

# Chinese Exec Escapes To U.S., Plans 4,000-Job Hybrid Plant

Phillip Rawls, Associated Press Writer

MONTGOMERY, Ala. (AP) — A former Chinese carmaker planning a hybrid car assembly plant in Alabama has lined up a veteran engineering and design firm while still trying to put together \$1.5 billion in financing for the project.

Benjamin Yeung, chairman of Hybrid Kinetic Motors Corp. in Pasadena, Calif., signed an engineering and design agreement Tuesday with Giorgetto Giugiaro, chairman of Italdesign Giugiaro of Torino, Italy, during a ceremony in Alabama's capital.

HK Motors is looking at opening an Alabama plant in 2013 that will provide 4,000 jobs.

Yeung and Giugiaro worked together when Yeung developed and ran the Chinese auto manufacturer Brilliance China Automotive. Alabama Gov. Bob Riley called Giugiaro "a living legend" whose clients have included most major car manufacturers in Europe, Japan and Korea.

Yeung, formerly known as Yang Rong in China, turned Brilliance China Automotive into the first Chinese company listed on Wall Street, but he fled China in 2002 fearing arrest for alleged economic crimes.

He settled in California and selected Bay Minette, Ala., last year as the site for his first U.S. car factory. The site is about 25 miles northeast of Mobile, Ala.

After the ceremony Tuesday, Riley told reporters that he has no concerns about Yeung's past. He said Yeung's success came while China's economy was in transition from tight control to more aggressive manufacturing. "That transition sometimes leads to points of tension," Riley said.

Riley said the state government has not pledged any economic incentives for the plant, but will negotiate those once Yeung has financing in place.

Riley and Alabama's leading industrial recruiter, Neal Wade, visited Yeung in his home in early January while they were in California to see the University of Alabama win the national football championship.

Alabama has provided as much as \$253 million for previous car plants to prepare land, build roads and conduct worker training.

Riley said it's too early to say how much Alabama might provide to HK Motors because there have been no negotiations, but any agreement will require the company to pay back money spent by the state if the company doesn't complete

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the project and meet its employment objectives.

At the ceremony, Yeung and Giugiaro unveiled a silver concept vehicle that looked like a race car for road races. Its windshield, roof and side windows were made in one piece. They were hinged to the front of the car and lifted up for people to enter the three-seater car. The middle seat is for the driver.

Riley tried out the vehicle with company executives.

"Sitting in the middle is somewhat strange," Riley said, but he found the interior design exciting. "It's like sitting in a cockpit," he said.

Lt. Gov. Jim Folsom Jr. predicted the design would be popular with young people and sports car enthusiasts.

The company plans for the hybrid car to use batteries, gasoline, ethanol or compressed natural gas.

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