

**SHAANXI NORTHWEST NEW TECHNOLOGY INDUSTRY COMPANY LTD:  
IS THAT A KNOCK THAT I HEAR IN YOUR ENGINE ?**

Mobil1 was launched by ExxonMobil more than 20 years ago, when the oil company was known, simply, as Mobil Corporation, prior to the merging of Mobil's interests with Exxon Corporation in 1999.

Today, Mobil1 is the world's Number One synthetic lubricant, according to the company, and it is used by a host of motor-car manufacturers, from Bentley to Ford.

And, now, it appears, along has come Shaanxi Northwest New Technology Industry Company Ltd, which has made claims to a relatively new discovery, called FA-90, which could well pose a threat to the ExxonMobil dominance in this field.

According to the Placing Prospectus of Shaanxi Northwest New Technology, '*FA-90 is an anti-knock agent\* for unleaded gasoline*' the research and development of which was commenced in March of 1998 when the company produced 50 tons per year of this substance.

<p>* An anti-knock agent is defined in the Prospectus as being an additive with the capability to prevent explosions of gasoline in the engine of a motor car.(!!!)</p>
---

Page 66 of the Prospectus states:

*'FA-90 was tested by Automobile Engineering Experiment Centre of Xi'an Highway Transportation University in October 1997, the result of which demonstrated that FA-90 was capable to increasing octane rating, reducing the amount of CO (Carbon Monoxide) and HC (Hydrocarbon) in automobile exhaust gas, enhancing engine power and reducing the consumption of gasoline ...'.*

Far be it for TARGET to comment on the veracity of any statements, contained in a Prospectus of an IPO (Initial Public Offering), but, if a fraction of that which appears in this Prospectus is accurate, then, it stands to reason that ExxonMobil has been dragging its corporate feet for some years: It should have scooped up this Company and its revolutionary product, dubbed FA-90.

Shaanxi Northwest New Technology went public on The Growth Enterprise Market (The GEM) of The Stock Exchange of Hongkong Ltd on June 23, 2003 when it Placed 230 million, renminbi 0.10-shares at a price of between 25 cents (Hongkong) and 40 cents (Hongkong) per share.

The flotation was oversubscribed 1.66 times and the price of the Placed Shares was established at 25 cents, each.

Just prior to the flotation, there was a bit of a brouhaha, following a reporter of the South China Morning Post, allegedly misreporting the statements of the Chairman, Mr Wang Cong.

The Company was forced, as a result of the misreporting by this morning daily, to put out the following official announcement:

*'Regarding a press article on Shaanxi Northwest New Technology Industry Company Limited (the "Company") reported by South China Morning Post ("SCMP") on 2 July 2003 (the "Article"), the directors of the Company (the "Directors") wish to clarify that the statements were misinterpretation which arose from the reporter who prepared the Article over which the Company and the Directors shall not take any responsibility.*

*'The Article reported that the chairman of the Company, Mr. Wang Cong, claimed that the Company's product has no direct competitor in the mainland market. Mr. Wang Cong confirmed that, in the interview, he stated that although there are no comparable products with equal quality and technology of the Company's products in the PRC, there are similar substitutes which compete with the Company's products in the market as stated in the paragraph headed "Intensification of competition" under the section headed "Risk Factors" on page 31 of the prospectus of the Company dated 23 June 2003 (the "Prospectus"). Further, Mr. Wang Cong believes that the claim, "He estimated that the Company has 1 per cent. market share and it could "easily" be bumped up to 3 per cent.", mentioned in the Article was a misinterpretation by the reporter. The misinterpretation arose from Mr. Wang Cong saying that any company would easily be very profitable even for a capture of just one to three per cent. of the share of the market. In addition, the Company denied having intention to form any joint venture with Sinopec and PetroChina. The Article also mentioned that PetroChina and Sinopec were among the Company's customers. However, Mr. Wang had not disclosed names of the Company's customers to the reporter of SCMP... '.*

(This is not the first time that the ... [CLICK TO ORDER FULL ARTICLE](#)

***While TARGET makes every attempt to ensure accuracy of all data published, TARGET cannot be held responsible for any errors and/or omissions.***

*If readers feel that they would like to voice their opinions about that which they have read in TARGET, please feel free to e-mail your views to [editor@targetnewspapers.com](mailto:editor@targetnewspapers.com) or [targnews@hkstar.com](mailto:targnews@hkstar.com). TARGET does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*