

OVERVIEW OF SPX-CQ'S SUPPLIER DATABASE

With the guidance of UNIDO's methodology & nomenclatures and reference to the supplier development procedures and the data requirement for supplier pre-selection of some international main contractors, SPX-CQ has built up its own supplier database.

The database is designed to:

- collect the enterprise's data which can satisfy the needs of global supplier development of the first-class international manufacturers and provide the overall search functions;
- provide the verified data of enterprises against the criteria of the supplier development of the international automobile OEMs;
- help to break through the limits of human resource and financial capability of small and medium-sized enterprises to realize global purchase so as to fully share the fruits of Chinese economic development.

The recorded enterprise information in SPX-CQ's supplier database includes:

1. products: e.g. specification, price, size, production capacity, etc.
2. process and equipment: e.g. equipment manufacturer, quantity, indicators of key equipment, etc.
3. market: e.g. main market, main customers, export, etc.
4. technology: e.g. licenses, patents, environment protection, measurement and testing, etc.
5. quality: e.g. quality certificates, date of acquisition and issued company, etc.
6. logistics: e.g. warehouse, lead time, etc.
7. materials and parts outsourcing: e.g. main suppliers, purchasing quantity and limits, etc.

Other data such as number and composition of employees, production area, international marketing plan, etc. are also recorded. Moreover, the product samples of main SPX-CQ member companies have been collected and sorted by SPX-CQ.

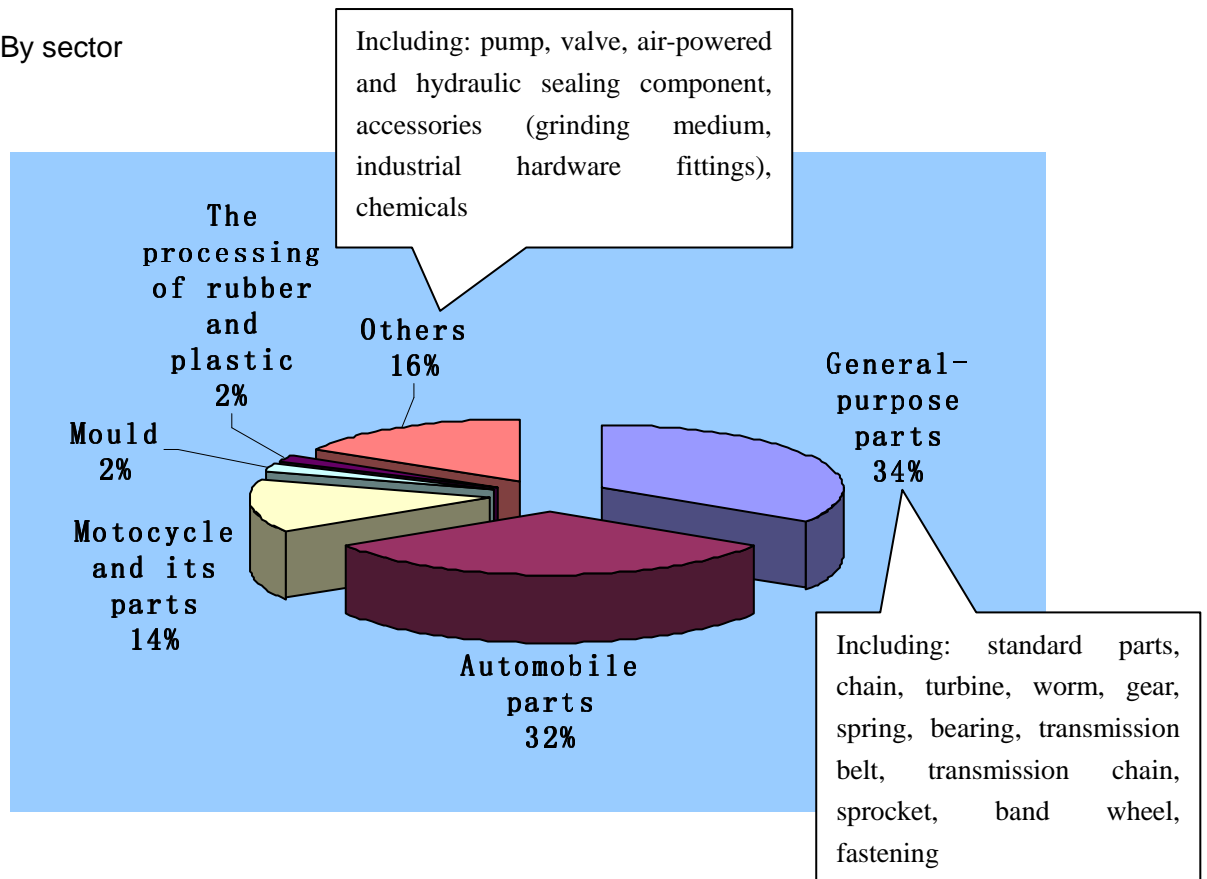
The database contains a total of more than 30,000 enterprises' data. About 800 enterprises' data have been assessed and verified on-site by SPX-CQ, among which 700 are located in Chongqing.

The industrial sectors that SPX-CQ focuses on are: automobiles, motorcycles, hardware tools, shipping and harbor facilities, energy (especially solar energy/wind power facilities and its components), instruments, machine tools and moulds, construction machines, agricultural and gardening machinery, electric power machinery, the equipment of information technology and etc..

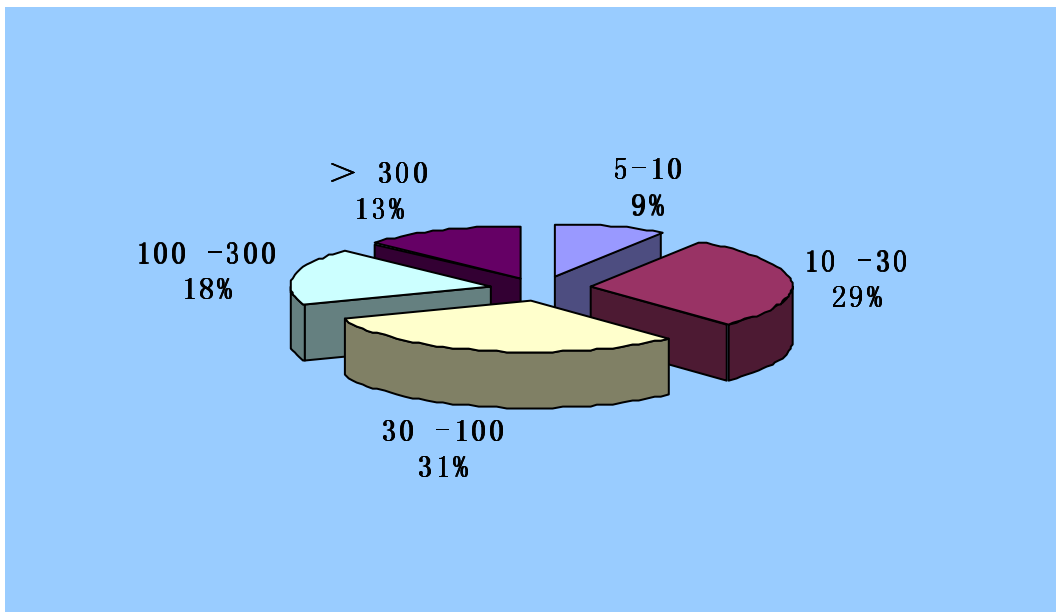
The process includes casting, forging, stamping, machining, heat treatment, surface treatment, plastic injection and etc..

The data of enterprises in the database can be analyzed as following charts.

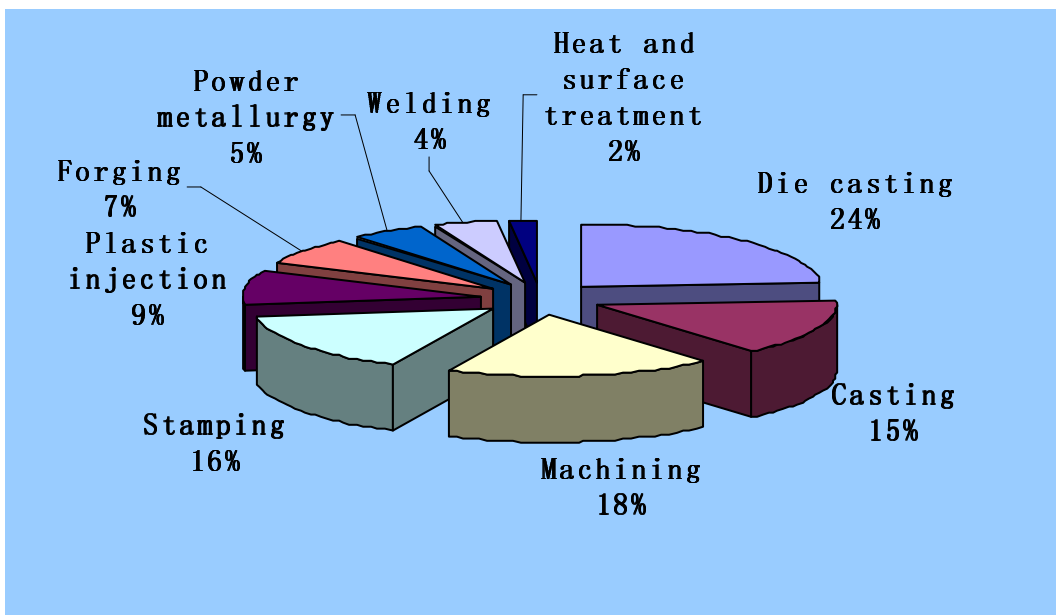
(1) By sector



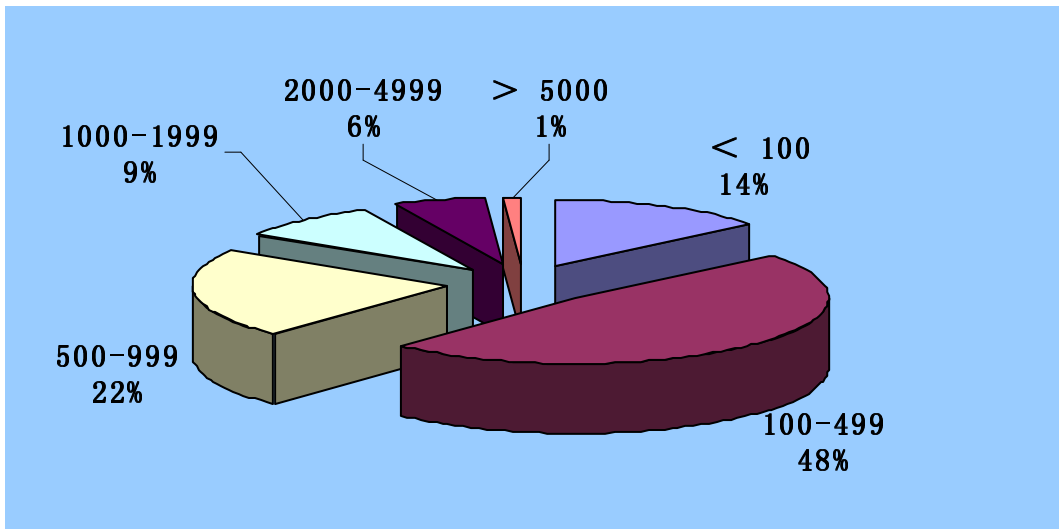
(2) By sales (unit: million/RMB)



(3) By process



(4) By scale (unit: person)



SPX-CQ has always been updating and upgrading its supplier database. In 2006, SPX-CQ cooperated with AIAG (Automotive Industry Action Group), Ford Motor and DaimlerChrysler conducting Gap Analysis for local suppliers. The gap analysis aims to identify the gap between the capabilities of the Chongqing auto parts enterprises and the requirements of international buyers so as to provide guidance for the improvement of the enterprises. Based on the assessment results, SPX-CQ is providing training for the member enterprises, helping the suppliers improve on cost control, pricing policy, technological improvements, total quality (zero defects) management, organization of work within the enterprise, logistics(just-in-time practices), and environment protection.

Thanks to the database, so far SPX-CQ has efficiently set up cooperation relationship with over 100 national associations, organizations, chambers, and embassies in EU, North America, Africa, Middle East, Japan and etc.. 200 international enterprises from 18 countries, such as UK, France, Germany, US, Japan, Senegal and Qatar delivered more than 900 enquires through SPX-CQ, among which over 60 enterprises set up subcontracting business with their Chinese suppliers.

These achievements have proved that SPX-CQ's database is of great help in international enterprises' entering into Chinese market.

The professional website: www.subconchina.com will open in February, 2007, and the service of SPX-CQ will cover the most dynamic manufacturing bases along Yangtze River, such as Chongqing, Sichuan, Hubei, Zhejiang, Jiangsu and etc..

It is estimated that in 2007 SPX-CQ will be able to provide 2000 enterprises' information which meet the requirement of supplier pre-selection for international buyers to check, and 800 international buyers will become the partner of SPX-CQ and



benefit from the service of SPX-CQ.

