, three trust companies, eight city credit banks, five securities institutions and five representative offices of foreign banks.

Introduction of Foreign Investment

Overseas Chaozhou-Shantou people are scattered in more than 40 countries and regions worldwide. A large number of them, approximately 10 million, live in the Southeast Asia, Hong Kong and Macau. Since the policy of reform and opening-up was initiated, they have played a very important role in the economic development of Shantou. Mr. Li Kashing, a famous businessman from Hong Kong, has invested RMB 4.38 billion in Shantou. The



Shantou University



improved investment environment has drawn the interest of many foreign investors, who had invested USD 501.9 million in 15 projects by the end of 1996. At present, there are 5,022 enterprises with whole or partial foreign investment, with actual utilized foreign funds of USD 6.073 billion. Shantou has established economic and trade relations with 127 countries and regions in the world.

Structure of Export Commodities

Among general trading exports, agricultural and sideline products and associated processed products amounted to USD 202,871,600, accounting for 16.9% of the total export value, and industrial and mineral products amounted to USD 994,270,700, accounting for 83.1%. Machinery and electrical products had an export value of USD 120,809,400, accounting for 10.09% of the total export value. In 1996, the major export commodities included those products in light industry, textile, handicrafts, minerals and metals, chemical products, machinery, etc. among which 37 varieties had an export value of over 5 million USD, 25 varieties of over 10 million USD. And the major export commodities accounted for 95.15% of the total, including USD 441,941,900 for garments, USD 28,535,200 for drawn works, USD 47,601,900 for aquatic products, USD 10,729,900 for fruit, USD 14,618,900 for preserved fruits, USD 15,330,500 for vegetables, USD 24,506,400 for paper, USD 19,173,000 for textile products, USD 26,099,800 for footwear, USD 10,539,100 for synthetic leather cases and bags, USD 38,759,400 for metal articles of daily use and general merchandise, USD 26,584,500 for sports gear and stationery, USD 19,371,200 for timber, USD 14,920,500 for bicycles, USD 25,097,600 for cotton cloth, USD 63,741,000 for electric home appliances, USD 91,128,800 for ceramic products, and USD 58,499,600 for daily life handicrafts, etc.

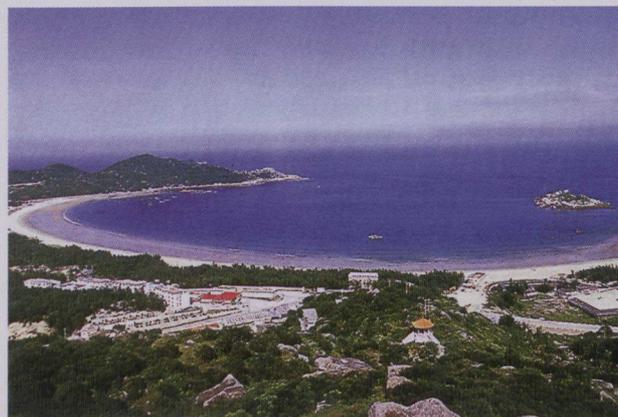
Enterprises with Foreign Investments

In 1996, 405 enterprises with foreign investments were approved to be set up, a growth rate of 3.05 % over 1995. The total amount of investments was USD 2.122 billion, a year-on-year increase of 17 %. Contracted foreign investment amounted to USD 1.46733 billion, a growth rate of 16.02 %, and the actual utilized foreign capital amounted to USD 915.89 million, an increase rate of 14.07%.

Among the 405 projects with foreign investment, 346 are of manufacturing nature and 59 are of non-manufacturing nature. These projects fall into the following professional categories: 16 projects in farming, forestry, husbandry and fishery, 436 projects in industrial sectors, 1 project in the building industry, 5 projects in transportation and telecommunications, 18 projects in commerce,

catering, material supply and storage sectors, 22 projects in real estate management, public utility, residential housing service and consultation service, 2 projects in finance and insurance, and 13 projects in miscellaneous professions.

Foreign investors came from 19 countries or regions, among whom the 10 leading ones are: 423 projects by investors from Hong Kong with an investment of USD 1.05408 billion, 21 projects by investors from Taiwan with an investment of USD 21.64 million, 12 projects from Singapore with an investment of USD 50.14 million, 14 projects from Thailand with an investment of USD 22.09 million, 2 projects from Indonesia with an investment of USD 22.96 million, 2 projects from South Korea with an investment of USD 43.68 million, 5 projects from France with an investment of USD 69.87 million, 9 projects from UK with an investment of USD 110.17 million, 1 project from Denmark with an investment of USD 13.75 million and 5 projects from Australia with an investment of USD 32.75 million.



Qing'ao Gulf of Nan'ao

The Three Key Zones

The Bonded Zone: Upon approval of the State Council, the bonded zone was designated on March 1, 1993 in the southeastern part of Shantou Dahao Peninsula, neighbouring the main international shipping lines in the western Pacific Ocean. The bonded zone is 179 nautical miles to Hong Kong, 180 nautical miles to Gaoxiong Port of Taiwan and 130 nautical miles to Xiamen. Equipped with specialized berths and a regular cargo airline to Hong Kong, this zone enjoys a very favourable transportation conditions.

The bonded zone has multiple functions of customs, processing with supplied materials, international trade, warehousing, transportation, finance and information services, etc. By the end of 1996, RMB 900 million had been invested in the infrastructure construction, and 813 enterprises had been approved to operate with a total investment of RMB 4.7 billion.



At present, the hard and soft conditions have been established for a complete investment environment in this zone, which is intensifying its efforts to introduce foreign investments by inviting large-scale industrial enterprises both at home and abroad to settle in the zone. The objective is to transform the zone into a modern and international district.

The preferential policies in the zone are materialized in the following aspects:

1. A flexible and less-restrictive business operation scope.
2. Exemption of custom duties and import administration taxes.
3. Loose restrictions on quota license regulations.
4. Simple custom declaration procedures.
5. Exemption of deposit accounts.
6. Unlimited storage and warehousing period.
7. Refund of export taxes.
8. Free from foreign exchange settlement verification.
9. Enjoying all the preferential policies of the special economic zones.

Business lines in which foreign investments are encouraged:

1. Hi-tech industries, export-oriented processing enterprises (with simple commercial nature), and the general processing enterprises which have large market potentials both at home and abroad;
2. Warehousing and transportation businesses to carry out bonded storage and warehousing services;
3. Import and export trading, transit trade and entrepot trade;
4. Financing, insurance and information businesses;
5. Investments in land-use development for supplementary services in warehousing and export-oriented processing.

Hi-tech Industrial Development Zone: Set up upon the approval of Guangdong Provincial Government in 1993, the zone covers a total area of 40,000 square kilometres and is divided into an east and west district. The east district, located on the north of the central section of Yellow River Road with an area of 10,000 square kilometres, includes the comprehensive quarter, the manufacturing quarter and the residential quarter. The west district, which occupies 30,000 square kilometres and lies to the south of Shantou University at the foot of Sangpu Mountain, has finished the general planning and has been put into trial operation. An industrial group mainly being composed of microelectronics, mechanical-electronic integration, bioengineering, Telecommunications and energy have developed in the east district. 122 enterprises have been approved to invest in 465 projects, with contractual investment of USD 6.2 billion, among which the contractual foreign investment was USD 393 million and the actual invested funds was RMB 1.4 billion.

Directory for Investments:

The **Hi-tech Industrial** Development Zone is a comprehensive base for the R&D, trial production and business operations of high technologies and hi-tech products. Technology-intensive, intelligence-intensive and hi-tech industries are encouraged to be set up in the zone.

Development of electronic information technology, optical-mechanical-electrical integration, new types of materials, refined chemical industry, new energy sources and high-performance energy-saving technology, bioengineering, and other hi-tech technologies that are able to invigorate and upgrade the existing industries or able to promote foreign exchange earnings of the city is encouraged.

Industries and projects which are given higher priorities:

1. Computers and computer systems;
2. Micro electronics, basic components and new type of electronic equipment;
3. Information technology and related products;
4. Aerospace and aviation products;
5. Scientific research instruments and devices;
6. Mechanical-electrical integration and related products, equipment and systems;
7. New types of electric power machinery, electric equipment and products for special environment purposes;
8. New type materials;
9. New energy sources, high-performance energy-saving products;
10. Laser technology and related products.

Nan'ao Sea Island Experimental Zone: Nan'ao Sea Island Experimental Zone: This experimental zone is composed of Nan'ao Island and 22 nearby islands, with a total area of 130.91 square kilometres and a sea area of 4,600 square kilometres. It is located at the intersection of Fujian, Guangdong and Taiwan sea territories and at the centre of the three big ports of Gaoxiong, Xiamen and Hong Kong. It also lies close to the international navigation route in the west Pacific Ocean, with a coastal line as long as 77 kilometres.

The islands are characterized by their rich natural resources, aquatic resources and tourist resources. Over 50 sites of historical interest have been discovered with unearthed relics and there are more than 30 ancient temples. Fishery resources are abundant with over 1300 varieties and precious species like rockfish, lobster, squid, etc.

Nan'ao Island has very favourable developmental prospects. It has established economic contacts with more than 14 countries or regions. In the period from 1991 to 1995, as many as 245 contracts were signed, with a total investment value of over RMB 10 billion and an investment in construction of RMB 1.32 billion. Infrastructure projects in transportation, energy, telecommunications, water supply, such as the ring highway around the island, the Laichang ferry piers for vehicles and passengers with associated ferry boats and vehicles, have been in operation. Tourism has also seen rapid growth, and a number of tourist service and recreation & amusement facilities like the Qing'ao Tourists & Holiday Resort, Huanghuashan Sea Island Forest Park, are also operational now. Fisheries on the islands have also achieved rapid progress in the recent years. Nan'ao Island is now one of the most important aquatic breeding and culturing bases for export of aquatic products in the eastern part of Guangdong Province.

Technology & Opportunity

East - West Connection

Strategic Alliances Joint Ventures

Meeting of the Cultures

The Technology of the West
meets the Opportunity
of the East.

Success requires the insight
of the two Cultures and the
understanding of
Business Relationships,
followed by East / West
partnerships and
strategic alliances.

We have been down that path,
We can help.

Contact: Albert Cheung,
Joe Frend & Ron Trottier.

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共创前程

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合资
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Xiamen

A Dynamic City on the Pacific



Egret Island (Gulangyu)

Xiamen is situated in southern Fujian Province, facing Jinmen Island and bordering Zhangzhou City in the west and Quanzhou City in the north. With a pleasant maritime climate, it is spring time all year round, attracting flocks of egrets to stay on Xiamen Island. In fact, Xiamen Island is nicknamed "Egret Island" because the shape of the island resembles an egret ready to take off.

The city administers five districts, namely, Kaiyuan, Siming, Gulang Isles, Jimei, Xinglin, Huli and Tong'an. Xiamen is a famous hometown of over 350,000 Chinese living abroad. As well, 70% of the population in Taiwan originate from Fujian province.

With an annual average temperature of 20.9 degrees Celsius, sufficient rainfall and sunshine, Xiamen is not only a comfortable place to live but also to visit. There are eight universities or colleges and a large number of professional schools in Xiamen, which provide a solid foundation for high-calibre human resources. Xiamen University, initiated by Mr. Cheng Jia Geng, the forerunner of Chinese education, is a key comprehensive university of China offering a

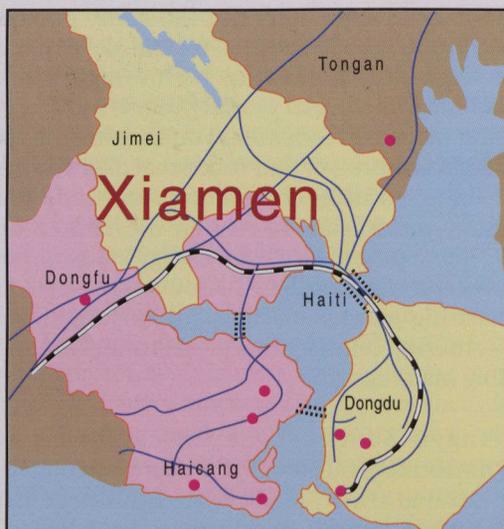
wide variety of subjects and first-rate teaching quality. The advantageous geographical location and cultural environment enable the city to have a large number of talented and competent elites.

As one of the first few Special Economic Zones designated by the central government in 1981, Xiamen is authorized to have provincial economic administrative powers and local legislative powers. In the past 18 years, Xiamen's GDP has increased by over 20% every year. At present, the average per capita GDP is over USD 3000, ranking third among China's cities. Xiamen's comprehensive economic strength has been listed among the top ten of all the cities in China. As well, it has become the fourth largest foreign trading port in mainland China.

Infrastructure

Xiamen with its excellent transportation and infrastructure, has always been an important port for foreign trade on the southeast coast of China. Xiamen Harbour lies between Guangzhou Harbour and Shanghai Harbour. Xiamen Harbour is one of the few intact natural harbours in Southeast China and has become one of the pivotal ports in this region. It is a modern, comprehensive and multifunctional harbour involved in foreign trade, passenger shipping, international transfer, and transit trade as well as warehousing, commercial trade, and fishery.

The harbour has 76 operating docks and 5 main international container shipping lines connecting over 60 ports in more than 40 countries and regions such as the United States, Australia, Japan, Singapore, Russia, Canada and Hong Kong. In 1997, the cargo handling capacity was 17.53 million tons, passengers totaled 200,000, and the capacity of containers handled reached 400,000 TEUs. The third phase construction project of the harbour started in 1998 and will put into operation some special wharves for cereals, coal, and petroleum. Xiamen Gaoqi International Airport is a civil airport operated by local management, which has opened 50 domestic lines and 7 international lines connecting to Hong





Kong, Macao, Singapore, Manila, Kuala Lumpur and Jakarta. There are 380 regular flights every week and 37,457 planes take off and land here every year. It ranks seventh among all the civil airports. In 1997, the handling capacity of passengers amounted to 3.54 million persons while the handling capacity of cargo was 890,000 tons. Twenty-two airline companies operate their business at this airport.

Xiamen has extensive telecommunications, water supply and electricity power supply. Long distance calls can directly reach 1,800 domestic cities and 210 countries and regions. It has developed more than 20 telecommunication businesses such as DNN, EDI, EMS, packet switching, telephone information and fax, which open a shortcut for telecommunications overseas. The daily capacity of water supply exceeds 1 million tons. And the electricity consumption in 1997 reached 2.8 billion kWh.

The city is equipped with a network of highways and is located at a very unique geographical position along the Taiwan Strait, the central government of China has been carried out.

Xiamen also boasts of complete financial services, with 5 state-owned banks, 3 share-holding industrial banks, 1 joint venture bank and 1 bank solely owned by foreign bankers. In addition, there are 9 foreign-invested banks which have opened branch offices in Xiamen, and another 5 have established representative offices. There are altogether 516 financial institutions and branch offices in the city.



Motorcycle Production Line

Investment and Development Zones

After receiving the Special Economic Zone designation in 1981, Xiamen has been one of the most attractive locations for overseas investors. By the end of 1997, 4,277 foreign investment projects had been approved with a total investment of USD 16.3 billion and contractual investment of USD 13.5 billion. Among them, 3,448 such projects have been put into operation, with actually utilized investment of USD 7.7 billion.



Torch Light Hi-Tech Development Zone

Investors from Taiwan have initiated 1,491 projects with a total investment amount of USD330 million, and another USD 310 million for agreement funds. These investments from overseas have greatly promoted the growth of the economy in Xiamen. In order to attract more foreign and overseas investments the municipal government has opened three investments and development zones with specific functions, offering more favourable investment environments.

Haicang Investment Zone for Taiwan Investors: Approved by the State Council of China, Haicang Investment Zone covers a planning area of 100 sq. km. The zone faces the sea in three directions and has a large, deep-water harbour. This district is planned to be the downtown section, new harbour section, and new industrial district of the city in the 21st century.

Infrastructure facilities including transport, telecommunications, water and power supplies, wharves and land development have been implemented and the construction of Haicang Bridge linking to downtown Xiamen has already commenced. Fully qualified to attract foreign investment, it has introduced 94 overseas-funded projects with actual invested capital of USD 5.4 billion. Haicang has become a new source of economic development in Xiamen due to its favourable developmental conditions and less dense population. These advantages are beneficial for the development of large-scale industries and technology-intensive petrochemical industry, machinery industry and building materials industry. The investment zone is planned to comprise of four functional districts: the new urban district focusing on commerce and trade, finance, real estate, tourism and recreation, the harbour district mainly developing the harbour, energy industry, bonded factories and warehousing, the south industrial district emphasizing petrochemicals, and Xinyang Industrial Park centering on machinery, electronics, chemicals, building materials.

Xiangyu Bonded Zone: In conformity with international practices, the zone specializes in international trade, trade with Taiwan, re-export, bonded warehousing, export processing as well as off-



shore finance, insurance, futures, exhibition, wharf business, transport, information and other relevant businesses. It is equipped with infrastructure facilities such as water and power supply, telecommunications, and certain administrative institutions and service agencies, including customs houses, customs brokers, import & export agent, post & telecommunications office and banks. The bonded zone offers the most favourable incentives packages. It has a direct registration system for enterprise registration procedures. The enterprises in the zone enjoy independent imports and exports rights. The tariff, value-added taxes, and consumption tax are exempted for machinery, equipment, building materials, office appliances used by the enterprise itself. The machinery and equipment, raw or supplementary materials, parts and components needed for the production of export goods are duty-free. The material supplies shipped into the bonded zone are exempted from customs duties and value-added taxes within the zone. VAT and consumption taxes are also exempted for transactions, processing and maintenance within the zone area. The imported raw materials for processing in the zone are free from quota or deposits. The processing can also be entrusted to enterprises outside of the zone. There are no proportionate limits for domestic or foreign sales of the products manufactured by the enterprises in the zone. There is no time limit for the storage and warehousing of the goods in the bonded area. The enterprises will be tolled a 5% business taxes, but 10% of the tax value is refunded to the enterprises. Foreign exchange bank accounts can be opened by the enterprises in the zone, and the foreign exchange can be freely cashed or exchanged to RMB. The Chinese employees working in these joint venture or solely-owned foreign enterprises are eligible to apply for a passport from Hong Kong. By the end of 1997, the zone had established 854 enterprises in total, with registered investment of USD 444 million.

Xiamen Torch High-tech Industrial Development Zone: As one of the high-tech industrial development zones approved by the State Council of China, it was jointly instituted by the State Science and Technology Commission and the Xiamen Municipal Government in 1990. It serves as the base of the Torch Program to promote the development of high and new technologies. The whole zone covers a planning area of 2.67 sq. km, 1.6 sq. km away from Gaoqi International Airport in the north, 3.5 sq. km from the container terminal of Xiamen Railway Station in the south, 2.7 sq. km from the to Dongdu Harbor in the west, and neighbouring Fuzhou-Xiamen Expressway. It is most easy of access by land, sea, and air. With complete supporting facilities, it intends to focus on developing the electronic information industry and photo-electromechanical integration industry. To date, 62 projects have been approved, 35 of which have already commenced operations.



A Modern Wharf

Projects Inviting Investments

I. Infrastructure

Municipal infrastructure construction projects such as highways, bridges, local railways, harbour wharves; construction projects of large-scale ship yards, power generation plants and related transmission and transforming facilities, large-scale liquefied gas or natural gas supply stations; projects of disposal and comprehensive utilization of wastes, etc.

II. Machinery Industry

Projects of machinery manufacture, electrical engineering equipment production and metallurgical industries; manufacture of automobiles, high-class motorcycles and their accessories; machinery of environment protection and civil engineering; manufacture of transportation facilities, road-building machinery and their accessories; manufacture and maintenance of aircraft-borne equipment, harbor transportation equipment and their accessories; manufacture of molds and tools; manufacture of basic components for machinery industry; manufacture of optical and machinery integration products, etc.

III. Electronics and Telecommunication Equipment Manufacture

Projects of manufacturing computers and peripheral devices; CAD, CAT, CAM, CAE systems and other computer application systems; multi-media terminals; professional business computers, patented intelligent PC boards and cards; software development and production (joint venture only) of digital and optical telecommunication systems, fax machines, digital literal receivers; manufacture of micro electronics and components; new type of display devices, computer diskettes and disks.

IV. Chemical and Petrochemical Industries

Project of basic organic chemical raw materials and media; new type synthetic materials, products and accessories; farm-use plastic membrane and other functional plastic products; synthetic rubber, resin, radial tires and other rubber products for automobiles; synthetic fiber units and post-processing products; optical sensitive materials, base materials and chemicals, surface active agents, plastic processing additives, catalytic agents, textile dyeing additives, foodstuff and fodder additives, electronic chemical products and other fine chemical products.

V. Pharmaceuticals and Medical Equipment Manufacture



Medicines of chemical ingredients and for medical use; highly efficient western medicines; high-performance medical contraception tools and medicines; sophisticate medical apparatus, etc.

VI. Light Industry and Textile Industry

New type high-class light industry articles for daily use; instant foodstuffs and healthcare foodstuffs; high-class new type chemical fibers and fabrics; refined yarns and deluxe knit garments; special textile products for industrial use; high-power batteries, automobile batteries, etc.

VII. Building Materials Industry

Large-scale float glass production lines; special purpose glasses and glass products; glass fibers and fiberglass products; high-class ceramic products and ceramic materials for buildings and sanitation utility; new type light building materials and wall materials; super-quality fire-proof materials; bulk cement transportation facilities and fully automatic cement mixing facilities; high-class chemical building materials and decorative materials.

VIII. Emerging Industries

Micro-electronic technology: New material technology, biological engineering technology, new energy source and energy saving technology, isotope radiation and laser technology; development, control and utilization of ocean resources; environmental pollution control technology.

IX. Service Industry

Banks, financial service companies, security businesses, trust and investment institutions, lend and lease companies (to be approved by the State), insurance companies (to be approved by the State and not in sole ownership form), economic and technological consultation services (joint ventures or cooperative partnership only), financial consultation service institutions, hi-tech development and technical supports, precision instrument maintenance and servicing, storage and warehousing services.

X. Social Utilities

Recreation and amusement facilities, educational setups, science & technology institutions, sports and physical activity facilities, special treatment hospitals with high professional standards.

XI. Agriculture

Comprehensive development of mountain and sea resources; construction of water resources; reconstruction of low- or medium-yielding farm lands; introduction, development cultivation and expansion of new breeds; processing bases for husbandry products; large-scale breeding grounds for husbandry and aquatic species; fine processing of vegetables; famous-brand aquatic products

processing technology; construction of flower plantation bases, urban gardening and forestation on the hills.

Projects Bidding for Investments

1. Infrastructure

- * Xiamen International Information Town
- * Jimei North Industrial Section Land
- * Reconstruction of Heping Wharf Passenger Terminal

2. Agriculture

- * Comprehensive development for flower plantation base
- * Development of high-quality vegetable plantation base and processing center
- * Xiamen rare flowers plantation center
- * Zhonghua fine-hair crab cultivation
- * Aquatic breeding and cultivation center
- * Xiamen Strait International Agricultural Technology Exchange Center
- * Jiangtou farm land for reconstructs
- * Tianzhushan Forest Park
- * Reconstruction of Beixi Trunk Water Channel (Xiamen section)

* Xiamen Lianhua Reservoir

3. Electronics and Telecommunications

- * LC display remote sensing water gauge
- * EFT-PUS terminals
- * Fax machine series
- * Expansion of aluminum electrolyte capacitor production line
- * Electro-light source products
- * Development of IC designs and application
- * Expanded production of capacitors
- * Intelligent type motor-driven door machines
- * Manufacture of electronic products

4. Chemicals and Chemical Fibers

- * ACM rubber
- * Petroleum resin
- * High-class absorbent fine resin
- * Buty octyl alcohol
- * SMC production line
- * PC boards
- * MA

5. Machinery Industry

- * Civil engineering bridge tanks
- * High-performance precision mechanical pressure machines
- * Steel materials blanking center
- * Container transport facilities
- * Design and manufacture of molds and accessories
- * Stainless steel products, stretching articles for containers



Dongdu Harbour



CHINA FAIR FOR INTERNATIONAL INVESTMENT & TRADE

China Fair for International Investment & Trade (CFIIT, called 'China 9.8 Fair' for short) is sponsored by the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) of the People's Republic of China and organized by the People's Governments of Fujian province and Xiamen Municipality. Various provinces, municipalities, autonomous regions of mainland China and State ministries and commissions concerned will organize delegations to participate in the Fair. The CFIIT is scheduled to be held between September 8-12 in Xiamen, Fujian Province every year.

International investors, businessmen, intermediaries financial institutions and representatives from foreign investment trust and foreign enterprises in China as well are invited to join the fair and set up exhibition booths. The Fair gives prominence to investment, stressing the promotion of utilization of foreign investment in Middle and West China and emphasizing trade and economic cooperation with Taiwan, it further intensifies the promotion of investment in hi-tech projects and in key industrial supporting projects encouraged by the state as well as in large-sized state-owned projects. Meanwhile, the Fair actively encourages and gives the guidance to foreign-funded enterprises in East China to invest in Middle and West China, so as to improve the quality and level of utilization of foreign investment.

CFIIT is the sole national investment promotion event dominated by foreign direct investment. In 1998, 6377 overseas businessmen from 60 countries and regions attended the second specialized exhibition halls with more than 1000 booths have been established in the Fair. Over 13000 projects for investment were put forward in the Fair. "Symposium on Investment Strategies of Transnational Corporation" and "Symposium on China's Policies of attracting foreign capital" were held in the Fair. At the Symposium, State Councilor Wu Yi and Mr. Rubens Ricupero, secretary-general of UNCTAD made speeches.

★ How to obtain an invitation?

Persons from business and financial circles may contact the following Departments.

- I. The Organizing Committee of China Fair for International Investment & Trade
Tel: +86-591-7846650, 7856529
Fax: +86-591-7829898
E-mail: china 98@ public.fz.fj.cn
- II. Liaison Department of the Organizing Committee of China Fair for International Investment & Trade
Tel: +86-592-5129898, 5079898
Fax: +86-592-5129898
E-mail: 98 xiamen@ public.xm.fj.cn
- III. Foreign Investment Department of Ministry of Foreign Trade & Economic Cooperation, P.R. China
Tel: +86-10-65197839, 65197325
Fax: +86-10-65197839
E-mail: lihui@moftec.gov.cn

★ How to obtain a list of projects.

- I. Check in the Internet: <http://www.chinafair.org.cn>
- II. Consult the organizing committee of China Fair

for International Investment and Trade

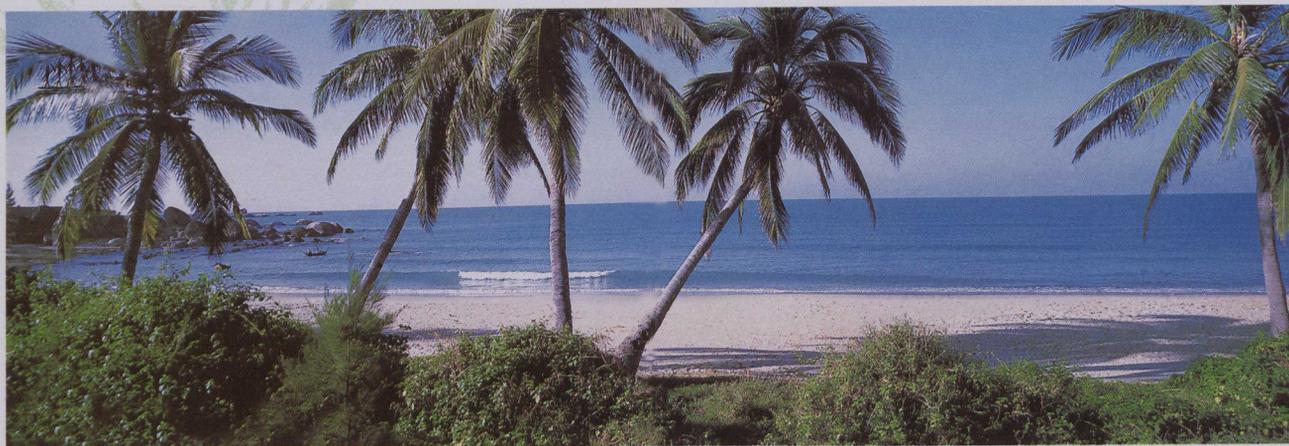
Tel: +86-591-7846650 Fax: +86-591-7829898

E-mail: China 98@ public.fz.fj.cn.



Hainan Province

China's Largest Special Economic Zone



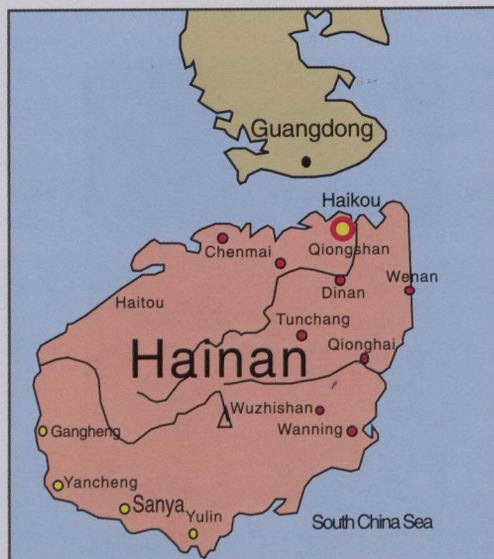
Beautiful Scene Along the Coast

Hainan Province lies in the southern part of China, facing the Leizhou Peninsula across the South China Sea. Hainan Island is the second largest island in China covering a total area of 34,000 square kilometres and located at the same latitude as Hawaii. Hainan Island has a monsoon climate with the annual average temperature ranging from 22 to 26 degrees Celsius, average annual sunshine of 1750-2650 hours and average annual rainfall of 1500-2000mm.

The island is covered in coconut trees and thus, is nicknamed Coconut Island. Hainan has a beautiful and pristine ecological environment, where the average life span of the local people ranks number one in China.

A Tropical Treasure to be Developed

Land resources The total area of Hainan Island amounts to 3,390,800 hectares, constituting about 42.



5% of the total tropical area in China. Due to the favourable sunlight, temperature, and water supply, the plants reproduce much faster than those in the subtropical and temperate zone. The farmland can be cultivated all year around with two or three crops. The land can be divided into four parts: 15,238,000 ha appropriate for crops, 10,020,000 ha for rubber, 13,875,000 ha for forestry and 4,666,000 ha for animal husbandry.

Ocean resources The coastline of Hainan Province stretches 1,811 kilometres. There are 68 natural harbours and 385,000 ha of shoal, among which 375,000 ha is suitable for artificial breeding of high value economic products such as fish, shells and sea weed.

Hainan also has a rich natural salt field of 75,000 ha and a yearly output of 270,000 tons of salt.

Biological resources There are 516 wild species, including 344 kinds of birds and 77 kinds of animals, some of which are singled out for key national protection: gibbons, hillside deer, water-deer macaques, black bears and Yunnan leopards. So far 4,700 species have been discovered, 630 are found solely in Hainan and 20 are listed for key national protection.

There are 2000 medical herbs found on Hainan Island, making up 40 percent of all medical herbs found in China. Five hundred of these herbs are registered in Chinese Pharmacopoeia, 137 are anti-cancer herbs and 30 are specific herbs yielding only in the southern region.

Tropical crop resources Hainan has ample tropical crops. The major planted economic crops are: rubber, coconuts, betelnut, coffee, pepper, sword hemb, sweet cogongrass, cashews, cocoa, etc. The area



of rubber planted makes up 70 percent of China's total. The main tropical fruits are: pineapples, lychees, longans, coconuts, bananas, oranges, mangoes, carambolas, youpis, honey pineapples, red-hair berries, and ginseng fruit.

Tourism resources Hainan's exotic and abundant scenery can be classified into the following:

1. Beach attractions: Fifty to sixty percent of the 1528km coastline is beach. The sea water temperature ranges from 18 to 30 degrees Celsius, making it agreeable for swimming.

2. Mountains and tropical primeval forest: The well-known Mt. Wuzhi, Yingge Hill, Dongshan Hill, Taiping Hill, Qixian Hill, Bawang Hill are ideal summer resorts.

3. Rare and Precious Species of Birds and Animals: In order to protect rare and precious species, Hainan has set up a number of natural protection areas for wild animals and deer breeding. They include the gibbon protection area in Changjiang County, the deer protection area in Dongfang Datianpo, the esculent swift protection area in Dazhou of Wanning city, and the deer breeding grounds at Fengmu of Tunchang county and Qiongshan city.

4. Volcano, Karst Caves and Hot Springs: There is a well-known extinct volcano at Ma'anlin, as well as famous karst caves such as the Luobi Cave in Sanya, the Qianlong (Thousand Dragon) Cave at Baoting, and the Emperor Cave at Changjiang. Among the famous hot springs are the Xinglong Hot Spring, the Lanyang (Blue Ocean) Hot Spring, the Qixianling Hot Spring and the Datian Hot Spring.

5. Historic relics include the Five Heroes' Temple, the Dongpo Academy and the Su's Ancestral Temple, the Qiongtai Academy, Qujun's Tomb and the Great Judge Hairui's Tomb.

6. Ethnic culture: Hainan is the only residence of

ethnic Li people who have their particular culture and traditions.

7. Tropical crops and countryside view: With over 4000 species of the plants, the island is a tropical wonderland.



Yalong Bay Resort

Mineral resources More than ten minerals are found in Hainan, such as Quartz sand for iron glass, natural gas, crystal, sapphire, zeolite, titanite, oil shale etc. Iron deposits in shilu are estimated to be nearly 70% of China's total rich iron ore deposits, the deposit of titanium ore is also estimated to be 70% of China's total, and that of zirconium estimated to be 60% of China's total deposit.

Petroleum and natural gas resources There are three sedimentary basins of genozic era around the off shore waters of Beibu Bay, the Yinge Sea and the Southeast Hainan Basin, with an area of 120,000 square kilometres. In the Number 13-1 gas field of the Yinge Sea Basin, the reserves found consist of 104 billion cubic metres, of which 70 billion cubic metres are usable. The above-mentioned gas field contains mainly 86% of methane, 10% of carbon dioxide, low sulfur, 7422 kcal per normal cubic metre.

The Largest Special Economic Zone

Hainan has a population of 7,238,000, belonging to 37 ethnic groups, whose particular and various cultures and folk-customs enhance the charm of the island.

In 1988, Hainan Province was established by the central government and simultaneously entitled the largest Special Economic Zone. With favourable policies and autonomous powers, Hainan has been attracting numerous investors, businessmen and tourists.

The infrastructure of power, transportation and communications has been improved.

The total installed capacity of the province reaches



A Sculpture in Hainan



1,570,000kW, with an annual electric consumption 3.4 billion kWh..

Among the 68 natural harbours, 24 have been developed and 11 of them have been built into berths of over 10,000 tons.

Sanya Phoenix International Airport and Haikou Meilan International Airport have opened over 70 routes, with 450 flights each week to major cities in China and abroad.

The eastern expressway from Haikou to Sanya, the western expressway from Haikou to Yangpu and from Jiusuo to Sanya have been completed. The 350km-long central expressway is under construction.

The provincial popularity rate of telephones is 15% and that of Haikou City is 61%. The new province has already formed a communication system, for instance, the digital microwave, optical fiber communication, satellite communication program-controlled telephone communication, mobile communication, wireless paging, packets exchange and some other updated facilities have been put into operation. There are 11,331 long distance phone trunk lines connecting to 2,211 cities in China and some 230 countries and regions abroad. There are 11,996 rural phone lines with total exchange capacity of 93,000 subscribers. More than 100,000 mobile phones have been put into use. The development area of the county and province has been transformed into program-controlled and digitalized long distance trunk transmissions.

Since the establishment of the Special Economic Zone, the province has had 8,670 contracts with foreign investment, the committed investment of which amounted to USD 21.6 billion and the actual utilization was USD \$7.6 billion. The 20 major investors come from Hong Kong, Taiwan, Indonesia, Japan, Germany, England, Holland, Canada, U.S.A., Australia and other countries and regions. The actual investment in USD from Canada in the recent years is as follows:

In 1992	6,780,000
In 1993	13,710,000
In 1994	61,380,000
In 1995	6,670,000
In 1996	10,540,000
In 1997	8,370,000
Total:	107,450,000

The development zone and its preferential policy

Of the 24 development zones, there are 6 industrial zones, 14 tourism zones and 4 comprehensive development zones: Yangpu Economic Development

Zone, Guilinyang Economic Development Zone, Hainan Qinglan Economic Development Zone, Haikou Jinpan Industrial Development Zone, Shimeiwan Tourism Development Zone, Hainan Laocheng Industrial Zone, Sanya Luhuitou Tourism Development Zone.

The investors in the development zone are eligible to enjoy the following preferential policies:

1. Project Examination and Approval Foreign-invested projects which are within the categories of planned infrastructure construction program of the zone and whose funds, energy, raw materials and product sales do not rely on domestic resources, and those domestic-invested projects under RMB 200 million in amount and whose construction, production, marketing, foreign exchange balance can be handled by themselves are to be examined and approved by the Economic Development Bureau of the Development Zone or submitted to the related provincial authorities. Yangpu has special authority to approve those projects which might be under the restraints of state policies in other locations.

2. Business Registration It is allowed to register an enterprise before it submits a project. The registered capital can take place in stages. After the issue of the business license, a registered capital no less than 10% of the total should be in place and the remaining amount can be materialized within one year after the business license is issued.

3. Exemption of Income Tax The income tax for an enterprise is paid at a rate of 15% in accordance with the preferential policy issued by the provincial government of Hainan. Local income tax is exempted. The exemption period varies from 1 to 10 years according to the nature of the business.

4. Exemption of VAT and Business Tax

a. If the products manufactured by an enterprise are sold within the bounds of the province, they are free from value-added tax, except for a few items like mineral oils, cigarettes, and wines for which the VAT are exempted by fifty percent.

b. Land VAT is exempted in the first transfer of land-use rights of large piece of land in the zone.



Joint Venture Yangpu Power Plant



Automobile Joint Venture Maintenance Center

c. A 10-20% refund from the paid VAT is offered to the tax payers as an encouragement.

5. The housing properties which the overseas investors built or bought in the zone for personal use are free from housing property tax within five years from the day the housing is completed or purchased.

6. Foreign-invested enterprises are presently exempted from municipal construction and maintenance taxes.

The Three Promising Industries

The new and expanding industry: The new and expanding industry: By means of introduction and cooperation, a number of large and middle-size enterprises in iron and steel, chemical fibers, cement, oil refining and the related industry are under production or construction in Hainan. The present industries are food, transportation, facilities manufacturing and textile industry. They are enhanced by the forces of producing beverages, motor cycles and automobiles and chemical fibers.

High-effect tropical agriculture: Taking advantage of its geological conditions, Hainan is providing the mainland and foreign countries with abundant quality vegetables and seafood.

Tourism services: Hainan has fantastic natural scenery and has set up 7 national scenic spots, 23 provincial scenic spots, 40 fine beaches, 28 scenic mountains and hills, 18 spectacular caves, 21 wild animal and plant reservation bases and 9 folk custom gardens. In Hainan there are 338 hotels with 30,000 standard rooms.

Projects Proposal for Foreign Investment:

1. Power

A. The project of 220kv transmission line and substation in eastern coast of Hainan Island, including 300km long 220kv circuit, two 220kv substations, 2 × 120 MVA in capacity, the total investment of USD 51 million. B. The project of power network upgrading in Haikou city, including the capacity expansion of

two 110KV substations, construction of three 110KV substations, upgrading two 35KV substations into 100KV and the related circuits, accounts for a total investment of about USD 450 million.

2. Environment protection and pollution control

A. The project model of sewage disposal at Yalongwan International Resort in Sanya city. It includes a disposal plant in capacity of 15,000 tons of sewage per day and the correlated reclaiming system. The total investment accounts for USD 7.2 million.

B. The project of innocuous urban garbage disposal in Sanya city The first phase aims to dispose 300 tons of garbage and the second phase to dispose 600 tons per day. The duration of service of the project is assumed for 20 years in need of funds of USD 10.45 million.

C. The control of alcohol and waste liquid from 28 sugar refineries All the investment of which will be USD 14 million.

3. Chemistry and chemical fiber

A. Melting spinning direct polyester fiber filament. Its annual output is expected to be 20,000 tons requiring USD 320 million.

B. PTA project The annual output is to reach 350,000 tons requiring USD 3130 million. C. The meridian tire plant The annual output is expected 1,600,000 pieces of type requiring USD 900 million.

D. Hainan alcohol alkylamine project The annual output of glycerol will amount to 1,000 tons and that alcohol alkylamine 15,000 tons with the total investment of USD 100 million..

4. Iron and steel

A. A high-speed building materials factory Its annual output will be 250,000 tons of high-speed wire steel with investment amount USD 450 million.

B. Centrifugal nodular cast iron pipe plant The annual output will be 40,000 tons requiring a total investment of about USD 25.1 million.

C. Hainan Iron & Steel Plant The 1st program is assumed an annual output of 600,000 tons of building material, and the 2nd program is assumed a yearly output of 1,200,000 tons of steel, while the 3rd program is to carry out the two programs simultaneously to obtain an annual output of 1,800,000 tons. The total investment is expected to be RMB 5,642 million, RMB15 billion and RMB20 billion, respectively.

Year	1987	1992	1993	1994	1995	1996	1997
Total Value of Exports (100 million USD)	1.15	8.81	9.02	9.87	8.30	8.41	8.90

Year	1987	1995	1996	1997
Actual utilization of Foreign Investments (100 million USD)	0.09	14.55	11.90	11.21

Lévesque Beaubien Geoffrion Inc.

Founded in 1902, Lévesque Beaubien Geoffrion Inc. has its head offices in Montreal. LBG is a Quebec investment brokerage firm. We have 65 branches across Canada with more than 1,850 employees, and have handled and managed more than \$18 billion for clients. The National Bank of Canada, with assets of more than \$40 billion, is our majority shareholder.



Louis Leblanc and Stan Siscoe are the founding partners of Lévesque Beaubien Geoffrion's investor program. Both are dedicated to operating and enhancing this program.

Mr. Louis Leblanc began his career as a specialist trader at the Montreal Exchange in 1983. During the same year, he graduated with a BA in Economics from Montreal's McGill University, where he was a Faculty Scholar. Mr. Leblanc now sits on the board of directors and is vice president of the company.

Mr. Stan Siscoe joined Lévesque Beaubien Geoffrion as an investment advisor in 1985. He is currently a director and vice president. Prior to this, he worked as a financial analyst with Canadian Pacific and Nortel. Mr. Siscoe graduated with a B. Comm. Degree from the University of British Columbia in 1977, and earned a Licentiate in Accounting in 1978.



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Foshan

An Historical Town with Developed Industries



A Bird's-eye View of Foshan

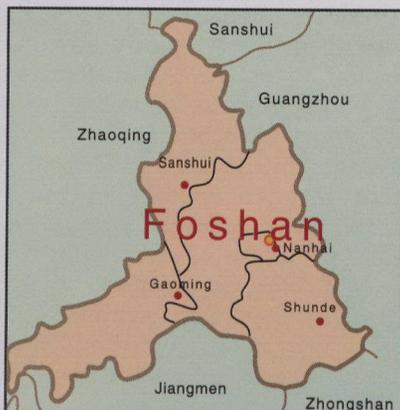
Foshan is located in the south of Guangdong Province at the centre of the Pearl River Delta. With Guangzhou to its east, Hong Kong and Macau to its south, Foshan enjoys a favourable geographic location, abundant natural resources, fertile land and a comfortable climate. Historically, it was one of the four famous towns in the Tang and Song Dynasties and has been an important trading port and commodity distribution centre in southern China.

Foshan municipality now exercises jurisdiction over the urban districts, Shiwan District, as well as the four satellite county-level cities of Shunde, Nanhai, Sanshui, and Gaoming, with a total coverage area of 3813.64 square kilometres, among which 77.4 square kilometres are urban areas.

Its rich natural resources include pottery clay, rocks, glass asphalt, rare metals, fresh-water fish, rice, sugar-cane, and large varieties of fruit and flowers.

National Economy

In 1997, the GDP of Foshan amounted to RMB 72.



084 billion accounting for 10% of the provincial total, of which the GDP of the urban districts was RMB 14.242 billion, and RMB 22.11 billion for Shunde, RMB 25.139 billion for Nanhai, RMB 6.356 billion for Sanshui, and RMB 4.237 billion for Gaoming. The per capita GDP of Foshan in 1997 was RMB 226,000.

Industry Modern industries of considerable size and scale have been established with advanced technologies and modern facilities. The industries mainly fall into the categories of textiles, electronics, ceramics, plastics, electric appliances, building materials, foodstuffs and beverages, machinery and instruments. There are over 30,000 industrial entities in the city, including such famous brand products as Kelong, Huabao, and MD air-conditioners, Vanword and Wanjiale water-heaters, Rongsheng refrigerators, Jianlibao soft drinks, "Haitian" soybean sauce, which have considerable market shares both at home and abroad. A large number of large-scale group enterprises in the industries of plastics, ceramics, FEG electronics, textiles, and electrical home appliances have been steadily growing, forming key sectors which stimulate the economic development of the city.

The industrial output value of the city in 1997 amounted to RMB 152.738 billion with an export value of RMB 24.439 billion.

Electronic Industry Electronic Industry The electronic industry of Foshan is growing rapidly, covering the manufacturing scopes of colour TV sets, home stereo audio speaker systems, laser disc players, personal computers, mobile telephones, electronic alarm devices, colour picture tubes, laser discs, optical fibers, and many other advanced electronic products, parts and components. The Nanfang Audio and Visual Co. is the leading domestic producer in manufacturing SVCD and DVD discs. The Technology Research Centre under Foshan Electronic Group is a state-level research institute which achieved a total output value of RMB 2.306 billion in 1997, with an export value of USD 70.86 million.

Plastic Industry The plastic industry of Foshan is in the leading position in China. At present, it has grown from a traditional processing industry into a hi-tech industry equipped with advanced facilities and technologies capable of manufacturing high value-added plastic products. Foshan Plastic Group Corp. is highly competitive with a wide variety of products, such as packaging materials, synthetic leather, plastic fabric compounded products, etc. The joint venture with Dupont Inc. is the largest manufacturer of polymer membrane in China. This joint venture enterprise achieved a total output value of RMB 2.684 billion in 1997.

Textile Industry As early as the Ming Dynasty, Foshan was quite developed in its textile industry. In the recent years, the textile industry of Foshan has



Master Craftsmanship

developed by utilizing modern technologies and facilities, by continuously expanding the scale of production, and by upgrading its products. Foshan Textile Group is one of the 12 bases for manufacturing exported textile commodities. Under the Group there are over 30 subsidiary enterprises specialized in the businesses of chemical fibers, cotton yarns, knit weaving, silk weaving, printing and dyeing, decorative cloth, towels and quilts, and textile machinery. In 1997, this Group achieved an output value of RMB 1.236 billion.

Ceramic Industry The ceramic industry of Foshan has a very long history. Its artistic porcelain toy figurines are well known all over the world. Since the reform and opening-up, the ceramic industry in the city has completed its conglomeration process by restructuring into a modernized ceramic industry group. Now the scope of production and business operations of ceramic industries in Foshan covers ceramic products for building and construction, gardening, industrial utilization, household utilization, hygiene application, arts and handicraft application, ceramic machinery and equipment, raw materials and accessories. Foshan Ceramics Group Corp. is the largest ceramic products manufacturer in China. A wide variety of its products have been appraised as the state-level innovative products. In 1997, this Group achieved a total output value of RMB 2.735 billion.

Light Industry and Daily Life Foodstuff Industry Products in the categories of light industry and foodstuff industry such as sugar, paper, beverages, wines, seasonings, biscuits, candies, bicycle parts, glassware, lamps and lights, clocks and watches, are all manufactured in Foshan. The production line for soft drinks owned by Jianlibao Group Corp. in Sanshui is the largest in Asia with its products sold to over 20 countries or regions worldwide. Foshan Electric Appliance and Lighting Co. Ltd. is one of the national bases for exporting electric machinery products and the first share-holding company which has listed its stocks in the stock markets as A and B shares. Haitian Seasoning and Foodstuff Co. Ltd. is a producer of the famous "Haitian" soybean sauce, with an output of 100,000 tons in 1997. The packaging and container products manufactured by Huaxin Lile (Foshan) Packaging Co. Ltd. have 50% of the shares of the total domestic market.

Electric Home Appliance Industry The brand names of Kelong, Huabao, MD, Flying Deer, Vanward, Rongsheng, Galanz, Aide, and Kangbao are among the best known in China in the fields of air-conditioners, refrigerators, electric fans, water heaters, gas ovens, microwave ovens, rice cookers. The Kelong Group of Shunde is now one of the five most successful and largest refrigerator manufacturers in the world. The business turnover of this Group Corp. in 1997 amounted to 5.5 billion RMB. Also in 1997, it was evaluated as the "Enterprise with the Best Economic Achievements in East Asia" by the World Economic Forum. MD Group Corp. has the largest production capacity for cabinet type air-conditioners in China. The export value of this Corporation in 1997 was 70 million US dollars. Galanz Corp. put out 1.8 million sets of microwave ovens in 1997, with a domestic market share of 57.6%. In 1997, the output of other electric appliance products reached 22,752,400 sets of electric fans, 2,488,800 units of refrigerators, 3,212,600 sets of gas ovens, 2,463,600 units of air-conditioners, and 7,730,400 sets of rice cookers. Foshan Electric Appliance Group Corp. is the sixth largest manufacturer in the electric appliance industry in China, with an annual output value of RMB 1.74 billion in 1997. The dry-type transformers manufactured by Foshan Transformer Plant are in the leading position in product quantity and quality. The "Tongbao" brand thermostats have maintained a 40% share in domestic markets in the recent years.

Foreign Economy and Trade

Since the reform process, foreign trade in Foshan has seen rapid progress with export value steadily growing and the structure of export commodities continually improving. Transactions with other continents have been increasing continuously. In 1997, the total export volume of the city was USD 4.518 billion, among which USD 1.256 billion was in the category of general exports; USD 3.014 billion were exports by the foreign-invested or joint venture enterprises; and USD 248 million were by enterprises processing with supply materials and samples. Among the exported commodities, 91.5% were industrial finished products. The export value for machinery and electrical products amounted to USD 1.686 billion, accounting for 37.3% of the total export value. There were 64 key export commodities with over USD 5 million export earnings for each commodity, accounting for 76% of the total export value. The export value for the commodities of cotton products, garments, ornaments, footwear, toys, plastic products, electronic components, electronic instrument, cameras, electric fans, lights and illuminating devices, amounted to over one hundred million US dollars. Direct ocean-going trade yielded an export value of USD 632 million, with commodities sold to over 100 countries or regions.



Foshan takes full advantage of its favourable geographical location as a coastal city close to Hong Kong and Macau and makes effective utilization of foreign investments to promote the local economy. Large international consortium or group corporations (GE and Dupont of USA, Matsushita, Sanyo and Toshiba of Japan, etc) have made investments in joint ventures or cooperative enterprises in Foshan. To date, the contracted projects number 47,143, utilizing a foreign capital amount of USD 12.05 billion. A total of 4,730 joint venture enterprises have been approved for establishment, among which 2,627 are already operational, with a utilization value of USD 6.429 billion. The investment structure is becoming increasingly attractive with the investments in infrastructure construction and in tertiary industry projects steadily growing. Foshan takes active measures to enhance friendly cooperation with the local governments of other countries and with the non-governmental institutions to promote trade and technological cooperation. To date, Foshan has established sister-city relationships with cities in Japan, Mauritius, the USA and France.

Energy, Transportation, Telecommunications

The total installed capacity for electric power generation for the entire city is 2,455,800 kW. The total electric power supply in 1997 amounted to 9.501 billion kWh.

The transportation infrastructure is being continually upgraded. The Guangzhou-Zhuhai Highway, Guangzhou-Zhanjiang Highway, Guangzhou-Zhaoqing Highway and the Guangzhou-Foshan Expressway and Foshan-Kaiping Expressway all pass through Foshan. The highway traffic coverage is 3,218.2 kilometres, with a highway density of 88.2 km per hundred square kilometres. The Guangzhou-Zhanjiang Railway joins the national railway network at the city of Foshan. Foshan Railway Station is the second direct railway access to Hong Kong in Guangdong, apart from Guangzhou. Air flights are available to 20 major cities in China, including Beijing, Guilin, Hangzhou, Nanjing, Jinan, and Kunming. Waterway coverage is 770 kilometres with 26 ports for foreign trade. Shunde Port, Nanhai Pingzhou Port and Gaoming Port are direct access ports to Hong Kong.



Huabao Air-Conditioner Company

In 1997, the total investment in infrastructure was approximately RMB 700 million, with the completion of 104.39 kilometres of newly constructed highway and 7 bridges (2008.37 metres in total length). The cargo transportation volume by water and land amounted to 17.38 million tons, with a cargo transport turnover of 1.015 billion ton/km. The total volume of freight handled at various ports was as much as 9.28 million tons. The total passenger turnover by air was 19,000 person times.

Telecommunications have developed rapidly in Foshan, which makes it the first prefecture-level city with telephone installed capacity of over one million terminals. In 1997, the telephone switching capacity throughout the city was 1.155 million lines, among which 334,000 were in urban districts. There are 939,300 telephone terminals in Foshan, of which 197,700 are in the urban districts. The telephone popularization rate is 37.1%, and the rate in the urban districts is 62.69%.

Paging service networks have covered the entire area of Foshan, including its surrounding towns and villages. An advanced SDH transmission network of world standards has been set up in the city. Nanhai is the first county-level city in China which has completed the set-up of a trial wide-band comprehensive network for information communication.



Chinese motors

Projects Inviting Foreign Investments

I. Electronic Industry

* Name of Project: Development and production of digital unit top cases
 Contents of Project: Joint investment in the development and production of high- and low-class digital unit top cases by introducing technology and equipment, with an annual production capability of 2 million units.
 Method of Cooperation: Joint venture or cooperative partnership

* Name of Project: Joint venture to produce high-class electronic thin film switches
 Contents of Project: Seeking cooperative partners to jointly manufacture and operate the business of high-class electronic thin-film switches with an annual production



capacity of 60,000 square metres. Method of Cooperation: Joint venture

* Miscellaneous Projects: Development and production of semiconductor laser diodes, IGBT and VDMOS chips, lithium batteries, etc.

II. Electronic Instrument Industry

* Name of Project: Development and production of liquid expansion thermostats Content of Project: Introducing in production technologies and related key facilities to produce annually 1.5 million pieces of liquid expansion thermostats Method of Cooperation: Joint venture or cooperative partnership

* Name of Project: Production of low voltage electrical components and complete set of low voltage devices Content of Project: A. Joint production of low voltage intelligent plastic-framed breakers with an annual output of 30,000 sets; B. Joint production of highly protective new type low voltage switching gears with an annual output of 1,500 sets

Method of Cooperation: Joint venture

* Miscellaneous Projects: Production of non-crystal alloy transformers, development and production of fuzzy controllers for air-conditioners, production of electrolytic copper foils, development and production of medical tubing, etc.

III. Plastics Industry

* Name of Project : Production of multiple-function special-purpose bi-directional elastic plastic packaging membrane Content of Project: Introduction of the production facilities and auxiliary equipment needed for the above products with an annual output of 3,500 tons

Way of Cooperation: Joint venture or cooperative partnership

* Name of Project: Production and business operation of PU synthetic leather

Content of Project: Annual production capability of 13.25 million square meters of PU synthetic leather and PVC synthetic leather Way of Cooperation: joint venture, cooperative partnership or transfer of stocks

* Miscellaneous Projects: Stock transfer of Weixin Plastic Co. Ltd., joint production of decorative plastic shaped materials, stock transfer of PVC plastic grain production, etc.

IV. Machinery and Metals

* Name of Project: Rare-earth permanent magnet products Content of Project: 100 tons of ND-FE-B fine magnet powder; 10,000 pieces of bonded magnets, with an output value of RMB 45 million per year Method of Cooperation: Flexible, like stock transfer and various other approaches

* Miscellaneous Projects: Expansion of production capability of "Pearl River-1.5" model combine harvesters; production of steel-framed plastic compound tubing, production of air-purifiers, etc.

V. Chemical and Pharmaceutical Industries

* Name of Project: High-class plexiglass products Content of Project: Annual production capability of 10,000 tons of Plexiglas Method of Cooperation: Joint venture or cooperative partnership, or solely-owned by the investor

* Name of Project : High-efficient polyvinyl additive Content of Project: Annual output of 2,000 tons of high-efficient polyvinyl additive, including the types of high-intensity light and light dispersing, etc. Method of Cooperation: Joint venture

* Miscellaneous Projects: High-class paints, coating materials for buildings, development and production of ABC dry powder fire extinguisher agent, ITO conductive glass membrane, etc.

VI. Light Industries

* Name of Project: Beer and soda water production Content of Project: Annual output of 50000 tons of beer and 20000 tons of soda water Method of Cooperation: Cooperative partnership, joint venture or stock transfer.

* Name of Project: Joint production of glass furniture, burglar-proof glass and glasses for buildings Content of Project: Seeking for cooperative partners to jointly produce high-class glass furniture, burglar-proof glass, decorative glasses for buildings, with an annual production capability of 360,000 square metres. Method of Cooperation: Joint venture

* Miscellaneous Projects: Production of furniture in joint venture or cooperative partnership, introduction of NL650 seven-color gravure production line; production of wrist watches and clocks by transfer of stocks, etc.

VII. Building Materials and Ceramics Industry

* Name of Project: Production of light wall materials Content of Project: With cement as base material, to produce light wall materials by adding in the additive agents, filling agents and proper processing to an annual capability of 50000 tons. Method of Cooperation: Joint venture, cooperative partnership or sole ownership by the investors whose shares are over 90%.

* Miscellaneous Projects: Production of ceramic bricks, joint production of cement clinker, transfer of stocks for coating film glasses

VIII. Textile Industry

* Name of Project: Transfer of stocks for Lashier carpet factory Content of Project: Transfer of a factory with annual output of 1.2 million Lacier carpets, including factory buildings, production facilities for weaving, knitting, dyeing, and post-processing. Method of Cooperation: Wholly or partially transfer of the stocks with the acquisition party contributing 70-100% for the investment.

* Miscellaneous Projects: Production line for multiple functioned pattern weaving, transfer of stocks for Lide Textile and Garments Co. Ltd.

IX. Infrastructures

* Name of Project: Construction project of Sanshui Harbour Content of Project: The harbor is planned to be a dual-purpose: one for cargo and one for passenger transport, to berth vessels below 3,000 tonnage, with an annual throughput of 2.5 million tons. The first stage wharf will have an annual throughput of 0.5 to 0.6 million tons. One new berth is to be built. Method of Cooperation: Joint venture, cooperative partnership, or financial assistance

* Miscellaneous Projects: Infrastructure construction for Chengxi Development District, construction of Nanhai Huiquan Science & Technology Industrial Garden, comprehensive development of Mingquan Holiday Resort, etc.

X. Environmental Protection

* Name of Project: Construction of Downtown Section Sewage Treatment Plant Content of Project: Sewage treatment of 50,000 tons a day for the initial stage, and 100,000 tons per month. Method of Cooperation: Joint venture or cooperative partnership

XI. Agriculture

* Name of Project: Setting up non-polluted vegetable production base Content of Project: 100 hectares for pollution-free vegetables, and yielding of 1000 tons of counter-seasonal fresh vegetables. Method of Cooperation: Solely owned by foreign investors or joint venture

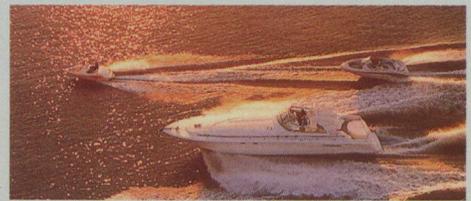
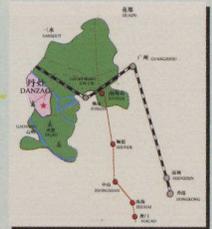
Danzao Town

A prospering town with blue mountains and clear water

Situated in the west of Nanhai City of Guangdong Province, Danzao Town covers 83.5 kilometres and has a population of 40 thousand. It is well-known in the Pearl River Delta, and abundant in rice and fruits.

Since the reform and open policies have been carried out in China, Danzao Town has gradually perfected its investment environment. It enjoys a 110 kV transformer station with a capacity of 80,000 Kva, and a waterworks with a daily water supply of 50,000 cubic metres and a network of water pipes extending 17 km. Besides, its telephone capacity reaches 1,0240 sets and its road network covers 120 km, linking the town with its subsidiary districts and villages.

To promote its economic growth, the township government has taken advantage of the land resources and tourism resources in the area and has formulated a series of preferential policies to encourage investors from at home and abroad to participate in the economic construction of the town. A comprehensive investment environment is taking shape, ready to invite all kinds of investment projects.



Xianhu (Fable Lake) Holiday Village

Xianhu Holiday Village is located in the northwest of Danzao Town and enjoys more than 700 hectares of forestry land, in the middle of which lies Xianhu—the Fable Lake. The Lake reflects the surrounding mountains and forms a beautiful landscape. To the east of the lake is the 18-hole Nanhai Golf Course, which was jointly international standards, covering more than 200 hectares. The vast country around the holiday village is an airy and tranquil place, away from any industrial pollution. It's a rare natural resource in the Pearl River Delta.

Adjacent to the holiday village, an international school is being built on an area of 100 thousand square meters. The teaching building and some supporting structures have almost come to an end and have been equipped with necessary teaching facilities. The school is to open formally in September 1999.

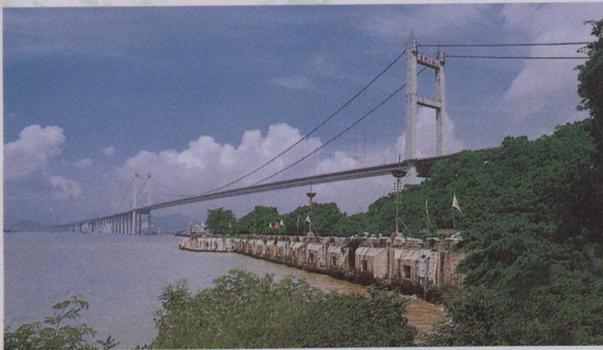
The holiday village enjoys convenient transportation facilities, too. It is 22 km away from Foshan City, 38 km away from Guangzhou City, 40 minutes from Baiyun International Airport, and some 2 hours from Shenzhen. Every day, there are many buses running from here to Guangzhou City, Foshan City and other destinations. As to the waterway, catamarans shuttle from Pingzhou Harbor of Nanhai City to Hong Kong, with only an about 2.45-hour ride. In addition, there are several trains coming to Foshan from Guangzhou and Kowloon every day.

Danzao Town warmly welcomes Canadian enterprises to develop large amusement projects at Xianhu Holiday Village (with a planning area of 80 thousand square meters), to participate in its construction of large villa districts (with a planning area of 1 million square meters), and to participate in the building of a 3-star or 4-star tourism hotel.



Dongguan

New Features of an Old Battlefield



The Magnificent Humen Bridge

Dongguan is situated in the south central part of Guangdong Province on the east bank of the Pearl River Delta with Guangzhou to its north and Shenzhen to its south. Under its jurisdiction, there are 33 towns and 549 administrative regions. Dongguan has over 700,000 compatriots from Hong Kong and Macau as well as 200,000 overseas Chinese with foreign citizenship.

Dongguan is noted for its abundant natural resources. The majority of its terrain is fertile alluvial plain. With hills, waterways, and a sea coastal line of 61 kilometres, Dongguan enjoys an advantageous geographical location.

Since the reform in the 1970's, Dongguan has vigorously developed its export-oriented economy. The national economy continues to grow and the construction of social civilization has achieved remarkable progress, with the cultural life and living standards of the inhabitants improving steadily. Dongguan's GDP in 1997 amounted to RMB 29.47 billion and the per capita annual income rose to RMB 20,160.

Investment Environment

Dongguan has easy accessibility, developed telecommunications, rich fresh water resources, and favourable production conditions for the development of agriculture and industry.



Humen Town of Dongguan has long been an important entrance and exit point in southern China. Dongguan is connected by waterways to the Pearl River, to ports in eastern Guangdong, northern Guangdong, western Guangdong and to ports in Guangxi Province. It is a port open to vessels registered in foreign countries; and passenger ships travel between Humen and Hong Kong daily. Now 11 berths of 2000 to 35000 tonnage have been constructed at Humen. In addition, there are wharves at Guancheng, Shilong, Zhongtang, Wangniudun, Machong, Xinmin, Hongmei, where cargo ships are loaded and unloaded.

Dongguan is located at the intersection of the Guangzhou-Kowloon Railway, Guangzhou-Shenzhen Expressway, Guangzhou-Meizhou-Shantou Railway and Beijing-Kowloon Railway. The railway pass at Dongguan is a state-level grade one pass, where the entry and exit procedures are handled for passengers traveling to Kowloon from Beijing and Shanghai. Therefore, the access to or from Hong Kong, Beijing, Shanghai, and the eastern region of China is easy and convenient.

There are a number of airports in the vicinity of the city which can offer ready aviation services. The Baiyun Airport of Guangzhou is 50 kilometres to the north, the Shenzhen Airport is the same distance to the south, the Zhuhai Airport and Foshan Airport are one hundred kilometres away, and the new airport in Hong Kong is also within driving distance. Over 40 business offices of domestic airlines are located in downtown Dongguan offering passenger and cargo transportation services.

Dongguan is well linked with highways. Number 107 state highway and the Guangzhou-Shenzhen Expressway pass through the western part of the city. Highways span 2330 kilometres Dongguan has become the hub of transportation which links Guangzhou, Hong Kong and the two Special Economic Zones of Zhuhai and Shenzhen. The cargo transportation throughput for 1997 was 46.44 million tons while passenger transportation throughput was 110 million person-times.

The telecommunications services in Dongguan have been rapidly improving. Program-controlled telephones, mobile phones, pagers, and other means of telephone services are readily available, allowing convenient domestic and international communication. The popularization rate of telephones in the city is 45% and there are 2300 subscribers to the internet. In 1997, the annual business turnover for postal and telecommunication services was RMB 2.84 billion.

Shajiao Power Plant, located in Dongguan, is one of

the largest thermal power generation plants in China with an installed capacity of 4 million kW. The local power generation capacity adds another 714,000 kW to the supply. In network construction, there are 60 transformer sub-stations with a voltage handling capacity of 110 kV, which ensures a total power supply of 5.39 million kW. Each town or district in the city has one or two transformer sub-stations either of 110 kV or 220 kV. In 1997, the total supplied electricity amounted to 9.49 billion kWh, which was sufficient power for the city.

The key water supply system is comprised of the Dongguan-Shenzhen water supply project, the Dongjiang River diversion works, and the waterworks in various towns and districts. The Dongguan-Shenzhen water supply project supplies water to Hong Kong, Shenzhen and the towns of Dongguan alongside the trunk water channel. The current water supply volume is 1.743 billion cubic metres per year, of which 1.1 billion cubic metres is supplied to Hong Kong. The completion of the 4th phase of the expansion project will raise the annual water supply capability to 2.373 billion cubic metres.

The Dongjiang River diversion works is a large-scale water diversion project undertaken by Dongguan City with a total length of 102 kilometres. The major functions of this project are to drain flooded fields and to irrigate the coast-line farmlands. The project is capable of satisfying the water demands of 14 towns and districts for their industrial, agricultural, and livelihood use.

National Economy

Industry In the process of reforms, the industry of Dongguan has been transformed into an international manufacturing and processing base by absorbing large amounts of foreign funds and technology.

1997 statistics show that there are 16,857 industrial enterprises in the city, among which 10,179 enterprises are engaged in processing supplied raw materials, 733 are joint ventures, 998 are cooperative partnership enterprises and 648 are solely owned by foreign investors.

The total industrial output value in 1997 was RMB 49.19 billion. Major industrial products include colour picture tubes, colour TV sets, copper clad panels, printed circuit boards, electronic components, telephone sets, AC motors, micro motors, roll bearings, personal computers, batteries, toys, foodstuffs, textile, garments, building materials, cardboard, etc.

Out of the total industrial output of 1997, the

manufacturing industries accounted for 86.22%, the supply of power, gas and water accounted for 13.15%, and the mining industry accounted for 0.63%. Among the manufacturing industries, 23.1% of the output was from textiles, garment-making, leather and fur industries, 16.2% was from electronics and telecommunication facilities, 9.7% was from the machinery industry, 7.4% was from plastic products, 4.7% was from foodstuffs and beverages, 4.3% was from paper-making and paper products, 4.1% was from cultural, instructional and sports products, and 30.5% was from miscellaneous manufacturing industries.



Dongguan Railway

Agriculture Dongguan has fertile soil, a moderate climate and abundant varieties of agricultural products, worthy of the name "land of fish and rice". At the end of 1997, the cultivated land covered an area of 982,500 mu (including 319,500 mu for fruit tree plantation). There is another 184,900 mu water area for fish culture (154,600 mu for fresh water fish culture), and 575,000 mu for forestry. The 650,000 mu of farm land is protected land. Agriculture in Dongguan is aiming toward industrialization, commodity-orientation, and high yield, high quality and high efficiency agriculture.

Dongguan is also noted for its economic agricultural products, of which lychees, bananas, and oranges are the most well-known. In 1997, the total grain yields were 246,900 tons, sugar-cane 354,400 tons, vegetables 641,400 tons, fruit (lychees, bananas, oranges, etc.) 165,000 tons, aquatic products 91,900 tons, animal husbandry products 129,000 tons, and fresh eggs 6,295 tons. Exports of agricultural products last year yielded a foreign exchange earning of USD 60 million. The total agricultural output value of 1997 amounted to RMB 5,143.7 million. Out of the total agricultural output value, farming accounted for 45.2%, forestry accounted for 0.9%, husbandry accounted for 34.2%, agricultural sideline products accounted for 3.8% and fishery accounted for 15.9%.

Service Industry The tertiary industry in Dongguan is growing fast and vigorously. Banking

services are provided in a variety of banks and other forms of financial institutions, such as the People's Bank of China, the Agricultural Bank, the Agricultural Development Bank, the Industry & Commerce Bank, the Bank of China, the Guangdong Development Bank, the City Credit Cooperative, the Rural Credit United Cooperative, etc. Insurance policies are available in such financial institutions as life insurance, property insurance, Pacific Insurance Services, etc. As many as 1500 branch offices of banks and financial institutions are spread all over the urban and rural districts of the city. The May 1998 statistics indicate that the deposit balance in the financial institutions of the city amounted to RMB 73.3 billion, and the loan balance amounted to RMB 40.043 billion, which is 54.6% of the deposit balance.

Commerce There are 241 markets for wholesale or collection and distribution of commodities with a total area coverage of 1,614,100 square metres. Wholesale, retailing and catering stores or shops amounted to 58,800 in number. In 1997, the total consumption goods retailing of the city was 11.02 billion RMB. The total volume of business transaction for the urban and rural fairs was 10.83 billion RMB. The stock exchange transaction was 41.73 billion RMB in value.

Science and Technology Science and Technology According to 1997 statistics, the number of scientific and technical staff of the city totaled 50,000. Institutions such as the Science Hall, the Science and Technology Development Fund, and the Scientists and Technicians Association have been established.

Foreign Economies and Trade The economy of Dongguan is mainly export-oriented. The majority of the investment funds, raw materials, and sales of products relies heavily on international markets. Foreign investors from over 20 countries or regions, such as Hong Kong, Taiwan, Japan, South Korea, Singapore, USA, UK, Germany, France, Switzerland, Holland, Finland, and Australia have invested in Dongguan. Some well-known industrial giants like Dupont of USA, Phillips of Holland, Nestle of Switzerland, Samsung of South Korea, Hitachi and Sony of Japan, Nokia of Finland, have set up joint ventures or subsidiaries in Dongguan. By the end of 1997, the actual utilization of foreign investment capital had accumulated to USD 8.084 billion, of which the processing enterprises with supplied materials accounted for 34.43%, and the joint venture, cooperative partnership and solely foreign-invested enterprises accounted for 65.57%. As many as 13,000 foreign-invested enterprises have been formed or established business operations, which are equipped with 2.15 million sets or units or various imported production facilities. The export-

oriented manufacturing and processing industrial base is well developed in Dongguan.

In 1997, the total import and export value in foreign trade amounted to USD 21.3 billion, of which USD 11.368 billion were for exports.

Projects Inviting Foreign Investment

I. Infrastructure Construction

** Name of Project:* Humen Harbour Shatian Section Construction

Project Contents and Scale: Contents: Investment in the construction of Shatian Harbour Section container wharf, the development of the industrial district in the vicinity of the Harbour and related infrastructures, agency services for shipping carriers and associated land and water transportation. Scale: 12 berths with capability of over 10,000-tonnage (including 7 berths for 15000-20000 tonnage, 5 berths for 35000 tonnage), 1 berth for 5000 tonnage. The construction is to be done in six phases, in the first phase, 2 berths for 15000-20000 tonnage. The whole harbour area is 5000 mu (including the harbour itself, the nearby industrial district and the complex development district)

Estimated Investment Total Amount and Needed Foreign Exchange: Total investment is RMB 3.9 billion, of which 0.8 billion is for the first phase construction project (including the road access to the harbour, the pressure-reduction station outside the harbour, etc.) A foreign exchange amount of USD 13.19 million is needed for importing equipment and facilities.

Way of Cooperation and Shares of Contributions: Joint venture or cooperative partnership.

II. Industrial Development District

** Name of Project:* Dongguan Humen Harbour Chang'an Operation Area
Project Contents and Scale: The area has a land coverage of 300 mu, including the free trade zone storage and warehousing area, the comprehensive development district and commercial setups.

Estimated Investment Total Amount and Needed Foreign Exchange: Investment for the first phase construction is 1 billion HK dollars.

Method of Cooperation and Shares of Contributions: Cooperative partnership.

Name of Project: Dongguan Hi-tech Industry Development Zone
Project Contents and Scale: Under unified planning, the development area is to be built within an area of 12 square kilometres, mainly engaged in micro electronics



Factory Buildings in the Hi-tech Development Zone

industry, computer industry, modern telecommunications, new types of materials, integration of electrical and mechanical systems, biological engineering and new generation of electric home appliances industries. At present, the zone focuses on the electronic information industry, with 5 enterprises possessing an annual output value over RMB 100 million and all in the hi-tech category. In 1997, the total industrial output value was RMB 4 billion, with a foreign exchange earning of USD 65.04 million.

Estimated Total Investment Amount and Needed Foreign Exchange:

The investment will be utilized in the development and production of the projects within the bounds of the zone. Method of Cooperation and Shares of Contributions: Joint development, or sole ownership by the investors.

Way of Cooperation and Shares of Contributions: Joint development, or sole ownership by the investors.

Miscellaneous Projects: Development of Dongguan Chang'an Town Zhen'an Science & Technology Section.

III. Agriculture

*** Name of Project:** Dongguan Modern Agriculture Experiment Farm

Project Contents and Scale: The farm covers an area of 120 hectares, consisting of a fruit plantation area, vegetable area, aquatic products area, agricultural product processing area and entrance area, etc.

Estimated Investment Total Amount and Needed Foreign Exchange: RMB 50 million.

Method of Cooperation and Shares of Contributions: Cooperative partnership with the Chinese partner in charge of the construction of road access, drainage system and other infrastructures while the foreign partner is in charge of capital investment.

Name of Project: "Cui Lan"-brand Pollution-free Vegetables

Project Contents and Scale: 100 hectares of non-polluted vegetables production base.

Estimated Investment Total Amount and Needed Foreign Exchange: Total investment amount is RMB 100 million, and USD 500,000 are needed for importing advanced equipment and technology.

Method of Cooperation and Shares of Contributions: Joint venture with the Chinese partner having a 60% share and the overseas partner having a 40% share.

*** Miscellaneous Projects:** Dongguan Qishi Town Dongya Water Reservoir.

IV. Electronic and Electric Appliances

*** Name of Project:** MLCC capacitor with an annual output of 6 billion pieces; electrolyte tantalum capacitor with an annual output of 0.2 billion pieces.

Estimated Investment Total Amount and needed Foreign Exchange: Total investment is RMB 651.97 million, including US 39.28 US for importing technology and equipment.

Method of Cooperation and Shares of Contributions: Joint venture or cooperative partnership with the Chinese partner having 10-65% of the shares and overseas partner having 35-90% of the shares.

Name of Project: PC Board Center.

Project Contents and Scale: Thick membrane compound PC board with an annual output of 20 million pieces.

Surface installed PC boards, annual output 1 million pieces

Estimated Investment Total Amount and Needed Foreign

Exchange: Total investment is RMB 114.71 million including 10 million US dollars for importing technology and equipment.

Method of Cooperation and Shares of Contributions: Joint venture or cooperative partnership with 90-35 % shares for foreign investors and 10-65 % shares for Chinese partners.

Miscellaneous Projects: Processing center for the fine processing of molds and components, thermal sensitive electrical resistance, electro-heat membrane electric appliances, etc.

V. Light Industry

*** Name of Project:** Dongguan Jiashi Spectacles Manufacture Co. Ltd.

Project Contents and Scale: Varieties of spectacles with an annual output of 100000 pairs.

Estimated Investment Total Amount and Needed Foreign Exchange: An investment of 10 million HK dollars is needed.

Way of Cooperation and Shares of Contributions: Joint venture, cooperative partnership or processing with supplied materials and samples

Name of Project: Ceramic Industry

Project Contents and Scale: A production enterprise capable of manufacturing 7 million square meters of ceramic tiles and bricks.

Estimated Investment Total Amount and Needed Foreign Exchange: An investment of RMB 50 ~200 million.

Method of Cooperation and Shares of Contributions: Shareholding system

VI. Chemical Industry

*** Name of Project:** Potassium sulfate

Project Contents and Scale: This project is one of the key projects enjoying special attention and encouragement by the State and adopting advanced domestic technologies to produce fertilizer. A factory with a production capacity of 200000 tons per year is planned to be built. Estimated Investment Total Amount and Needed foreign Exchange: Total investment is RMB 180 million, of which 30-40% can be foreign investments for the needed imported technology and equipment. Method of Cooperation and Shares of Contributions: Technology transfer, cooperative partnership with shares negotiable.

VII. Pharmaceutical and Healthcare Industries

*** Name of Project:** Dongguan Weite Pharmaceutical Co. Ltd.

Project Contents and Scale: Production of medical capsules, pills, tablets, etc. with a total investment of USD 6 million.

Estimated Investment Total Amount and Needed Foreign Exchange: Total investment is USD 6 million, of which 5 million is for the imports of technology and equipment.

Method of Cooperation and Shares of Contributions: Joint venture with shares negotiable.

Miscellaneous Projects: Luka turtle essence oral liquid, etc.

VIII. Service Industries

*** Name of Project:** Dongguan Chan'an Lianhuashan Tourist Area

Project Contents and Scale: Development of tourist resources.

Estimated Investment Total Amount and Needed Foreign Exchange: Total investment is about RMB 100 million.

Method of Cooperation and Shares of Contributions: Joint venture or cooperative partnership

Miscellaneous Projects: Stock transfer of Dongguan East Lake Garden Hotel, Dalingshan ecological tourist and resort areas, Dalingshan Dihao villas, etc.



The Window of Agriculture of The New Century

1999 China Dongguan International Exposition of Agriculture Science and Technology

Dongguan is one of the ten biggest demonstration zones of modern agriculture of Guangdong Province, having more than 8200 farms and agri enterprises, of which 170 are foreign enterprises, as well as 3 major international wholesale trading markets for agri products and by-products. Dongguan also has 7 agricultural research institutes, more than 30 workshops to promote agri technology, 8 agri academic organizations and more than 500 farmer technical schools. Dongguan has become a production and promotion base and the most influential window of modern agriculture of China.

The prevalence of the geographical location, well-developed transportation and communication system help Dongguan's economic growth. Dongguan Port is less than 50 sea miles away from either Qianwan Port of Hongkong or Huangpu Port of Guangzhou. Dongguan is very close to the international airports of Shenzhen and Guangzhou. The high way goes through the city and two Beijing-Kowloon railways run across the city. The well-developed communication system, more and more developed municipal functions and high level service system dealing with foreign trade adds to the vitality for further development of agricultural economy of Dongguan.

High technological and export-oriented agriculture has become a new growth aspect in Dongguan economy, which brings Dongguan with the change from traditional type to contemporary type. Dongguan agriculture is transforming and the position as one of the ten demonstration zones of modern agriculture of Guangdong increases the needs for advanced agri technology and breed, especially for:

1. The technology and equipment for processing, storage and preserving freshness of agri products and its by-products.
2. The fine strains of fruit, husbandry and poultry, fishery and vegetable, applied technology and equipment.
3. The fine flower variety and technology of production, horticulture/floriculture.
4. Agri biotechnology and production with no environmental pollution.
5. Water saving irrigation, production in green house, nutritious cultivation techniques.
6. Advanced cultivation techniques for rice and the comprehensive process of grain.
7. Ocean fishery, the development of ocean resources.
8. The disposal of city garbage, industrial solid trash and sewage.

The cream of agri science and technology will be shown at the 99 Dongguan International Agriculture Science and Technology Expo. The Expo sits in a natural ecological environment of 2 square kilometers. The combination of indoor presentations and outdoor demonstrations will expose in detail the achievements in advanced agricultural science and technology of the world, advanced and applied agri techniques and procedures. The Exposition will become a base of routinely collecting, demonstrating, trading and training of contemporary agri science and technology.

China is an agricultural country. Being ahead of the country in the modernization of agriculture, Guangdong agriculture is emerging into the advanced international agriculture, which will promote the development of agricultural economy of China. **The China Dongguan International Agriculture Science and Technology Expo, will be the window of the world agriculture in the new century.**

We warmly invite you to participate in and visit the Exposition, exploring opportunities of cooperation and investment.

Time: November 1-15, 1999
Place: Dongguan, Guangdong, China



For detailed or further information, please visit our web sites at the following URL:

1. www.cdiatf.com.cn
2. www.chinaagro.com
3. www.cscse.edu.cn

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Zhongshan

Brilliance and Growth



Dr. Sun Yat-sen Memorial Park

Zhongshan is located on the east shore where Pearl River meets the ocean. It is 86 km away from Guangzhou, 56 km north of Zhuhai and Macau, 100 km west of Shenzhen and 54 nautical miles from Hong Kong.

Zhongshan is the hometown of Dr. Sun Yat-Sen, the democratic revolutionist of China. This is the only city in China which is named after a historical celebrity.

Transportation Networks

Within a radius of 90 km there are 5 international airports scattered in Hong Kong, Macau, Shenzhen, Zhuhai and Guangzhou. Total highway distance of the city is 974.5 km, and the coverage ratio is 58km per hundred square Kilometres. There are 3 ports for foreign trade and 11 export loading ports in the city. Zhongshan port has 3 foreign trade wharves with building berths for 500 ton ships and for container loading. Merchandise can reach every part of the world via Hong Kong. Sino-Hong Kong Passenger Vessel Pool Co. and four Guangzhou-Hong Kong - Macau Direct Freight Companies have been founded. And a container transportation route of Zhongshan-Macau-Taiwan has been opened.



There is a joint inspecting organ in the customs office of Zhongshan port, which is in charge of commodity inspection for imported and exported goods, sanitation inspections and animal and plant immunity inspection.

Rapid Economic Growth

Zhongshan was one of the first cities in China which was open to the world. In 1997, its GNP reached RMB 22 billion, its industrial and agricultural total output value was RMB51.4 billion, exports amounted to USD 2.76 billion, the actual utilization of foreign capital amounted to USD 500 million.

Industry: In Zhongshan there are more than 20 key industries including household appliances, textile, mechanical engineering, electronics, chemicals, packaging and printing, food processing and pharmaceuticals. There are many domestically well-known brand-names including Weili washing machines Qianye fans, Guli locks, Meiyile Ice cream, Robust Milk, Xiaobawang Computers and Idall VCDs. More than 40 enterprises have annual sales of over RMB100 million, over 10 enterprises yield over RMB10 million for profit tax revenues each, and 20 enterprises are yielding over USD10 million of foreign exchange.

Agriculture: Seven agricultural bases have been established for aquatic products, farming, vegetables, high-grade rice, high-yield forestry, flower plantation and food processing. The "three-highs"(high-quality, high-yield, high efficiency) agriculture is rapidly progressing. Well-known special breeds of fish, shrimp, eel and tortoise have not only met the demand of the local market, but are also supplied to Guangzhou, Zhuhai, HongKong and Macau. Zhongshan is one of the main bases supplying pork, poultry, eggs, vegetables and livestock to Hong Kong and Macau.

Foreign Trade: From 1979 to 1997, total absorbed foreign investment in Zhongshan was USD 2.66 billion. 2,100 foreign-investment enterprises and 1,700 enterprises with foreign supplied materials were started. The city has 43 enterprises dealing with foreign trade. Export commodities are mainly sold to the markets in EC, Japan, the U.S., the Middle East, Australia, Southeast Asia, Hong Kong and Macau.

Science and Technology: Since 1990, the city has won 2 national awards for innovation, 63 awards for innovation in Guangdong Province, and 1066 awards in the city. In Sept. 1995, the city was assessed by the State Science Commission as Advanced City in Technology Deployment. In March 1990, Zhongshan Torch Advanced Technology Development Zone - a national class development zone for the development of new and advanced technology - was approved by the State Council. In April 1994, a state-level health



technology base was also established, mainly engaged in the development and manufacture of products with hi-tech contents. There is a technical force of about 46,000 people in the whole city, among whom 1200 have high academic titles and 8200 have medium academic titles. In 1997, the progress in science and technology in Zhongshan contributed 46.8% to the economic growth of the city.

Finance: The city has many banks and insurance companies. The People's Bank of China, Bank of China, Construction Bank, Industrial and Commercial Bank, Agricultural Bank, Communication Bank Guangdong Development Bank and Guangdong Overseas Chinese Trust and Investment Corp. all have branch offices in Zhongshan engaged in financial business with foreign countries. Insurance companies such as China People's Insurance Corp. now have branch offices in Zhongshan in dealing with foreign trade relating to the insurance business.

Power Supply: The city's power capacity reaches 646,000 kW, and 2000kWh per capita. It has a total of 28 various transforming substations and 3000 km of 100,000 volt high-voltage transmission lines.

Water Supply: The city has a large-scale water plant with a daily capacity of 460,000 tons, every county has its own water plants, providing sufficient water for industrial and household use. A waste water treatment plant with a daily capacity of 300,000 tons is under construction, the first phase of which is completed.

High-Tech Development Zone

Zhongshan Torch Hi-Tech Development Zone is located in Zhongshan Harbour, covering an area of 70 square kilometres. It was approved by the State Council in March 1993 and established by the State Science Commission, Guangdong Government and Zhongshan Municipal Government.

In January 1993 the Zhongshan Torch Hi-Tech



Industrial Corp. was incorporated and its stock shares were listed in Shanghai Stock Exchange in 1995.

Since the establishment of the Health Technology Industry Base in April 1994, there are over 200 various enterprises. Industrial output for 1997 was RMB 8 billion, with an export volume of 610 million. Several dozens of companies and conglomerates across the world established enterprises in this zone, and an industrial entity integrating electronics and information, new energy, new materials, electro-mechanical integration, biological and medical engineering and textile has been formed.

Policy of Foreign Investment

In addition to a commitment to strengthen the infrastructure, the Zhongshan government places great emphasis on improving the quality of services. There is a special governmental department of Foreign Investment Verification & Approval Administrative Office, which provides a series of services to simplify the procedures and raise the efficiency. The Foreign Investment Service Centre and Foreign Investment Enterprises Associations were founded to serve foreign investment enterprises.



Foreign Investment Enterprises under Construction

Industries and Projects Encouraged for Investments

I. Infrastructures

* *Name of Project:* Zhongshan Shenwan Harbour Freight Container Wharf

Estimated Total Investment: 24.13 million US dollars

Proposed Investment Approach: In capital and technology

Way of Cooperation: Cooperative partnership

* *Name of Project:* Expansion of highway construction

Estimated Total Investment: 15 million US dollars

Proposed Investment Approach: In capital

Way of Cooperation: Fund-raising in foreign countries

II. Agriculture

* *Name of Project:* Canned food of aquatic products and farm & sideline products *Estimated Total Investment:* 5 million US dollars

Proposed Investment Approach: Acquisition or share holding



Way of Cooperation: Solely-owned by foreign investors or joint venture

** Name of Project:* Non-polluted vegetable production

Estimated Total Investment: 1.45 million US dollars

Proposed Investment Approach: In capital

Way of Cooperation: Joint venture or cooperative partnership

III. Industry

** Name of Project:* Refrigerated train carriages and containers made of highly-intensive compounded materials

Estimated Total Investment: 10 million US dollars

Proposed Investment Approach: In capital of 8 million US dollars

Way of Cooperation: Joint venture or cooperative partnership

** Name of Project:* Burning and Cooking Appliances Production

Estimated Total Investment: 10 million US dollars

Proposed Investment Approach: In capital, technology or equipment

Way of Cooperation: Joint venture or cooperative partnership

IV. Building Materials

** Name of Project:* Super class decorative floor boards production line

Estimated Total Investment: 11 million US dollars

Proposed Investment Approach: Share-holding by way of investment in capital, technology or equipment, with over 60% shares

Way of Cooperation: Joint venture, cooperative partnership or compensation trade

** Name of Project:* New type of wall materials

Estimated Total Investment: 20 million US dollars

Proposed Investment Approach: In capital

Way of Cooperation: Joint venture, cooperative partnership or compensation trade

V. Electronic and Electrical Appliances

** Name of Project:* Electric rice-cooker, electric frying pan, electric steamer, thermal-keeping cookers production

Estimated Total Investment: 13 million US dollars

Proposed Investment Approach: In technology, equipment and capital

Way of Cooperation: Transfer of stocks

** Name of Project:* High or low voltage switches

Estimated Total Investment: 2.4 million US dollars

Proposed Investment Approach: In technology, equipment and capital

Way of Cooperation: Joint venture or cooperative partnership

VI. Chemical Fibers

** Name of Project:* Alkali-free glass fiber production line

Estimated Total Investment: 24.38 million US dollars

Proposed Investment Approach: In capital, technology and equipment

Way of Cooperation: Joint venture, cooperative partnership or compensation trade

** Name of Project:* Refined palm oil production



Bustling Container Port

Estimated Total Investment: 25.6 million US dollars

Proposed Investment Approach: In capital, technology and equipment

Way of Cooperation: Joint venture or cooperative partnership

** Name of Project:* Nickel-hydrogen battery production

Estimated Total Investment: 8.5 million US dollars

Proposed Investment Approach: In capital, technology and equipment

Way of Cooperation: Joint venture or cooperative partnership

VII. Medical and Health-Care

** Name of Project:* Pharmaceutical pills, tablets, injections

Estimated Total Investment: 6.5 million US dollars

Proposed Investment Approach: In a capital no less than 3 million US dollars

Way of Cooperation: Joint venture or cooperative partnership

** Name of Project:* Aumeilazona medical pills and frozen injection

Estimated Total Investment: 6.5 million US dollars

Proposed Investment Approach: In a capital no less than 2.6 million US dollars

Way of Cooperation: Joint venture or cooperative partnership

Miscellaneous Projects:

Plastic intrusion production line, iron-making, can-making, high density plywood board production, double-glazing production line and reinforced glass production line, solar energy utilization electronic appliances and their developments, civil visual monitoring devices production, hard-substance low-foamed PVC board production, expanded production of pianos by introducing in foreign investments, fine steel ball production expansion, organic fertilizer plant with an annual output of 200,000 tons, second stage construction of Zhongshan No. 2 Diesel Engine Power Plant, building porcelain products, coffee, oatmeal and milk powder production, metal door lock production, rare-earth permanent magnets and their applications, IC cards now used in banks and integration systems.

Jiangmen

Native Land of Overseas Chinese



A Waterway in Jiangmen

Jiangmen is located in the central southern part of Guangdong Province, west of the richly endowed Pearl River Delta and in close proximity to the South China Sea, Hong Kong, and Macau. The municipal government exercises jurisdiction over the two satellite counties of Pengjiang and Jianghai, as well as the five county-level cities of Xinhui, Taishan, Kaiping, Enping and Heshan. The total area covers 9,418 square kilometres with an urban area of 180 square kilometres. The distance from downtown Jiangmen to Guangzhou is 101 kilometres and 107 kilometres to Macau. The waterway distance to Hong Kong is 95 nautical miles and 53 nautical miles to Macau. There are many scenic spots and sites of



historical interest in Jiangmen, such as Xinhui Yutai Temple, Cha'an Temple, Yamen Ancient Battlefield, Baisha Temple, Feisha Beach in Shangchuan, Birds' Paradise in Xinhui, Dayan Mountain in Heshan, Liangjin Hill in Kaiping, and Aofeng Mountain in Enping.

Jiangmen is a renowned hometown of overseas Chinese. Statistics indicate that three million Chinese with Jiangmen origin are living in over 96 countries and regions throughout the world.

Investment Environment

In order to further optimize the investment environment, Jiangmen in recent years has been focusing on the construction of infrastructure and the development of social utilities. The highway traffic coverage of the city is 4,261 kilometres, with a density rate of 46 kilometres per hundred square kilometres. As the second largest inland waterway port, Jiangmen has five passenger ports: Jiangmen Port, Xinhui Port, Guanghai Port of Taishan, Sanbu Port of Kaiping and Heshan Port, as well as 18 cargo transport access ports. The city has an installed power generation capacity of 676,000 kW and a telephone exchange capacity of 657,800 lines. The Taishan Thermal Power Plant, with a capacity of 5.04 million kW, and the Jiangmen Xijiang Power Plant, with a capacity of 0.35 million kW, are now under construction. Public utility services have made tangible progress in culture, education, sports, medical care, TV and broadcasting, journalism and publication, tourism and other tertiary industries.

National Economy

In 1995, the GDP of Jiangmen was 37.13 billion RMB. The total output value for agriculture and industry amounted to 89 billion RMB, of which RMB 79.13 billion was industrial output. There are now 167 large- or medium-size enterprises, manufacturing more than 5000 varieties of industrial products. Jiangmen has established business and trade relations with over 70 countries or regions worldwide. By the end of 1995, as many as 1,251 foreign-invested enterprises had completed construction and commenced business operations.

In recent years, the economic development in Jiangmen has resulted in a number of key industries such as paper making, sugar, machinery, electronics, foodstuffs, chemicals, etc. Key enterprises such as Jiangmen Sugar-Cane Chemical Plant (Group) Corp. Ltd., Jinlin Electric Appliance Co. Ltd., and many others are growing at rapid pace. A hi-tech development district has been set up, which has attracted many foreign investors by adopting a series of preferential policies and improving the investment environment.

The development district has actual utilized foreign investment of 120 million USD and domestic investment of 320 million RMB. More than 130 enterprises have registered for business operations in the district, among which, Sencheng Chemical Fibers Textile Co. Ltd., Nanfang Meilu Automobile Plant and some other large-size manufacturers have completed construction and commenced operations.

Developed Industry

Jiangmen, one of the most important industrial bases in Guangdong Province, is mainly engaged in the industrial lines of electric home appliances, chemical fibers, textiles, paper making, foodstuffs, light industry, chemicals, machinery, pharmaceuticals, electronics, and building materials. In 1997, the industrial output value amounted to 105.2 billion RMB, ranking 4th in the province in terms of output value. There were 14 enterprise groups with annual business turnover over 1 billion RMB. Jiangmen Ganhua Group, Guangdong Meiya Group, Xinhui Meida and Kaiping Polyester have been included in the list of key large-scale enterprise groups of China. Some foreign economic giants like Danone of France, Mitsubishi, Citizen, Matsushita of Japan, Kodak, Emerson, McDonald of USA, and ABB of Switzerland, have also set up joint ventures or subsidiaries in Jiangmen. At present, 13 international consortiums have made investments in Jiangmen for the establishment of venture enterprises.

Technological Progresses

Jiangmen takes advantage of utilizing foreign investment to introduce advanced technologies in the development of hi-tech industries, in the adjustment of industrial and commodity structures, and in the renovation and improvement of the existing traditional industries. There are now 113 enterprises in Jiangmen which manufacture or develop hi-tech products.



Feisha Beach at Shangchuan Island

Jiangmen has set up a scientific and technological information network system characterized by its high application capability and performance. Now, ten information centres of the city-wide network offer regular information services to target clients on a daily basis.

The Hi-tech Industrial Development Zone of Jiangmen has now completed construction of the infrastructures of power supply, water supply, drainage, road access, wharf, and other facilities for transportation. The total area of the zone is 47 square kilometres. More than 160 corporations have set up within the bounds of the zone, including Jiangmen Guangzhen (USA) Electronics Co. Ltd.



Municipal CPC Party Secretary Meets the Secretary of state Raymond Chan

Projects Encouraged for Foreign Investments

(I) Chemical Industry

Project No.: JBI98009

Project Name: Soap Making by fat hydrolyzed neutralization

Project No.: JBI98057

Project Name: Calcium carbonate soda materials

Project No.: JBI98058

Project Name: Fine chemicals (organic, inorganic)

Project No.: JBI98059

Project Name: Ion membrane caustic soda plant

(II) Plastics Products

Project No.: JBI98010

Project Name: Special engineering plastics

Project No.: JBI98060

Project Name: Cable materials, PVC foamed boards, tubing

Project No.: JBI98061

Project Name: Industrial plastic wires

(III) Pharmaceutical Industry

Project No.: JBI98011

Project Name: Xinhui Pharmaceutical Factory

Project No.: JBI98036

Project Name: Yeast extract biological engineering medicines

Project No.: JBI98062



OPPORTUNITIES FOR CANADIAN AGRI-FOOD PRODUCTS IN SOUTH CHINA

According to official sources, Guangdong province has led the nation in retail sales for 16 years running, with 1998 sales hitting RMB 324.8 billion (USD 39 billion). Guangzhou's residents' annual income increased seventeen-fold over the past 20 years. In 1998, Guangdong's GDP surged 10.1% from the previous year, with retail sales growing by 14.7% in real terms. As well in 1998, Guangdong's import and export value reached USD 130 billion, accounting for 40% of the national total. Imports comprised USD \$55 billion of this total.

Guangdong has the most developed retail sector in the country, accounting for 10 percent of the nation's total retail sales. Foreign-funded supermarkets such as Jusco, Sam's Club, Makro and Walmart began to enter the Guangdong retail market in 1996. Now, new supermarkets are opening almost weekly in South China. The Taiwan joint venture Trust Mart has opened five stores in Guangzhou. The French joint venture Carrefour has opened a new store in Zhuhai with a third outlet planned for Guangzhou. The American Walmart, already in Shenzhen, opened its second store in Dongguan and is looking for a location in Guangzhou. The Pearl River Distribution Centre in Shenzhen is going to open their third branch by the end of 1999. The Hong Kong joint venture Park 'n Shop is boasting plans to open over 200 more stores in China in the next two years. Recently, innovative stores that feature deep discounting are very profitable, such as the privately owned Daoneijia supermarket chain.

According to the Guangdong Commercial News, in Guangzhou there are 84 convenience stores which operate 24 hours per day, including 7-11, OK and am-pm, among others. Convenience stores are springing up quickly and bringing in new opportunities for Canadian food products. The growth of convenience stores provide opportunities for bottled water, juice and other convenience products.

In Guangzhou, there are 5 five-star hotels, 5 four-star hotels, and an exclusive golf and country club. Each hotel has several restaurants that serve predominantly Western food. Each has a high-end continental style restaurant, a delicatessen or Western style bakery, and a coffee shop. These coffee shops have made an enormous contribution to popularizing Western food in China because they serve all-you-can-eat buffets for breakfast, lunch and dinner. The buffets have introduced such novelties to the mass market such as salads, raw vegetables, smoked salmon, beef, sushi, and roast turkey. Recently, alligator meat has become popular.

The Guangdong/Fujian region in the south is important for the food ingredients sector because it holds an important position in China for food processing and because it is a major entrepot of China's food distribution of both domestic and imported food products. The Pearl River Delta around Guangzhou is the location of thousands of food processing factories. With Hong Kong within one hundred kilometres, this area has been a location for the entry of foreign products for centuries.

Only about 160 kilometres from Hong Kong, Guangzhou is a major gateway to China for imported food products. One of the biggest impediments to more Canadian products entering the South China market is the lack of knowledge of Canadian products on the part of the Chinese buyers. The Consulate General is currently undertaking a baseline survey of the Canadian food profile in Guangzhou. Results and analysis will be distributed in April 1999.



Frozen and Prepared Foods: As distribution channels become increasingly sophisticated, modern supermarkets, convenience stores and fast food outlets proliferate, and consumers demand greater convenience, the market for frozen and prepared foods continues to expand.

Poultry: In South China there is a strong demand for lower priced chicken parts, including chicken wing tips and feet. As fast-food outlets continue to grow, the demand for poultry parts will follow suit.

Seafood: There is increasing demand for imported seafood as fish and seafood predominate in the Southern Chinese diet. Guangzhou urban residents have been the highest per capita consumers of aquatic products in China for more than a decade. According to statistics, they consumed 236,000 tons of aquatic products (30,000 tons of which were imported) in 1997, or 60 kilograms per person. Particularly desired high-value products such as large crab, lobster, salmon, geoduck, black cod and frozen scallops have good opportunities in the higher-end restaurants, hotels and large supermarkets.

Beef: Domestic beef is not as high in quality as Canadian beef but local customers purchase it because of the price difference. There is potential for Canadian beef as consumers become more affluent, especially in higher-end hotels and restaurants. Little Canadian beef is imported at this stage and our competitors (US, New Zealand, Australia) are aggressive in the market.

Swine: There are joint venture and strategic alliance opportunities in hog farming and swine genetics in Guangdong Province. Pork import channels are under review.

Fresh Fruit: Guangdong's recent explosion of supermarkets and hypermarkets has resulted in imported fresh fruit appearing on retail shelves. Guangdong province is a significant market for imported fresh fruit but much of it is trans-shipped to other provinces. There is also stiff domestic competition and low margins.

Soybeans: Soybean imports for 1997 were 2,876,000 tons, up 160% from the 1,108,000 tons imported in 1996. There are good opportunities for Canadian soybeans due to the shortfall in domestic production and to crusher' preference for high-quality low moisture content beans. As well, demand is growing faster than local production as higher incomes increase demand for both soy oil and soy meal for use in feed.

Wine: Local consumers are developing a taste for wine but taxes and tariffs are extremely high (can be as high as 121% on imported wine).

Fast food chains: frozen french fries, sweet corn, fish filets, dairy products (cheese), juice concentrate, flour, vegetables, beef, seafood, frozen chicken parts.

For further information, please contact:

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Canada's ITCs can connect you with interational business opportunities through a network of Trade Commissioners in 128 cities around the world. Working "on-site" in foreign markets. trade officers provide advice on foreign trade practices, and promote your company to local customers.

The ITCs can also provide you with a copy of the Guide to Export Servies, an overview of export services available to Canadian businesses.

ITC Contacts

	Telephone	Fax
St. John's	(709) 772-5511	(709) 722-2373
Charlottetown	(902) 566-7443	(902) 566-7450
Halifax	(902) 426-7540	(902) 426-5218
Moncton	(506) 851-6452	(506) 851-6429
Montreal	(514) 283-6328	(514) 283-8794
Toronto	(416) 973-5053	(416) 973-8161
Winnipeg	(204) 983-4540	(204) 983-3182
Regina	(306) 80-6325/6124	(306) 780-8797
Saskatoon	(306) 975-5315	(306) 975-5334
Calgary	(403) 292-4575	(403) 292-4578
Edmonton	(403) 495-2944	(403) 495-4507
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CCC Contacts

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 Fax: (613)995-2121 or 947-3903
 E-mail: info@ccc.ca
 Internet:<http://www.ccc.ca/index-e.html>

★ **EDC (Export Development Corporation)** can help you to compete safely in world markets by providing a range of risk-management services. Almost 85% of EDC customers are small and medium-sized enterprises. EDC also has a dedicated team of specialists to serve exporters with annual export sales of up to Cdn\$ 1 million. Exporters can reach the team by calling 1-800-850-9626.

EDC Contacts

Tel: (613) 598-2500
 Fax:(613) 237-2690
 E-mail: export@edc4.edc.ca
 Internet: <http://www.edc.ca>

★ **Canada's International Business Strategy (CIBS)** is a consultative process that brings together government and the private sector in the identification of emerging trends, opportunities and challenges in major markets and the development of strategies for successful pursuit of international business by Canadian industry. The CIBS Compendium is an on-line updated list of government-sponsored trade events and promotions, in Canada and abroad, that have been identified as a result of the CIBS process.

Internet:

<http://www.dfait-maeci.gc.ca/trade/cibs/>

★ **Strategis**, Canada's largest business web-site, offers a wealth of export information that can help you decide about growth opportunities, explore new markets and assess the risk of new ventures, all on-line. Trade Data Online, an information database accessible through Strategis, provide Canadian and U.S. information on trade trends, import market shares and other key data to help you forecast new markets, assess the competition and plan strategy.

Contact

Tel:1-800-328-6189 or (613) 954-5431
 Fax:(613)954-5031
 E-mail: TDD@ic.gc.ca
 Internet: <http://strategis.gc.ca>



★ The **Agrifood Trade Network (ATN)**, one initiative under the ATS (Agrifood Trade Service), provides on-line access to agrifood trade information, including country/ market profiles, Canadian supply capability, and trade shows and missions. The ATN also contains a directory of federal government trade contacts around the world. It may be found under "Trade Contacts" at <http://atn-riae.agr.ca/>

You may also contact an information co-ordinator in your region:

	Telephone
Newfoundland	(709) 772-4063
Prince Edward Is.	(902) 566-7310
Nova Scotia	(902) 893-0068
New Brunswick	(506) 452-3706
Quebec	(418) 648-4775
Montreal	(514) 283-8888
Ontario	(519) 837-9400
Manitoba	(204) 984-4409
Saskatchewan	(306) 780-5452
Alberta	(403) 495-6775
British Columbia	(604) 666-3054

Private Sector Contacts

These private sector organizations are resources to help facilitate and promote trade and investment between Canada and China. They offer their members a package of business services, including introductory market studies, setting up meetings, the use of offices and work stations, and internet support.

Canada China Business Council

Internet: <http://www.ccbc.com>

Head Office

110 Yonge Street, Suite 802
 Toronto, Ontario M5C 1T4
 Tel: (416) 954-3800
 Fax: (416) 954-3806
 E-mail: ccbc@istar.ca

Western Canada Office

Suite 2600-515 West Hastings Street
 SFU at Harbour Centre, Vancouver, B. C.
 V6B 5K3
 Tel: (604) 291-5190
 Fax: (604) 291-5039
 E-mail: Alison_Winters@sfu.ca

Beijing Office

CITIC Building
 Suite 18-2, 19 Jianguomenwai Street
 Beijing 100004
 Tel: (86-10) 6512-6120 or
 (86-10) 6500-2255 Ext. 1820,1821, 1822
 Fax:(86-10)6512-6125
 E-mail: ccbc@chinaonline.com.cn

Asia-Pacific Foundation of Canada

999 Canada Place, Suite 666
 Vancouver, BC V6C 3E1
 Tel: (604) 684-5986
 Fax: (604) 681-1370
<http://www.apfc.ca>

Canada Beef Export Federation (CBEF)

Room 1106 Capitol Centre
 5-19 Jardine's Bazaar
 Causeway Bay, Hong Kong
 Tel:(852) 2881-0806
 Fax: (852)2881-0607
 E-mail: hong.kong@cbeef.com

Other Useful Web Sites

Department of Foreign Affairs and International Trade (DFAIT)

<http://www.dfait-maeci.gc.ca/>
 (Department of Foreign Affairs and International Trade-introduction to Canadian Federal Government; has information on immigration material, as well as broad information on Canada and on countries all over the world)

General Government Information

<http://strategis.ic.gc.ca>
 (provides information on companies/ businesses throughout Canada; also includes trade and investment material as well as information on international business opportunities)

Government of Canada

<http://canada.gc.ca>
 (has some interesting facts about Canada as well as the organization of the Canadian Government)

Industry Canada

<http://info.ic.gc.ca>
 (Federal Government programs, services and sector information)

Revenue Canada

<http://www.rc.gc.ca>



(Extensive information concerning personal and business taxes and tax credits such as the Scientific Research and Experimental Development (SR & ED))

Canada China Website

<http://www.canada.org.hk>

Trade Sites

InfoExport

<http://www.infoexport.gc.ca>

(Helps you prepare an export plan, develop a market entry strategy, and guides you through the implementation of your strategy)

ExportSource

<http://exportsource.gc.ca>

(ExportSource brings together information on market research, export financing, trade statistics, export contacts, trade shows and missions, and export regulations/logistics.)

Strategis

<http://strategis.ic.gc.ca>

(Has a wealth of information on international business opportunities and business information arranged by sector.)

Alliance of Manufacturers and Exporters

75 International Boulevard, 4th Floor

Toronto, ON M9W 6L9

Tel: (416) 482-8612

Fax: (416) 482-8446

<http://www.palantir.ca/the-alliance>

Northstar Trade Finance

Tel: (604)664-5828

<http://www.northstar.ca>

Websites for China Business

Guangdong Province Board of Investment

<http://www.gdboi.com>

(provides information on investment environment and foreign trade footing throughout Guangdong as well as current trade policies)

Ministry of Foreign Trade & Economic Corporation

<http://www.moftec.gov.cn>

(provides information on trade policy in China)

SinoSource

<http://www.sinosource.com/ftc/index.htm>

(A good searchable list of Foreign Trade Corporations,

indexed by industry)

ChinaVista

<http://www.chinavista.com/business/desk.html>

(A good overview of business conditions in China)

China-window

<http://www.china-window.com>

(A good introduction with regional and topical categories)

China Pages

<http://www.chinapages.com>

(An extensive indexed list of Chinese companies, including a section on FTCs.)

Nihao

<http://www.nihao.com>

(A site for general information about investment in China)

Trade 2000

<http://www.trade2000.com>

(Home page of the China Chamber of International Commerce Shenzhen)

<http://www.welcome-to-china.com/china/stats/m.htm> (statistics at a glance for various sectors and regions)

China Council for the Promotion of International Trade (CCPIT)

<http://www.ccpit.org/>

<http://www.cbw.com/business/exhib/index.html#1>

(exhibition list sorted by industry as well as information on exhibition centres)

www.asiaonline.net.hk/chinalist/beijing/bmfertc/home.htm (investment guide with database search option)

Newspaper Websites

Guangzhou Daily

<http://www.gzrb.com>

China Telecom News

<http://www.china-telecomnews.com>

Guangzhou Morning Post

<http://www.asial.com.sg/gzbaio>



Canadian Companies in South China

Alcanta International School
Atlantic Aquatic Co. Ltd.
Bank of Montreal
Bank of Nova Scotia
BN Management Consultants
Bayshore Pacific Consultant International Ltd.
Chemposite Inc.
CLC Foods Inc.
Clearwater Fine Foods
Glenayre Services Ltd.
Global Enterprises International
Gold Treasure Industrial Limited
Grandfield Pacific Incorporated
Harris Communication Shenzhen Ltd.
Huizhou Hong Yi Plastic Products Co. Ltd.
Husky Injection Molding Systems China Ltd.
Kingwell Quality Vending Ltd.
Manulife Financial
M.G. Canada
Moore Hong Leong Pressure Sensitive Labels & Systems Ltd.
Newbridge Networks (Asia) Ltd.
Nonfemet International Aluminum Co. Ltd.
Northern Telecom
Papteco Technical Service Ltd.
Ports International
Robert Chan Architect
Seneca College of Applied Arts & Technology
Technophar Equipment & Service Ltd.
U-Can Housing Development Ltd.
Wise Professional Services
Xenexi Building Products Industries
Yarley (China) Developments Co. Ltd.
Yong Sen Hu Law Firm

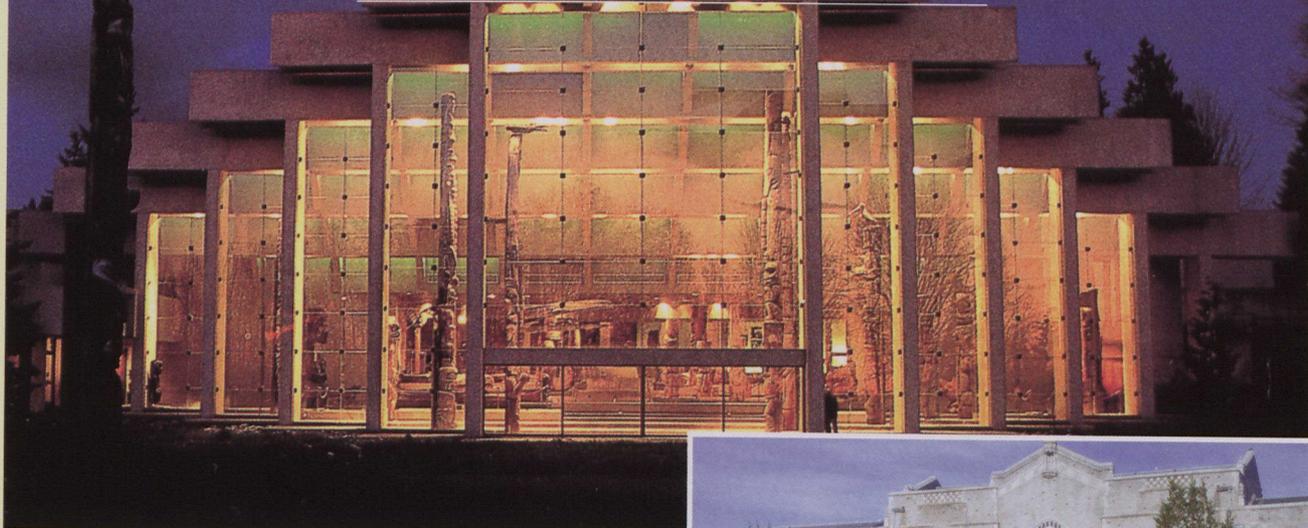


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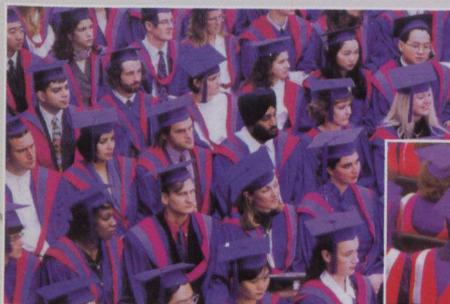


WISE PLACEMENT SERVICES LTD.

Telephone number of branches in China:

Harbin	(0451)	3602463	3602465
Daqing	(0459)	5962929	
Yanji	(0433)	2557413	
Jilin	(0432)	2064651	
Changchun	(0431)	5636604	
Shengyang	(024)	22872686	22842460
Benxi	(0414)	2337747	
Fushun	(0413)	7682034	
Anshan	(0412)	2230103	
Beijing	(010)	65183068	65183069
Dalian	(0411)	2591646	2591643
Tianjin	(022)	24219714	
Qingdao	(0532)	2861714	
Jinan	(0531)	6909443	

Yantai	(0535)	6621242	
Xi'an	(029)	7232569	7215578
Nanjing	(025)	4739496	4780039
Hefei	(0551)	2672437	2633891
Shanghai	(021)	63526285	
Wuhan	(027)	85714549	85714308
Changsha	(0731)	2295934	
Hangzhou	(0571)	5156295	
Chengdu	(028)	5530310	
Fuzhou	(0591)	3361567	3361816
Xiamen	(0592)	2119036	
Shantou	(0754)	8365936	
Guangzhou	(020)	87784918	87788178
		87770798	87766776



Hong Kong Head Office:

5/F: Client Services and Training Center

9/F: Administration and Reception

Lucky Building, 39 Wellington Street, Central, Hong Kong

Tel: (852) 23779762

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E-Mail: wise@hkstar.com

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