

# Bus Body and buses assembly plant project



## A, Relevant background information:

About our China's automobile industry status in the world:

Do you know China auto technology development very fast, please you note Some Background information:

2016 Chinese auto production about 28.6 millions units > Japanese + U.S.+ Korea auto total production.

2017, the production of new energy vehicles in China was 860,000, the world's largest, surpassing the total output of new energy vehicles was over total output of all other countries.

**2017, China have expect Buses over 400,000.00 units, the output is No.1 on the world.**

China government encourages China enterprises to open oversea markets and increase oversea investments. The government offer favorable policies. Our group board of directors make a relative decision of building 10 more auto factories throughout the world in future. In Africa, three auto assembly plants are arranged, to be located in east Africa, west Africa and north Africa. Our investment scale of each factory is arranged to be up to 1-2 million USD, which will be invested into the project step by step. At the same time China Development Bank and China Import & Export bank may give us credit line. It is a good chance for our development of the overseas market, in order to be confident of our cooperation, I hope you can catch it and speed up the project schedule.

## B, what is CBU with SKD, CKD

CBU = finished automobile

CKD = Completely Knocked down parts . All materials supplied loose for final welding and final assembly, or raw body shell and all other parts loose and not assembled.

SKD I = Semi knocked down parts. Car body and trucks cabin are unpainted. The engine, gearbox, axles, suspension, driveshaft, steering, seats, tyres, batteries, exhaust system, electrical, etc. are supplied as individual units for assembly.

SKD II = Car body is fully painted and glazed. Truck cabin is fully painted. The engine, gearbox, axles, suspension, driveshaft, steering, seats, tyres, batteries, exhaust system, electrical etc. are supplied as individual units for assembly.

C, Auto assembly plant by Turn Key Project and Joint Venture model:

1. Definition of our Turn Key Project:

The turn key project is aiming at offering you an easy and quick approach to enter the automobile industry, we will help you to establish an assembly factory and provide you automobile parts for assembling first, we export parts to your side under SKD or CKD in order that great much cost will be cutted, we help you design and build up the assembly plant as well as provide you necessary and detailed technology assistance till you master all required technologies and be capable to make vehicles on your own totally.



E, Some concerns our oversea partners care about the Automobile Assembly Plant:

1, Investment is put by stages and in batches, to reduce the enterprise's pressure on the fund of investment at the early stage, namely, the Stair-Climbing Theory: to climb up higher slope, a stair with steps can help you do it, that is, you can divide your long-term goal into a number of small targets to achieve, to reduce the risk of investment.

2, A rough idea on the budget and kinds of input for you reference: in the initial stage, the production line equipment needs over 1 million US Dollars; a 5000-8000 square meters workshop area (the inside), construction cost of the factory building is around 100 US dollars per square meters on average; working staff around 50 - 100 persons, including workers, engineers and technicians, managerial personnels, and sales persons, which will be increased gradually with the expanding of the factory scale.

3, the power supply requirements over: 300-500kw.

4, Project stages: the stage of SKD, CKD stage, stage of auto parts localization manufacturing.

5, Usually production is gradually increased from 50-100 units per month, according to the market demand and sales situation, output shall be gradually increased every month and every year, as well as the vehicle models.

6, As regards the working capital / liquidity requirements: Usually, a normal running factory needs to prepare 3-4 times as much as the value of monthly production, one batch of KD parts produced in China, one batch of KD parts in transit, and another batch of KD parts are in the factory for being assembled; of course, our company often provides our foreign partners some credit for financing, for example, we can accept Usance L/C.

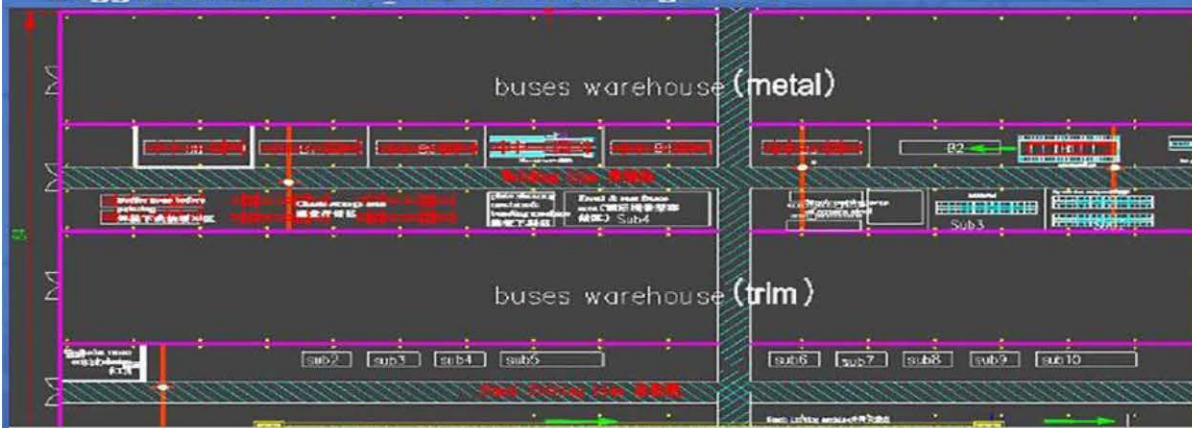
7, About car sales, cooperating with the local bank and leasing company, sell the vehicles with the way of financing lease, and improving the local after-sales service system, and it is also important to strive for government orders and group sales.



# CKD production supporting:

After factory visiting, ZEV will provide ... (based on model, supplied status, etc.)

## Suggestions of Production Line arrangement



H, Shortcut of starting automobile industry from Order sample to order SKD ----CKD----Parts localization production.

F-1, From trade of CBU starting---- assembly CKD or starting assembly Pickup, SUV---- CKD and adding assembly buses.

F-2, From Mini bus SKD starting--to-- assembly CKD of buses series.

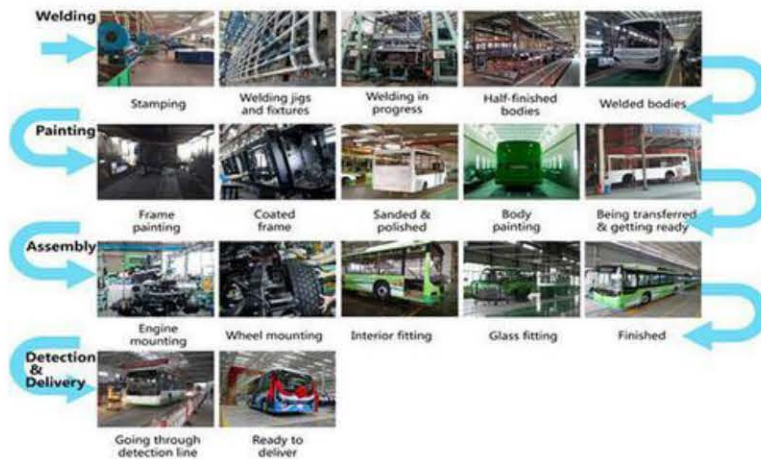
Starting from the lowest investment, and gradually upgrade (investment to upgrade, technology upgrading, market upgrade, the scale upgrade)

I, what is Assembly auto is four line:

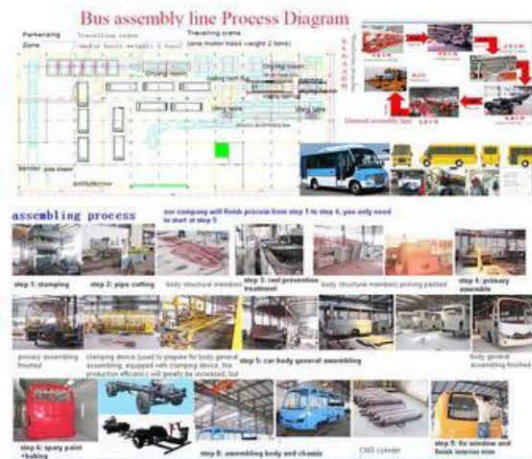
Welding joint line, Metal surface treatment and coating process, general assembly line, Detection line. If starting from SKD, the equipment list is just need this part: coating process, general assembly line, Detection line. in fact, best big investment is this part :Welding joint line, Metal surface treatment. From SKD starting, step by step investment equipment is better suitable developing country investor or industrialist.

### Standard bus line:

#### Bus Production



### Simple line:

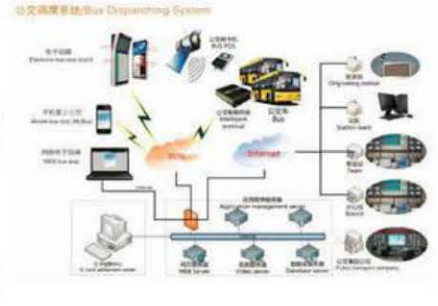
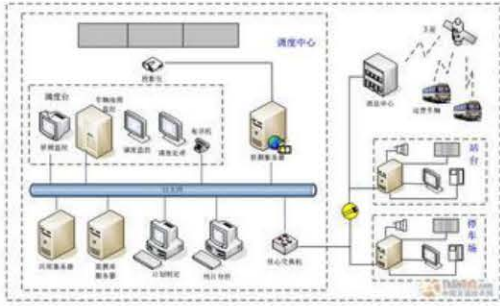


J, About bus factory equipment investment budget, due to production arrangement, the model selection, production line automation degree is different, different power supply, production workshop area is different, different standards for environmental protection... and so on more reason, These will affect the investment budget. please you check two budget list in enclosure, in

fact, The truly accurate bus factory investment budget is to complete the design and consideration of all relevant elements in the factory. Based on the experience we have invested in several factories, It should be carried out by the planned branch in view of the long-term planning, which will reduce the risk of investment and make it feasible. Unless you have a huge amount of money to invest in it, you're not afraid of risk.

### K, We provide more service of intelligent public transport bus, taxi and safety management system too !

**Background information:** China has established a perfect urban public traffic safety, including urban public transport buses, taxis, intelligent, network management, greatly improve the efficiency, safety and reliability, This is the development trend of urban public transport management. we may provide all service of intelligent public transport.



Intelligent bus system has effective data management and analytical capability, operational data management and analytical data management. The aim is to ensure the efficient management, planning and scheduling of daily operations, as well as to provide high-quality information consulting services to the public. To provide real-time system status query and historical data analysis services

to the manager, support the decision maker to formulate the policy of traffic development and the macro information analysis of the planning.

This task is mainly completed by the bus information center.

**L, How much investment is need to do the bus assembly factory project ?**

1, equipment investment

budget, One is the easiest, the annual production of 500-800 vehicles, the simple version of the bus line equipment budget, about half million dollars; In addition, the equipment budget for the upgraded version of the bus production line will be completed in the next production line of 2000-3000 buses

equipment investment budget is about 2 millions USD.

2, Workshop over 8000M2, land over 20000M2.

3, worker is about 50-150.

4, Work capital 3-5 millions USD.

**if you have market resources, government network resources, capital investment capacity, and idle factories.....**

**M, Background information:**

- 1, 2016 Chinese auto production about 30 million = Japanese cars + U.S. auto production
- 2, In 2016, the production of new energy vehicles in China was 700,000, the world's largest, surpassing the total output of new energy vehicles in all other countries.
- 3, China's electric car manufacturing technology has is a world leading level. China big city have Popularized the electric buses.
- 4, Per year, China export buses is about 400,000 units .

**N, China bus manufacture and China buses market**

Our China bus plant manufacture products 75% is new energy resources bus, just 25% is petro fuel bus. China city almost all use new energy resources bus, petro fuel bus can't use in city. new energy resources bus include Pure electric bus, quick charge bus, slow charge bus, hybrid electric bus (CNG + power mode) and CNG bus. the petro fuel bus is use export to other developing countries. we may provide bus manufacture technology and some investment for new energy resources bus and e petro fuel buses.



O, For the new energy bus assembly plant, it is necessary to add some necessary charging equipment, special equipment for batteries and motors.

P, Please analyze and compare the final cost of CBU and CKD.

1, CKZ6115D this bus used for long-distance passenger transport.

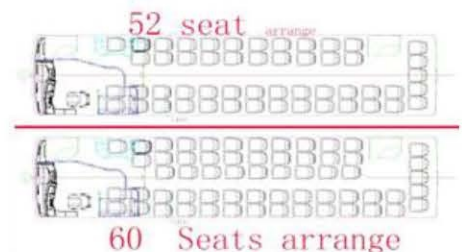


<b>QUOTATION</b>				
	CBU term		CKD term	
	with air conditioner	without air conditioner	with air conditioner	without air conditioner
USD Price/unit EXW	US\$69,500.00	US\$63,500.00	US\$66,500.00	US\$60,500.00
freight and insurance (Chongqing to Lagos)	US\$14,860.00	US\$14,515.00	US\$3,500.00	US\$3,500.00
Package Cost	/	/	US\$2,500.00	US\$2,500.00
unit price CFR Lagos	US\$72,360.00	US\$66,015.00	US\$61,500.00	US\$55,500.00
import cost(CFR + import tariff)	(CFR + 35% import tariff)	(CFR + 35% import tariff)	(CFR + 0% import tariff)	(CFR + 35% import tariff)
assembly cost	/	/	(CFR + assembly cost 5%)	(CFR + assembly cost 5%)
Delivery Time	Within 60 days after receiving deposit			

Nigeria auto import tariff: CBU(FBU) 35% ;SKD 10%; CKD free.

Gross profit analyze : FUB Coast - CKD Cost =US\$ 96986-63475=US\$ 34511

2, CKZ6116D this bus used city passenger transport. Ex factory USD 50000.00-58000



<b>CKZ6116D QUOTATION</b>				
	CBU term		CKD term	
	with air conditioner	without air conditioner	with air conditioner	without air conditioner
USD Price/unit EXW	US\$54,000.00	US\$49,000.00	US\$6,000.00	US\$46,000.00

freight and insurance (Chongqing to Lagos)	US\$14,860.00	US\$14,515.00	US\$3,500.00	US\$3,500.00
Package Cost	/	/	US\$2,500.00	US\$2,500.00
unit price CFR Lagos	US\$68860.00	US\$68,015.00	US\$57,000.00	US\$51,000.00
import cost(CFR + import tariff)	(CFR + 35% import tariff)	(CFR + 35% import tariff)	(CFR + 0% import tariff)	(CFR + 0% import tariff)
assembly cost	/	/	(CFR + assembly cost 5%)	(CFR + assembly cost 5%)
Delivery Time	Within 60days after receiving deposit			

**Nigeria auto import tariff: CBU(FBU) 35% ;SKD 10%; CKD free.**

**Gross profit analyze : FUB Coast - CKD Cost =US\$ 89561-59,750**

**3, For the mini-middle bus series:**

**CKZ6650D model bulk length 6.5 m, take passenger 28/ seats 15-19 + stance 9-13**

**CKZ6710D model bulk length 7.05m, take passenger 33/ seats 19-27 + stance 0-13**

**CKZ6650D, Length 6.5m,  
Sasts arrange 2 x 1, Total 19 seats**



**Bulk: 6650 x 2200 x 2600mm**

**CKZ6710D, Length 7.1m  
If 2x2,total 25 seats, if 3x2, total 30 seats**



**Bulk: 6710 x 2200 x 2600mm**

**Middle city bus take Passenger 38/ 27seats +1 Driver**



**CKZ6650D QUOTATION**

	CBU term		CKD term	
	with air conditioner	without air conditioner	with air conditioner	without air conditioner
USD Prcie/unit EXW	US\$25000.00	US\$22500.00	US\$24000	US\$21,500
freight and insurance (Chongqing to Lagos)	US\$5500.00	US\$5000.00	US\$2000.00	US\$2000.00
Package Cost	/	/	US\$ 1500.00	US\$ 1200.00
unit price CFR Lagos	US\$29500	US\$27500	US\$ 26700	US\$ 2700
importe cost(CFR + import tariff)	(CFR + 35% import tariff)	(CFR + 35% import tariff)	(CFR + 0% import tariff)	(CFR + 0% import tariff)
assembly cost	/	/	(CFR + assembly cost 5%) = US\$ 25910	(CFR + assembly cost 5%) = US\$ 23075
Delivery Time	Within 60days after receiving deposit			

CKZ6710 model(30 seats), it is better high cost performance. it is cost high USD2000 than CKZ 6650D.

For the mini-middle bus series:

CKZ6650D model bulk length 6.5 m, take passenger 24/ seats 15-19 + stance 9-13

CKZ6710D model bulk length 7.05m, take passenger 30/ seats 19-27 + stance 0-13

Coaster series bus

If CBU(FBU) Term :

Coaster CKZ6730 model(38 passenger/23-29 seats + 15 stance + 1 driver), it is better high cost performance.

freight is by Roll-roll ship by CBU, by CBU, it is Ex factory USD 30999.00 --36999.00

Pure Electric power Caster series bus:Ex factory : USD99,000.00(due to cost too high, we do not focus on recommendations)

## If CKD Term :

**EX factory USD 29999.00 + package \$900.00, if you have bus manufacturing licence in Nigeria, import tariff free only )**



### Coaster CKZ6730D QUOTATION

	CBU term		CKD term	
	with air conditioner	without air conditioner	with air conditioner	without air conditioner
USD Prcie/unit EXW	US\$33499.00	US\$30999.00	US\$32499.00	US\$30999.00
freight and insurance (Chongqing to Lagos)	US\$5500.00	US\$5000.00	US\$ 1900.00	US\$1900.00
Package Cost	/	/	US\$ 1200.00	US\$ 1200.00
unit price CFR Lagos	US\$39,499.00	US\$35799.00	US\$ 35,099.00	US\$ 32599
importe cost(CFR + import tariff)	(CFR + 35% import tari ff)	(CFR + 35% import tariff)	(CFR + CFR * 0 % import tariff)	(CFR +CFR* 0% import tariff)
assembly cost	/	/	(CFR + assembly cost 5%)	(CFR + assembly cost 5%)
Delivery Time	Within 60days after receiving deposit			

**Nigeria auto import tariff: CBU(FBU) 35% ;SKD 10%; CKD free.**



