A Guide to Investment in Gaoyou

GAOYOU CITY, JIANGSU PROVINCE, CHINA
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1 | Introduction

Gaoyou is a famous cultural city with its long and splendid history is full of vitality and vigor. The Beijing-shanghai Expressway and the golden waterway of the Beijing-Hangzhou Grand Canal, running through from the north to the south, give birth to a vast space of investment in new undertakings.

Cultural History

Gaoyou is one of the famous historic and cultural cities appraised by Jiangsu Provincial Government. It has a long history and a great deal of scenic spots. There are 64 key state-preservation relics such as the Longqiuizhuang Cultural relics and, ancient Yucheng Posthouse and Gaoyou pawnshop. The successful excavation of the Longqiuizhuang relics, which has been called “a bright pearl of prehistoric culture in Middle Jiangsu” by the archaeologists, has dated the history of Gaoyou back to 7000 years before from 5000 years. The Yucheng Posthouse, built in the 8th year of Hongwu’s reign during the Ming Dynasty, is the biggest and best-preserved ancient posthouse in China. The profound history and culture of Gaoyou fostered many famous intellectuals such as Qin Shaoyou who is the well-known poet in the Song Dynasty, Wang Niansun and Wang Yinzhi (father and son) who are the celebrated classic interpreters in the Qing Dynasty, Sun Yunzhu who is the modern paleontologist, and Wang Chenqi who is the contemporary writer.

Natural Conditions

Climate

Gaoyou is located at °47' North Latitude32 and 119°25' East Longitude in the South of Jianghuai Plain, so it belongs to the subtropics monsoon marine climate. The leading wind is south-east wind all around the year, the annual average wind speed is 3.6m/s; the annual average temperature is 15°C; the annual average atmospheric pressure is 1016millibar; the annual average precipitation is 1030mm; the annual average relative humidity is 70%; the frost-free season is 217 days. Gaoyou is temperate and moist, and the four seasons are quite distinct.
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**Geology**
In Gaoyou, the ground is even and at an elevation of 2-3.3m (According to Qindao Level). The geological conditions are rather good for construction. It is mainly made up of clay; the floor is very thick with pressure capacity of 8t/m². Therefore, piling is unnecessary for common buildings.

**Hydrology**
The annual average water level is 1.4 meter, ranging from the lowest level of 1m to the highest flood level of 3.6 meters. The flood control standard level is decided to be 4 meters high on condition that one flood may happen once in a century.

**Economic Conditions**
Gaoyou has a rapidly developing industrial economy. Regarding the famous brand products as a lead and on the base of key enterprises, Gaoyou has about 5200 industrial enterprises. The city has formed the industrial system of Ten industrial Groups which conclude silicon solar power, Motorcycle and Automobile Parts, Electric Tool Industrial, Electric Wire and Cable Industrial, Textile and Garments, suitcases, handbag, and shoes, Fine Chemical and Pharmaceutical Industrial, Agriculture By-products and Aquatic Products Processing and Light Fittings Industrial etc. Large numbers of products sell well in domestic and overseas, and have great ability of scientific research and productive.

Agriculture production has the special features. Gaoyou is rich in natural materials and agricultural production conditions are superior. Gaoyou is known as the Hometown of Fish and Rice. The only duck-line, developing goose-line, special aquatic products line, scale forestry and traditional fine cereal and oil line compose our Green Five Lines of the big agriculture. Gaoyou can produce 678 thousand tons of cereals, 4,000 tons of grass cotton, 34,000 tons of oil material, 15,000 tons of aquatic products, 818 thousand tons of Cocoon, the forestry covering rate reaches 16%. 4 million ducks are feed, 0.5 billion Gaoyou duck eggs are annually processed. 5 million Yangzhou geese are feed and processed. Gaoyou duck, Gaoyou salted duck eggs, Preserved eggs, Yangzhou geese, QinYouDong-Sweet, pear-light rice, big crab of Gaoyou lake are famous for its superior quality.

The teriary industry develops rapidly. The traditional dinning service, commercial trade are expanding quickly, the developing electric commerce, intermediary service, real
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estate development, chain management and tourism are emerging and thriving. Science, technology, culture, hygienic service, and sports are also developing actively.

Opening to outside is quicker and quicker. In recent years, Gaoyou sticks to promoting quick development by great business invitation. Large numbers of foreign capital enterprises from the USA, the E.E.C., Japan, Korea and Hong Kong, Macao, Taiwan and some companies on stock, big groups and big enterprises of domestic have come to invest in Gaoyou one by one. Gaoyou has now become a paradise for investors.
2 | Investment Environment

With its convenient transportation and perfect facilities, Gaoyou is your ideal city for starting an undertaking, living, and recreation.

Transportation

Highways
The Beijing to Shanghai Expressway and the network of highways in the city make the Gaoyou’s transportation convenient and quick. Its density is 1.1km per square kilometer. The annual freight volume is over 5 million tons. It respectively takes 8 hours, 3.5 hours, 2.5 hours, 2 hours, 1.5 hours, and 0.5 hours to drive to Beijing, Hangzhou, Shanghai, Suzhou, Nanjing and Yangzhou. The Runyang Grand Bridge shortens the distance from Gaoyou to Shanghai and South of Jiangsu.

Railway
It’s about only half an hour to Yangzhou Station on the Ningqi Railway. (Yangzhou can be the starting station to five big cities including Guangzhou, Xi’an, Wuhan, Shanghai, Beijing etc.) The Huaijiang Railway being built goes along the city.

Airports
It takes about 1.5 hours to drive to the Lukou Airport in Nanjing, about 2.5 hours to the Pudong International Airport in Shanghai. Many flights to every place over the world are available from there.

Waterways
The Grand Canal runs through the city from north to south. The Gaoyou Lake connects Jiangsu with Anhui Province. The nearby Yangzhou port is the first-grade opening outside port of the state. It has 11 multifunction wharves capable of berthing ships of ten thousand tons. The port has a annual capacity of 26 million tons. It also has duty free warehouses and commodities united inspection organization. It takes at most 24 hours to go through the customs clearance procedures.
**Water supply**
The water source of Gaoyou Gaogang Water Supply Corporation is drawn from the Grand Canal. The canal water is always of II or III grade with fine quality and adequate quantity. The corporation has two water factories on land, daily water supply capacity reaches 90,000 cubic meters. The 35 quatos of the water from the factory and pipeline net all accord with the State Standard of GB5749-85. The water is sweet and nice, clean and safe.

**Sewage disposal**
The Gaoyou Sewage disposal plant is located in the east side of East Waihuan Road, and south side of North Chengzi River. The daily disposal capacity is 50,000 tons.

**Power Supply**
In Gaoyou, there are two 220 KV substations, five 110 KV substations, and 15 35 KV substations. These all supply power through double power source, and make sure of the reliability of supplying power. Meanwhile, there is a heat and power plant with 2 generators sets of 15 thousand KW. The continuously developing power demands of the investors can be surely satisfied.

**Gas Supply**
The Gaoyou Heat and Power Plant can annually supply 420 thousand tons of steam to meet the investors’ demands.

Currently, the annually gas supply capacity of pipeline natural gas is 5,830 thousand cubic meters, enough to meet the demands of 20 thousand residents and enterprises.

**Telecommunications**
The Gaoyou telecommunication network can provide the direct dialing service of international long-distance call, the international and domestic internet roaming mobile phone service, the telephone conference between the main cities and FAX service. A high capacity, digital fiber optical network covers the whole city. The international express mail service has been established serving more than 60 countries and regions.

Gaoyou telecommunication network has built five communication platforms such as DDN, Exchange in groups, INTERNET etc. On the basis of developing the Integrated Service Digital Union (ISDU) and public digital telecommunication service, the Integrated
Service Digital Wide Network for cable TV and telecommunication has entered into innumerable families.

Service Facilities

Hotels and restaurants
The city has many superior and medium grade hotels and restaurants such as: Hawaii Grand Restaurant, Shangri-La Grand Restaurant, Runyangchun Grand Restaurant, Kuixing Pavilion Restaurant, Qinyuan Hotel and Beihal Holiday Hotel etc.

Entertainment
Shangri-La Entertainment city, Hawaii Entertainment Club, Runyangchun Grand Restaurant and other hotels fitted with luxurious dining halls, singing and dancing halls, bowling halls, sauna recreation and entertainment provide a coordinated service of eating, living, and recreation.

Schools
Experimental primary school, Gaoyou middle school, and the first middle school of Gaoyou are all the key schools of Jiangsu province, industrial senior school, professional college, television broadcasting college have already become the training bases for practical talented personnel.

Hospitals
The People's Hospital and the Chinese Medical Hospital have become the modem and advanced healthcare facilities.

Recreation
The Eco-agricultural Tourism and Holiday Village of East Lake has been attracting tourists at home and abroad with its luxuriant forest and picturesque scenery. In the village, the tourists can enjoy the lush forest and elegant water, chirping birds and fragrant flowers. The West Lake Tourism and Holiday Village and The West Dike Traveling Sightseeing Zone, which harmonizes the mist-covered and vast Gaoyou Lake with the one of the ancient Grand Canal, are under construction.
3 | Gaoyou’s Advantages for Investors

If you are making endeavor to seek for place suitable for you business in China, I firmly believe Gaoyou is your best choice, especially after you have made a comparison.

Industrial Advantages
Gaoyou is currently home to a wide variety of industries. Major manufactures are combined with smaller suppliers to form industrial groups. Working closely together these groups can quickly respond to changing market conditions, and create a profitable environment for all.

The Silicon Solar Power Group
The Silicon Solar Power Group develops the refining of poly-crystal silicon, slicing of mono-crystal silicon, and the production of solar cells, solar lights, and related products.

Shunda Semiconductor Limited Company is currently producing high quality solar power grade mono-crystal silicon, and developing poly-crystal silicon, creating a solid foundation for the industry in Gaoyou. We invite foreign enterprises to further develop mono-crystal silicon and the relative industrial supply chain, enlarge the production scale of photovoltaic conversion materials, and extend the development of fore-products and after-products, forming the biggest production base of the photovoltaic conversion materials, solar cells, and solar lights in China.

The Electric Tools Group
Jinfeida Co., ltd and Heyi Electric Tools Company are currently producing all kinds of vertical electric tools in 12 categories and over 100 types. They have over 200 state safety certifications from USA, UK, Germany, Australian etc. Their output is over 2 billion Yuan, with all production exported to European and American countries.

The suppliers of components such as bearings, electric machines, aluminum die-casting, injection molding, fasteners, and other items of foreign famous brand electric tools are encouraged to invest here.
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The Electric Wire and Cable Group
There are 65 production enterprises which can produce over 20 series and 1000 species such as cross linking cable of 110 KV, nuclear power plant cable, oil well detecting cable, fire fighting and preventing cable, and rubber cable of vessels. The group has an output of about 2 billion Yuan. There are batches of high new technological enterprises and high new technological products.

Gaoyou is the famous Electric Cable Town of East China. Suppliers of high-technology cable products and associated industries are encouraged to invest here.

The Motorcycle and Automobiles Parts Products Group
There are 4 production lines annually assembling 300 sets of motor cycles and 2 production lines annually assembling 120 thousand sets of engines. Its main products are Huaya brand motorcycles, Jiexin brand electric bicycles, engines, valve controlled sealed storage batteries, etc.

Motorcycle and electric bicycle component suppliers are encouraged to invest here.

The Light Fitting Products Group
Gaoyou has formed 3 industries and categories of producing light fitting, bulb and light pole, there are over 180 of kinds of scale enterprises of steel tube, plank, galvanizing, casting, light fitting, bulb and light pole production. The group’s annually production and sales are 2.5 billion Yuan, and the matching system from cutting of steel coiled material, welded pipe, hot galvanizing, aluminum casting and electric lightings has been formed. Gaoyou is the biggest base of producing road light fittings in East China. Now the items of new style light fittings and its matching encouraged to develop.

The Hydraulic Machine Products Group
Gaoyou city is the famous Town of Hydraulic machines and has over 30 of producing enterprises. Many products have gained the title of champion of the state. Its products have been sold to the big and medium scale enterprises of colliery, steel iron, thermal power generation, and chemicals all over the country. The thorough sale net has formed. Now the matching items of electric machine, electronics, hydraulic components and parts of pump and valve etc. and big style hydraulic engineering complete equipments encouraged to develop.
The Textile and Garments Industrial Group
Now Gaoyou has over 600 of kinds of enterprises including cotton textile industry, knitting industry, hospital dressing industry, and the garment industry. The domestic famous down garments brand of Bosideng and YaLu enterprises have all build their big style garments producing and processing bases. Gaoyou has gained the title of China’s Famous City of Down Garments Production by the Light Industry Association of the state. Now there are over 60 thousand employees in this group, annually produces kinds of garments about 0.1 billion pieces and sets, in which 30 million pieces are down garments and 250 thousand spindles of cotton thread. Its products have exported to over 20 of countries and districts. Now the production items of various of garments materials, cloth dressing, fitting parts of famous brand down garments leisure wear, sportswear, suits and decorating textiles and engineering industry cloth etc encouraged to develop.

The Suitcase, Handbags and Shoes Group
There are over 60 of producing enterprises, its annual output is over 2 billion Yuan and there are over 20 producing lines of tourism shoes, snow shoes, safe shoes, rubber shoes, beach shoes, kinds of suitcases and handbags etc. Now the items of connected industrial of sole, shoe toe, shoelace, leather glue, subassemblies of suitcase and packing, printing, and decorating label etc and the join of famous brand shoeing enterprises encouraged to develop.

The Bio-chemical and Pharmaceutical Industrial Group
There are 4 producing enterprises with GMP certificates of pharmaceuticals, 2 high-new technology enterprises, and a provincial technological center. This group mainly engages in the production of pharmaceuticals products such as injection, troche and capsule and hospital dressing, dyestuff and whitening agent etc. Now the items of new pharmaceuticals and chemical of qualified discharge encouraged to develop.

The Agricultural Products Processing Group
There are tens of key industrial enterprises of state, provincial and municipal agriculture industrial. Their products such as Peal Light Rice, Double Rabbit Rice, Gaote Flour, Double-yolk Duck Egg, Yangzhou Goose, and Dried Duck etc have gained the certificates of Green Food of state. Gaoyou Duck has been listed in the protected resource catalog of state livestock race, Gaoyou salted duck egg has been listed as the protected products
of original producing district of state. Now the items of fine strains breeding, farming, processing, and its correlative industry are encouraged develop.

**The Tourist Industry**
Fully showing the features and personality of Gaoyou City, the Eastern Postal Metropolis are mainly developed and constructed. The 651 project plans to construct six big items including: Yuchen post station, post and courier museum, post metropolitan Cultural Square, post and courier etiquette and custom, post and courier tour and ancient south gate street etc. It will also form five big centers of post cultural products reaching and developing center, stamps trading center by goods and on network, stamps display center, post culture products producing center and modern logistics center of eastern post metropolitan, plan and build a post culture industrial park of over 1.5 square kilometers.

**Location Advantages**
Gaoyou is in the Economic Zone along the Yangtze River, a district who has quick development speed in China. Near Gaoyou, there are many large and medium size cities such as Shanghai, Suzhou and Nanjing and Gaoyou can admit, absorb and fully receive their radiation in finance, talents, technology and information.

**Environmental Advantages**
Gaoyou is a state-level ecological demonstration zone. The environment of blue sky and clean water, beautiful scenery, warm and humid climate, fresh and clear air, profound historic culture, well known Yangzhou table delicacies, complete commercial and habitant facilities and careful health service have made Gaoyou an ideal city for starting a undertaking, studying and living.

**Resources Advantage**
Rich natural resources: Gaoyou has 1200 thousand Mu of farmland. Gaoyou Lake with clear and rippling waves is the sixth largest freshwater lake in China. The lake teems with fish, shrimp, crabs, clams, and aquatic plants such as water shield, reeds, water chestnuts etc. The crabs, fish, and sweet rice from the lake are highly praised. The Gaoyou speckled duck is one of the three excellent duck species. The Gaoyou duck egg is listed as protective product in the original place. Moreover, the double yolk duck egg is famous, and rare, in the world.
**Ample and Educated Labor Force Advantages**
Among 830 thousand people in Gaoyou, more than 120 thousand people have obtained diplomas of technical secondary schools and senior high schools. More than 390 thousand people have junior school diplomas, and 21,000 technicians with various professions and techniques. Gaoyou can provide investors with a high quality, well-trained, labor force for lower wages.

**Market Advantages**
Since ancient times, Gaoyou has been an important link between South Jiangsu, North Jiangsu, and East Anhui and has been called “The door to the North Jiangsu”. Basing on Gaoyou, you can face to East China and radiate to North China. Gaoyou has been the place which the business people must compete for. In this city, there are standing commercial buildings swarming with business people. It is a prosperous market and an important distribution center for all kinds of goods on the both sides of the Yangtze River.
4 | Investment Zones

Invest in Gaoyou, it means you invest the future

Gaoyou has preliminarily formed an Economic Development Zone, eight Concentrated Industrial Zones, and the Ecological Travelling Holiday Zone.

The Gaoyou Economic Development Zone of Jiangsu province
The Gaoyou Economic Development Zone of Jiangsu province was established upon approval of Jiangsu Province Government in 1993. The area under its jurisdiction is 50 square kilometers. In recent years the zone has been planned at high starting point, constructed to high standards, and made the feature of the zone continuously appeared at the principle of concentrating the industries, compartmentalizing zones by their functions and being matched coordinately. Currently, 12 function zones have been created where the industries are relatively concentrated, further energizing the ability to develop new projects. The Gaoyou Economic Development Zone (hereinafter referred to as EDZ) has become the paradise of investors, and an ideal location to start an undertaking.

Here is a brief introduction to the main function zones of the EDZ of Jiangsu province

1. The new materials industries zone: This zone is located in the north of the EDZ, its planned area is 4,000 mu\(^1\); this zone mainly develops new, high-technology enterprises and the production of new style materials.

2. The warehousing and logistics zone: This zone connects with the Jinghang Grand Canal in the west and radiates to the east of whole EDZ; its planned area is 1000 mu. At present, a wharf on the Canal is under construction.

3. The mechanical and electronic industries zone: The planned area of this zone is 4000 mu, and two large enterprises have already entered into this zone. On the base of accepting the old mechanical and electronic enterprises transferred from urban areas, this zone will induct the enterprises out of Gaoyou

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\(^1\) 1 mu = 0.1647 acres = 666.6 square meters
and invite outside capital and business in, and develop the mechanical, electronic, 
electric machine, automobile parts, and motorcycle parts industries.

4. **The medical industries zone:** The planned area of this zone is 3,000 mu. 
Presently, there are six enterprises of medical and chemical industrial; the 
medical enterprises of high technology will be mainly constructed.

5. **The publicly constructed residential zone:** The planned area of this zone is 
2000 mu.

6. **The trade and commodities circulation zone:** The planned area of this 
zone is 1,500 mu. Commercial trade, and large scale market of wholesale, are 
mainly developed and will provide industrial support for other function zones.

7. **The textiles and garments industries zone:** The planned area of this zone is 
3,000 mu, in which 2,000 mu is applicable. In this zone, there are over 30 
garment processing enterprises, and near one million of employees in this line. 
Textiles, dye printing, and garments processing are mainly developed and 
gradually formed a complete garments industrial chain with the China 
International Textiles and Garments City.

8. **The comprehensive planning for a new city zone**

9. **The hardware industries zone:** The planned area of this zone is 
approximately 1,500 mu. Hardware and machinery industries are mainly 
developed in this zone.

10. **The light industrial, mechanical, and electrical industries zone:** The 
planned area of this zone is 6,000 mu, in which 4,000 mu is applicable. Light 
industrial products and machinery manufacturing are mainly developed here.

11. **The foodstuff processing, biological, and technological industries zone:** 
The planned area of this zone is 5,000 mu, the agricultural and its byproducts 
further processing and biological and technological industries etc are mainly 
developed.

12. **The ecological demonstration of duck industry zone:** The planned area of 
this zone is 400 mu. The race protecting, breeding and processing of Gaoyou 
speckled duck which is one of the three famous duck races are mainly developed.
Concentrated Industrial Zones

The Tianshan Photovoltaic Industry Garden and Suitcases and Shoes Concentrated Industrial Zone
It’s located in the famous “hometown of monocrystal silicon and suitcases and shoes production” --Tianshan Town of Gaoyou city. The photovoltaic industry garden regards Jiangsu Shunda Semiconductor Co.,Ltd as the leading enterprise, now it has the ability of producing solar power monocrystal silicon and its matching producing and processing of chips, cell encapsulate, cell glass etc. In the garden the photovoltaic industry of polycrystal silicon and cell assembly are mainly developed. Suitcases and shoes production are mainly for processing and export, the production, and processing of famous brand suitcases and shoes and their materials and adjunct materials are conducted to develop.

The Guoji Lamps Concentrated Industrial Zone
The zone is located in the famous “hometown of lamps”--Guoji Town of Gaoyou City. It has the ability of a coordinate process of processing, production and road fitting road light products. LED high-tech road lights, landscape lights, and matching industry are mainly developed.

The Lingtang Wire and Cable Concentrated Industrial Zone
The Lingtang Industrial Zone is located in the famous Hometown of Cable--the Lingtang Hui-nationality Town of Gaoyou City, the zone focuses on developing wires, cables and relevant products.

The Jingfeida Export-oriented Electric Tools Concentrated Industrial Zone
The Jingfeida Industrial Zone is located in the famous Hometown of Electric Tools--Xiejia township, Gaoyou city. The main part the Jingfeida Group. The zone is characterized by producing electric tools and micrometers which are bound to give an impetus to the relevant industries in order to form the base of advanced production of electric tools and micrometers and the center of research and experimnet in the world.

The Sanduo Light Industrial and Textile Concentrated Industrial Zone
It is located in Sanduo Town of Gaoyou city. On the basis of original light industry and textile industry, we plan to focus on developing light industry, textile industry and clothing and embroidery products.
**The Cheluozuo machine and hardware Concentrated Industrial Zone**

It is located in Cheluozuo town of Gaoyou city. We plan to introduce enterprises processing standard pieces and mechanical accessories into this zone.

**The Tangzhuang Hydraulic Machine Concentrated Industrial Zone**

It is located in the famous “hometown of hydraulic machine”--Tangzhuang Town of Gaoyou City. There concentrates many hydraulic machine and textile subassembly enterprises. Big style hydraulic machine complete equipment and hydraulic components and parts are mainly developed.

**The Linze Business Wear and Labor Shoes Concentrated Industrial Zone**

It is located in Linze Town of Gaoyou City. It regards Jiangsu Huaxin Light Industrial Company as leading enterprise, has concentrated numerous of producing enterprises of sports shoes, sports wears, particular business wears and labor shoes.

**The Ecological Traveling Holiday Zone**

**Di Yao’s hometown**

Gaoyou is the Hometown of Yao Emperor (one of the Chinese chieftains of tribe in remote antiquity). On the basis of Longqiuzhuang relics (one of the state historic relics protection units), we plan to construct an ancient cultural relics museum combining science, culture and traveling to become a prehistoric cultural research center and an unique scenic traveling zone in Middle Jiangsu.

**Ancient post-house**

Yuchen Post-house is listed in the state cultural relics protection units. It is well preserved and grand in scale.

**Scenic zone on the Grand Canal**

It borders on the side of Gaoyou Lake and has an area of 2.5 square kilometers. We plan to construct over 40 scenic spots. It is a traveling resort including entertainment, leisure, sightseeing, water sports etc.
Ancient city on the lake
Gaoyou is one of the first famous historic and cultural cities in Jiangsu Province. It has three state level historic relics protection units, five provincial historic relics protection units and 56 municipal historic relics protection units.

Ecological sightseeing
The East Lake Tourism and Holiday Village has 250 hectares of water and land area, which form a cultural eco-traveling scenic zone combining fitness, entertainment, and leisure. It is recommended as one of the 20 ecological traveling scenic spots promoted to the whole country in Jiangsu. The endless shoal with an area of 70,000 mu, the reed marshes with an area of 50,000 mu, and forest farm with an area of 10,000 mu still keep their primeval ecological scene.

We will make up the investment in the above scenic spots by means of favorable land right sold and matching the old scenic spots in order to develop our tourism industry.
5 | Favorable Investment Policies

In order to ensure that the foreign investment in Gaoyou is reliable and profitable, our government will fully carry out the preferential policies stipulated by the State, the Jiangsu Province and Yangzhou Government, and refer to implement the preferential treatments in the other regions same to our city in the same time.

**On land use**

The productive enterprises invested in development zone or industrial enterprises concentrated places of towns obtain the land-use right without paying the net transferring expense for the land. During the period of agreement, the land-usage right can be transferred, complimented, rented, mortgaged, or inherited.

To important industrial items, the government will discuss the concrete conditions by the amount of the land, the investment amount volume, and the output situation on the base of carrying out the present policies of the State. The land-use right can be supplied as preferable as we can, and the right would be transferred at a price lower than the land cost.

**Stipulated Construction Fees**

1. The newly built productive enterprises of foreign and domestic capital needn't pay any fees (without paying any administrative fees and the government fund). This is termed “Zero Fee”.
2. To items of the transformation of the old city whose the real construction area reaches 20 thousand m², enterprise needn't pay any fees (without paying any administrative fees, its formal fees is included in the price of the land).
3. To other items not reaching the above "zero fee" standard, the measures of preference apply to the attached forms of the document of No.58 issued in 2006.
4. To the items of service and tourism, the measures of preference apply to the standard of “basic government facilities”.
5. As to the intermediary service, the enterprise can option the relative organization, the expense can be collected at the guided preferential standard of the attached forms of the document of No.58 issued in 2006.
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**Taxation Awards**

1. Newly built foreign-funded productive enterprises, which will stay in operation for 10 years or more, shall enjoy the following preferential treatment.
   a. The value added tax controlled by local financial department will be collected in full, and then partially returned to the enterprises over three years from the day of sale. Productive enterprises will get the reward of 50% in the first year, 30% in the second year, and 20% in the third year.
   b. To the productive items encouraged by the state or the important items of investing foreign capital over 5 million USD, the enterprises will get the reward of 80% in the first year, 50% in the second year and 30% in the third year, the reward will be received in the next year respectively.

2. Foreign funded enterprises, in production for 10 years or more, will be entitled to a preferential period of seven years. Two years income tax exemption followed by a 50% reduction for three years will be applied in the first five years. The reward of the full amount of local finance will be given in the sixth year and the reward will be given by 50% in the seventh year.

3. The newly built foreign-funded productive enterprises will enjoy exemption from expansion funds for local undertakings, grain risk funds, flood control funds, and other stipulated fees.

4. High technology firms newly invested in by a foreign customer, in addition to enjoying the above preferential policies, can obtain special favorable policies on additional items. They will be treated as special cases according to the investors' concrete conditions and the requirements. These items include:
   a. Infrastructure items
   b. Energy and communication items
   c. Agricultural development items
   d. Costs of purchasing and merging the enterprise inside Gaoyou
   e. Important and special items invested over 5 million USD by foreign customer

5. Newly built industrial productive enterprises invested by investors out of Gaoyou in China, can enjoy some preferences with reference to the above preferential policies. Preferential conditions and standards will be the following:
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a. The enterprises whose fixed asset is in the range of 3-5 million Yuan will enjoy the income tax reward
b. Enterprises whose fixed assets are in the range of 5-10 million Yuan will enjoy the value-added tax and the income tax reward
c. Enterprises with fixed asset of above 10 million Yuan will enjoy the value-added tax, the income tax reward, and the exemption from expansion funds for local undertakings, grain risk funds, and flood control funds for five years.

Intermediary Awards

To any individual or organization that introduces the foreign investment in productive enterprise in Gaoyou, we will give award of 1‰-1% of the actual investment capital in the year of the registered capital after confirmed by the organizations having the right.
6 | Investment Costs

Gaoyou is the ideal place of Low Investment Cost and Low Operation Cost for your investment and business.

**Electrical Power Rates**

Electrical power rates are determined by the Price Schedule of Jiangsu Provincial Electric Network.

To the users of implementing different electric rates by peak hours and valley hours, the rate periods are:

- Peak hours: 8:00-12:00, 17:00-21:00
- Ordinary hours: 12:00-17:00, 21:00-24:00
- Valley hours: 0:00-8:00

**Water Rates**

The Gaoyou Gangyou Water Supply Limited Company stipulates water rates. For the foreign investors, an exemption from the connection fee is available.

Water for other uses: 600 yuan/ton x practical using water 8 hours x flow by water meter. (The connection fee for new built building is collected by 50%)

**Natural Gas Rates**

Yangzhou Xin’ao Gas Co., Ltd supplies the green energy of natural gas to innumerable consumers. The calorific value of natural gas is 9000 calories/cubic meter. The intake pressure is 0.002 Mpa. The price is 3 yuan/cubic meter for resident consumers and 3.2 yuan/cubic meter for industrial and commercial consumers. The gas capacity is 5,830 thousand cubic meters which provides 20,000 households and parts of public households.

**Labor Cost**

The per-capita salary for the employees (including administrators, technicians, fixed workers and temporary workers) of the foreign investor's enterprise is decided according to the average salary of the enterprises of the same trade and similar conditions in Gaoyou city. (Generally, the enterprises don’t need to build living quarters and canteens.). The whole social insurance shall be paid to the municipal social funds administration center for unified management and special deposit.
7 | Investor Services

Gaoyou sticks to "closing investors, helping investors, satisfying investors, enriching investors " . A "safe Gaoyou, sincere Gaoyou, attractive Gaoyou, zero distance Gaoyou and high efficient Gaoyou" is constructed meticulously. "Three service systems" (to examine a foreigner’s investment coordinately, to supply all-round service in construction of the enterprise, and to provide a regular service after operation of the enterprise) have taken shape. "Four channels" between the government and the foreign investors composed of the Foreign Investor's Association, the Taiwan Compatriots' Investment Association, the Foreign Investors' Salon, and the Foreign Investors' Appeal Center (economic "110") have been formed. In addition, the protection of "green card " is provided to the foreign investors, as to important items, special commissioners will be sent to contact with the investors. Being provided with the "housekeeper style, nearer style and zero distance style" service, the investors will invest confidently, operate safely, do things smoothly and gain interest happily.

Gaoyou Municipal Administrative Service Center

With a mandate to make the process convenient for investors, the 34 departments of the Administrative Service Center will manage the application process. This will be done while conforming to standards, maintaining high efficiency, and without corruption. The Administrative Service Center will handle these functions:

- The coordination of official business and the implementation of a unified examination to offer advice on policies, projects etc.
- The application, examination, and approval of proposed project
- A feasibility study report of the project and contract
- Business registration, examination and approval of taxation, environmental protection, security and health service
- The planned land use examination and approval
- The collection of stipulated fees
- The mediation of conflicts and problems with the project implementation
- Accept appeals and manage the relevant procedures of the investment application for the investor within the promised time.
Gaoyou Municipal Investment Consultation Center

The center provides advice on policies, construction, marketing etc for foreign and domestic investors; being appointed by foreign investors, helps them draw up documents of project proposal, feasibility study report, contract and regulations and deals with procedures of examining and approving the project for the investors.

Service Organizations

In the city, there are many service organizations including financial, notary public, lawyer, certified accountants, information, advertisement, consultants and more.

Banking Organizations

Banking organizations in Gaoyou include Bank of China, Bank of Industry and Commerce, Bank of Construction, and Agricultural Bank. The above banks have formed coordinated service systems including credit operations and foreign exchange settlement, warranty, credit rating, and consultation.

Medical Organizations

In the whole city, 45 medical organizations (including eight hospitals directly subordinated to the municipal government) have 2,014 medical workers and 1,530 beds. Gaoyou People’s Hospital and Gaoyou Chinese Medical Hospital are appraised as State-level Grade II Class A hospitals and listed in the first aid network affiliated to the Ministry of Health. The big hospitals in the city have all established special service windows for foreign investors.
8 | Investment Procedures

To proceed with an investment in Gaoyou please submit these items, where applicable:

1. An application form for setting up the new company. For a Joint Venture, the agreement should be submitted.
2. Documents of notarizing and certificating the foreign investor’s identity issued by foreign notary organs and China Consulate (if the investors are nature persons, when the originals of relative documents submitted, notarizing and certification are not necessary).
3. A copy of the license of the company who will invest in the new company
4. Credit Letter issued by the bank in which the company to invest opens its account.
5. Feasibility study report of the project
6. Regulations of wholly owned company. Contract is also requested for a JV
7. A list of the members of the Board of Directors, supervisors and their copies of their ID’s
8. Letters of appointment and recommendation for directors, supervisors and GM
9. Other necessary documents (e.g. environmental evaluation, leasing agreement of factory building etc), seven copies of the above documents

9 | Contact Information

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