The People's Government of Jiyuan Municipality

Notice on Issuing the Measures of Jiyuan Municipality for Attracting Investment and Supporting Enterprise Development (Tentative)

Administrative committees of industrial cluster (development) zones, people's governments of townships, sub-district offices, departments of the municipal people's government:

The *Measures of Jiyuan Municipality for Attracting Investment and Supporting Enterprise Development* (Tentative) are hereby issued to you for your implementation.

Chapter I General Provisions

Article 1 These *Measures* are formulated for the purpose of opening the city wider to the outside world, attracting and encouraging established enterprises at home and abroad to invest in the city, and promoting the upgrading of industrial structure and the sound, rapid economic and social development of Jiyuan City.

Article 2 Foreign investors refer to extra-municipal citizens, legal persons or other organizations that invest in the city. Foreign invested enterprises refer to enterprises established by foreign investors in Jiyuan through sole proprietorship, joint venture, etc.

Article 3 Referrers refer to citizens, legal persons or other organizations who provide concrete and effective information on attracting investment for the city, contribute to the contact, negotiation, and contract signing between the city and foreign investors as matchmakers.

Chapter II Incentives and Supports

Article 4 Industrial projects with additional fixed investments of more than 500 million yuan or high-tech projects with fixed investment of more than 300 million yuan (excl. land expenses) that conform to the national industrial policies will be prioritized for land allocation. Indexes of industrial land use such as land scale and investment intensity must comply with relevant regulations of the city on intensive land use. Enterprises can obtain the right to use the state-owned land by means of transfer or lease, or lease first and flexible-year transferring.

Article 5 Set up an Industrial Development Guiding Fund of Jiyuan City to lead the investment into leading industries and strategic emerging industries through equity participation, follow-up and direct investment, so as to promote economic restructuring and industrial transformation and upgrading. The industrial development guiding fund shall collaborate with the industrial, tourism, agricultural and other supporting funds to jointly promote the city's industrial prosperity. Preferential policies for major industrial projects, high-end service projects and major well-being projects shall be specially developed through special research.

Article 6 Guide the guarantee and financial institutions to provide enterprises with financing services, encourage banking financial institutions to launch separate enterprise credit programs, and set up specialized enterprise service providers. According to *Notice of the General Office of the People's Government of Jiyuan Municipality on Issuing the Administrative Measures of Jiyuan Municipality for Loan Guarantee Funds for Micro, Small and Medium-sized Enterprises (Tentative)* *and the Administrative Measures of Jiyuan Municipality for Using the On-Lending Emergency Funds for Micro, Small and Medium-sized Industrial Enterprises* (JZB [2014] No. 47) and the *Notice of the General Office of the People's Government of Jiyuan Municipality on Issuing the Administrative Measures of Jiyuan Municipality for Using the Working Capital in Land Transfer for Small and Medium-sized Industrial Enterprises* (JZB[2015] No. 32), eligible micro, small and medium-sized enterprises will be provided with loan guarantee funds, on-lending emergency funds and working funds for land transfer. Supportive policies for leading enterprises in agricultural industrialization, agricultural and sideline products deep processing enterprises, specialized agricultural cooperatives, family farms and other new types of agricultural business entities that borrow loans through the four platforms (management platform, whole lending platform, guarantee platform, and publicity platform) and the credit promotion association shall be implemented in accordance with the *Notice of the General Office of the People's Government of Jiyuan Municipality on Issuing the Implementation Rules of Loan with Discounted Interest for the Development of Jiyuan Modern Agricultural Demonstration Zone supported by Development Finance* (JZB [2015] No. 72).

Article 7 In accordance with the *Notice of the People's Government of Jiyuan Municipality on Issuing the Measures of Jiyuan Municipality concerning Science and Technology Awards* (Tentative) (JZ [2016] No. 4), qualified enterprises shall be granted the Science and Technology Award of Jiyuan City. The Municipal Finance Bureau shall found special funds as bonus to such enterprises, individuals or projects. Policies on the attraction of highly-educated, high-caliber and highly-skilled personnel with high professional titles and urgently-needed in various fields for economic and social development shall be implemented in strict accordance with the *Several Opinions of the CPC Jiyuan Municipal Committee and Jiyuan Municipal People's Government on Further Strengthening the Human Resource Work* (Tentative)(JF [2012] No. 13) and the *Notice of the General Office of the CPC Jiyuan Municipal Committee and the General Office of Jiyuan Municipal People's Government on Issuing the Measures of Jiyuan Municipality on Attracting High-caliber Entrepreneurial and Innovative Talents* (JB [2012] No. 31). Supportive policies for independent innovation enterprises and startups shall be implemented in accordance with the *Implementation Opinions of the People's Government of Jiyuan Municipality on Further Improving Employment and Entrepreneurship under the New Situation* (JZ [2015] No. 46).

Article 8 Foreign-invested enterprises shall be awarded RMB2 million in stages for being listed on the domestic Main Board, SME Board, GEM and overseas markets, and RMB1 million in stages for being listed on China's OTC market. Listed foreign-invested enterprises that achieve refinancing in the stock market will be awarded no more than 0.1% of the actual financing amount, up to RMB1 million accumulatively.

Article 9 For enterprises settling in industrial cluster (development) zones, they will be prioritized when applying for Famous-brand Products of Henan Province and National Famous-brand Products; those being rated as a Chinese Top Brand and Chinese Famous Trademark or Provincial Top Brand and Provincial Famous Trademark will be awarded 500,000 yuan and 100,000 yuan, respectively. Enterprises that win the Mayor's Quality Award will be awarded 300,000 yuan by the Municipal Finance Bureau.

Article 10 To accelerate the e-commerce development and push forward with the transformation and upgrading of traditional industries, we've set up a special guiding fund to support key e-commerce enterprises, e-commerce development platforms and excellent e-commerce individuals in the city. The supportive policies shall be implemented in accordance with the *Implementation Opinions of Jiyuan Municipality on Accelerating E-commerce Development* (Tentative) (JZ [2015] No. 28).

Article 11 The program concerning application for the above-mentioned awards and funds shall be in the charge of the Municipal Bureau of Commerce. The application materials for foreign-invested projects shall be first reviewed by the Municipal Bureau of Commerce, then reviewed and confirmed by the Development and Reform Commission, Industry and Information Technology Bureau, Finance Bureau, Land and Resources Bureau, Science and Technology Bureau, Industry and Commerce Bureau, Quality Supervision Bureau, Major Project Office, Finance Office, and other relevant agencies, and implemented after approval by the Municipal Government.

Chapter III Award for Referrers

Article 12 If a foreign-invested enterprise is completed and put into production, for a project with fixed asset investments (excl. land expenses) reaching or exceeding the prescribed amount, the referrer shall be awarded appropriately.

(1) For an agricultural project with a foreign investment in fixed assets of 10 million yuan or more, the referrer will be awarded a bonus of 30,000 yuan, and additional 10,000 yuan for every 3 million yuan increase in the fixed asset investment. For one with a foreign investment in fixed assets of 30 million yuan or more, the referrer will be awarded a bonus of 100,000 yuan, and additional 20,000 yuan for every 5 million yuan increase in the fixed asset investment. If the foreign investment in fixed assets reaches 50 million yuan or more, the referrer will be awarded 200,000 yuan, and additional 50,000 yuan for every 10 million yuan increase in the fixed asset investment. The award shall be up to 500,000 yuan accumulatively.

(2) For an industrial project with a foreign investment in fixed assets of 100 million yuan or more, the referrer will be awarded 100,000 yuan, and additional 10,000 yuan for every 10 million yuan increase in the investment. For an industrial project with a foreign investment in fixed assets of 300 million yuan or more, the referrer will be awarded 300,000 yuan, and additional 30,000 yuan for every 20 million yuan increase in the investment. If the foreign investment in fixed assets reaches 500 million yuan or more, the referrer will be awarded 600,000 yuan, and additional 40,000 yuan for every 30 million yuan increase in the fixed asset investment. The award shall be up to 1 million yuan accumulatively.

(3) We encourage the introduction of comprehensive tourism development, modern logistics, leisure and entertainment, schools, hospitals, health care, elderly care and urban complex projects. For a service project with a foreign investment in fixed assets of 30 million yuan or above, the referrer will be rewarded 90,000 yuan, and additional 30,000 yuan for every 10 million yuan increase in fixed asset investment. For a service project with a foreign investment in fixed assets of 50 million yuan or above, the referrer will be rewarded 180,000 yuan, and additional 80,000 yuan for every 20 million yuan increase in fixed asset investment. If the foreign investment in fixed assets reaches 100 million yuan or more, the referrer will be awarded 350,000 yuan, and additional 150,000 yuan for every 30 million yuan increase in fixed asset investment. The award shall be up to 1 million yuan accumulatively

A referrer who has introduced a Fortune Global 500 or China's Top 500 with an investment in fixed assets of over 500 million yuan to the city, or a project in high and new technology fields or strategic emerging industries that are supported by the State with an investment in fixed assets of over 300 million yuan will be awarded additional 50,000 yuan in addition to the said bonus.

Article 13 Procedures for referrer recognition

1. From the outset of introducing a project, the referrer can collect and fill in the Form of Referrers of Investment Attraction Projects of Jiyuan City from the Municipal Bureau of Commerce. After the project contract is formally signed, the referrer should submit relevant materials such as the recognition certificate issued by the project unit to the Municipal Bureau of Commerce after being signed and sealed by the local government of the project.

2. The Municipal Bureau of Commerce shall take the lead to set up a review team together with the Municipal Bureau of Finance, Auditing Bureau and other agencies to verify the fixed investment amount and investment implementation of the project declared by the referrer, determine the award preliminarily, and submit it to the Municipal Government for approval.

3. Projects applying for awards must meet the following requirements: General industrial projects (incl. projects in the form of technical transformation, acquisition, merger, equity participation and shareholding) shall be formally put into operation; Newly-built industrial projects shall have completed 50% of the investment in the first phase; Urban infrastructure projects shall have completed 40% of the investment; comprehensive agricultural projects shall have completed 50% of the investment; projects in the service industry and other tertiary industries shall have completed 50% of the investment; Commercial, transportation, storage, finance, and communication projects shall have come into service.

Article 14 For a project of which the local tax is paid to the Municipal Finance Bureau in full, the referrer's bonus shall be borne by the Municipal Finance Bureau. For a project of which the local tax is paid to more than one agency, the referrer's bonus shall be borne by the beneficiaries such as the Municipal Finance Bureau, the units under the jurisdiction, the administrative committee of the industrial cluster (development) zone, the introducing unit according to the benefited proportion. If there is more than one referrer or the referrer refers to a group as a whole, one person or one person in charge of the group shall be selected as the first referrer to assume corresponding responsibilities. The bonus share shall be determined by referrers themselves.

Article 15 The introduced projects shall be those that are encouraged by and conform to the state, provincial and municipal industrial policies. After the project is put into operation, the additional investment, real estate development project (incl. those regarding commercial complex), BOT and its derived investment project, and branches set up by a legal person or natural person of this city in the name of their founded, controlled companies outside the city or abroad through M&A, follow-up investment in local affiliated companies or round-trip investment shall not be included in the scope of reward. The award for referrers is run once a year. For projects submitted that cannot be recognized within the current year's award period, if recognized qualified, shall be awarded next year. If any unit or individual gets the award by fraud, the Municipal Bureau of Commerce shall, in conjunction with relevant agencies, recover bonus in full in time and request relevant departments to investigate the legal responsibility of those directly responsible and other relevant personnel. The list of approved referrers and introduced projects will be made public on the website of the municipal government, the reward will be issued within one month by the Municipal Finance Bureau with no objection within 15 days.

Chapter IV Services and Protection of Rights and Interests

Article 16 Regulate the administrative and institutional charges. All charges not included in the list of national and provincial administrative fees and government-managed funds shall be abolished and proscribed. Charges with specified national and provincial charging scope are subject to the minimum standard.

Article 17 Foreign-invested enterprises may enjoy relevant preferential policies issued by the state and the province. The municipal government departments should actively help such enterprises to win national, provincial and municipal special funds and industrial development guiding funds.

Article 18 The Comprehensive Examination and Approval Service Window of the Administration Service Hall receives the application materials of foreign-invested enterprises and handles various administrative examination and approval procedures free of charge throughout the process.

Article 19 For any foreign-invested project that has submitted all necessary materials to prove its conformance to the industrial policies and planning of the city and over which the city has the approval authority, the Development and Reform Commission, Land and Resources Bureau, Environmental Protection Bureau, Housing Construction Bureau, Bureau of Commerce, Industry and Information Technology Bureau, and the Planning Bureau shall complete their own approval documents, certificates and other procedures within 5 working days. If an approval of a higher level is required, relevant agencies shall report the project for approval within two working days after the preliminary review. If the materials provided are incomplete or not made in a legal form, relevant agencies must notify the applicants in person or in writing within two working days.

Article 20 The Municipal Government shall regularly hold joint meetings on the implementation of foreign-invested projects and symposiums with foreign-invested enterprises to solve the difficulties and problems encountered in the implementation of projects and the operation of enterprises.

Article 21 The administrative committees of industrial cluster (development) area, characteristic parks, township governments and sub-district offices shall accelerate the construction of standardized factory buildings and comprehensive service centers according to the needs of enterprises settling in the region, with public facilities (water, electricity, road, etc.) outside of the planned boundary line of enterprises completed.

Article 22 Safeguard the legitimate rights and interests of foreign investors, respect their work and living habits, and effectively ensure the normal production and operation of foreign-invested enterprises.

Article 23 Foreign investors shall be provided with the same services as local citizens in such aspects as recruitment, water, electricity, gas, medical care, and children's enrollment to school (incl. nursery), employment, and social insurance.

Chapter V Supplementary Provisions

Article 24 Any enterprise that has committed any of the following acts in the current year, such as harming the legitimate rights and interests of its employees, causing a major safety accident, or running illegal business, shall not enjoy the preferential policies prescribed in the *Measures*.

Article 25 For major projects that can drive the economic growth and promote the economic restructuring and industrial transformation and upgrading of the city, the Municipal Government shall, within the scope of its authority, provide more flexible preferential policies specific to the project according to the actual investment amount, project progress and other circumstances, on the premise of not violating relevant laws and regulations. Any project that has enjoyed specific preferential policies shall not enjoy the corresponding preferential treatment in the *Measures* again.

Article 26 The bonus funds involved in the *Measures* are borne by the Municipal Finance Bureau after being examined and approved by the Municipal Government, and the Municipal Finance Bureau shall directly issue the bonus to relevant units or individuals; if the funds are borne by the beneficiary departments, the beneficial departments shall be responsible for issuing the bonus. For the same type of award for the same enterprise, only the one of highest amount of bonus shall be paid.

Article 27 For a Jiyuan-based enterprise that expands its investment and satisfies relevant requirements, relevant provisions of the *Measures* shall be implemented.

Article 28 The *Measures* shall be put into trial implementation as of the date of promulgation, and the *Notice of Jiyuan Municipality on Issuing the Preferential Policies for Investment Promotion of Jiyuan City* (JZ [2007] No. 41) and the *Notice of the General Office of the People's Government of Jiyuan Municipality on Issuing the Supplementary Provisions on the Policies for Incentives of Investment Promotion of Jiyuan City* (JZB [2011] No. 5) shall be invalidated simultaneously.