

English translation summary of news article taken from 中紡網路, October 28, 2004

Well-renowned worldwide in the textile industry, Hong Kong based Cha Group is understood to have future investment plans in Chongqing. Chairman of the Group Mr. Cha Chi-Ming was in Chongqing for discussions with Chongqing Light Industry and Textile Holdings (Group) Company.

On October 22, the Cha Group and Chongqing Light Industry and Textile Holdings (Group) Company had intentions to enter into a partnership agreement. On October 26, Chairman of the Cha Group, Mr. Cha Chi-Ming confirmed the partnership between both parties.

Chongqing Light Industry and Textile Holdings (Group) Company Mr. Cheung said, "According to the agreement, Hong Kong's Cha Group will select a subsidiary under our company for the partnership to manufacture its internationally branded export garments. These garments will target the international and the domestic market. The partnership will help establish a base for standard and specialized printing and dyeing as well as for construction materials, home furnishings, and grey cloth.

The partnership between the two companies is an extremely sound one. Hong Kong's Cha Group, founded by Mr. Cha Chi-Ming, has business interests in Mainland China and Africa which include property in addition to textiles. The Group was established in 1949 and headquartered in Hong Kong. Its main concentrations and expertise are in textiles, weaved cloth, wax print, dye print and non-wovens. Chongqing Light Industry and Textile Holdings (Group) Company, on the other hand has a strong foothold in Chongqing, with its many subsidiaries including among the few, Chongqing Huacheng No. 1 Cotton Mill and Chongqing Huacheng No. 4 Cotton Textiles Ltd.

The Cha Group has intentions to build Chongqing into a textile manufacturing stronghold for printing, dyeing, garments, construction materials, and automotive materials in five years. It estimates that this production base will churn out an annual output of 6 to 8 billion RMB which is a representation of a new industrial base.

Prior to taking steps into Chongqing, the Cha Group had already established partnerships in Jiangsu and Zhejiang.

In recent years, Chongqing's textile industry has not been faring well. The entry of the Cha Group is said to have breathed new life into Chongqing.

In conclusion, the entry of the Cha Group into Chongqing brings in a large investment and will also encourage other companies to invest in Chongqing as well.