

OFFICE OF THE GOVERNOR

BOB RILEY
GOVERNOR



STATE OF ALABAMA

ALABAMA DEVELOPMENT OFFICE

NEAL WADE
DIRECTOR

August 30, 2010

Mr. Chuantao Wang
President
HK Motors
Los Angeles, CA

Dear Mr. Wang:

Thank you for the commitment that HK Motors has made to Baldwin County and the State of Alabama. There is no doubt that the location chosen by HK Motors is one of the best in the southeast United States and will provide your company with an excellent launching pad for further development. Alabama is blessed with one of the strongest automotive sectors in the U.S. including four major automotive plants in the state and three other OEMS adjacent to the state either already in production or currently under construction. Just two years ago, automotive OEMs in Alabama produced almost 800,000 vehicles, the fifth largest production in the United States.

The Baldwin County location HK Motors has chosen also presents the company with unique advantages. The area is one of the highest in quality of life in the state and offers a trainable workforce that can be drawn from three states. The plant site is adjacent to a major interstate just a few miles from the Alabama State Port which becomes a global shipping gateway for HK Motors' products and supplier parts. This is especially important with HK's current plan to ship some parts into Alabama from China and the expansion of the Panama Canal.

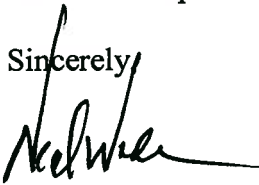
By this letter I am confirming that HK Motors could apply for and receive all statutory incentives based on the company's proposed \$1.5 billion investment, acceptable wage level and more than 4,000 employees. Alabama has a very generous statutory incentive program and, using the company's investment, wage and employee numbers, could receive statutory incentives totaling more than \$45 million and utilizing the state Corporate Income Tax Credit, which is based on the companies' profitability, the incentives could reach \$998 million.

In addition, the State of Alabama will provide sufficient funding to identify and train the company's proposed workforce, including the construction of an appropriate near site training center. Preliminary estimates are that the training portion of the incentive package will exceed \$20 million.

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As with all commitments of the State of Alabama to expend public funds for economic development projects, it is subject to applicable provisions of Alabama law and the Constitution of Alabama of 1901. In addition, the parties must confirm their respective obligations by execution of a written project agreement setting out the terms and conditions unique to the project as well as those customary for an undertaking of this nature.

Again, we are pleased to partner with HK Motors as you move forward to grow new, quality jobs in Alabama. We look forward to a journey that results in a successful automotive operation in south Alabama.

Sincerely,

Neal Wade