

'\$5b China power firm listing set to be largest

THE listing of Shandong Power Plant in Hong Kong is expected to raise up to \$5 billion.

This is likely to be the biggest company in the second batch of Chinese state-owned enterprises to list on the local bourse, some of which are expected to be listed this year.

These enterprises are generally small- to medium-sized infrastructure, energy and transport companies.

Liu Hongru, head of the China Securities Regulatory Commission, will head a team of officials to visit Hong Kong this week with the list of the second batch.

There would be more than eight companies in the second batch, including Shandong Power Plant, Changchun First Automobile Works, Xi'an Aircraft Company, Wuhan Power Plant, China Eastern Airlines and China Southern Airlines. Some would list overseas, such as New York, according to sources.

It is believed that Goldman Sachs would probably be Shandong Power Plant's sponsor. KPMG Peat Marwick has been appointed accountant.

Shandong Power Plant comprises three generating

By KERRY WONG

complexes located in the province with a total capacity of 3.65 million kilowatts. Market sources suggested that Shandong Province Power Bureau, the 28th largest enterprise in China, would be the major shareholder of the company after its H-share flotation.

Changchun First Automobile Works is the biggest carmaker in China, producing 180,000 automobiles a year. This is 58 per cent of the country's total production.

The company owns 3.1 billion yuan in fixed assets and occupies a total area of 17.69 million square metres. Its annual sales revenue is eight billion yuan (HK\$7.1 billion), annual pre-tax profit is one billion yuan and it has a foreign exchange revenue of US\$20 million (HK\$154.4 million).

Over the past few years, production has grown at an annual rate of 10 per cent.

The company produces the "Liberation" and "Jilin" models and it has a joint-venture with Germany carmaker Audi.

China First Automobile-Audi Company, with fixed assets of US\$10 million, produces the "Audi" and "Jetta" models.

Xi'an Aircraft Company is one of the four big aircraft makers in the mainland which designs and builds civil and military aircraft and aircraft components.

It employs about 20,000 staff. At present, Xi'an Aircraft Company makes four series of products: military aircraft, commercial aircraft, sub-contracted aero assemblies and components and non-aero products.

The company has contracts with international aviation firms, such as Boeing of the US and Canadair Limited of Canada.

Xi'an Aircraft Company has been supplying Boeing with fins and stabilisers for the B-737 since 1980.

China Southern has 53 aircraft - including three B767s, 13 B757s and 21 B737s. It enjoyed an average 35 per cent profit growth between 1990 and last year.

The company recorded a 550 million yuan profit in 1992.