



# Magplane Technology, Inc.

TRANSPORTATION FOR THE 21<sup>ST</sup> CENTURY

Press Release

Monday, April 17, 2006

## **Magplane Completes Registration of Magplane China, Ltd.**

Magplane Technology, Inc. (MTI) completed the formal registration of Magplane China, Ltd. (MCL) in accordance with applicable legal requirements in China on 13 April 2006 in Qingdao, Shandong Province, China. MCL is a joint venture company between MTI and ShangShan Investment, Beijing Ltd.

Permission by the State Administration for Industry & Commerce (SAIC) People's Republic of China to use "China" in the company name is a major asset for MCL and a measure of the official support being given to Magplane in China.

Business registrations in China require minimum financial investments based on the nature and scope of the business. The MCL registration requires a minimum capital investment of US\$30 million and specifies the business scope of MCL as intra-city and inter-city maglev transportation system R&D, design, production, components, and maintenance.

The registered capital requirement is expected to be met by the ShangShan investment in MCL per the amended framework agreement that the company announced on April 4<sup>th</sup>, 2006. The agreement is for an investment of US\$500 million over 3 years to fully fund the final stage development and safety qualification requirements. The large capital contribution will provide greater flexibility in the MCL business development strategy and manufacturing capabilities.

The latest news and a copy of the official registration document in Chinese can be found at [http://www.magplane.com/inves\\_news.asp](http://www.magplane.com/inves_news.asp)

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