



## **GKN Sinter Metals Signs Letter of Intent with Shanghai Automotive Co.**

*GKN Sinter Metals and Shanghai Automotive Company, Ltd., (SAC) announced today that they have signed a Letter of Intent to form a joint venture in China. The JV will produce complex powder-metal components to support the growing Chinese automotive and industrial markets. The partnership will include a modern production plant in Shanghai.*

AUBURN HILLS, MI ([PRWEB](#)) September 25, 2004 -- GKN Sinter Metals and Shanghai Automotive Company, Ltd., (SAC) announced today that they have signed a Letter of Intent to form a joint venture in China. The JV will produce complex powder-metal components to support the growing Chinese automotive and industrial markets. The partnership will include a modern production plant in Shanghai.

“We are delighted to have this opportunity to establish a joint venture with SAC, China’s leading producer of automobiles for the local transportation industry,” says Richard Clowes, managing director-Powder Metallurgy for GKN plc. “Through our partnership, we will be able to capitalize on the expansive technical resources of GKN Sinter Metals’ global P/M operations to provide the Chinese automotive marketplace with unprecedented quality and highly complex P/M components.”

Clowes notes that the Chinese market is widely regarded as the largest opportunity for growth in automotive components in the coming decades, and the P/M industry at present does not serve the automotive segment of the Chinese market as comprehensively as it does other markets.

SAC President Zhao Feng Gao says they’ve teamed up with the ideal partner for expansion into the Chinese automotive component industry. “We found in our partner a global technology leader that will bring technological innovations to the P/M industry in China during its most intense period of growth,” he adds.

Zhao says GKN Sinter Metals’ agreement with SAC builds on the successful joint venture established in 1988 between GKN Driveline and Shanghai Automobile Industry Corporation (SAIC) – parent company to SAC – that provides automotive driveline components for Chinese original equipment manufacturers.

SAIC – one of the Chinese Big Three automobile original equipment manufacturers, and the most profitable – holds the largest sedan car market share in China, and ranks 461st on the list of Fortune 500 companies. SAIC employs approximately 60,000 people in 55 subsidiaries to serve the production, development and sales of various types of vehicles, including sedans, passenger cars, heavy trucks, tractors and motorcycles, as well as automotive components and finance. In 2003, SAIC sold nearly 800,000 cars and trucks and achieved final revenues of US \$11.7 billion.

GKN Sinter Metals leads the world in the production of powder-metal automotive components with unprecedented expertise in connecting rods, main bearing caps, planetary carrier housings and gears. GKN’s production of main bearing caps has exceeded 100 million, with aluminum cam cap production in excess of 50 million. The company also supplies the automotive industry with a wide range of engine, transmission and body and chassis components, and manufactures P/M parts for the commercial vehicle, home appliance, lawn & garden, office equipment and furniture, and recreation industries. GKN Sinter Metals has 7,000 employees at 34 production facilities in 11 countries spanning five continents. It currently operates a Representative’s Office in Shanghai’s Plaza 66 office complex.



GKN Sinter Metals is a wholly-owned subsidiary of GKN plc, a global engineering company focused on the automotive, aerospace and related industries.

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