Document of Jiyuan Leading Group for the China Silver City Project

JFZY [2021] No. 2



Jiyuan Leading Group for the China Silver City Project

Notice on Issuing the Supplementary Policy on Supporting the Development of the China Silver City Project

Management offices of districts, people's governments of townships, sub-district offices and district administration committees,

The *Supplementary Policy on Supporting the Development of the China Silver City Project* has been studied and approved by the Administration Committee of the Jiyuan Industry-City Integration Demonstration Zone, and is hereby issued to you for your implementation.

June 16, 2021

Seal: Jiyuan Leading Group for the China Silver City Project

Supplementary Policy on Supporting the Development of the China Silver City Project

In order to effectively promote the development of the China Silver City - for it to attract more investment and develop headquarters economy to as to build into a comprehensive base engaged in the full industry chain, from deep processing, to supply and marketing, of precious metals and jewelries, such as silver, industrial silver, copper and zinc, and R&D of new materials, the following policies are formulated according to advanced experience and the reality of local industry as a supplement to documents including the *Notice of the General Office of the People's Government of Jiyuan City on Issuing Several Policies on Further Supporting the Development of the International Silver City in the Central Plains* (JZB [2018] No. 69), the *Notice of the Jiyuan Leading Group for the China Silver City Project on Issuing Measures for the Implementation of Relevant Supporting Policies for China Silver City* (JFZY [2019] No. 1), and the *Minutes of the Executive Meeting of the Administration Committee of the Jiyuan Industry-City Integration Demonstration Zone* ([2020] No. 15).

I. Intensifying financial support

To rapidly expand the scale of China Silver City, promote the development of enterprises to hit higher income level, and improve the industrial influence of Jiyuan, all enterprises settling in the China Silver City shall be provided with the following financial support:

(1) Enterprises with annual sales revenue less than 5 billion yuan within three years will be financially supported by municipal and township governments for five years as the date of production. The fund shall be equivalent to 100% and 50% of their contributions to the local government for the first two years and the following three years respectively.

(2) Enterprises with annual sales revenue reaching 5 billion-10 billion yuan within three years will be financially supported by municipal and township governments for five years as the date of production. The fund will be equivalent to 100% and 50% of their contributions to the local government for the first three years and the following two years respectively.

(3) Enterprises with annual sales revenue of 10 billion yuan or more within three years will be financially supported by municipal and township governments for ten years as the date of production. The fund will be equivalent to 100% and 50% of their contributions to the local government for the first five years and the following five years respectively.

II. Encouraging the development of headquarters economy

In order to advance the attraction, support and development of headquarter enterprises, promote the local silver industry to achieve higher quality and efficiency in an all-round way, we will provide preferential conditions for headquarters enterprises with contract with and recognized by the Administration Committee of the Industry-City Integration Demonstration Zone (hereinafter referred to as Demonstration Zone) in the China Silver City. Eligible enterprises should be those which conform to Jiyuan's silver industrial development strategies and industrial policies and play a major supporting role in the industry, with an annual revenue of 1 billion yuan or more and local tax payment of 10 million yuan or more in the previous year. The preferential policies include:

(1) Bonus for improvement. Since the year of passing the recognition, headquarters enterprises in the China Silver City will be given a one-off bonus of RMB1 million by the beneficiary finance for their being rated as top 100 private enterprises in Henan, top 100 private manufacturers in Henan, or top 100 private modern service providers in Henan in 2020 for the first time, and a one-off bonus of RMB3 million by the beneficiary finance for their being rated as China's top 500 private enterprises, China's top 500 manufacturers and China's top 500 service providers for the first time.

(2) Bonus for IPO financing. A one-off bonus of RMB5 million shall be granted by the beneficiary finance to headquarter enterprises in the China Silver City for being listed on the domestic main board, SME board, GEM board, science and technology innovation board or overseas markets for the first time with successful financing. For other matters, please refer to policies on listing and financing of Jiyuan-based enterprises.

This clause also applies to other industries in Jiyuan. In case of relocation or change of the registration place, headquarters enterprises shall return the funding they've received in full.

III. Clarifying policies on the subsidy for enterprises' decoration and logistics

(1) Decoration subsidies. Offline trading outlets of silver and other jewelry and silver spot settlement centers settling in the China Silver City which complete decoration before December 31, 2021 will be subsidized by the beneficiary finance as per 300 yuan per square meter according on the actual decoration area. Other enterprises settling in the China Silver City which complete the decoration before December 31, 2021 will be subsidized by the beneficiary finance as per 100 yuan per square meter according to the actual decoration area. The policy does not prescribe the type of enterprise and the decoration area.

(2) Logistics subsidies. For the logistics expenses (including insurance cost) of jewelry processing enterprises settling in the China Silver City incurred in the sales of products produced in the China Silver City, the beneficiary finance will provide a financial support at 20% of the total logistics cost (including the insurance cost), and such financial supports will end on December 31, 2021. Logistics enterprises settling in the China Silver City are entitled to enjoy preferential treatment in accordance with the *Notice of Jiyuan Municipal Bureau of Finance, Jiyuan Municipal Bureau of Transportation and Jiyuan Municipal Tax Service, State Taxation Administration on Strengthening the Tax Administration of the Transportation Industry* (JC [2017] No. 49).

IV. Promoting the establishment of industrial development funds and supply chain finance platforms

We will set up a pilot fund at the China Silver City to lead the establishment of funds for key industries' development. We will provide enterprises in the China Silver City with purchase order financing services via supply chain finance companies for them to grow bigger and stronger. By establishing industrial funds and supply chain finance company platforms, we aim to change the government-driven development to market-oriented, long-term development of enterprises.

V. Encouraging import and export business

(1) We will open a "green channel" for export tax rebate business for silver and other jewelry exporters that are qualified for tax rebate, so as to ensure convenient and effective procedure handling.

(2) The Bureau of Development, Reform and Statistics (Bureau of Commerce) shall actively seek provincial funds for the development of foreign trade and economic cooperation, and shall give preference to silver and other jewelry export enterprises in accordance with laws and regulations when issuing such funds.

(3) We will establish a fault-tolerant mechanism and a deficiency-tolerant handling mechanism to support the development of the China Silver City project.

VI. Increasing housing support and improving preferential policies for attracting industrial workers and technical personnel

(1) Public rental housing subsidies. For managers of enterprises in the China Silver City, who are eligible for applying for the public housing, the Housing and Urban-Rural Development Bureau or competent agencies of the district and sub-district where the project is located shall provide them with public rental housing and a certain amount of rental subsidies.

(2) Employee housing subsidies. For employees of enterprises in the China Silver City, competent agencies of the district, township and sub-district where the project is located shall provide them with dormitories and a certain amount of rental subsidies.

(3) Preferential policies for attracting industrial workers and technical personnel. Industrial workers and technical personnel with a college degree or above who are employed by Jiyuan-based enterprises and meet the requirements of relevant talent policies issued by the Human Resources Department of Jiyuan City will receive preferential policy support in terms of household registration, house purchase and children's schooling.

VII. Miscellaneous

(1) This Policy is applicable to all enterprises settling in the China Silver City. The implementation of specific supporting policies shall be subject to provisions herein.

(2) Matters not covered herein may be settled through case-by-case discussion.

(3) This *Policy* is interpreted and implemented by the Industrial and Technological Innovation Committee of the Demonstration Zone and the Bureau of Development, Reform and Statistics (Bureau of Commerce).

(4) This *Policy* shall take effect on the date of issuance and remain valid until October 25, 2023. Specific terms of validity of relevant policies shall be subject to provisions herein. In case of any inconsistency between previous relevant provisions and this *Policy*, this *Policy* shall prevail.

Jiyuan Leading Group for the China Silver City Project Issued on June 16, 2021