

# ASIAN AUTOMOTIVE NEWSLETTER

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A Quarterly newsletter of developments in the auto and auto components markets

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## INTRODUCTION

BDA is an Asia-focused corporate finance advisory firm which assists multinational clients to identify, assess and execute cross-border transactions, including acquisitions, divestments, JVs and restructuring. We have offices and professional staff in all of the major Asian automotive markets, as well as in the US and Europe.

The 2006 automotive components market has been marked by increasing activity by Asian companies, particularly Indian and Chinese companies, seeking to acquire US and European automotive components assets. We expect this trend to increase markedly during this year and beyond. BDA has close relationships with many of the larger Asian potential acquirers, and if this is an area of interest to you, please do not hesitate to contact us.

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## CHINA

**Bosch** plans to double its investment in China, injecting US\$797.4m by 2008. The company has already invested US\$205.8m so far this year to build two plants in Changsha in Hunan, and Suzhou in Jiangsu. In addition, the company plans to spend another US\$128.6m expanding the two plants. Bosch's move is part of its strategy to increase its presence in China's automotive component industry, which is expected to be worth US\$101.6bn in 2010. (November 22, 2006)

**Chery** announced that it is planning to expand its production capacity by 70% during the next 12 months. The company has applied for a US\$166m bank loan in order to finance the expansion, which will add capacity to build a new low-emission A-segment passenger car. The addition should increase Chery's annual production capacity from 350,000 units per annum to 600,000. (December 6, 2006)

**Chrysler** plans to start building a mid-sized sedan, minivan and *Jeep* model within the next three years in China for the Chinese market. Chrysler also aims to triple its current Chinese volume and double its dealer base over the same period. Chrysler wants to sell more than 100,000 units by 2009 and add 100 dealers. Chrysler is currently building the 300C sedan in China at a facility on the outskirts of Beijing. (November 27, 2006)

**Daihatsu Motor** announced it would start to assemble vehicles in China next year under its brand with a local partner. Under a technical

licensing deal with **First Automotive Works (FAW)**, China's largest automaker, the first Daihatsu model, a multi-purpose vehicle, will roll off the production line at a FAW plant in Northeast China's Jilin Province. (November 24, 2006)

**DaimlerChrysler** announced plans to acquire a 24% stake in Chinese truck producer **Beiqi Foton Motor** for US\$104.1m. DaimlerChrysler will become Foton's second largest shareholder after **Beijing Automotive Industry Corp**, China's no. 5 vehicle manufacturer. Foton said DaimlerChrysler will be its strategic overseas investor which means that the German-US automaker will hold its stake for at least three years according to government rules released in January. (December 1, 2006)

**Ford Motors** is said to be in talks with **Wanxiang Group** to sell some of the US carmaker's components business to Wanxiang. Wanxiang declined to specify which assets it was interested in or whether a deal was imminent. Wanxiang reportedly is interested in Ford's advanced design and production technology as well as gaining better distribution of its own components in the United States. Automotive Components Holdings, is a Ford-managed holding company formed in October 2005 when the automaker took back 23 facilities from its struggling former parts subsidiary, **Visteon Corp**. Wanxiang had also been in preliminary talks this year with **Delphi Corp**, but no material results had emerged. (December 8, 2006)

**Ford Motor** announced plans to double its procurement of Chinese auto parts to about US\$3bn of parts and ship them to Ford assembly plants worldwide. Ford is also considering assembling cars in China for export. Other Asian countries, such as India, are also growing in importance to Ford's sourcing efforts. (October 30, 2006)

**GKN Driveline**, through its 50% JV, **Shanghai GKN Drive Shaft Company Limited ("SDS")**, has formed a new driveline manufacturing JV, **GKN Driveline (Chongqing) Limited ("GDC")**

in Chongqing, with **China South Industries Motor Company Limited (CSIMC)** to supply drivelines to CSIMC. SDS will hold a 51% stake in SDS, CSIMC will hold 40% and GKN Driveline will hold 9% directly. Together with its direct and indirect shareholding in SDS, GKN Driveline owns 34.5% of GDC. By forming GDC, GKN Driveline will ensure it remains close to CSIMC's key OEMs which include its 50% owned **ChangAn Ford** and 51% **ChangAn Suzuki** passenger car manufacturers as well as its 100% owned in-house brand, **Chana**. (November 17, 2006)

**Goldman Sachs** has announced plans of buying a 9.98% stake in China's biggest auto glass maker, **Fuyao Glass Industry Group Co Ltd**, for US\$113m (RMB890m). Fuyao plans to use 80% of the proceeds to settle loans. The deal is subject to approval by the Ministry of Commerce and the China Securities Regulatory Commission. Fuyao will produce 11 million pieces of auto glass by the end of this year. The company has more than 300 outlets in large and medium-size cities in China. It has also built four global sales centers in Hong Kong, the United States, Australia, and Russia. (November 11, 2006)

**Hyundai Motor's** China JV announced it had established a US\$64.8m R&D facility in Beijing. The investment by **Beijing Hyundai Automotive Corp**, a 50/50 JV between Korea's biggest auto maker and **Beijing Automotive** will produce a concept car designed and developed for China by 2008. Beijing Hyundai is building a second plant in the Chinese capital, adding 200,000 units of capacity by early 2008, increasing to 300,000 units by the end of that year. (November 18, 2006)

**Inalfa Roof Systems Group** is launching its first sunroof production in China for GM and the Chrysler group. Inalfa's plant in Yantai, China, will service the GM and Chrysler programs as well as three other sunroof programs in that country. **Inalfa Yantai** is a wholly owned subsidiary of Inalfa Roof Systems Group. Privately held Inalfa Roof Systems posted global sales in 2005 of about US\$500m, US\$230m of which was generated in North America. (November 27, 2006)

**Johnson Controls** and **Chery Automobile** announced plans to set up a JV to make auto interiors. The 50/50 JV with Johnson Controls, a major producer of auto interiors and building temperature control systems, will be located in Chery's home city of Wuhu. Chery will acquire expertise in running its auto parts supply system from JCI. (November 20, 2006)

**Mando**, the Korean automotive component supplier, has completed the construction of its fourth Chinese plant in Beijing. The plant, built with an investment of US\$14m, is said to have an annual production capacity of one million units of brake and suspension systems. The company is expected to report US\$158m in revenue this year by supplying products to **Hyundai's** Chinese units, **Beijing Hyundai** and **Dongfeng Yueda Kia**. By 2010, the company intends to invest US\$190m in China. (September 25, 2006)

**Manganese Bronze Holdings Plc** has signed an agreement with **Geely Automobile Holdings** for Geely to manufacture the iconic black London taxi cabs in China. Geely which makes some of China's cheapest vehicles and harbors ambitions of selling beyond its home market, will set up a US\$54.3m car making venture in China by mid-2008. Manganese would hold 48% of the JV, in return for which Geely gets two board seats and 23% of the British firm. (November 9, 2006)

**Noble International Ltd**, US automotive parts supplier formed a JV with **Wuhan Iron & Steel (Group) Co Ltd** to produce laser-welded blanks for the Chinese market. The 50/50 JV called **Wisco Noble Laser Welding Technology Co** is expected to win final approval from the Chinese government in the first quarter of next year, with production set to start in the second half of 2007. Noble and Wuhan Steel will each invest up to US\$1.3m to set up the venture, with additional investments to be made as necessary. (December 5, 2006)

**TRW Automotive** announced that its Changchun-based subsidiary, **TRW Fawer Automobile Safety Systems** (TFASS), has set up a

manufacturing plant near Beijing to produce chassis modules for **Beijing Benz-DaimlerChrysler Automotive (BBDC)**. The new facility will be spread out over 4,500 sq m and is expected to employ up to 100 local workers within the next five years. Initially, the plant will supply rear axles, brake assemblies, front struts and knuckle assemblies to the *Chrysler 300* sedan series and another future locally-built sedan. (November 30, 2006)

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## INDIA

**Bosal-Delphi Complete Exhaust Systems (BDCES)** plans to make major investments for expansion, including setting up green-field plants, to supply the major auto OEMs in India. BDCES, which is an alliance between Belgium-based **Bosal Group** and US auto component major **Delphi**, is eyeing the volumes segment of the Indian market. The company is already manufacturing about half a million catalytic converters from its Gurgaon facility. Bosal and Delphi partnered last year to supply complete exhaust system with the former providing 'cold end' and the latter 'hot end'. (November 7, 2006)

**Caparo Engineering** opened a new manufacturing plant which would feed the demand for fasteners from vendors such as Dentsu, Maruti and Ashok Leyland. The total investment has been US\$24m. Caparo has set a target of 6,500 tons of fasteners per year that would be scaled up to 26,000 tons over the next four years. The company plans to make it a hub for exports to major automobile companies globally. (September 25, 2006)

**Delphi India** is planning to sell or spin off facilities into a JV as part of the supplier's global restructuring. The plants involved would be a steering plant in Bangalore and a suspension plant in Noida. Production at these facilities is

now considered to fall outside of Delphi's core business. Delphi's restructuring will see it focus on more profitable safety, navigation and electromechanical systems instead of commodity-driven businesses. In an effort by Delphi to concentrate on more profitable business, its Indian research and development centre is to be expanded which should help it develop new business in the fast-expanding auto market in India, and allow it to use the country as a low-cost base for other markets. (September 12, 2006)

**Federal-Mogul** is close to acquiring majority stakes in two privately held Indian auto component manufacturers namely, **Victor Gaskets** of the **Anand Group** and **India Pistons** of the **Amalgamation Group**. The total investment in the two acquisitions could be up to US\$55m. This is the fourth acquisition by Federal-Mogul in the Indian auto component space this year. If the two deals go through, Federal-Mogul's total turnover in India will exceed US\$170m. In May 2006, it acquired JV partner, Nandas' stake in **Goetze India** for about US\$30m. Last month, it announced that it would pick up a majority stake in the engine bearing division of **Gabriel India**. (October 27, 2006)

**Fiat and Tata Motor's** JV in India may receive up to US\$877m (€665m) of investment. The JV will start production of engines and cars from the beginning of 2008. Tata said it planned to increase the Tata-Fiat dealer network to 100 outlets from 42 currently to cover more towns and cities in India, and also said it was continuing discussions with Fiat for industrial and commercial cooperations in Latin America. Tata Motors and Fiat in July 2006 formed a JV to make and distribute cars of both firms, and said they would also together build a small diesel engine and transmissions. (December 14, 2006)

**Ford Motor** announced plans to set up a plant in India to make diesel engines, as consumers in the fast-growing market shift to the more fuel-efficient option. The plant would have a capacity

to make about 100,000 units of the 1.4-liter Duratorq engine each year. Ford, which makes 60,000 vehicles a year at a plant near the southern city of Chennai, now buys gasoline engines from a unit of **Hindustan Motors** and imports diesel engines. (November 14, 2006)

**Hampson Industries PLC**, a UK-based precision engineering group, announced plans to invest US\$20m at its auto component facility in India. The facility, Hampson's first investment outside UK and US, would focus on manufacture of high precision components for automotive customers, mainly for turbocharger applications. The investment will be spread over four phases with a total investment of over US\$20m in the next five years. In the first phase, the company would invest US\$6m and is looking at US\$15m revenues. In the second phase, the company would extend its manufacturing capabilities to produce precision and engineering components, structures and assemblies for global aerospace customers like Boeing and Airbus. (November 17, 2006)

**Hero Group** announced plans to enter the car manufacturing segment and is currently looking for the right partner and product line. This would mark a second coming for the Hero group in the car-making business. More than half a decade ago, the group had partnered with Germany's **BMW** to enter the car market. However, the project was shelved after a detailed feasibility study stated that the market was not yet ready for such premium cars. The Munjal family's proposed car venture is expected to look at targeting the entry-level segments in India to take on the likes of **Maruti, Hyundai** and **Tata**. (December 3, 2006)

**Mahindra & Mahindra** (M&M) acquired 67.9% of stake in **Jeco Holdings**, a German automobile components company, for US\$175m. The acquisition is the largest acquisition by an Indian company in the auto component manufacturing space. Jeco has a capacity of 100,000 tons a year and supplies products such as gear boxes, engine and axle pans, hubs, gears and piston heads. Jeco's customers include the

**DaimlerChrysler, ZE Group, MAN Nutzfahrzeuge, Volvo, Renault, Linde and Agco.** The acquisition will help M&M service customers from three locations namely UK, Germany and India for their auto component needs. (September 29, 2006)

**M&M** announced it is in talks to buy a majority stake in German forging company **Schoeneweiss & Co GmbH**. Mahindra has approached the German Federal Cartel for approval of the deal, which also is subject to fulfilling certain conditions and other regulatory approvals, Mahindra said in a statement. The German firm has an enterprise value of about US\$75m to US\$85m, and winning the necessary approvals could take up to three months. (November 16, 2006)

**RSB Transmission Ltd**, a company of the **RSB Group**, announced plans to for a multi-product automobile component manufacturing unit near Choudwar, Orissa entailing an investment of US\$77m (INR3.6bn) over five years. RSB will build a ferrous casting, forging and aluminum die casting unit within a span of five years. The casting and forging unit is expected to generate revenues of US\$340m. (December 7, 2006)

**Valeo** will set up a manufacturing facility in India through a JV with the local **Minda Group** to manufacture automotive lighting equipment. Valeo will retain the majority stake in the JV, and make an investment of US\$10m. The Minda Group has several JV's with some of the world's leading auto makers such as **Tokai Rika** of Japan, a **Toyota** group company; **Fiamm SpA** of Italy, and **Impco** of the US, a leader in alternate fuel technologies. (October 10, 2006)

**Volkswagen** will invest US\$530m in an Indian plant to make cars for the Indian market. The company has approved plans for a new factory in

Pune, where it expects to start building subcompact cars in the second half of 2009. European automakers are making inroads into the Indian market, where annual sales are forecast to more than double to over 2 million units by 2010. (November 28, 2006)

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## INDONESIA

**Chery** has opened a factory in Indonesia to manufacture its QQ small car in the country. Chery set up the facility with Indonesian automotive assembler and distributor **Indomobil**, which also assembles **Toyota, Honda** and **Suzuki** vehicles in Indonesia. According to the terms of the JV contract between the two parties, Indomobil Group will assemble 1,000 units of the QQ before the end of this year, before increasing production to 1,000 units every month next year. (September 26, 2006)

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## JAPAN

**Faurecia SA** and **NHK Spring** will increase production of car seats at their joint firm in Kyushu. The companies plan to expand the production site by next summer, raising capacity to three times the current level. The decision comes shortly after NHK Spring and Faurecia secured an order for seats for a new Nissan Motor vehicle. Expansion of the plant has already been completed, raising total floor space from 6,800 sq. meters to 13,300 sq. meters. Equipment will be added, and the facility is to go into full-scale operation in August 2007. (November 29, 2006)

**Fujikura** announced its acquisition of a 60% stake in Spanish autoparts manufacturer **Auxiliar de**

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**Componentes Electricos SA (ACE)** at a transaction valued at US\$85m (¥10bn). **ACE**, which had sales of US\$145m (¥17bn) for the year ended December 2005, produces mainly wire harnesses used in automotive electrical components. The firm has production facilities in Spain, Romania and Mexico, and its main clients are European automakers such as **Volkswagen**. (September 26, 2006)

**Hitachi** announced plans to buy out **Clarion**, a major manufacturer of car navigation systems, and will seek to make it a wholly owned subsidiary through a tender offer. Hitachi, facing sluggish earnings, expects the deal to bolster its automotive equipment business as it aims to go head to head with **Denso Corp.** and other auto component manufacturers. The acquisition cost will total around US\$428m (¥50bn) if it obtains the remaining 86% stake at a 30% premium. (October 11, 2006)

**Isuzu Motors** announced plans to construct a new factory with **Toyota Motor** as part of their business and capital tie-up in diesel engines. With advantages in the falling yen and procurement of core components, the plant could be built in Japan. One strong candidate is Tomakomai in Hokkaido. Isuzu Engine Manufacturing Hokkaido Corp already produces 1.7-liter diesel engines in that city, and Toyota has a parts plant there as well. Isuzu churns out roughly 1.15 million diesel engines a year, outpaced by global leader PSA Peugeot Citroen Group's 2 million or so. (December 5, 2006)

**Kayaba Industry** announced plans to spend US\$34m to expand its US plant in order to boost output capacity of shock absorbers by about 60% to 9.6 million units in 2008. The move is in response to **Toyota Motor**, **Honda Motor** and other automakers boosting production. Expansion at the Indiana plant will start as early as this month and is expected to be finished next autumn. Roughly US\$17m is earmarked for the construction of buildings, with the remaining US\$17m reserved for plating and assembly machines along with other equipment. (December 5, 2006)

**Mikuni Corp** announced plans to expand production of plastic engine parts as automakers seek alternatives to high-priced copper and other metals. By 2008, the company will invest US\$5m to add manufacturing equipment at its Kikugawa plant, expanding the production capacity there fourfold to around 600,000 units a year. The move will boost output of a type of module that combines a plastic intake manifold, which brings the air-fuel mixture into the engine, with an aluminum throttle body for regulating the amount of air drawn in. The expansion comes in response to orders received from **Suzuki Motor**. Mikuni is also marketing the module to other automakers and may consider building another factory, depending on how many orders it receives. (December 8, 2006)

**Mitsubishi Motors** is exporting industrial engines from China to the US. The automaker may expand into exports of engine components as well. The engines are 2.4-liter industrial-use engines that run on liquefied petroleum gas (LPG). They are built at one of Mitsubishi's two engine affiliates in China: **Shenyang Aerospace Mitsubishi Motors Manufacturing Co.** Exports began in April. Volumes will total about 15,000 this year. (October 5, 2006)

**Nissan Motor** announced that it will sell its entire 6% stake in **Nissan Diesel Motor** to Swedish truck giant **Volvo**. In addition, Volvo will purchase all Nissan Diesel preferred stock from holders including Nissan and Mizuho Corporate Bank. Both the common and preferred shares are likely to change hands this month for US\$573m (¥67bn). Volvo had acquired a 13% stake in Nissan Diesel from Nissan last March. At the time, Volvo had the option of purchasing more shares within four years. Volvo intends to convert the preferred shares into common stock. Once all shares are converted including those that become convertible in April 2014, Volvo would own 46.5% stake in Nissan Diesel. (September 26, 2006)

**Valeo** sold its electrical motors and actuators business unit to **Nidec** of Japan for an enterprise

value of US\$219m (€165m). The unit produces engine cooling fan systems and electric motors used for windows, antilock brakes and seat adjustment control. The unit reported 2005 revenues of US\$335.5m (€253m), employs 1,800 people globally in five plants and four R&D centers. (November 16, 2006)

**Yorozu Corp** announced plans to increase production capacity of suspension parts in China with investments of US\$38bn. The company is responding to growing production in China by Japanese automakers, including **Honda Motor** and **Toyota Motor**, in addition to Yorozu's chief customer **Nissan Motor**. Yorozu forecasts sales of US\$68m following the expansion in capacity. (December 5, 2006)

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## KOREA

**BorgWarner** almost doubled the size of its 90,000 sq-ft vehicle engine manufacturing facility in Pyongtaek, about 50 miles south of Seoul. The facility will manufacture engine timing systems for **Hyundai** and **Kia's** family of engines. Annual production is estimated to reach over three million units by 2010. The company attributed its decision to hike production volumes to increased demand for its engine timing systems as well as the anticipated increase in demand for its products in Asia, which analysts suggest, will grow by more than 30% over the next five years. (December 5, 2006)

**Performance Fibers** announced plans to increase the capacity of **Performance Fibers SYSKO**, a Korean polyester fiber production for making advanced polyester fibers that offer ultra-low shrinkage and high-tenacity benefits. The products will be aimed at specialty applications, including broad-woven and coated fabrics for roofing and tents. **Sam Yang Corp**, one of the

company's three partners in the JV, has commenced work on the project by installing new equipment at the Jeonju plant in Korea. The project, which will increase the JV's capacity by 20%, also includes boosting adhesive active yarn output for rubber reinforcement uses such as hoses and belts, and fibre for automotive seat belts. Project completion is slated in Mar 2007. (November 15, 2006)

**Scania** and **Hino** have signed an agreement to distribute Hino's medium-duty trucks in Korea. Sales will commence in the northern hemisphere spring of 2007. Scania will distribute Hino trucks through its subsidiary **Scania Korea**, which has a network of 22 sales and service points. Hino has marketed Scania tractors in Japan since 2003. Hino has reported its intention to enter into a global sales tie-up with Scania, to expand sales channels throughout Asia, South America and other emerging markets. Hino is targeting a 10% market share in Korea. (December 11, 2006)

**Takata Corp** announced plans to invest US\$10m to build a new automobile seatbelt factory in Korea. A wholly owned subsidiary would be set-up and the facility would be built in the city of Hwaseong, aiming to have it in operation within the year. Although Takata already has sales locations in Korea, this will be its first production site there and will bring to 17 the number of countries in which it has plants. (October 4, 2006)

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## MALAYSIA

**Modu-Logic (M) Sdn Bhd (MLM)** was appointed by **Faurecia Exhaust Systems**, Europe's largest exhaust system maker, as its first licensed manufacturer in the ASEAN region. As part of an agreement signed by the parties recently, MLM will manufacture complete exhaust systems for both the local and international markets. As per

the agreement MLM would be allowed to make Euro 4 specification exhaust systems Malaysian auto makers and assemblers, allowing the cars to be exported to the larger markets of Europe and North America. (December 4, 2006)

**Toyota Auto Body Japan (TABJ)**, a 57%-owned subsidiary of **Toyota**, has invested US\$47.39m (RM174m) to establish two automotive component factories in Shah Alam, through its unit **Toyota Auto Body Malaysia (TABM)**. Production at the first plant, a resin components molding factory, commenced in August 2006. The facility produces bumpers, instrumental panels and door trims for the Toyota *Avanza*. It has plans to produce resin components for other Toyota models in the future. Meanwhile, the second facility, a 12,000sq-ft stamping and welding component factory, is scheduled for launch in October 2007. (September 15, 2006)

**Sime Darby Bhd** is planning a US\$30m expansion of its existing Kulim automotive plant in Kedah that will boost its production capacity by six-fold to 120,000 units a year. The company would undertake the project jointly with **Hyundai Motor**, making the plant Hyundai's automotive hub for the Asean region. Currently, **Hyundai-Sime Darby** assembles the Hyundai *Atos* mini cars, *Getz* compact cars and *Matrix* minivans. The group's multi-pronged strategy to grow its business, including the expansion exercise for its Kulim plant would be mainly financed from its US\$847m (RM3bn) cash reserves. (November 7, 2006)

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## THAILAND

**Akebono Brake** announced it will invest in a new brake manufacturing subsidiary in Thailand. The company has already established a wholly owned unit in the country called **Akebono Brake (Thailand)** and will invest ¥2bn (US\$17.1m) in

the construction of a facility in the Chonburi Province, which is near other component manufacturers, such as NSK, Denso, Kayaba and Toyoda Gosei, which all have facilities in the area. The facility will supply disc brakes to Japanese automakers in Thailand. (September 28, 2006)

**Kinugawa Rubber Industrial** announced plans to expand its Thai operations in automobile rubber products by investing US\$8.5m by 2008. The company aims to raise sales in Thailand from just under US\$4.2m in fiscal 2005 to US\$8.5m by fiscal 2008. **Kinugawa (Thailand) Co** produces rubber products and sealing materials used for water- and soundproofing automobile doors. It supplies the goods to the local operations of **Nissan Motor** and **Honda Motor**. (September 28, 2006)

**Mazda** is planning to build a new small-car plant in Thailand. The plant, with an initial built capacity of 200,000 units per annum, will be a jointly owned facility with the company's parent, **Ford**, with the Japanese carmaker set to play a major role in Ford's small-car operations. The report claims that Mazda will spend more than ¥50bn (US\$424m) to build the Thai plant, which Mazda hopes will begin operations in 2009. The plant will primarily be used to build cars for export to the US and Europe. (November 27, 2006)

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## VIETNAM

**Shanghai Automotive Industry Corp (SAIC Motor)** is planning to set up an auto JV in Vietnam and is conducting a location survey for the possible JV factory. The Chinese carmaker anticipates capital investment of US\$50m in the JV. (November 27, 2006)

**Vietnam JRD**, a JV between Malaysia's **JRD Motor Vehicle Company** and **Phu Yen Import-Export Company**, has established a new

assembly unit in Phu Yen in central Vietnam. The JV will produce passenger cars and pickups. JRD has a 70% stake in the venture, while Phu Yen holds the remaining 30%. Around US\$50m has been invested in the new plant so far, which has an initial annual production capacity of 30,000 units. By 2008, production at the factory is expected to increase to 50,000 cars annually. (September 26, 2006)

China-based **Zongda Group** and bus manufacturer **Vietnam Automotive Industry** have formed a JV to produce bus components, mainly chassis. Both companies plan to invest US\$60m in the JV to be set up in Hanoi, Vietnam. Construction of the US\$20m JV factory is scheduled to start by the end of this year, with production expected to begin by October 2007. As per the terms of the agreement, components and apparatus will be produced in China, with assembly in Hanoi. (November 6, 2006)

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## ABOUT BDA

Business Development Asia is a corporate finance advisory firm which assists multinational companies in expanding their businesses in Asia through JVs, acquisitions and divestments. For further information on BDA's services or on any of the articles in this newsletter, please contact the offices below.

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