



A Handbook on 1+1+N Policy System for Promoting Key Industries in Guangzhou

Guangzhou Municipal Commerce Bureau

2019



1+1+N Policy System for Key Industries

Brief Introduction

The Guangzhou Municipal People's Government is determined to establish a 1+1+N Policy System for Key Industries, for the purpose to better integrate and optimize the city's policy resources, and make the industrial policies more targeted and effective. Following the instructions of Guangzhou municipal government, the city's Investment Promotion Office (Guangzhou Municipal Commission of Commerce, GMCC) took the lead in setting up the system, with joint efforts of the municipal Development and Reform Commission, Industry and Information Technology Commission, Science Technology and Innovation Commission, Bureau of Finance and Legal Affairs Office of the city. At the beginning of 2018, municipal government's General Office published the circulars Opinions on Establishing a Policy System for Promoting Industrial Development (hereinafter referred to as Opinions) and Management Measures on Industrial Development Fund in Guangzhou (hereinafter referred to as Management Measures). The city's 1+1+N industrial policy system is taking its shape with more specific industrial policies issued or to be soon issued for implementation. Its establishment will enable the overall coordination and optimization of the city's industrial policy resources, and facilitate investors and companies' thorough understanding of the policies, thus providing strong support to the city's investment promotion and company development.

The Investment Promotion Office (GMCC) hereby presents this easy-to-understand and user-friendly brochure that contains the city-level 1+1+N policies for key industries, for the purpose to provide companies and investors with more efficient access to a full picture of Guangzhou policies for industrial promotion. Municipal departments are at the process of further formulating or revising the industrial policies for investment promotion and finance. We will keep updating the Brochure accordingly.



About the first "1", the Opinions

Guangzhou Municipal People's Government General Office Opinions on Establishing a Policy System for Promoting Industrial Development (document No.: Sui Fu Ban [2018] No. 1). As the programmatic document of 1+1+N Policy System for Key Industries, it sets the goal of establishing a full range of industries promotion policy system of strong competitiveness, clear responsibilities, coordinated departmental efforts and unambiguous guidelines. It proposes five principles: coordinating synergic efforts, specifying expectations, improving competitiveness, clarifying the policies, and realizing city-district interaction. At the same time, 10 priorities are identified: development of advanced manufacturing, modern service industry and headquarters economy, support for the rapid development of growth-oriented enterprises, corporate R&D, innovation and entrepreneurship by talents, introduction of key projects and their land use, development of new industrial carriers, and continued reforms in commercial registration.

About the second "1", the Management Measures

Guangzhou Municipal People's Government General Office Notice on Management Measures on Industrial Development Fund in Guangzhou (Management Measures) (Sui Fu Ban [2018] No. 3). The Management Measures define the supported areas, beneficiaries, principles, and centralized management of the Industrial Development Fund. The Management Measures put forward the criteria for fund support and budget management, and specify the responsibilities of each department involved. Funds of the same nature shall be centrally managed by one single department. Meanwhile, the Measures also provide requirements on managing project library and track duplicate projects to avoid overlap in industries and beneficiaries supported by the industrial funds managed by different departments, which in turn will help better coordinate various industrial policies and communicate consistent and clear information about industrial policies.

About the "N", the Policies

"N" refers to the specific industrial policies. Each department, based on comprehensive review and summary of all existing supportive industrial policies, proposes a programmatic policy for each industry under its mandate. Specifically, this involves such industries as headquarters economy, specific investment promotion policies, information technology, artificial intelligence and Bio-pharmaceutical (IAB) and emerging industries, commerce and trade, advanced manufacturing, modern logistics, finance, tourism, sci-tech innovation, policies for high-end professional service industry, commercial registration, intellectual property rights, industrial land use, urban renewal and talents. It is worth mentioning that 1+1+N Policy System for Key Industries is an open framework that will embrace the newly launched or revised industrial policies of the city in the future.





CONTENTS

01	Specific Policies for Investment Promotion	1
02	Policies for Headquarters	3
03	Policies for IAB and Emerging Industries	6
04	Policies on Commerce and Trade	17
05	Policies for Advanced Manufacturing	23
06	Policies for Modern Logistics	31
07	Policies for Financial Industries	35
08	Policies for Tourism	38
09	Policies for Science and Technology Innovation	40
10	Policies for High-end Professional Service Industry	48
11	Policies of Commercial Administration	51
12	Policies for Intellectual Property Rights	54
13	Policies of Land Planning	57
14	Urban Renewal Policies	59
15	Policies for Talents	61
16	Guangdong Province Policies on Foreign Investment	79

Policies for Major Industries

Specific Policies for Investment Promotion

Measures for Expediting Introduction of Companies in Guangzhou (Trial Implementation)

Policy Category

Investment Promotion

Document Number

Sui Fu Ban Gui [2018] No. 16

Implemented by

Guangzhou Municipal Commission of Commerce

Effective Until

July 23, 2020

Beneficiaries

Companies (except for real estate ones) of independent legal entity which are newly relocated in Guangzhou after the implementation of the Measures (July 24, 2018) and pay a total tax of 10 million CNY in the last two complete fiscal years after their registration (after the actual operations for industrial companies); intermediate agencies and office lease-out entities engaged in the specific investment promotion activities.

Policy Measures

Rewards and subsidies for newly relocated key companies

- Rewards for decision-making personnel**
Decision-making personnel earning a taxable annual income of over 500,000 CNY in the newlyrelocated key companies will be granted a reward at a certain percentage of their income. Each company may be eligible for such rewards for no more than two years. Personnel rewarded should not exceed 15, and no more than 2 million CNY each year for each of them.
- Office Renting Subsidies**
Subsidy to support renting self-use office premises will be granted to the newlyrelocated key companies at a certain percentage of the rents for three consecutive years, and up to a total of 4 million CNY per company per year. The premises may not be subleased during the period.
- Key and major key industrial projectsintroduced and supported by CPC Guangzhou Committee and Guangzhou Municipal Government.**
The key industrial projects specially introduced and supported by CPC Guangzhou Committee and Guangzhou Municipal Government can directly enjoy bonus for decision-making executives and allowance for office rental. The major key industrial projects of particular significance will be supported in such areas as settlement rewards, land use, industrial fund investments, housing allowances, children's schooling and talent green cards, based on the investment intensity, driving effect to local industry and other contribution to the community.
- Two vehicles of each eligible newlyrelocated key companies may be exempted from traffic control measures imposed on non-local vehicles as being duly registered.**

Support to the building economy

Each Grade A and Grade A+ office building certified by trade associations (recognized by Guangzhou Municipal Commission of Commerce) will be granted with a one-off reward of 300,000 or 500,000 CNY for upgrading, functional improvement or investment attraction.

Incentive to intermediate bodies engaged in investment promotion

Promotion meetings, workshops, industrial exchange meetings and other investment promotion events aiming at promoting investment into Guangzhou and organized by non-governmental intermediate agencies that have entered investment promotion cooperation agreements, will be granted with a subsidy of no more than 30 percent of the total expenditures, with a ceiling of up to 200,000 CNY for each event and up to 1 million CNY for each intermediate agency per year.

Guangzhou Provisional Rules for Promoting
Development of Headquarters Economy

Policy Category

Policies for
Headquarters
Economy

Document Number

Sui Fu Ban Gui[2018]No. 9

Implemented by

Guangzhou Municipal
Commission of
Development and Reform

Effective Period

3 years

Policy Measures

Beneficiaries

Accredited headquarters
companies

Next Page

Reward for Settlement of Headquarters
Companies

Newlyrelocated headquarters companies will be rewarded with 5 million CNY, 10 million CNY, 20 million CNY, 50 million CNY etc. respectively for 3 consecutive years starting from the calendar year of accreditation based on their industrial classification, economic contribution, years of relocation and registered capital etc.

Rewards for Senior Executives

Mid-level or senior executives earning a taxable annual income of more than 600,000 CNY will be entitled to a certain amount of financial rewards every year. Certain number of professionals working in headquarters companies and owning no residence (family-based) in Guangzhou will each be entitled to a monthly rental subsidy of 1,000 CNY. (For both newlyrelocated and existing headquarters companies).

Support to Clusters

Administrative organizations of eligible headquarters economic clusters will be rewarded 500,000 CNY per year.

Support for Office Premises

Headquarters companies renting office premises will be granted a subsidy as per 500 CNY/m² and up to a total of 2 million CNY per year, for three consecutive years starting from the year of accreditation. Headquarters companies with purchased office premises will be granted a one-off subsidy of 5% of the housing cost, with a maximum of 10 million CNY (For both newlyrelocated and existing headquarters companies).

Incentives for M&A and Reorganization

Headquarters companies that relocate in Guangzhou after merger and reorganization with listed Chinese or foreign companies will be granted a one-off reward of 10 million CNY. (For both newlyrelocated and existing headquarters companies)

Other Preferential Policies

Land supply. The municipal land resources and planning departments shall reserve and seek more land resources for headquarters companies. Industrial land in key functional areas, including the three strategic hubs, and the One River, Two Banks and Three Belts Project (economic, landscape and innovation belts along both banks of the Pearl River) etc. should be sufficiently reserved for targeted land supply. In respect of urban planning, land use, and urban renewal, substantial support should be provided for the development of headquarters clusters. Headquarters companies or consortiums without self-owned office premises in Guangzhou, contributing no less than 100 million CNY tax in Guangzhou in the previous year may develop headquarters office building independently or jointly upon approval.

Key development projects. Municipal and district development and reform departments shall incorporate infrastructure projects of eligible headquarters companies into key development projects of the green channel management system to accelerate project construction and operation.

Household registration, talent green card and collective household registration for talents: Municipal human resources and social security department and all districts shall provide permanent residence for eligible employees of headquarters companies and their spouses, especially for senior executives and technical professionals. Under the guidance of the Organization Department of the CPC Guangzhou Municipal Committee, municipal human resources and social security department shall issue green card to eligible senior executives and technical professionals, and municipal public security agency shall provide collective household registration service for headquarters companies. Collective household registration for headquarters companies shall have the same rights to household registration

for general residents, as a basis for marriage registration, family planning, and household registration for their spouses and under-aged children etc.

Children's schooling: District governments shall co-ordinate and make overall planning on kindergartens and schools of compulsory education for children of senior executives and technical professionals of headquarters companies within their jurisdictions. Municipal educational department shall arrange children of eligible senior executives and technical professionals to be enrolled in kindergartens and schools of compulsory education, with assistance from district governments. Municipal educational department, together with relevant authorities in districts and in municipal government, should strengthen commitment and guidance to the development of foreign language schools, schools for children of foreign nationals and Sino-foreign cooperative schools, to establish an international education system compatible with the city as a regional headquarters economic center.

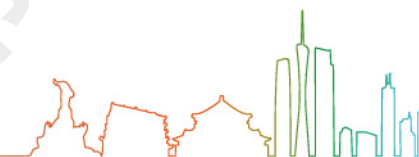
Apartments for Talents: Municipal housing and urban-rural development (housing support) department shall provide an appropriate number of apartments and public rental housing for senior executives and technical professionals of headquarters companies. Municipal urban renewal department shall formulate relevant policies to reserve a certain proportion of urban renewal projects for the construction of talent apartments.

Vehicle plates application support: Municipal traffic management department and traffic police division of the public security department shall jointly process applications for vehicle plates by non-local senior executives and technical professionals of headquarters companies as per equivalent standards for local residents.



03

Policies for IAB and Emerging Industries



Guangzhou Five Year Plan on Accelerating Development of IAB Industries (2018-2022)



Policy Support

The IAB technological innovation centers or new types of R&D institutions established by the leading companies, colleges and universities, investment institutions, etc., will each receive a financial support of no more than 100 million CNY, 20 million CNY, and 8 million CNY respectively, depending on the category (national-level, provincial-level or municipal-level). For major national-level sci-tech projects undertaken by the companies, local governments will provide financial support of no more than 1 million CNY (10% of the national funding).

For the local commercialization of IAB industrial innovation achievements, a financial support of no more than 10 million CNY will be granted. Companies will receive support in building the trading platforms for innovation results. Subsidies will be provided to those bringing in domestic and foreign innovations (including the purchase of technical findings or commissioning of technology development) and commercializing them locally in Guangzhou. The amount of subsidy is 10% of the actual transaction amount in the technology contracts, while the cumulative amount of subsidies granted to one company shall not exceed 2 million CNY within one single year. Competitions will be staged among innovation companies, and those technological transfer institutions (national,

provincial and municipal level) excelling in the performance evaluation will be rewarded with 1 to 2 million CNY.

Excellent large and medium-sized IAB companies will receive support in increasing capital and expand production. A subsidy of 20% of the facility investment will be provided to the projects. The subsidy for a single project is no more than 5 million CNY. In addition, a discount rate will be offered to the loans on fixed assets investment, with a discount period of no more than 3 years. The cumulative amount of discount for a single project shall be no more than 5 million CNY.

Supports will be given to selected eligible SMEs and micro businesses in the IAB industries by means of direct equity investment or subsidies. The ceiling for equity investment in or subsidy for an individual project is 30 million CNY or 5 million CNY respectively.

Local pharmaceutical manufacturers are encouraged to carry out technological transformation and industrialization projects of high-end generic drugs. Financial support will be in place for projects that promote the development of the biopharmaceutical industry, such as the secondary development of optimized processes and the improvement of production capacity. For local oral solid preparations in the Essential Medicine List and passing the

consistency evaluation of generic drugs in accordance with regulations of the country, and other chemical drug preparations that are among the first three in China to pass the consistency evaluation of generic drugs, a financial support of 2 million CNY will be provided for each variety of products.

The land approval process for value innovation parks will be simplified. The first batch of 10 value parks and major IAB industry construction projects will be listed as the city's key construction projects. Green Channel services will be offered in project establishment approval, planning, land use, construction approval, and other preliminary approval works.

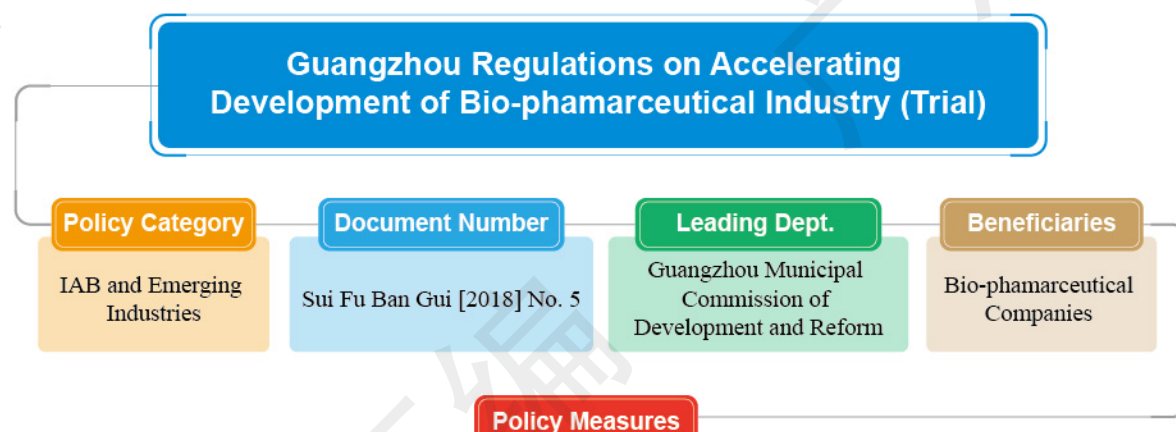
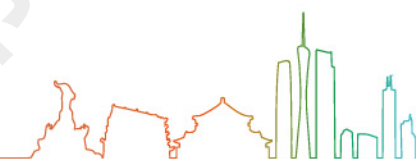
In the case where developers or operators of the value innovation parks develop supporting facilities on their own or adjacent land for revitalizing inventory facilities, eco-friendly improvements, apartments for talents, schools, medical facilities, shops etc., the ratio of the supporting facilities' gross floor area to the project's total area may increase from 14 % to 15%. For the construction of public service platform and supporting infrastructure of the value innovation parks, a subsidy of 20% of the total investment will be given on competitive basis, with a maximum cumulative amount of 100 million CNY for each park.

The minimum price of industrial land used for IAB industries shall be determined based on the following principles: 1) no less than 70% of the benchmark price of the local industrial land; 2) no lower than the sum of the actual land acquisition

cost, the pre-land development cost and all the fees charged; 3) and no lower than the minimum price for land assignment promulgated by the central and provincial governments. IAB companies are encouraged to apply for industrial land through rent-first-then-buy approach or flexible land assignment.

For information improvement projects, such as IT integrated application, intellecturization of production process, innovation of e-commerce model, and industrial cloud and big data innovation applications, subsidies no more than 20% of the total project investment will be given on competitive basis, while the subsidy for an individual project shall be no more than 2 million CNY.

An IAB Special Reward will be set up to promote the implementation of the city's policy "1+4" for leading industrial talents. Each year, 20 outstanding industrial talents, 50 high-end innovation talents, 500 high-caliber industrial talents and 1,000 most-in-demand industrial talents will be honored with the rewards. For top international IAB talents (teams) with innovative start-ups in Guangzhou, a package of comprehensive financial support will be rendered on a case-by-case basis. For Chinese Academy of Sciences (CAS) and Chinese Academy of Engineering (CAE) academicians, experts enlisted in the country's 1,000 Talents Program or 10,000 Talents Program who start innovative businesses in Guangzhou, the funding could go as high as 5 million CNY.



Policy Support

1. Financial supports will be provided in phases to medicines independently developed and commercialized in Guangzhou. This includes the bio-products, Categories 1 to 6 Traditional Chinese Medicines, Categories 1-4 and Category 5 (only limited to targeted preparations, sustained release preparations, and controlled release preparations) chemical drugs applied for registration before the reform plan for chemical drug registration classification, or Categories 1 and 2 chemical drugs applied for registration after the reform plan. Projects in preclinical research phase will be prioritized for enlisting into the city's sci-tech plans. New drug projects at Clinical Phase I, II, and III studies will each receive funding support of 0.5 million CNY, 1 million CNY, and 2 million CNY. For local companies that have obtained the first registration certificates for Category II and III medical device products, each product will be rewarded 200,000 CNY or 500,000 CNY for the first Category II or III registration certificate.

2. To support the development of important public service platform projects such as Good Laboratory Practice for Non-Clinical Laboratory Studies (GLP), drug (including medical device) Good Clinical Practice (GCP), clinical research hospitals with special requirements, Bio-pharmaceutical industrialization pilots and production platforms,

etc., subsidies no more than 30% of the total project investment may be provided, subsidies to each individual project not exceeding 10 million CNY. Special preferential support will be given to key platform projects of great importance on case-by-case basis.

3. Local bio-pharmaceutical companies and institutions that have passed the national GLP and GCP qualification accreditation will receive a one-off reward. For the first-ever GLP certification with 3 major items or more, 6 major items or more, or 9 major items or more may respectively receive a reward of 1 million CNY, 2 million CNY or 4 million CNY. For those who have obtained the GCP accreditation for the first time, a reward of 100,000 CNY for each professional area will be provided and may be cumulated (including those obtaining the GCP accreditation not for the first time but for newly added professional areas). Guangzhou bio-pharmaceutical companies and institutions obtaining the AAALAC International, (WHO) FERCAP/SIDCER, or AAHRPP accreditation for the first time may each receive a one-off reward of 2 million CNY.

4. A reward of 5% of the annual contract amounts and invoices no more than 5 million CNY will be granted to local R&D service agencies such as local GLPs, GCPs, contract research organizations

(CROs), bio-pharmaceutical production pilot platforms etc., which provide services to the city's bio-pharmaceutical companies (without investment connection).

5. To support the companies' efforts on quality and efficacy consistency evaluation of generic drugs, a financial support of 2 million CNY for each variety of products will be provided to the local oral solid preparations in the Essential Medicine List, which have passed the generic drug consistency evaluation in line with national regulations, and other chemical drug preparations that are among the top three in China to pass the generic drug consistency evaluation.

6. Projects accredited by international advanced systems such as the US Food and Drug Administration (FDA), the European Medicines Agency (EMA), the World Health Organization (WHO) and Current Good Manufacturing Practices (cGMP) will be prioritized to be included in the city's major technological transformation projects and be granted with no more than 30% of the project investment.

7. For locally industrialized projects of new drugs (including bulk pharmaceutical chemicals, and innovative ingredients, etc.) that have obtained new drug certificates, and registered or recorded TCM formula granules, innovative medical devices, and medical devices with priority approvals, post-subsidies equivalent to 30% of the total project investment amounts, no more than 4 million CNY will be offered.

8. Efforts will be made to promote the circulating fluidized renovation of bio-pharmaceutical companies, and encourage industrial parks to adopt

centralized heating, intensive use of land, inter-company waste exchange and utilization, water recycling, and to integrate the centralized disposal of hazardous waste and solid waste into supporting facilities of parks. A subsidy of 500 CNY/ton (no more than 1 million CNY in total) disposal fee will be provided to professional institutions that dispose hazardous waste of bio-pharmaceutical companies within industrial parks.

9. For projects to be industrialized in Guangzhou, led by experts such as Nobel Prize laureates, Lasker Award winner, and CAS or CAE academicians in bio-pharmaceutical field, together with technologies and teams, 10% of the total project investment for each project, no more than 10 million CNY, will be offered as a subsidy.

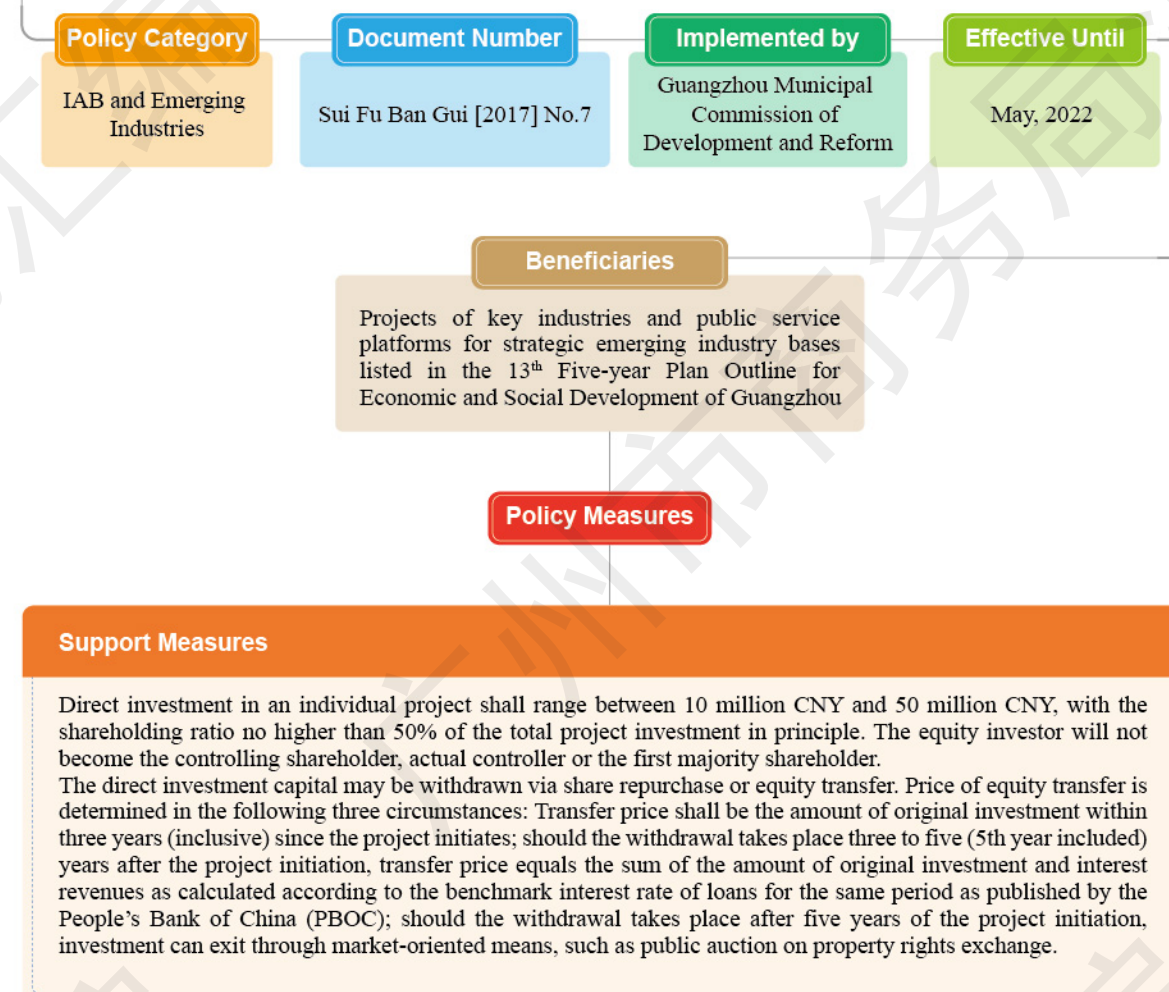
10. Local bio-pharmaceutical companies are encouraged to expand their international business. Those with international business revenue reaching 1 million USD for the first time will be provided with a subsidy ranging from 100,000 CNY to 1 million CNY, but no more than 1 million CNY for each company. Local bio-pharmaceutical companies investing in non-affiliated enterprises abroad will be granted with a direct subsidy of no more than 5% of the actual investment amounts as remitted overseas (the absolute value of US dollars) of the previous year, no more than 10 million CNY. Local pharmaceutical companies, which bring in and industrialize advanced overseas technologies, or play a leading role during the industrialization, will be provided with a subsidy of 10% of the technical transaction amounts, no more than 10 million CNY.



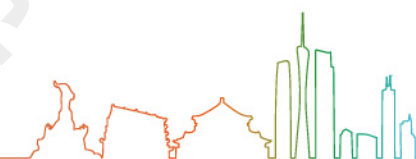
Guangzhou Management Measures on Emerging Industry Development Fund (Guiding Funds)



Guangzhou Management Measures on Emerging Industry Development Fund (Equity Investment)



Next Page



Page Up

Policy Measures

Eligibility Requirements

1. General Requirements

(a) Application shall be independently submitted by an individual company. The applicant must be a legal entity duly registered within the administrative jurisdiction of Guangzhou Municipality, and has strong capabilities in technology development, corporate management and fund raising. An investment proposal shall be in place for that purpose.

(b) The project shall be of a certain scale with a total investment of no less than 20 million CNY, and the investment in fixed assets shall be no less than 50% of the total. The project in question shall commence construction or has been under construction since the current year (normally the current year), and has never received any municipal-level financial support.

Information on progress of projects under construction shall be provided. For a new project, preparation works should have been completed and the construction can be commenced within the said year.

2. Requirements for Industry-based Projects

Sci-tech achievements adopted in the projects should show significant breakthroughs in terms of category, performance or techniques, with their parameters reaching leading level in China and even the world, and they should be at pilot production, industrialization or early application stage. Pertinent documents should be presented, such as Technology Accreditation Certificate or Invention Patent Certificate issued by sub-provincial or higher

government authorities in the last three years. Production License issued by related agencies is required, and ownership of the intellectual property rights of the technologies should be clearly established. New Drug Certificate or COPP (Certificate of Pharmaceutical Product) issued in the last three years are required for pharmaceutical products. For modern service projects, the emphasis shall be placed on the new business pattern and model to promote the innovation in service concept, process, product and delivery.

3. Requirements for Public Service Platform Projects

(a) Prominent economic strength and economic performance that can assure the building and operation of the public service platform is expected from the applicant. The qualifications required include well-established organization structure, sound management mechanisms, work space that can accommodate public service activities, professional personnel and necessary facilities and equipment, as well as the capability of interpreting policies for developing advanced manufacturing industries, resource coordination and public service. The platform mainly provides quality and clearly-defined public and non-profit service at a favorable rate to companies in the base.

(b) Construction of the public service platform projects should center around the development requirements of the strategic emerging industries in the base, providing supports and services to tackle the issues that constrain their development and drive the development of the industrial cluster.

Guangzhou Management Measures for Emerging Industry Development Fund (Subsidies)

Policy Category

IAB and Emerging Industries

Document Number

Sui Fu Ban Gui [2017] No.7

Implemented by

Guangzhou Municipal Commission of Development and Reform

Effective Until

May, 2022

Policy Measures

Industry-based Projects

1. Scope of projects

Support to the industrialization demonstration projects in strategic emerging industries, modern agriculture, advanced manufacturing and modern service industries.

2. Requirements for application

(a) Application should be submitted independently by each individual company. The applicant must be a legal entity duly registered within the administrative jurisdiction of Guangzhou Municipality according to Chinese laws.

(b) At least 5 million CNY of investment for each project.

(c) For projects in strategic emerging industries, the documents required for application include Technology Accreditation Certificate or Invention Patent Certificate issued by sub-provincial or higher government authorities in the last 3 years, Production License issued by related departments are required, and ownership of the intellectual property rights

clearly established. New Drug Certificate or COPP (Certificate of Pharmaceutical Product) issued in the last 3 years is required for pharmaceutical products. Emphasis shall be placed on the new business Pattern and model to promote the innovation in service concept, process, product and mode for modern service projects.

3. Time Frame

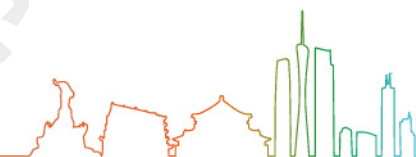
Eligible projects must be those already under construction, or those having completed the initial preparation works and ready to commence construction within the current year. The construction period shall be no more than 3 years in principle.

4. Subsidies

Up to 10% of the total project investment amount, with a ceiling of 4 million CNY for each project.

5. Support measures

Post-subsidies will be provided for the construction of industrialization projects.



Policy Measures

Public Service Platform Projects

Support will be provided to the construction of third-party public service platforms. This includes the accredited public service platforms of city-level and above for strategic emerging industrial bases, industrial base featuring mass entrepreneurship and innovation, and industrial clusters, as well as the projects of the National Engineering Research Center (Engineering Research Laboratory), National & Local Joint Engineering Research Center (Engineering Research Laboratory), Guangdong Provincial Engineering Laboratory, approved by National or Provincial Development and Reform Commission, as well as National Enterprise Technology Center accredited by National Commission of Development and Reform.

2. Conditions for application

- (a) Application should be submitted independently by individual company or public institution (higher education institution or scientific research institution included). The applicant should be a legal entity duly registered within the administrative jurisdiction of Guangzhou Municipality according to Chinese laws.
- (b) Total investment of a project shall be no less than 20 million CNY, with investment in fixed assets of no less than 50%.

(c) The platforms shall be equipped with workspace that can properly accommodate the public service activities, professional service team and necessary facilities and equipments. Meanwhile, they shall formulate and provide management rules and regulations for the public platform services, and show strong capabilities of resource integration and public services. The platform shall provide quality and clearly defined public and non-profit services at a favorable rate to companies, institutions and individuals.

2. Time Frame

Eligible projects must be those already under construction, or those having completed the initial preparation works and ready to commence construction within the current year. The construction period shall be within 3 years in principle.

4. Subsidies

No more than 30% of the total project investment with 10 million CNY as the ceiling for each individual project.

5. Support measures

Post-subsidies will be provided for the construction of the third-party public service platforms.

Industry-based Projects

1. Scope of projects

The subsidies will be provided to support the infrastructure construction projects of accredited city-level and above emerging strategic industry bases, industrial base featuring mass entrepreneurship and innovation, and industrial clusters.

2. Conditions for application

- (a) Application should be submitted by the administrative committee of the industrial park or district-level government who undertakes the infrastructure construction of the industrial base.
- (b) Project activities should be infrastructure construction for the industrial base with a total investment of no less than 20 million CNY.
- (c) Infrastructure projects constructed in the industrial bases must be directly relevant to supporting the development of the base. The project

construction is subject to the approval and record of the investment authorities.

3. Time Frame

Eligible projects must be those already under construction, or those having completed the initial preparation works and ready to commence construction within the current year. The construction period shall be within 3 years in principle.

4. Subsidies

No more than 30% of the total project investment, with 10 million CNY as the ceiling for each individual project.

5. Support measures

Subsidies will be granted directly for the infrastructure construction projects of the industrial bases.

Policy Measures

Public Service Platform Projects

1. Scope of projects

The subsidies will be provided to support energy efficiency improvement projects for companies and public institutions, demonstration projects for comprehensive utilization of resources, low carbon demonstration pilot projects, EPC (Energy Performance Contracting) Projects, information service management platforms, mixed energy demonstration projects, ultra-clean emission improvement projects, new energy, renewable energy and clean energy demonstration projects, and projects adopting domestically key equipment and technology.

In 2017, the subsidy support focused on the energy efficiency improvement projects for public institutions (with priorities given to the public institutions which will establish themselves as National Energy-Friendly Demonstration Public Institutions and those are on the List of Public Institutions to Conduct Energy Efficiency Improvement Projects as included in Main Points of Work of Guangzhou Municipal Government on Energy Efficiency Improvement of Public Institutions) and those for non-industrial companies.

2. Eligibility requirements

- (a) Eligible applicants shall be public institutions, companies or other organizations duly registered in Guangzhou and existing as independent legal entities. The applicants shall have sound and independent financial management systems, while the

construction projects should be within the administrative jurisdiction of Guangzhou.

(b) Applicants shall be staffed with qualified technical and accounting personnel, and equipped with complete and sound accounting department & mechanism and adequate system of energy statistic, metering and management.

(c) The projects shall demonstrate effective energy efficiency and emission reduction results and serve as good examples to promote the city's efforts in this field. For non-industrial companies, the energy saved through an energy conservation improvement project should exceed the equivalent of 100 tons of standard coal.

(d) Feasible project implementation plans, preparation works for project construction and funding or funding source are in place.

3. Time frame

Project construction is expected to commence within the year of application. The construction period shall be within 3 years in principle.

4. Subsidies

Government funded projects will be supported in means of direct subsidy, no more than 50% of the total project investment, and not exceeding 3 million CNY for each individual project. Projects invested by companies will be granted with a post-subsidy, no more than 20% of the total project investment, no more than 2 million CNY for each individual project.

Guangzhou Implementation Measures for Supporting Commerce Development (Foreign Trade)

Policy Category

Commerce & Trade Policy

Document Number

Sui Shang Wu Gui Zi
[2017] No.9

Implemented by

Guangzhou Municipal
Commission of Commerce

Effective Until

November, 2020

Policy Measures

Beneficiaries

Companies involved in
foreign trade

Foreign Trade

1. Service outsourcing companies are encouraged to settle down in Guangzhou. In the case where the Fortune Global 500 companies, IAOP (International Association of Outsourcing Professionals) Top Global 100 Outsourcing Companies, top 10 global service providers in China, and top 10 Chinese leading companies in service outsourcing establish new business in service outsourcing in Guangzhou, a reward of no more than 1 million CNY will be given based on the actual paid-in capital. At the same time, a reward of no more than 500,000 CNY will be given to newly introduced top 100 China's growth-oriented service providers based on the paid-up capital.

2. Companies are supported to expand trade in service (service outsourcing) business. A reward of no more than 1 million CNY will be given based on their actual performance.

3. Encouraging development of public service platforms for trade in service. A subsidy up to 50% of the platform building cost will be given, with a ceiling of 1 million CNY for each platform. A subsidy up to 50% of the operation cost will be given, with a ceiling of 300,000 CNY for each platform.

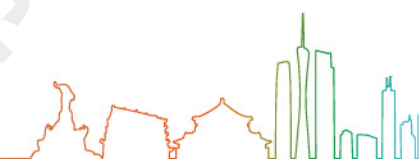
Support brand development and international operation of service export. A subsidy up to 50% of the cost with a ceiling of 500,000 CNY for each company will be granted, including those incurred in conducting international verification, overseas promotion, participating in domestic and overseas conventions and exhibitions. For companies which acquire credit insurance provided by financial institutions for the purpose of conducting international business, a subsidy up to 50% of the paid premium will be given, with a ceiling of 100,000 CNY for each company.

Support development of Guangzhou's pilot key projects

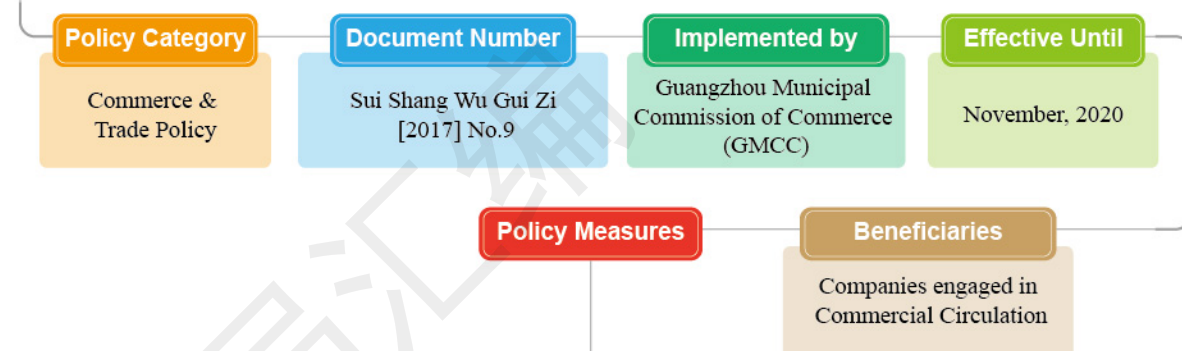
for national trade in service innovation. A one-off subsidy of no more than 500,000 CNY will be given to each project. Supplementary supporting subsidies will be given to state-supported pilot projects.

4. Support demonstration parks, companies and training institutions of trade in service. A reward of no more than 1 million CNY will be given to newly accredited municipal trade in service demonstration park. A reward of no more than 500,000 CNY will be given to each newly accredited municipal service trade demonstration base. A reward of no more than 200,000 CNY will be given to each of the demonstration parks and bases which are rated average or above in their annual assessment. A reward of no more than 500,000 CNY will be given to each newly accredited municipal service trade demonstration company (institution), and no more than 300,000 CNY to each newly accredited key growing company (institution) of service trade. A reward of no more than 200,000 CNY will be given to each newly accredited municipal training institution of international service trade (service outsourcing).

5. Support and reward other key aspects of foreign trade. Efforts will be made to encourage the settlement and incubation of key foreign trade enterprises; support processing trade enterprises in becoming Original Design Manufacturers (ODMs) and Original Brand Manufacturers (OBMs); support foreign trade transformation and upgrading demonstration bases for improving technologies, promoting and exploring domestic and overseas markets; support the creation and development of international and regional brands; support public platforms of electro-mechanical and technology industries for enhancing R&D, testing and certification, exhibition and transaction, information and training; and support the development of bonded logistics.



Implementation Measures for Supporting Development of Commerce in Guangzhou (Commercial Circulation)



Commercial Circulation

Supporting the planning and construction of commercial networks. Wholesale and retail business network projects and functional areas with remarkable economic and social benefits will each be given a subsidy of up to 30% of the total project investment. Projects with strong public welfare function or key projects supported by the municipal government will each be given a subsidy of up to 50% of the total project investment, with a ceiling of 3 million CNY for each project.

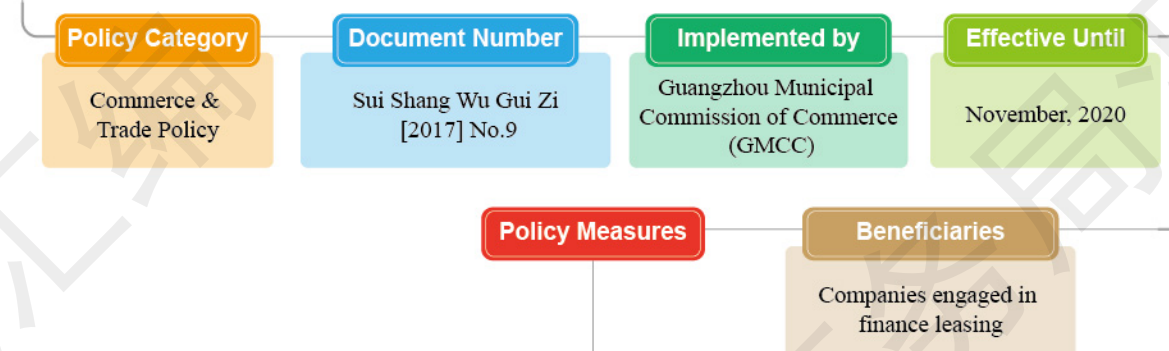
Supporting the development of retail and social services industry. Projects of retail, catering, time-honored brands, and livelihood services in line with Guangzhou's industrial development will be given a subsidy of no more than 30% of the total project investment or total project cost, with a ceiling of 1 million CNY for each project. A one-off reward of 50,000 CNY will be given to companies which

newly reach the designated size threshold. Projects with a strong public welfare function such as those promoting industry development and launching promotion campaigns will be given a subsidy of up to 50% of the total project investment or total project cost, with a ceiling of 1 million CNY for each project. Key projects supported by the municipal government will be given a subsidy of up to 50% of the total project investment or total project cost, with a ceiling of 4 million CNY for each project.

Supporting projects of building business integrity system. A one-off subsidy of 30% of the total project investment will be granted, with a ceiling of 2 million CNY.

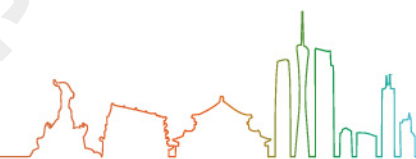
Supporting the building of traceability system for meat and vegetables. A subsidy of a certain proportion of the project investment will be granted with a ceiling of 4 million CNY.

Guangzhou Implementation Measures for Supporting Commerce Development (Finance Leasing)

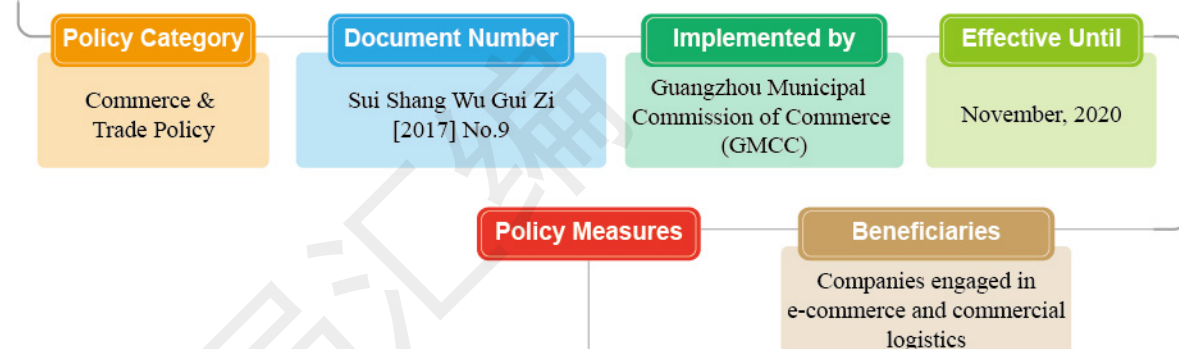


Financial Leasing

1. Encouraging finance leasing companies to establish business in Guangzhou or increase capital and share. Companies which newly increase the paid-in registered capital of more than 500 million CNY will be given an one-off reward of 2 million CNY, 5 million CNY or 10 million CNY according to the amount of the newly paid-in investment.
2. Supporting finance leasing companies to develop business in Guangzhou. Eligible airplane and ship leasing projects will be given a one-off subsidy of no more than 0.5% of the contractual amount, with a ceiling of 500,000 CNY. For other eligible projects, a subsidy up to 0.5% of the contract amount will be given, with a ceiling of 5 million CNY.



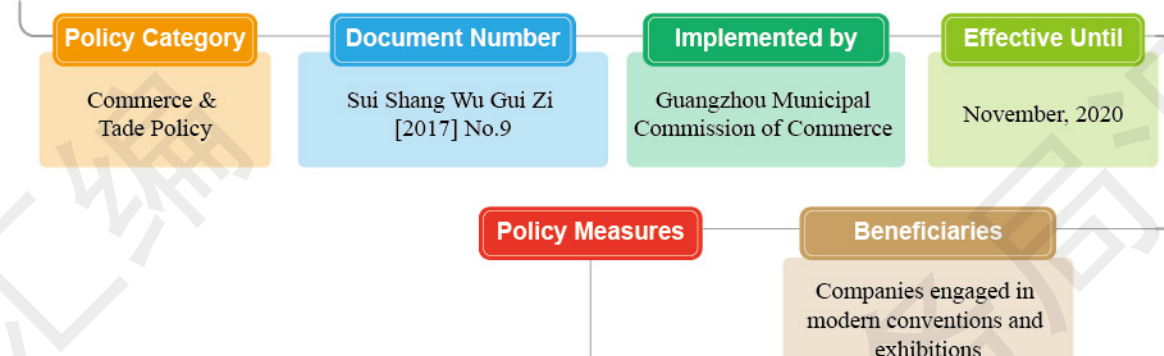
Guangzhou Implementation Measures for Supporting Commerce and Trade Development (E-Commerce and Commercial Logistics)



E-Commerce and Commercial Logistics

- Supporting the establishment of e-commerce and commercial logistic projects. Projects with outstanding performance will be given a subsidy of up to 30% of the total investment. For projects financed through loans from financial institutions, a discount of no more than 30% of the actual interest incurred in two years will be given, with a ceiling of 3 million CNY for each project.
- Support the development of e-commerce demonstration companies. A one-off reward of 2 million CNY will be granted to each accredited municipal e-commerce demonstration company. Supporting initial public offerings (IPO) of e-commerce companies. Companies which are newly listed on domestic or overseas stock exchanges will be given a one-off reward of 3 million CNY. For companies being listed and conducting transactions in the National Equities Exchange and Quotations and Guangzhou Equity Exchange, and companies issuing bonds on the exchanges or at the interbank market, a one-off reward of different sums will be granted in accordance with relevant municipal financial policies.

Guangzhou Implementation Measures on Supporting Commerce and Trade Development (Modern Conventions & Exhibitions)



Modern Conventions & Exhibitions

- Encouraging conventions and exhibitions to make Guangzhou their hosting cities. New exhibitions with an exhibition area of over 6,000m², in keeping with the city's priority industries and as promised to be held for at least 3 consecutively years will each be offered a one-off reward of 200,000 CNY, 500,000 CNY, 800,000 CNY, or 1 million CNY depending on the exhibition scale. Extra rewards up to 200% and 100% of the above sum will be given to world top 100 trade fairs and China's top 100 trade fairs. Support the convening of international conferences and industry conferences. Eligible international conferences will be rewarded with 80% of the actual rental cost, with a ceiling of 800,000 CNY for each conference yearly. Fifty percent of actual rental cost may be rewarded to eligible industry conferences, with a ceiling of 500,000 CNY for each conference yearly.
- Supporting digital convention projects. Well-functioning digital convention projects which are developed based on conventions held in Guangzhou will be given a reward of 200,000 CNY for each session, with 3 sessions (years) in maximum. Supporting the development of convention service providers. Convention service providers meeting all the following requirements will be given a reward of 150,000 CNY or 300,000 CNY as per: a) setting up more than 5,000m² of exhibition area at professional exhibition venues in Guangzhou; b) generating an annual business revenue in exhibition service of no less than 15 million CNY; 3) meeting the annual review criteria.

- Supporting overseas exhibition projects. Exhibition projects hosted by Guangzhou companies and meeting the following requirements will be given a reward of 200,000 CNY or 300,000 CNY as per: a) held overseas; b) in keeping with the priority industries of Guangzhou; c) participated by more than 20 exhibiting companies from Guangzhou; d) taking up an exhibition area of more than 2,000m². Guangzhou exhibition institutions and projects certified by the Global Association of Exhibition Industry (UFI) will be given an one-off reward: 200,000 CNY for each institution and 150,000 CNY for each exhibition project.
- Supporting the development of exhibition projects. Exhibitions whose current exhibition area is above 6,000m² with an increase of more than 20% compared to the previous session will be given a subsidy in proportion of the rental cost of the newly added exhibition area. The subsidy will be given depending on the exhibition duration with a ceiling of 5 days. The subsidy ceiling for each project in each year (session) is 1 million CNY. Supporting the renovation of professional exhibition venues. A discount of no more than 50% of the incurred loan interest will be given, with a ceiling of 3 million CNY each year for no more than 2 years. Supporting the exhibition industry in their effort to expand the international market. Exhibition projects, which are conducive to Guangzhou's exhibition industry in expanding international market will be given a subsidy of 50% to 80% of the booth rental cost.

Guangzhou Municipal People's Government Implementation Opinions on Accelerating Innovative Development of Advanced Manufacturing Application Guide for Guangzhou "Made in China" Industrial Development Fund Program 2018

Policy Category

Advanced
Manufacturing

Implemented by

Guangzhou Municipal
Commission of Industry
and Information Technology

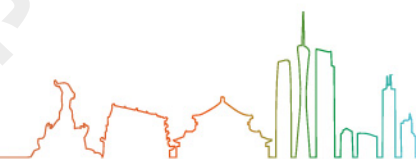
Policy Measures

Reward for Settlement of Advanced Manufacturing Projects

1. Based on the Made in Guangzhou Strategic Plan, Guangzhou strives to attract "targeted investment" from domestic and overseas first-rate companies, giving priority to intelligent equipment and robots, new generation of information technology, new energy automobile, bio-pharmaceutical and other high-end innovative manufacturing companies. Introduced industrial projects falling in the ten major fields defined by Guangzhou government with an investment of over 500 million CNY will be rewarded with 5 million CNY by the municipal and district governments as per the ratio of 7:3.
2. A one-off reward of 3 million CNY will be offered to local companies that have restructured non-local listed leading high-tech companies based on market-based approach and have them re-registered in Guangzhou.
3. Rewards will be granted to innovative companies incubated by innovative industrial technology R&D institutions. More efforts will be exerted on developing Sino-foreign cooperative zones (Guangzhou) for advanced manufacturing SMEs for introducing into Guangzhou of a batch of innovation-based Sino-foreign joint ventures. A reward of no less than 200,000 CNY will be offered to each of them.
4. National-level industrial manufacturing innovation centers settling down in Guangzhou will receive a lump-sum reward of 10 million CNY.
5. A subsidy of no more than 30% of total investment with a ceiling of 5 million CNY will be granted to eligible applied projects of software service industry and high-end producer services industry. The supporting funds will be paid by means of post-subsidy.

Reward for Cultivation of Advanced Manufacturing

6. Guangzhou-based innovative companies included into the list of "Top 500 Manufacturers in China" for the first time will receive a lump-sum reward of 5 million CNY.
7. Local companies accredited as national technological innovation demonstration companies will receive a lump-sum reward of 2 million CNY.
8. Strong supports will be given to application of products and technologies within the framework of the National Industrial Foundation Improvement Project. Such projects undertaken by companies will receive a subsidy equivalent to 50% of the state funded subsidy, with no more than 10 million CNY for each project.
9. The Industrial direct investment fund supports companies in eight major industrial fields, including IAB, new materials and new energies, "Two High and Four New" (hi-tech, high growth, new tech, new industry, new trade and new pattern) companies and manufacturing innovation centers, by means of equity investment aiming to support their development and improve the quality and efficiency of those industrial parks. The amount of direct investment fund applied by each company may range between 5 million CNY and 30 million CNY. The corresponding equity will in principle account for no more than 30% of the invested company's total equities. At the same time, this investment may not make the investor the largest stockholder or actual controller of such company.



Policy Measures

Reward for Purchasing Equipment and Services

10. To encourage development of service platforms. Certain proportion of expenditure spent by innovation-oriented SMEs for purchasing services in sci-tech, finance, industry and commerce, legal and accounting from the government-published services providers may be reimbursed afterwards.

Financing & Subsidies

11. Eligible companies applying for interest discount will, upon approval, receive a subsidy of certain proportions based on the amounts of loan, with a ceiling of no more than 1 million CNY for each single project.

Reward for Innovative Development

12. Supports will be given to technology transformation, industrialization and intelligentized renovation of industrial companies. Each eligible project will receive a subsidy equivalent to no more than 30% of its total investment, with a ceiling of 5 million CNY.

13. Companies renting advanced equipment through finance leasing for improving technical capacity will receive a subsidy equivalent to no more than 5% of the interest on lease.

14. For companies that sell the first piece (set) national level key technical equipment products, each piece/set of the same equipment sold will receive a reward equivalent to 50% of its selling price from the government finance, with a ceiling of 9 million CNY per set or 5 million CNY per piece, no more than 2 million CNY for assemblies or key components. Reference shall be made to the Guangdong provincial specification standards concerning classification of set, piece and unit.

15. For Guangzhou-based companies which have sold out and insured such products that fall into the guidance catalogue for popularization and application of national level key technical equipment (first piece/set) and received the premium subsidy from the central financial system, a subsidy equivalent to 20% of the premium of the insurance year will be given by the municipal financial system. Researches will be conducted to formulate The Catalogue of Guangzhou for Popularization and Application of Key Technical Equipment (first piece/set) (hereinafter referred to as the Catalogue). Companies that manufacture and insure the equipment on the Catalogue will receive a subsidy equivalent to 80% of the premium of the insurance year.

16. For companies that sell Guangdong provincial level key technical equipment products (first piece/set), each piece/set of the same equipment product sold by the same company will receive a reward equivalent to 50% of its selling price from the fiscal fund system, and the upper limit of such reward will be 7 million CNY per set or 3 million CNY per piece; for assemblies or key components, the reward will be up to 1 million CNY. The principle of classification for set, piece and unit is subject to corresponding requirements of Guangdong.

17. For companies that sell Guangzhou municipal level key technical equipment products (first piece/set), each piece/set of the same equipment product sold by the same company will receive a reward equivalent to 30% of its selling price from the fiscal fund system, and the upper limit of such reward will be 5 million CNY per set or 3 million CNY per piece; for assemblies or key components, such reward will be up to 1 million CNY. The principle of classification for set, piece and unit is subject to corresponding requirements of Guangdong.

18. For the same equipment product sold by the same company: the quantity of whole-set equipment eligible for reward will be no more than one set; the quantity of single machines eligible for reward will be no more than 3 pieces; the quantity of assemblies or key components eligible for reward will be no more than 100 units. Each company will receive a cumulative reward of no more than 10 million CNY per year for popularization.

19. Pilot plant tests or prototype trials of innovative products will be supported by means of subsidy afterwards. The amount of subsidy will be decided according to certain proportion of the investment in the pilot plant tests or prototype trials before mass production. Each project will receive a subsidy equivalent to no more than 30% of the project investment, and the upper limit of such subsidy will be 5 million CNY.

20. Each eligible R&D contract of military defense projects will receive a subsidy equivalent to no more than 20% of the total project investment, and the upper limit of such subsidy will be 5 million CNY.

21. Local companies are encouraged to participate in the establishment of national level innovation centers for manufacturing industry by giving a reward equivalent to 10% of the investment they make.

22. SMEs will be encouraged to utilize social resources to establish light-asset innovative industry technology R&D institutions through the way of crowdsourcing. Each company will receive a reward of no less than 100,000 CNY. The user-oriented collaborative innovation that brings together users, producers, academia, and research institutes and is supported by leading companies will be encouraged as well. Supports will also be rendered to companies in the same industry and the upstream and downstream companies in the same industrial chain to establish joint R&D institutions.

23. Innovation teams will be brought in via multiple channels. Companies will be encouraged to introduce domestic and overseas R&D and operation teams through working together with platforms, special bidding, and project acquisition. Innovation teams with outstanding results in special project bidding will receive an additional reward equivalent to 50% of the bidding amount, with no more than 2 million CNY for each single bid; innovation teams introduced through project acquisition will have the priority to receive support from the related government funds in the form of equity participation.

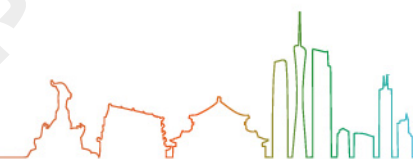
Reward for Innovation Carriers

24. For industrial park operators that conduct projects of park development planning, public service platform building and infrastructure construction, a subsidy or loan with discounted interest equivalent to no more than 30% of the investment amount will be given, with no more than 5 million CNY for each project; park construction projects established through crowdfunding will have the priority to receive support from the related government funds in the form of equity participation.

25. Measures will be taken to encourage and guide seed-phased and startup-phased innovation enterprises to lease and purchase manufacturing and supporting real estate as the first choice, as well as accelerate the establishment of supply-and-demand service platform for innovation industry housing facilities to promote economical and intensive use of land. Taking the opportunity of the upgrading of old factories and the reconstruction of urban village in downtown, a batch of urban innovation-based companies clusters, manufacturing industry headquarters clusters and production service industry functional areas will be established. Innovative companies are encouraged to participate in the initial planning of urban renewal. Successfully renovated clusters according to the industry updating plan will receive a reward of 1 million CNY to 3 million CNY in one lump sum based on the renovation area.

Supports to Talents

26. Based on the implementation of the "1+4" Policy (one key policy on introduction of leading talents, plus 4 supporting policies on sporting plans, reward system, green card system and interaction with high-calibre talents) for industrial leading talents, more efforts will be made to support the eligible leading talents of innovation-based companies and talents at core technology or key skill positions to apply for related subsidies. Each eligible core talent of innovation-based companies whose annual income exceeds 1 million CNY will receive a reward ranging between 50,000 and 300,000 CNY.



Implementation Plan of Making Guangzhou a “Made in China” Pilot Demonstration City

Policy Category

Advanced Manufacturing

Document Number

Sui Fu[2017] No. 23

Implemented by

Guangzhou Municipal Commission of Industry and Information Technology

Policy Measures

Reward for Settlement of Manufacturing Projects

1. More supports will be rendered to investment promotion. Incentive policies in major fields of manufacturing industry will be formulated and implemented for introducing domestic and international leading companies, in particular, targeted investment promotion, industrial clusters and industrial chain investment. Efforts will be made to introduce numerous high quality projects into Guangzhou. For companies with newly introduced projects that fall in the eight major fields, providing their paid-in registered capital is more than 100 million CNY, their annual revenue is more than 200 million CNY, and their registration place, office place, and relationship of tax collection stay within Guangzhou for 5 years since the date of business registration, they will receive a one-off reward according to certain proportion of their paid-in registered capital. All the people in Guangzhou are encouraged to attract investment, especially large investment. For projects newly introduced by operation and administration of industrial parks, intermediary investment institutions, industrial leading companies, as well as industrial associations and chambers of commerce that are established by law, a reward of no more than 2 million in one lump sum will be given. Key projects will receive a project-specific reward.

Reward for Intellectual Property Rights

2. Companies will receive support in participating in the formulation of industrial standards. For companies that take the lead to formulate and obtain approval for international, national and industrial standards centering on the eight major fields, a one-off reward of 500,000 CNY, 250,000 CNY and 150,000 CNY will be given respectively.

Implementation Opinions on Promoting Development of Industrial Robots and Intelligent Equipment

Policy Category

Advanced Manufacturing

Document Number

Sui Fu Ban [2014] No. 14

Implemented by

Guangzhou Municipal Commission of Industry and Information Technology

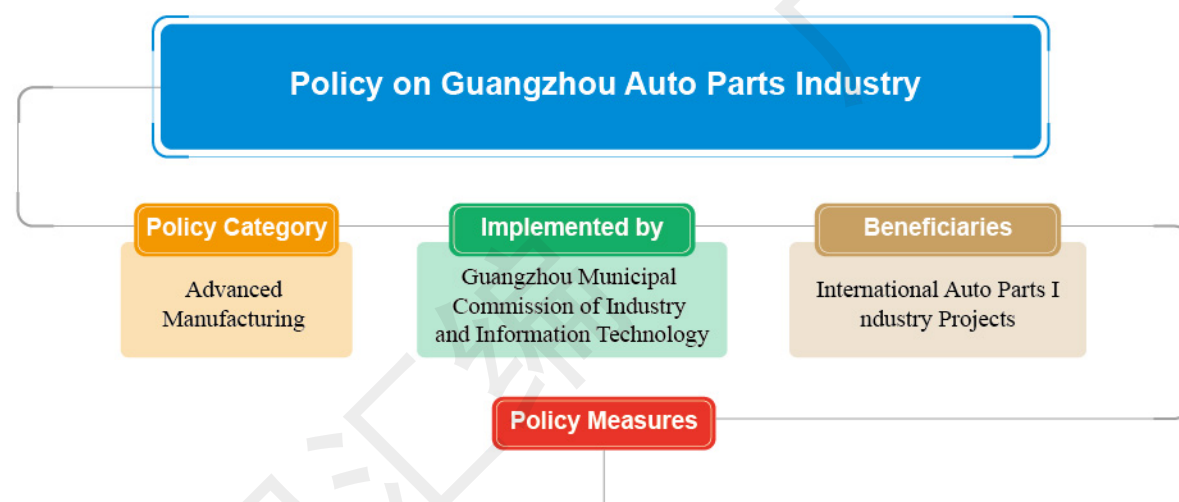
Effective From

April 3, 2014 onwards

Policy Measures

Construction of Key Projects

1. Supports will be provided to the construction of industrial robot projects. Since 2014, funds have been arranged under the special funds such as development fund for municipal strategic leading industry every year to support the construction of projects related to industrial robots for 5 consecutive years through non-reimbursable subsidies and loans with discounted interest.
2. Supporting facilities for key projects. For key projects related to key components of industrial robot, complete machine manufacturing, and application integration that receive national or provincial subsidies, supporting facilities not exceeding the national (provincial) and municipal ratio of 1:0.5 will be given.
3. Special supports to key projects. Police support will be provided to key robot projects with leading technology, large investment, high industry relevance and strong driving force on case-by-case basis.



Support Policy

1. Introduction of auto parts manufacturing projects. Targeted investment promotion aiming at leading domestic and overseas auto parts manufacturers will be conducted. A reward up to 5% of paid-in registered capital with a ceiling of 50 million CNY will be offered to newly introduced auto parts manufacturing projects with over 20 million paid-in registered capital and a promise that their registered location, office, as well tax paying remain in Guangzhou for 10 years since the date of business registration. The municipal and district governments share the budget as per the ratio of 1:1. Leading local auto parts manufacturing will also receive supports to merge and acquire key international auto parts manufacturers on the market-oriented approach and subsequently register in Guangzhou. Manufacturers that have successfully moved into Guangzhou will receive a lump sum reward of 3 million CNY. Relevant district governments should formulate supporting policy of attracting investment in auto parts industry and ensure its timely implementation.
2. Introduction of investment promotion platforms. Industrial park operation and administration companies, investment-attracting entities, as well as lawfully established industrial associations and chambers of commerce that have successfully introduced auto parts industrial projects will be offered a reward equivalent of 1% of the output or turnover value in the first statistical calendar year, with a ceiling of 2 million CNY, in the case where the output or turnover value of the new project reached 50 million CNY or more during that period. The budget will be born by the municipal and district governments as per the ratio of 1:1.
3. Technical researches on key auto parts and core technology are encouraged. The municipal sci-tech fund will be given to encourage auto manufacturers to enhance collaboration with the companies and scientific research institutions that master the core technology of key auto parts. The companies that establish R&D and manufacturing centers for key parts will receive a reward equivalent to 10% of their paid-in registered capital (up to 20 million for each center) from the municipal and district governments as per the ratio of 7:3, and will receive prioritized support from the municipal special fund for industrial and information-based development.
4. Auto parts manufacturers will receive supports to conduct innovative R&D activities. For the investment in R&D of the previous year, the companies will receive a subsidy afterwards according to four standards based on the amount of the investment, namely less than 100 million, more than 100 million but less than 500 million, more than 500 million but less than 1 billion, and more than 1 billion CNY. Such subsidy will be up to 5% of the investment in R&D and will be provided by the municipal and district governments as per the ratio of 1:1.
5. Auto parts manufacturers will be supported in innovating internally based on their advantages within the industrial chain and then creating new companies through internal fission. Prioritized support will be provided to such new companies from the municipal special fund for the Development of Industry and Information Technology.

- Each will receive a reward equivalent to 10% of its paid-in registered capital (up to 20 million CNY for each) which will be contributed by the municipal and district governments as per the ratio of 7:3.
6. Construction projects of public service platform and supporting facilities by industrial park companies will receive a subsidy or loan with discounted interest equivalent to no more than 30% of the investment amount (up to 5 million for each project).
 7. Development of public technology service platforms is encouraged. For large-scale and innovative public technology service platforms that are newly established in or moved into Guangzhou International Auto Parts Industry Base, such as test and inspection centers, industrial standards development centers, incubation centers for S&T innovation, talent training institutions for auto industry, second-hand car trading platforms, auto parts trading or e-commerce platforms, and national intelligent and connected vehicle (ICV) testing and demonstration operation bases, a reward equivalent to 30% of their paid-in registered capital (up to 50 million for each) will be given by the municipal and district governments as per the ratio of 7:3. A subsidy equivalent to 30% of the actual investment (up to 3 million) will be given to big data management platforms for life cycle of cars that offer public social services and belong to industry association and intermediary institutions.
 8. Companies in the parks are encouraged to use public service platforms. Companies using public service platforms in the park will receive a subsidy equivalent to 30% of the access fee (up to 1 million for each company) as being verified.
 9. Companies and institutions in the parks are encouraged to establish standardization and regulation system related to intelligent and connected vehicle (ICV). For companies and institutions that take the lead in formulating national ICV standards and regulations or participating in the formulation of international ICV standards and regulations, a subsidy up to 800,000 will be given to each project after being verified.

Guangzhou Management Measures of Special Funds for Modern Logistics Development

Policy Category

Modern Logistics

Document Number

Sui Jiao [2016] No.292

Implemented by

Guangzhou Municipal Commission of Commerce

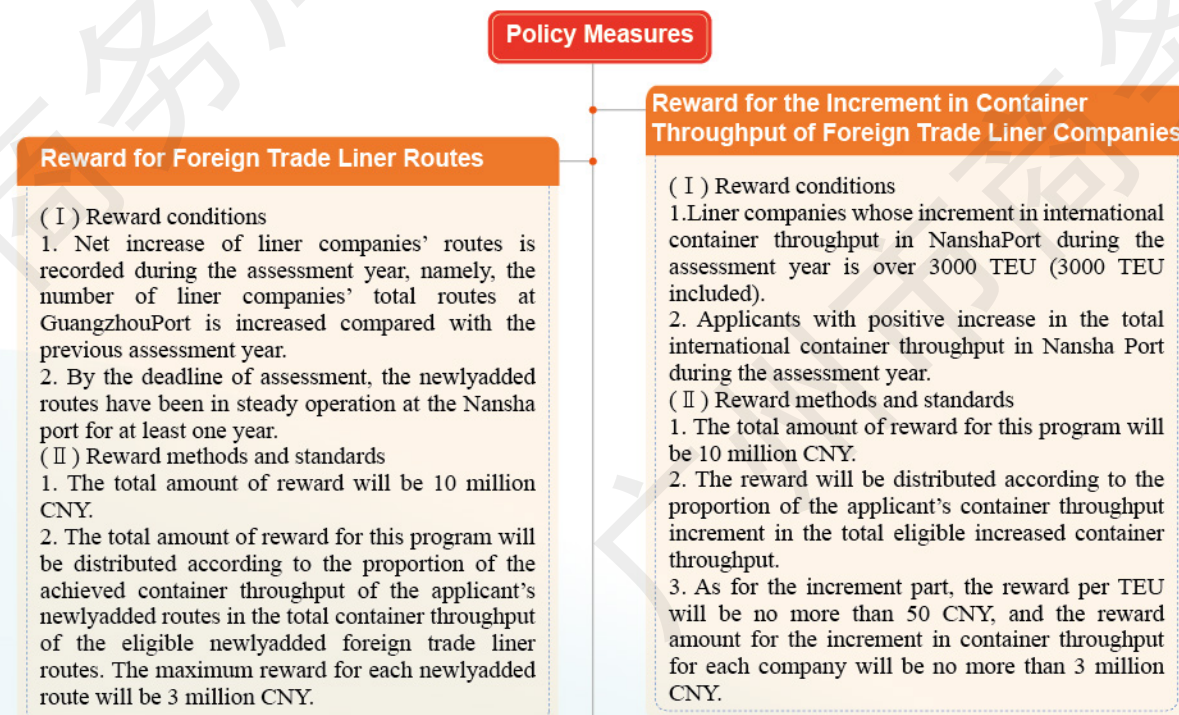
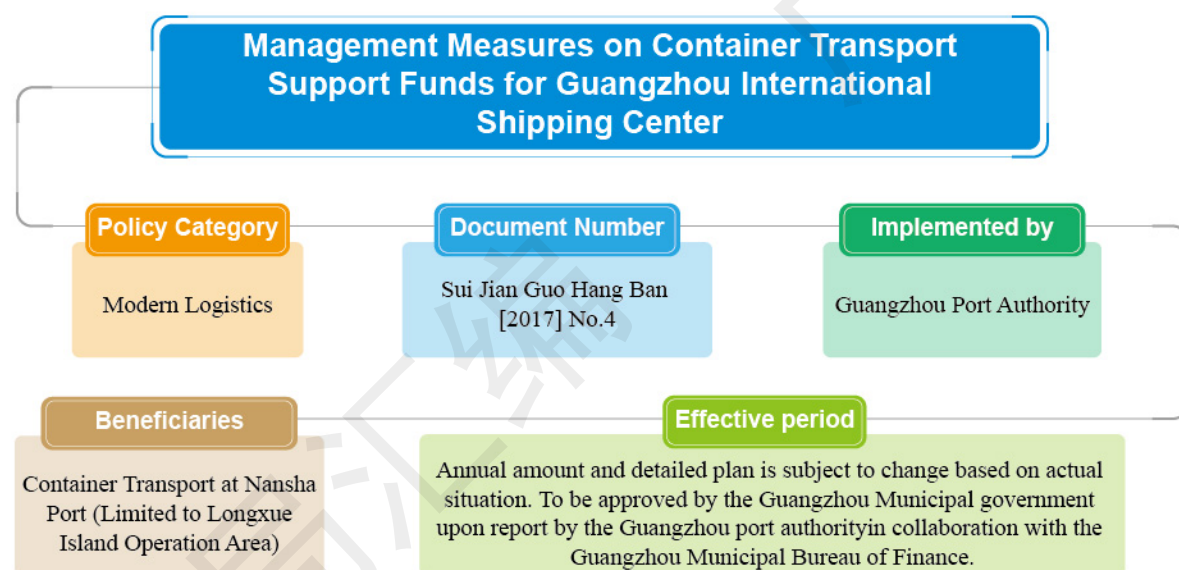
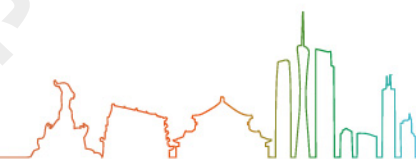
Effective Until

June 14, 2021

Policy Measures

Special Fund Support

The special fund will be given by means of non-reimbursable subsidy, no more than 10% of the total project investment, with a ceiling of 4 million CNY for each project



Policy Measures

Reward for the Increment in Container Throughput of Domestic Trade Liner Companies

- (I) Reward conditions
1. The total domestic container throughput achieved in NanshaPort during the assessment year is over 30,000 TEU (30,000 included).
 2. Applicants have achieved positive increase in the total domestic container throughput in NanshaPort during the assessment year.
- (II) Reward methods and standards
1. The total amount of reward for this program will be 5 million CNY.
 2. The reward will be distributed according to the proportion of the applicant's container throughput increment in the total eligible increased container throughput.
 3. The reward per TEU will be no more than 20 CNY for the increment part, with a maximum of 2.5 million CNY for each company.
 4. For the increment part, the reward per TEU will be no more than 20 CNY and the reward amount for the increment in container volume for each company will be no more than 2.5 million CNY.

Reward for Development of Rail-water Intermodal Transport

- (I) Reward conditions
- The loaded containers are transported to and from the GuangzhouPort by the rail-water intermodal transport shippers using railway transportation and the loaded containers volume is no less than 500 TEU in the assessment year.
- (II) Reward methods and standards
1. The total amount of reward for this program will be 5 million CNY.
 2. For loaded containers under rail-water intermodal transport, no more than 100 CNY per TEU if they are destined to and dispatched both in Guangdong province; no more than 300 CNY if they are destined and dispatched outside the Province.



Regulations on Developing Guangzhou as Regional Financial Center

Policy Category

Financial Policy

Document Number

Sui Fu [2013] No.11

Implemented by

Guangzhou Municipal Bureau of Financial Affairs

Effective Period

May 20th, 2018

Policy Measures

Beneficiaries

Institutions and individuals that are registered or operate in Guangzhou in financial, de facto financial or finance directly-related activities

Newly Established or Relocating Financial Institutions

1. A one-off reward will be granted to financial institutions with legal-person status according to the size of registered capital as per the following: 25 million CNY for registered capital of 2 billion CNY and above; 20 million CNY for registered capital of 1 billion CNY or above but less than 2 billion CNY; 15 million CNY for registered capital of 500 million CNY or above but less than 1 billion CNY; 10 million CNY for registered capital of 200 million CNY or above but less than 500 million CNY; 8 million CNY for registered capital of 100 million CNY or above but less than 200 million CNY; 5 million CNY for registered capital of 50 million CNY or above but less than 100 million CNY; 2 million CNY for registered capital of 20 million CNY or above but less than 50 million CNY. A one-off reward will be granted to the financial holding (group) as per the above-mentioned criteria, if they have registered and established operating financial institution headquarters in Guangzhou, upon approval by the national finance regulating authority. The reward standard by properly higher for those legal person financial institutions that are enlisted by Guangzhou municipal government as the key introduced projects and are of great importance to the regional financial center.
2. A one-off reward will be granted to regional headquarters of financial institutions: 2 million CNY to regional headquarters of banking, security and insurance and 500,000 CNY to regional headquarters of other financial institutions.
3. A one-off reward of 2 million CNY will be granted to financial supporting service institutions with more than 100 employees and an operation area of over 2,000 m²; one-off reward of no more than 5 million CNY will be granted to oversized financial supporting service institutions.

Newly Established Financial Market Trading Platform

A one-off reward of 20 million CNY will be granted to the national financial market trading platforms, and 10 million CNY to the regional financial market trading platform. One-off reward of 3 million CNY will be granted to the new primary branch established in Guangzhou by its national financial market-trading platform.

Policy Measures

Cultivation of Key Headquarters Companies

A one-off reward will be granted to the headquarters companies being accredited for the first time since 2012 as the following: 2 million CNY for those top 500 Chinese Service Companies; 5 million CNY for the Top 500 Companies in China; 20 million CNY for Fortune Global 500 companies. An additional reward will be granted to headquarters companies rated as the above mentioned titles for 3 consecutive years.

Operating Subsidies for Financial Institutions

An amount of 500,000 CNY subsidy will be granted to financial intermediary service institutions with over 10 million CNY profit in the previous year. For single small loan of less than 1 million CNY that is granted by small-loan company, 0.5% of risk compensation will be granted to the company based on the year's total amount and converted as one-year duration. The maximum annual subsidy for a single small-loan company shall be no more than 500,000 CNY. For well-managed and risk well-controlled top 20 fund-raising guarantee companies, 0.15% of risk compensation will be granted based on the year's total amount. The maximum amount to a single fund-raising guarantee company will be no more than 500,000 CNY. Banks in Guangzhou are encouraged to expand their financial service to agriculture, countryside and farmers, as well as small & micro businesses. A reward of 1 million CNY will be granted to the top 6 banks based on weighted calculation of newly increased loans and increasing ratio.

Increase of Capital and Share by Local Financial Institutions with Legal Person Status

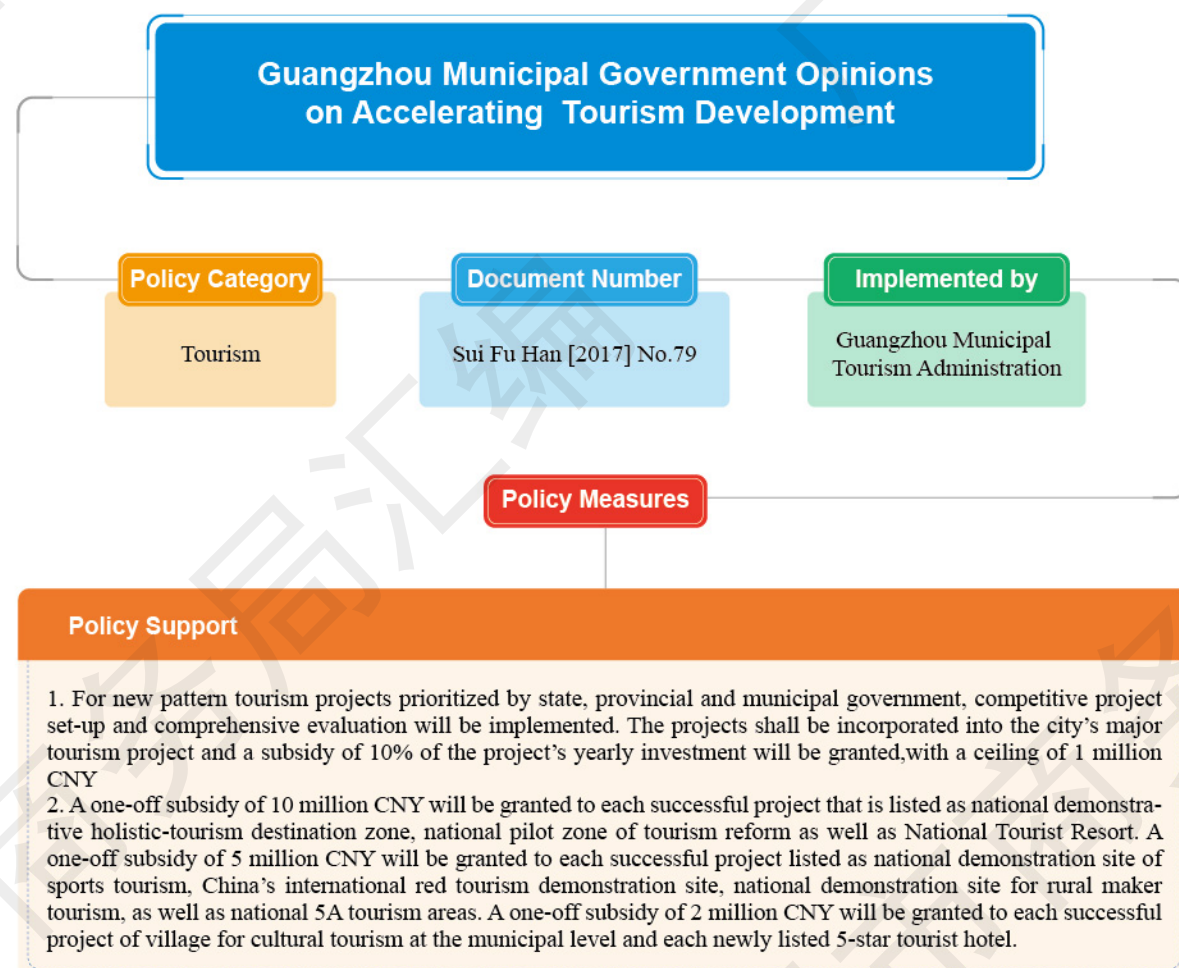
A one-off reward of 10 million CNY will be granted for additional registered capital of 3 billion CNY and above.
A one-off reward of 8 million CNY will be granted to additional registered capital of 2 billion CNY and above but less than 3 billion CNY.
A one-off reward of 4 million CNY will be granted to additional registered capital of 1 billion CNY but less than 2 billion CNY.
A one-off reward of 2 million CNY will be granted to the entities of additional registered capital of 500 million CNY and above but less than 1 billion CNY.
A one-off reward of 1 million CNY will be granted to additional registered capital of 200 million CNY and above but less than 500 million CNY.
A one-off reward of 500,000 CNY will be granted to additional registered capital of 100 million CNY and above but less than 200 million CNY.

Companies Raising Funds from Capital Market

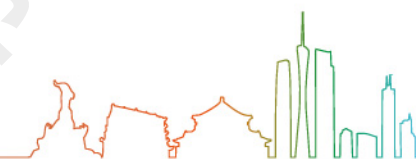
1. A one-off subsidy of 3 million CNY will be granted to Guangzhou's newly listed companies at home or abroad. One-off subsidy of 2 million CNY will be granted to listed companies that relocate in Guangzhou.
2. A one-off subsidy of 1 million CNY will be granted to Guangzhou companies that are listed and traded at the National Equities Exchange and Quotations.
3. A one-off subsidy of 300,000 CNY will be granted to joint-stock companies that are listed in Guangzhou equity trading center.
4. A one-off subsidy of 10% of its issuing cost but no more than 500,000 CNY will be granted to Guangzhou companies issuing new bonds on the stock exchange market and inter-bank market.

08 Policies for Tourism

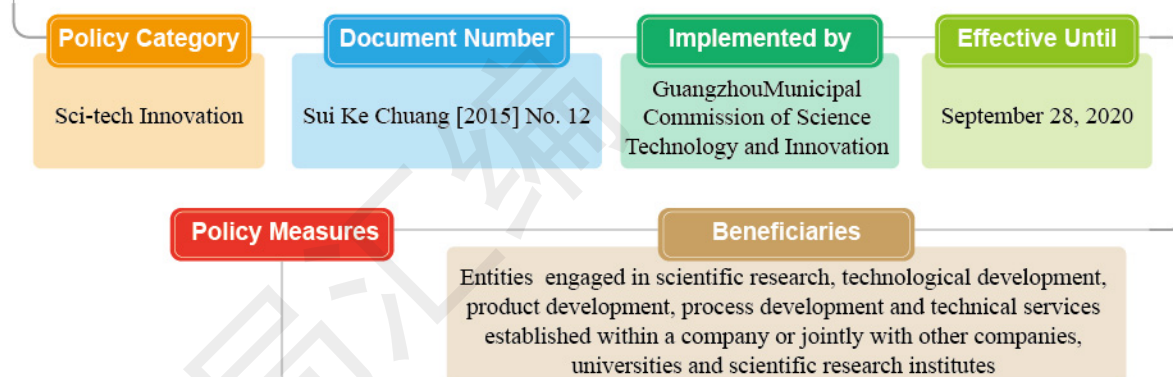




09 Policies for Science and Technology Innovation

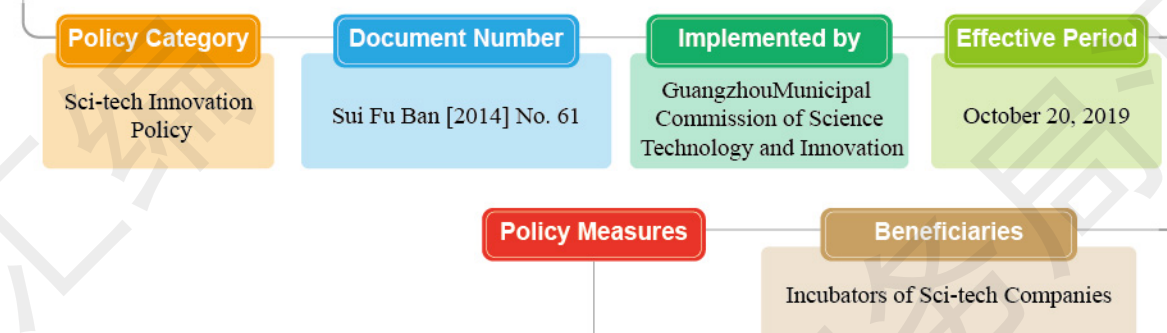


Guangzhou Implementation Measures for Supporting Companies in Establishing R&D Institutions



- Guangzhou Science Technology and Innovation Commission coordinates the implementation of the city's special fund for construction of R&D institutions, via providing guidance and supporting eligible companies in establishing their R&D institutions. The Municipal's special fund for Establishing R&D Institutions will support those companies that establish R&D institutions based on the required standards, via the "post-project-approval, post-subsidy" approach.
- Guangzhou municipal and district governments jointly fund the setting-up of R&D institutions by companies. Each district should arrange certain amount of scientific and technical funds in their fiscal budgets. Companies developing their R&D institutions as per standards may be subsidized with up to 1 million CNY, of which 60% is funded by the municipal government and 40% by the government of the district where the company is located.
- Standards for establishing R&D institutions by local companies:
 - (1) the companies should establish sustainable and stable R&D investment mechanisms and have already conducted R&D activities; R&D investments in the previous year should be no less than 2% of the annual sales revenue; or the average annual R&D investments in the previous three years should be no less than 2 million CNY;
 - (2) their R&D institutions should have fixed R&D sites, offices, instruments and other necessary scientific research conditions; the area of each individual R&D site should be no less than 200 m²; the original value of the total fixed assets for R&D activities (excluding real estate assets) should be no less than 2 million CNY, or no less than 1 million CNY for those established by software, design and service companies; for those joint R&D institutions agreements for that purposes should be provided, in addition to these conditions mentioned above. At the same time, the companies should have invested no less than 1.5 million CNY in the joint R&D institutions.
 - (3) the R&D institutions should have full-time R&D teams and designated managers and leading technicians; the number of full-time R&D personnel should be no less than 10, at least 50% of them be in possession of bachelor degrees or above or intermediate professional titles.

Management Measures on Special Fund for Incubators of Sci-tech Companies



- Subsidies for loan interest for incubator construction: no more than 3 million CNY.
- Subsidies for new incubation area: one-off subsidy will be granted to the operators, 5,000 CNY for each 100squaremeter.
- Subsidies for construction of public technology platforms: a one-off subsidy of 30% of the investment but no more than 3 million CNY will be granted to the platform providers.
- Subsidies for purchasing incubation and technical services: a subsidy of 50% of the actually-paid fee but no more than 1 million CNY per incubator per year.
- Subsidies for investments in enterprises in the process of incubation: 10% of the year's actually-incurred investments but no more than 1 million CNY.
- Work subsidies for entrepreneurship tutors: 30,000 CNY per tutor each year but no more than 300,000 CNY for an incubator operator each year.
- Subsidies for college student start-ups: a start-up tutoring subsidy of 30,000 CNY per start-up employing five college students and above will be granted to the incubator operators, with a ceiling of 1.5 million CNY each year.
- Subsidies for loan guarantee fee: up to 500,000 CNY for each company in the process of incubation.
- Subsidies for rent for companies in incubation: a monthly subsidy of 10 CNY per square meter.
- Reward for accredited incubators: a one-off subsidy of 500,000 CNY, 1 million CNY and 2 million CNY will be granted to each newly accredited municipal, provincial or state-level incubator but no more than 2 million CNY in total for each incubator. A one-off and maximum amount of 1 million CNY will be granted to institutions that set up modeled chain incubators of sci-tech start-ups.
- Rewards for graduated companies: a reward of 200,000 CNY will be granted to companies which have operated in Guangzhou for more than two years after expiration of the incubation period and grew by no less than 10% in terms of business revenue. A reward of 1 million CNY to be granted to those who introduce companies incubated overseas.
- Rewards for IPO of graduated companies: a respective subsidy of 200,000 CNY, 500,000 or 1 million CNY will be granted to the incubator from where any of its graduated company is listed at the GuangzhouEquityTradingCenter, New OTC Market or stock markets at home and abroad. The rewards should not be accumulated.
- Rewards for accredited high and technology companies: a reward of 500,000 CNY will be granted to each accredited high and new technology company, without accumulation.
- Rewards for incubator performance: a reward of 200,000 CNY will be granted to the incubator with an annual performance evaluation of over 80 points. Total yearly subsidies to each incubator rewarded under 2 - 7 categories should not exceed 5 million CNY.

Action Plan for Cultivating Little Giant Sci-tech Innovation Companies and High-tech Companies

Policy Category

Sci-tech Innovation

Document Number

Sui Fu Ban Han [2015]
No. 127

Implemented by

Guangzhou Municipal
Commission of Science
Technology and Innovation

Beneficiaries

Sci-tech innovation companies and high and new technology companies. Eligible candidates shall fulfill one of the following three requirements for being listed into the pool.

I. To fulfill the following seven requirements:

- 1 The main business or products of the companies should be in line with national prioritized areas of high and new technology. Or the companies should have their own innovation mode and core competitiveness;
- 2 The companies should be registered in Guangzhou for over one year with independent legal entity;
- 3 The companies should have independent intellectual property rights;
- 4 The number of scientific and technical personnel with bachelor or above degrees and the number of R&D personnel should account for over 15% and 5% of the total number of employees respectively;

5 R&D expenditures in the previous two years account for no less than 3% of total sales revenue;

6 Revenue from high-tech products (services) exceeds 40% of the total revenue, or annual growth rate of sales revenue exceeds 40%;

7 The companies should establish standard financial management processes and set up a special account for R&D expenditures.

II. The sci-tech innovation companies, accredited by authoritative third-party institutions, may be enlisted in the pool upon approval of the Guangzhou Science Technology and Innovation Commission.

III. Companies already in the list of Fostering Pool of High and New Technology Companies of Guangdong Province may be included into the Pool upon approval of Guangzhou Science Technology and Innovation Commission by submitting relevant materials.

Policy Measures

1. In accordance with the basic requirements of becoming Little Giant Sci-tech Innovation Companies, Some sci-tech and innovation companies will be selected and listed into the Pool of Little Giant Sci-tech Innovation Companies based on the basic requirements above. A subsidy of 600,000 CNY will be granted to each selected company by Guangzhou Municipality and its districts in a certain ratio. The subsidies will be granted annually with the proportion of 3:2:1 for three consecutive years. The fund should be solely used for activities relating to R&D and innovation improvement.

2. Promotion of application (including re-examination) for high and new-technology accreditation. During the implementation of the Plan, the companies, who have submitted applications in the Guangdong Sci-tech Service Management System (Guangdong Govern-

ment Sunshine E-Platform) and whose applications have been accepted by Guangdong Provincial Department of Science and Technology, will be granted with a subsidy of 200,000 CNY by the Guangzhou Municipality. Each company is entitled to this subsidy only once.

3. Rewards will be granted to companies that have been accredited as new and high-tech companies (including reexamination). During the implementation of the Plan, the certified companies (including reexamination), will be rewarded of 1 million CNY by Guangzhou Municipality and its districts at a certain ratio, which can be used by the companies at their discretion. The certified high-tech companies are encouraged to establish R&D institutions and increase R&D investments, which can also be subsidized by Guangzhou Municipality in accordance with relevant policies.

Management Measures on Pearl River Sci-Tech Rising Star Program

Policy Category

Sci-tech Innovation

Document Number

Sui Ke Chuang [2015] No. 10

Implemented by

Guangzhou Municipal
Commission of Science
Technology and Innovation

Effective Until

2020

Beneficiaries

Outstanding leading sci-tech youths, with the following criteria for application:

1. Continuously working full-time in Guangzhou for at least two years;
2. Having a solid professional foundation, strong scientific research and innovation potentials and active academic thinking, without bad integrity records in scientific research and no academic misconducts;
3. Under 35 years old. Applicants from public institutions such as universities, scientific research institutes, medical institutions as well as private non-company

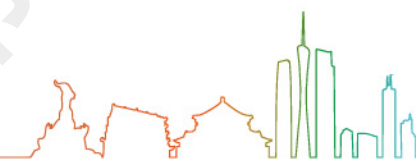
entities must have doctoral degrees or sub-senior professional titles (including) or above; applicants from companies must have bachelor degrees or above; there is no specific requirement for professional titles; 4. Applicants from public institutions such as universities, scientific research institutes, medical institutions as well as private non-company units should have been involved in scientific research projects at the state, provincial and municipal levels. Otherwise they have to be inventors of authorized patents of invention.

Policy Measures

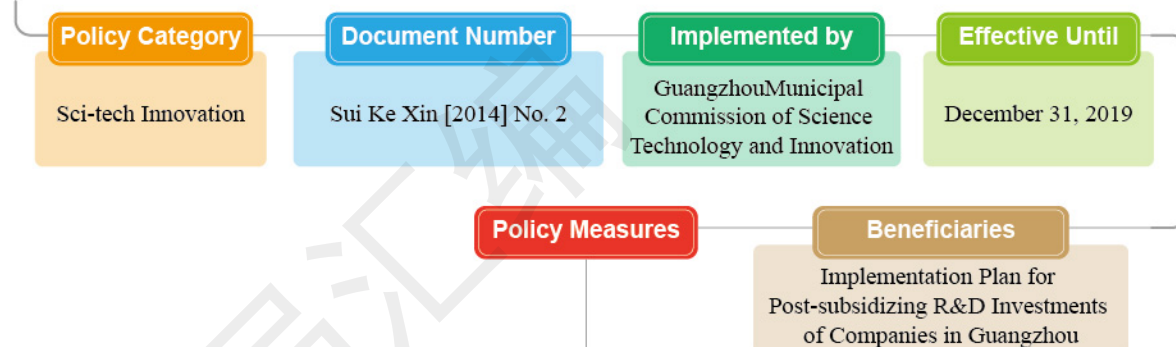
1. The Pearl River Sci-tech Rising Star Program encourages young sci-tech talents under 35 years to lead self-independent innovation and research activities as project managers, which includes fundamental research on the application of natural science, technological development and production transmutation (except for social science). Certificate of Guangzhou Pearl River Sci-tech Rising Star will be rewarded to 200 selected Pearl River sci-tech rising stars. Among them, 120 will be from public institutions (universities, scientific research institutes, medical institutions, etc.)

and private non-company entities, and 80 from companies.

2. The Program will be conducted in the way of pre-financing during the three-year period. Selected Stars will be subsidized by municipal sci-tech funds in 3 consecutive years. Those from public institutions and private non-company entities will be subsidized with 100,000 CNY annually, totaling of 300,000 CNY, while those from companies will be subsidized with 150,000 CNY annually, with a total amount of 450,000 CNY.



Guangzhou Implementation Plan for Post-subsidizing R&D Investments of Companies



1. Type of subsidy and criteria: the one-off post-subsidy for R&D investments of the companies will be granted as a reward, which will be provided by Guangzhou Municipality and its districts in a certain ratio of the R&D expenditures of companies in the previous year. The R&D expenditures should be those invested by the companies, excluding the sci-tech funds from all levels of government departments. The ways of ratifying the R&D expenditures of companies in the previous year include:

(1) Industrial companies of above designated size
Industrial companies of above designated size should provide the Information Sheet of Sci-tech Projects of Companies and Information Sheet of Sci-tech Events filled and submitted on Guangzhou Online Statistical Platform according to the law. The R&D expenditures verified by the national statistical authorities should be the basis for the post-subsidies.

(2) Other companies.

Other companies should report the pre-tax plus deduction of R&D expenditures for record according to relevant requirements, and the amount of plus pre-tax deduction of R&D expenditures reported by companies during the annual tax return period verified by tax

authorities should be the basis for the post-subsidies. The companies applying for R&D subsidies should present R&D expenditures according to relevant files and set up a subsidiary ledger separately.

2. Amount of subsidies: amount of subsidies for the R&D expenditures of companies are as follows

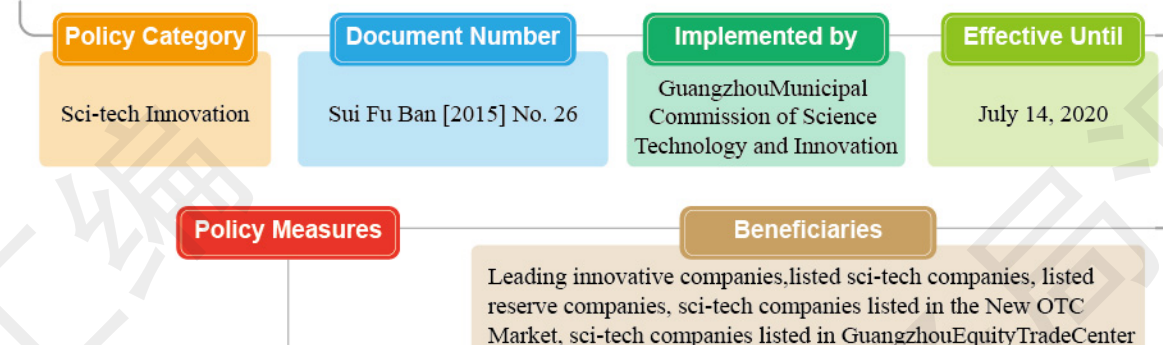
(1) for R&D expenditures of less than 100 million CNY in previous year, 5% of the expenditures will be subsidized;

(2) for R&D expenditures of more than 100 million CNY (inclusive) and less than 500 million CNY in previous year, 5 million CNY out of the expenditures of 100 million CNY and 2.5% of the rest expenditures will be subsidized;

(3) for R&D expenditures of more than 500 million CNY and less than 1 billion CNY in previous year, 15 million CNY out of the expenditures of 500 million CNY and 2% of the rest expenditures will be subsidized;

(4) for R&D expenditures of more than 1 billion CNY in previous year, 25 million CNY out of the expenditure of 1 billion CNY and 1% of the rest expenditures will be subsidized;

Implementation Opinions on Promoting Integrated Development of Sci-tech, Finance and Industry



1. Long-term equity investment in sci-tech SMEs is encouraged. Investors registered in Guangzhou and investing in Guangzhou sci-tech companies in the incubation period and start-up stage for three years will be subsidized with 5% of the investments, with a ceiling of 5 million CNY; the internet crowd-funding platforms, which register in Guangzhou and help Guangzhou sci-tech companies in the incubation period and start-up stage realize equity-based crowd-funding, should be subsidized with 5% of the amount by crowd-funding, with a ceiling of 5 million CNY;

2. Investment incentive mechanism will be established. Those sci-tech companies and projects in the incubation period and start-up stage, which already introduce investments from venture capitals or equity investments from crowd-funding platforms, should be subsidized with 10% of the actually paid investments once for all, with a ceiling of 1 million CNY;

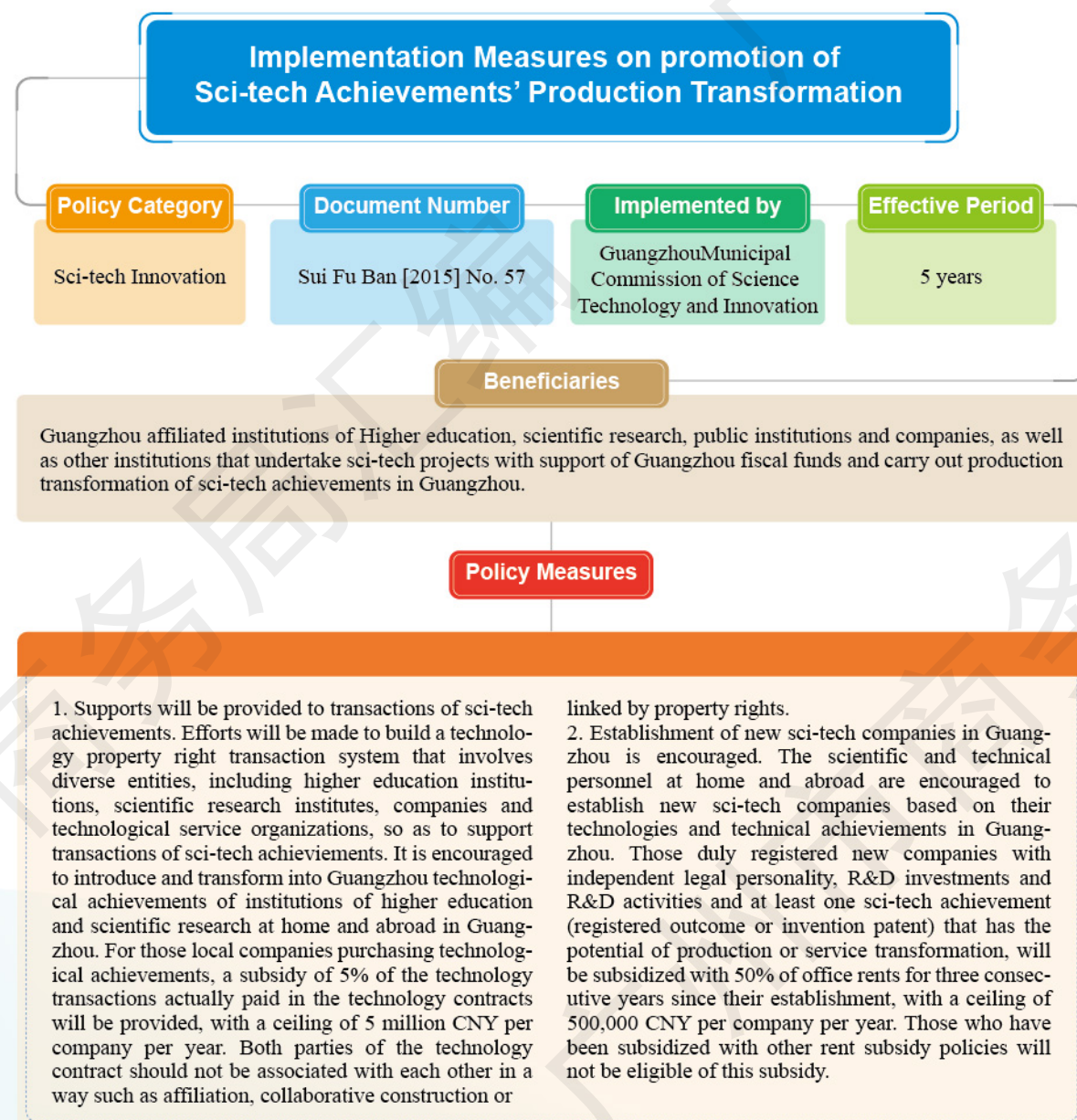
3. Risk compensation funds for the incubator of sci-tech companies will be established. For the bad loans that the companies in incubation meet in their first loans, losses in principals should be compensated in a certain proportion by such funds, and the compensation by fiscal funds of Guangzhou Municipality should be no more than 2 million CNY for an individual project.

4. Efforts will be made to optimize the custody mechanism for entrepreneurship investment guidance funds in Guangzhou. Each year, equity investment will be made to create more than two sub-funds for entrepreneurship investment. Investment companies or entrepreneurship investment management companies will be supported in applying to relevant state authorities to set up sub-funds for entrepreneurship investment under the sci-tech achievements commercialization guidance funds, aiming to raise no less than 100 million CNY of funds for entrepreneurship investments.

5. The banking credit risk sharing mechanism for sci-tech SMEs will be established and improved, so as to guide the commercial banks and their sci-tech branches to grant scientific and technical credit lines of no less than 10 times of the risk compensation funds according to the franchise policies of sci-tech loans and new credit product models, while the credit line of an individual project should be no more than 20 million CNY. For the bad loans emerging in launching new credit products, 50% of losses in the principals should be compensated with the risk compensation funds. Promote Guangdong Province and Guangzhou Municipality to jointly set up credit risk compensation funds for incubators of sci-tech companies: for the bad loans that the companies in incubation meet, losses in principals should be shared in a certain proportion by the banks and the incubators; the compensation from fiscal funds of Guangzhou Municipality in compensation funds of incubators for individual projects should be no more than 3 million CNY.

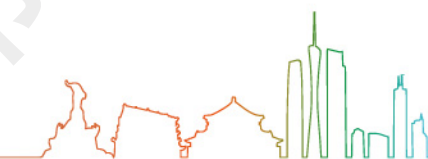
6. For the loans to sci-tech SMEs, the interest exceeding the benchmark interest rate in the same period can be discounted to a certain percentage. The discounting period for each project should not exceed two years, and the amount should be no more than 1 million CNY per company per year.

7. Financial supports will be provided to the sci-tech SMEs to be listed into Guangzhou Equity Exchange. To prioritize support for eligible sci-tech companies that will be listed in the New OTC Market; the listing expenditures of the sci-tech companies listed in the New OTC Market should be subsidized in stages. The sci-tech companies completing shareholding system reform will each receive a one-off subsidy of 200,000 CNY, while the brokerages contracted to offer consultation services will each receive an one-off subsidy of 500,000 CNY.



Policies for High-end Professional Service Industry





Policy Measures

Support to brand building

Enhance brand publicity efforts, and provide guidance to companies in high-end professional service industry to strengthen brand service awareness. Support those companies in creating famous brands at various levels, companies earning the titles of "Famous Brand in China," "Famous Brand in Guangdong Province" and "Famous Brand in Guangzhou" for the first time will each receive a one-off reward of 1 million CNY, 300,000 and 100,000 CNY. Support design institutes, firms and studios to participate in evaluation and appraisal events in various industries. Those earning Guangzhou Mayor Quality Award, Pritzker Architecture Prize (US), IF Product Design Award (Germany), Red Dot Design Award (Germany), China Advertising Great Wall Award and China Red Star Design Award will each be rewarded 30,000 - 1 million CNY according to the Guangzhou reward Scheme for High-end Professional Service Industry. Applicants for the above rewards should have been registered in Guangzhou for over one year. Each award-winning work may be rewarded once but should be eligible for the highest applicable standard.

Support to Events

Support the development of industrial associations and alliances in the high-end professional service industry, encourage leading companies and industrial associations to host global and national contests, conferences, forums and exhibitions in Guangzhou in a market-oriented approach. Large-scale events spending over 5 million CNY will be granted a subsidy of 30% and up to 3 million CNY as being verified.

Enhancing incubation of design service start-up companies

Enhance the support to micro and small design companies in national advertising industry parks and municipal-level or above cultural industry demonstrative parks. Office renting subsidies will be granted at a proportion of 50% of total rent to advertisement design, engineering design and industrial design companies registered in the parks for less than three years and with a turnover of less than 2 million CNY. Subsidies for each company should not exceed 100,000 CNY per year in a maximum period of three consecutive years; Annual total subsidies in each park should not exceed 2 million CNY.

Support Guangzhou-based companies in utilizing capital market to accelerate development

Support Guangzhou companies in the high-end professional service industry in utilizing multi-level capital markets. Expenditures incurred for increasing share, financing, listed on stock market, merger and acquisitions will be subsidized as per the Provisions to Support Development of Regional Financial Center in Guangzhou. Support commercial banks, guarantee agencies and finance lease institutions in Guangzhou in launching financing products for micro and small companies in the high-end professional service industry. They will be subsidized according to relevant compensation rules on financing risks of micro, small and medium companies in Guangzhou.

Support to key parks

Guangzhou-based companies in high-end professional service industry are allowed to add the wording "Guangzhou" to their company name regardless of registered capital amount. They may also include the names of the administrative districts where they domicile after their company names and before the type of incorporation to maximize the brands' effect.



广东省网上办事大厅 广州分行



11

Policies of Commercial Administration

Guangzhou Municipal People's Government General Office Opinions on Optimizing Market Access Environment

Policy Category

Commercial Policies

Document Number

Sui Fu Ban Gui [2017] No. 13

Implemented by

Guangzhou Municipal Administration of Industry and Commerce

Effective Until

August 25, 2020

Policy Measures

Supportive Policies

1. Self-application of enterprise names

For the enterprise' names, the prior approval procedure is replaced by self-application. Except for those names prohibited or limited by laws, regulations, rules and regulatory documents, applicants may inquire, compare, determine and apply for enterprise' names on their own in the Self-application System, which may be made valid after examination by the System.

2. Self-application of residence (business locations)

For the purpose of domicile (business location) registration of commercial entities, except for those in the negative list (see the appendix) which are not applicable to self-application, applicants may register online the 5 types of basic information, namely domicile(business locations) address, contacts, ownership, legal usage and relevant descriptions. The applicants should be held accountable for the authenticity and legality of the submitted information. The industry and commerce authority only conducts examination of formality.

3. Self-application of business scope

Commercial entities may register online their business scopes, except from those relating to administrative licensing. For those not involving administrative approval, commercial entities may register their business scope on their own, with reference to National Industries Classification or policy documents, industry common practice or professional documents. The industry and commerce authority should dynamically adjust and administer the business scopedatabase by regularly collecting the personalized business scopes registered by commercial entities and incorporating them as standard description in the business scopedatabase.

4. Support for the development of new financial business formats

Applications by commercial entities for engaging in 11 types of business scopes requiring pre-approval examination, including security, banking, futures and insurance should be jointly examined by industry & commerce and financial authorities. The industry and commerce authority will immediately initiate registration procedure upon receiving pre-approval information from the financial agency; commercial entities applying for other business scopes will be granted with business licenses before certification are approved. Commercial entities engaged in scopes of commercial factoring and finance leasing, etc., may be should be approved and registered by the industry and commerce authority in accordance with the Company Law of the People's Republic of China.

5. Approval of commercial set-up registration in the case of missing non-essential documentation

Tolerance Registration system has been tried out for the application of new commercial entities. The industry and commerce authority should accept and ratify applications where submitted documentation is basically complete and complies with the legal forms, even though non-essential material is missing or fault. The authority should inform the applicants with one-off notification of deadline and documentation needed to be supplied or amended, and the applicants have to promise to do so.

Next Page

Page Up

Supportive Policies

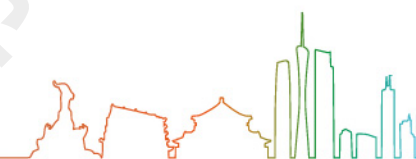
6. Implementing whole-process digitalization of commercial entity registration and administration

In view of optimizing examination process and making it possible for real-time data sharing, a whole-process digitalization of commercial entity registration and administration will be put in place, which includes online application, examination, approval, licensing, filing and online publicity. The new practice is supported by mainstream information technology of digital certificates and electronic signatures, based on pertinent national laws and regulations.

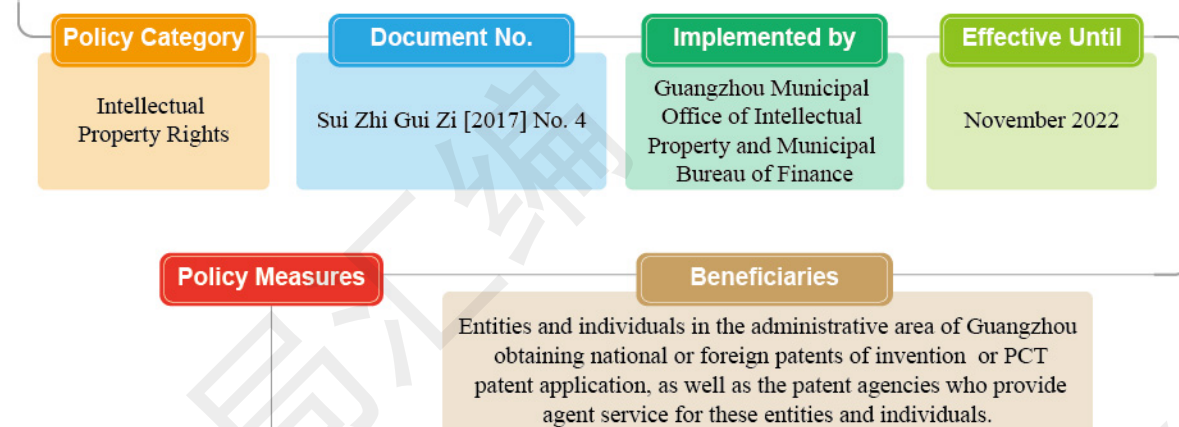
7. Launching green channel for key companies

Set up special teams to provide active and regular service to key companies, headquarters companies investing in Guangzhou and key companies introduced by governments of various levels. Areas of service will include provision of information regarding new policies, regulations and requirements; to set up special teams to provide service to state-owned non-company enterprises in the process of transformation into incorporated companies, and Guangzhou SOEs for their formation into conglomerates or other capital reorganization. The municipal industry and commerce authority will lead and coordinate other agencies in the areas of development and reform, industry and information, sci-tech innovation, finance and taxation, services to provide service in pre-involvement of their registration advisory guidance, problem solution and special follow-up teams.





Guangzhou Municipal Intellectual Property Office and Municipal Bureau of Finance Notice on Management Measures on Special Patent Funds



Applicants

Eligible applicants for subsidies should, i) hold granted national or foreign patents of invention in the last calendar year, or ii) have their patent applications enter the national stage (foreign) via PCT in the last calendar year, or iii) hold national patent(s) of invention that have lasted for over 6 years with the first patentee domiciling within the city's administrative area. Moreover, patentees shall be one of the following:

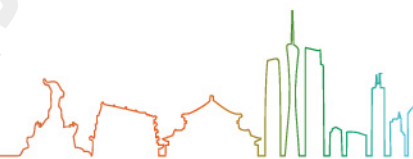
1. companies, public institutions, social organizations and other organizations whose registration address is within the city's administrative area;
2. individuals who are the city's registered permanent residence, or work in the city and hold residence permits with residence addresses in Guangzhou, or hold the city's certificate of employment for overseas students;
3. students who attend a full-time school in Guangzhou.

The patent agencies should be those that register in Guangzhou or branches operating in Guangzhou of non-local agencies that are duly filed in Guangdong Intellectual Property Office.

Criteria of Subsidies

1. Subsidies will be provided for patentees after grant of national (including Hong Kong, Macao and Taiwan) patents of invention as the following: 4,300 CNY per case for patents of in-service invention; 2,500 CNY per case for patents of non-duty invention; 850 CNY per case for those who had enjoyed fee reductions from State Intellectual Property Office. For those who are granted with patents of invention for the first time, an additional 2,000 CNY will be granted; for those who entrusted patent agencies, an additional 1,300 CNY per case will be granted.
2. Subsidies will be provided to patentees after grant of foreign patents of invention as the following: 40,000 CNY per case for those granted with patents of invention in countries and regions such as the United States, Japan, United Kingdom and EU Member states; 20,000 CNY per case for those granted with patents of invention in countries along the Belt and Road Initiative; 10,000 CNY per case for those granted patents of invention in other countries or regions. The total subsidies for one individual patent case shall not exceed 80,000 CNY.

3. Subsidies will be provided to patentees who have entered national (foreign) application process via Patent Cooperation Treaty (PCT) as the following: 10,000 CNY per case for in-service applicants and 5,000 CNY per case for non-duty applicants.
4. Subsidies will be provided to patentees for their patents of invention annual fees: The patents should be valid at the time of subsidy application and would remain valid for at least another 6 years. The subsidy will be provided for two times, the first time, 1800 CNY for those remaining valid for 6 years since application, and a one-off subsidy of for the second time for those remaining valid for 7 to 9 years, 1,500 CNY per case, 3,000 CNY per case and 4,500 CNY per case respectively for those remaining valid for 7, 8 and 9 years.
5. Subsidy for major patentees: those granted with over 20 patents of invention in the previous year will each receive a reward of 30,000 CNY. The reward amount may be doubled for every 20 additional granted patents. Patentees who have been subsidized as above apply for subsidies again in the same year, subsidies will only be provided for the incremental part by deducting the maximum number of patents granted in the subsidized year from the number of granted patents of the previous year.
6. Subsidies will be provided to patent agencies: 500 CNY per case will be provided to patent agencies offering agent service for application of local patents of invention that are later granted.



Guangzhou Implementation Measures for Lease-Grant Practice and Flexible Grant Period in Granting Land Use Right of Industrial Land

Policy Category

State-owned Land Planning

Document Number

Sui Fu Gui [2017] No. 9

Implemented by

Guangzhou Municipal Commission of Land Resources and Planning

Effective Until

August 31, 2022

Policy Measures

Beneficiaries

Projects involving industrial land

Lease-before Assignment Practice and Flexible Period in Assigning Land Use Right of Industrial Land

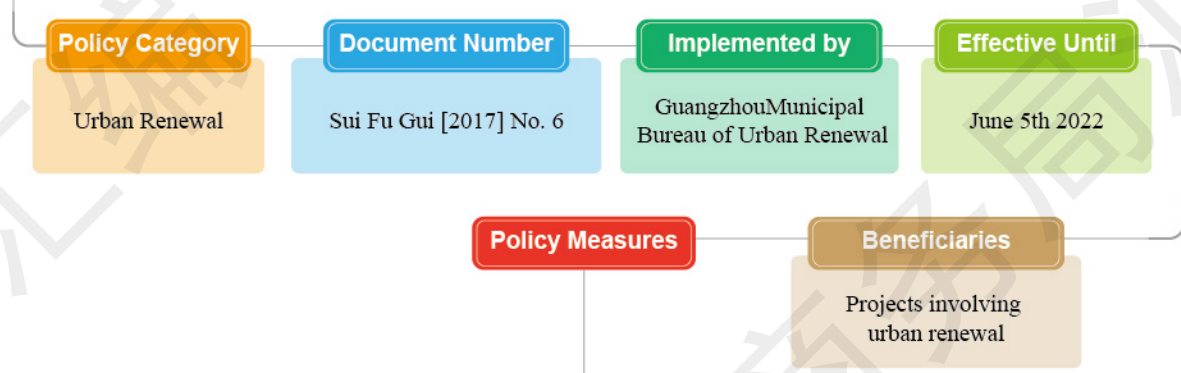
For the purpose of establishing a sound industrial land supply and paid use system, reducing land use cost of companies, and improving turnaround efficiency of the land market, the industrial land in Guangzhou may be supplied through Lease-before-Granting arrangement and flexible granting period in addition to the conventional granting of maximal period as stipulated by relevant regulations in China.

The lease of industrial land use right mentioned herein means that, industrial land use right is leased to the land user for a certain number of years, with a leasing contract being concluded between the tenant and the competent administrative department for land resources and planning, and corresponding rental being paid by the tenant.

The grant of industrial land use right for a flexible period mentioned herein means that, the number of years for grant of industrial land use right will be reasonably determined within the law-permitted maximal limit in view of the industry development requirements and the business condition of the intended land user. The land use right will be granted to upon the grant contract being concluded between the assignee and the competent administrative department for land resources and planning, and grant fee being paid by the assignee.

14 Urban Renewal Policies

Guangzhou Municipal People's Government Implementation Opinions on Upgrading Urban Renewal and Promoting Intensive Use of Land



Support Measures

Old factory sites on state-owned land that have been included into the city's annual urban renewal plan may be allowed to be put into transformation into government-supported new industries or new form of businesses on the existing industrial land, including advanced manufacturing, production and hi-tech service industries, entrepreneurship and innovation platforms and modern services. Such renewal efforts are allowed without changing the existing industrial land-use nature within a 5-year transitional period. Registration procedure for new land use nature may be completed upon approval by the municipal government after that period.

15 Policies for Talents

Guangzhou Opinions on Accelerating the Gathering of Leading Industrial Talents Guangzhou Incentive Measures for Leading Industrial Talents

Policy Category

Policy for Talents

Document Number

Sui Zi [2016] No. 1,
Sui Zu Zi [2016] No. 16

Effective Period

Promulgated on
February 26, 2016

Implemented by

Organization Department of the CPC Guangzhou Municipal Committee (policy & coordination); Municipal Commission of Science Technology and Innovation (accepting the application for allowance for outstanding industrial talents); Municipal Bureau of Human Resources and Social Security (accepting the application for allowance for talents dedicated to industrial development & innovation, and for companies excelling in introducing talents)

Beneficiaries

1. Key and leading companies. Companies with comprehensive advantages in their industries across the country, high market shares and immense significance for economic development.
2. Fast-growing companies. The fast-growing ones that generate high returns and added value in the key industries of the city.
3. Start-ups. SMEs established for no more than 3 years, possessing core technologies and innovative achievements, with great market potential in the strategic emerging industries of the city.
4. Newly introduced companies. Referring to those newly introduced or relocated from other cities, meeting the city's policies for advanced manufacturing, registered in the city for no more than 3 years with paid-in registered capital of over 50 million CNY, or those registered in the city for no more than 5 years with paid-in registered capital of over 100 million CNY.

Policy Measures

Allowance for Outstanding Industrial Talents

1. Evaluation and selection will be conducted once every year to finalize the list of talents receiving allowance (no more than 30 in principle).
2. Eligibility for evaluation: The candidates should be full-time employees of the applying companies for more than one year, or have been introduced on flexible terms for over two years (i.e., working for no less than six months annually in Guangzhou), and satisfy one of the following criteria:
 - (a) having developed internationally or domestically leading core technologies and innovative products with independent intellectual property rights;
 - (b) having addressed key and critical technical challenges in the city's major projects, major construction projects, major technical transformation projects, etc.;
 - (c) applying scientific management concepts and knowledge to innovate management methods, being adept in expanding the market and facilitating safe production. The companies which the candidates serve take the lead in their industries across the nation in indicators for management and comprehensive economic benefits for three consecutive years;
 - (d) having made considerable contributions to the innovation, transformation, application, promotion and education of technologies, and ranked high or received awards in international or national skill competitions; and
 - (e) having made exceptional achievements in other industrial areas, which contribute significantly to the economic and social development of the city.
3. The qualified candidates will be classified into three levels based on their reviewed contribution to the economic and social development of the city, each receiving one-off emolument-type allowance of 5 million CNY, 1 million CNY and 500,000 CNY respectively.

Policy Measures

Allowance for Talents Dedicated to Industrial Development & Innovation

1. There are two levels of talents: high-caliber industrial talents and most-needed industrial talents. In principle, the number of the former talents should not exceed 1,000 people per year, and the latter 2,000.
2. Eligibility for applying for high-caliber industrial talents: employees who hold senior positions in business management, R&D, production, finance and sales in companies with an annual taxable remuneration of over 300,000 CNY (inclusive). Specifically, they include:
 - (a) chairman of the BOD(Board of Directors), vice chairman of BOD, general manager (president), deputy general manager (vice president), chairman of the BOS(Board of Supervisors), chief economist, chief accountant and other employees in the senior management holding deputy positions or above;
 - (b) chief engineer, chief technology officer, chief scientist, heads of R&D units such as company technology centers, key laboratories, engineering centers, engineering technology research centers, engineering laboratories, and other senior R&D staff who undertake major projects for technical breakthroughs or product development;
 - (c) heads of a company's core business units, senior technicians, skill masters, and other highly-skilled professionals who are able to address the issues related to key technologies and operational challenges in production processes, leading to significant improvements in production efficiency and product quality.
3. Eligibility for applying for most-needed industrial talents: employees who are highly capable and skilled, engaged in the core business of a company, able to make great contributions to the development of a company, and are most-in-demand talents for the development of key industries in Guangzhou, and who are either: (a) employees specializing in corporate strategic planning, capital operations, finance, human resources management, marketing and sales, product operations, product technology R&D, production management and those with multiple skills with an annual taxable remuneration of over 200,000 (inclusive) CNY; or (b) leader of the founder team and core members of a start-up, or senior managers and high-caliber R&D staff of a newly introduced company with an annual taxable remuneration of 200,000 CNY or less.
4. The qualified candidates will receive allowance according to their contributions to the development of the city in the previous year of no more than 1.5 million CNY per person.

Financial Supports for Projects Undertaken by Leading Industrial Talents

For team members or individuals with the honorable title of Leading Industrial Talents of Guangzhou, who have received funding from sci-tech and talent projects at national and provincial levels, should municipal supporting fund is also required as specified by national or provincial policies, those requirements shall be followed; or otherwise, they shall receive municipal supporting fund in certain proportion: projects funded by national projects shall receive municipal supporting fund equivalent to 50% of the granted ones, and 30% of those by provincial projects. The total amount of the municipal supporting fund for one single project should not exceed 2 million CNY.

The support will be granted in one-off manner after the project is approved. The total amount of municipal financial support for one single project should not exceed 2 million CNY.

Policy Measures

Allowance for Companies Excelling in Introducing Talents

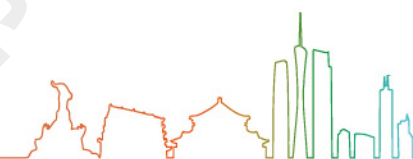
- Employers or human resources service agencies will receive allowance for introducing leading industrial talents from other cities as follows:
1. for employers who introduce leading industrial talents via human resource service agencies, for example headhunters, 50% of the costs of the introduction will be subsidized, no more than 50,000 CNY per head;
 2. for employers that introduce 5 (inclusive) to 10 talents per year, an allowance of 200,000 CNY will be given, and over 10 (inclusive), 300,000 CNY;
 3. For HR service agencies ranked among the top 5 in terms of number of leading industrial talents introduced per year, an allowance of 10,000 CNY per talent will be granted.

Inquiry & Acceptance

Location for submitting application for allowance for outstanding industrial talents & financial support for projects undertaken by leading industrial talents: Guangzhou Productivity Promotion Center, Room 703, No. 37, Xia Tang Xi Lu, Yuexiu District; Tel: 86 208349 1584 and 83491576; E-mail: mkxh@gz.gov.cn.

Location for submitting application for allowance for talents dedicated to industrial development & innovation: Service Window for (Overseas) High-caliber Talents, 6&7/F, Beixiu Building, No. 266, Xiao Bei Lu, Yuexiu District; Tel: 8620-83567780 and 83568037.

Location for accepting the application for allowance for companies excelling in introducing talents: Room 7016, Huapu Building, No. 104, Tian He Lu, Tianhe District; Tel: 020-85593485 and 85595134.



CPC Guangzhou Committee and Guangzhou Municipal People's Government Opinions on Accelerating Gathering of Leading Industrial Talents Guangzhou Implementation Measures on Support Plan for Leading Innovation and Entrepreneurship Talents

Policy Category

Talent Policy

Document Number

Sui Zi [2016] No. 1,
Sui Zu Zi [2016] No. 16

Effective Period

Promulgated on
Feb. 26, 2016

Implemented by

Organization Department of the CPC Guangzhou Municipal Committee (policy & coordination);
Guangzhou Municipal Commission of Science Technology and Innovation (accepting the application for support for leading teams and talents in innovation and entrepreneurship, and in innovation and entrepreneurship services); Guangzhou Municipal Bureau of Human Resources and Social Security (accepting the application for support for leading talents in innovation)

Beneficiaries

Leading talents (teams) are to be fostered, introduced and supported to start up business and innovate in Guangzhou for the purpose to push forward the transfer, transformation and industrialization of major sci-tech achievements, with a focus on advanced manufacturing, strategic emerging industries and production services industries. It is aimed to support about 500 leading

talents in innovation and entrepreneurship (including team members) in 5 years from 2016 onwards, including 50 leading teams in entrepreneurship, 50 leading teams in innovation, 100 leading individuals in innovation and 50 leading individuals in services for innovation and entrepreneurship.

Policy Measures

Leading Team in Entrepreneurship

1. Financial subsidy for talents. 3 million CNY in financial subsidy for talents will be granted mainly as allowance of remuneration, relocation and living for team members.

2. Project funding. The selected teams may choose one of the following funding options:

Option A: Equity funding (co-investment) plus free subsidy. In principle, the amount of financial subsidy will be determined in accordance with the investment of cooperative agencies in a ratio of 1:1, no more than 30 million CNY.

Option B: Equity funding (direct investment) plus free subsidy. In principle, the amount of subsidy will be 50% of the approved project budget, no more than 15 million CNY in the forms of equity investment and free subsidy.

Option C: Free subsidy. In principle, the amount of subsidy will be 50% of the approved project budget, no

more than 5 million CNY.

3. Company operation support.

(a). Rental subsidies. For the selected teams or companies, 50% of their rent for premises will be subsidized for the first 3 years, with no more than 500,000 CNY per year

(b). Loan interest subsidies. For the loans disbursed to projects in direct relation with industrialization of R&D projects by the selected teams, interest subsidies will be granted, based on the benchmark interest rate for loans in the same period, for no more than 2 years (per project) and no more than 1 million CNY each year (per company).

3. Priorities will be given to the selected teams and companies that are financed by petty sci-tech loans, sci-tech insurance and via financing guarantee services, and those listed at domestic and overseas multi-level capital markets. A bad debt arising from the first loan for the project of a selected team may be compensated if the project meets relevant criteria.

Policy Measures

Leading Team in Innovation

1. Financial subsidy for talents. 3 million CNY subsidy for talents will be granted.
2. Project funding. In principle, the amount of subsidy will be 50% of the approved project budget, but no more than 30 million CNY.
3. Operation support. Risks compensation for first-purchase and first-use will be provided to the selected teams and companies.

Leading Talent in Innovation

1. Financial subsidy for talents. 1 million CNY in financial subsidy for talents will be granted.
2. Operation support. Leading talents in innovation are encouraged and supported to undertake sci-tech projects at all levels, and those who meet the pre-set conditions will be prioritized for recommendation.

Leading Talents in Services for Innovation and Entrepreneurship

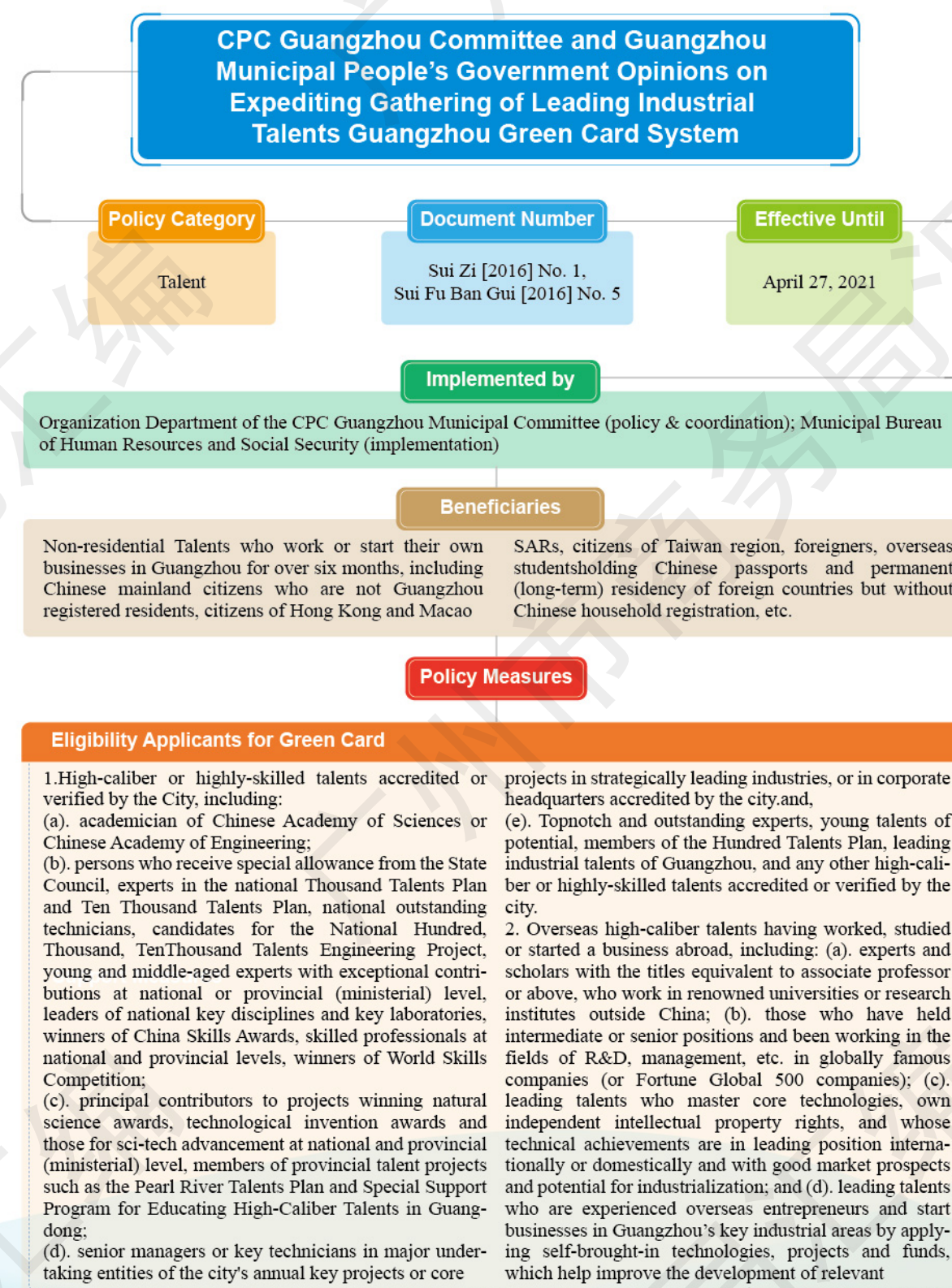
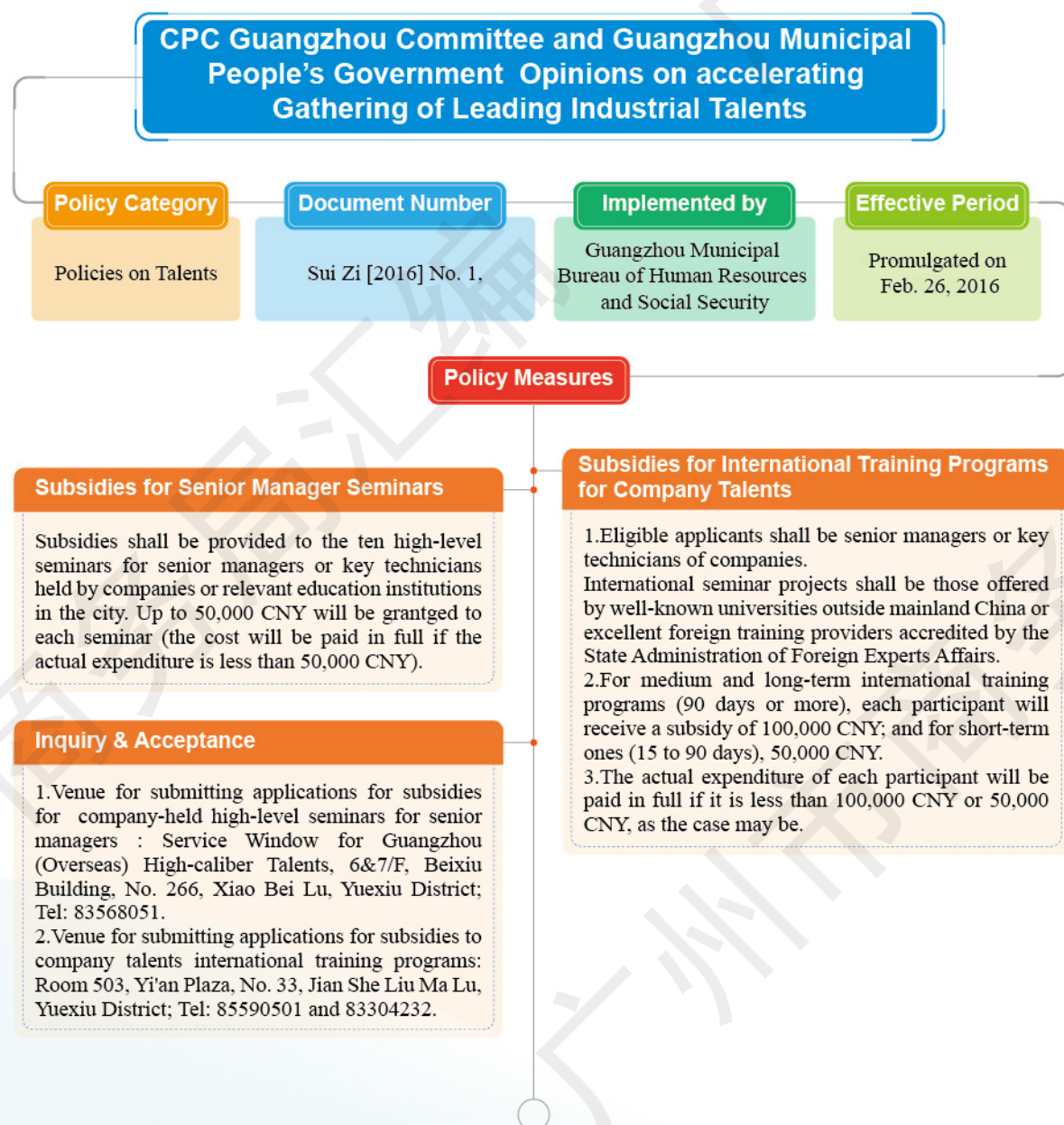
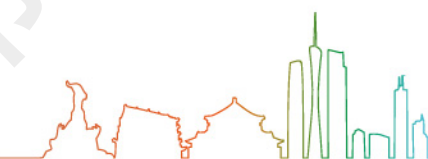
1. Financial subsidy for talents. 1 million CNY in financial subsidy for talents will be granted.
2. Operation support. Eligible employers of the leading talents in innovation and entrepreneurship service will be prioritized for being including into the list of service providers for sci-tech innovation vouchers and the innovation service directory of Guangzhou.

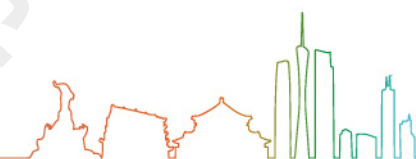
Inquiry & Acceptance

1. Venue for submitting applications for subsidies of leading teams in innovation and entrepreneurship: Room 8A08, 8/F, Xinduhui Building, No. 232, Zhong Shan Liu Lu, Yuexiu District; Tel: 020-81293892/81307221;

2. Venue for submitting applications for subsidies of leading talents in innovation: the service window for (overseas) high-caliber talents, 6&7/F, Beixiu Building, No. 266, Xiao Bei Lu, Yuexiu District; Tel: 83567780 and 83568037;

3. Venue for submitting applications for financial subsidy of support for leading talents of innovation and entrepreneurship services: Guangzhou Productivity Promotion Center, Room 703, No. 37, Xia Tang Xi Lu, Yuexiu District; Tel: 020-83491584 and 83491576;





industries of the city.

3. Experts who have the titles of senior professional technology or above and who have worked in related fields for more than 10 years.

4. Those who have completed a full-time postgraduate programme in one of the universities joining Project 985 or Project 211 and thus been awarded with a doctoral degree, or those who have completed a full-time postgraduate programme in one of the world's top 300 universities with a master's degree or above.

5. Those who have professional qualification for senior technicians, and who are specialized in the types of jobs (positions) included in the city's directory of most-in-demand jobs (professions).

6. High-caliber foreign talents holding a foreign expert certificate, as well as those from Hong Kong, Macao and foreign countries working in Nansha New Area of Guangdong Pilot Free Trade Zone and having been accredited by the FTZ Administrative Committee.

7. Those who are from Hong Kong, Macao, Taiwan and foreign countries, with an annual salary of over 600,000 CNY and paying an annual individual income tax of more than 120,000 CNY. The above standards are subject to change as per the per capita salary in Guangzhou.

8. Talents who have been accredited by the competent authorities as having certain special skills or expertise which are in line with the city's demands for economic and social development and

Entitlement to Green Card Holders

1. Foreign nationals may apply for Foreigner Employment Permit or Foreign Expert Certificate directly with their green card for talents. They may also apply for a long-term residence permit (2 to 5 years) at the city's Public Security Bureau with their green cards, Employment Permits for Foreigner or Foreign Expert Certificate and official letters issued by their employers. For those who do not wish to apply for a residence permit, they may apply for an R-class visa (valid for no more than 5 years and allowing zero, one, two or multiple R stays of no more than 180 days each) with their green cards and the official letters from their employers.

2. Green Card holders are eligible to participate in the city's assessments for professional and technical qualification, current policy examinations for professional titles, trainings on vocational skills and approval of national professional qualifications. Those with qualification certificates issued by the City or the Province may apply for subsidies for skill training according to relevant regulations.

3. For children relocated with green card holders, those in the ages of pre-school education are entitled to be enrolled in randomly computer-assigned kindergartens operated by the education department of the districts where they reside in; those in the ages of compulsory education shall be arranged by the said education department to public schools (or vacancies in private schools procured by government) with the same treatment as local registered residents; those who participate in entrance examination for senior high schools shall be admitted to public high schools, private high schools or secondary vocational schools with the same treatment as local registered residents.

4. Green Card holders may apply for a passport, the Exit-Entry Permit for Traveling to and from Hong Kong

and Macao, the Exit-Entry Permit for Traveling to and from Taiwan, etc. in Guangzhou pursuant to relevant national and local regulations.

5. Green Card holders may apply for a business license as investors with their green cards as proof of identity. They do not need to have their valid identification documents notarized or certified, in the case they are of foreign nationals, with permanent (long-term) residence in foreign countries or are residents of Hong Kong, Macao, and Taiwan.

6. Green Card holders may open accounts with any banks in the City with their green cards for deposit and withdrawal of funds; the remittance in foreign currencies and the earned profits in or by their companies, as well as any legal revenues legally obtained in the City can be exchanged into desired currencies at designated foreign exchange banks.

7. Chinese citizens without Guangzhou residency may purchase their own residence as local registered residents; residents of Hong Kong, Macao SARs and Taiwan Province, foreigners, overseas students holding Chinese passports and permanent (long-term) residency of foreign countries but without Chinese household registration, may buy one principal residence pursuant to relevant national regulations.

8. Green Card holders may apply for driver's licenses and register motor vehicles in the city. Those with valid driver's licenses but without passenger vehicle registered under their names in the city may apply for vehicle registration plates as local residents.

9. As localized management of residence is applied, the Green Card holders do not have to go through the formalities of residence registration, and the functional departments shall provide real-time follow-up services.

Inquiry & Acceptance

1. Guangzhou Human Resources and Social Security Bureau accept applications for green cards all year round.

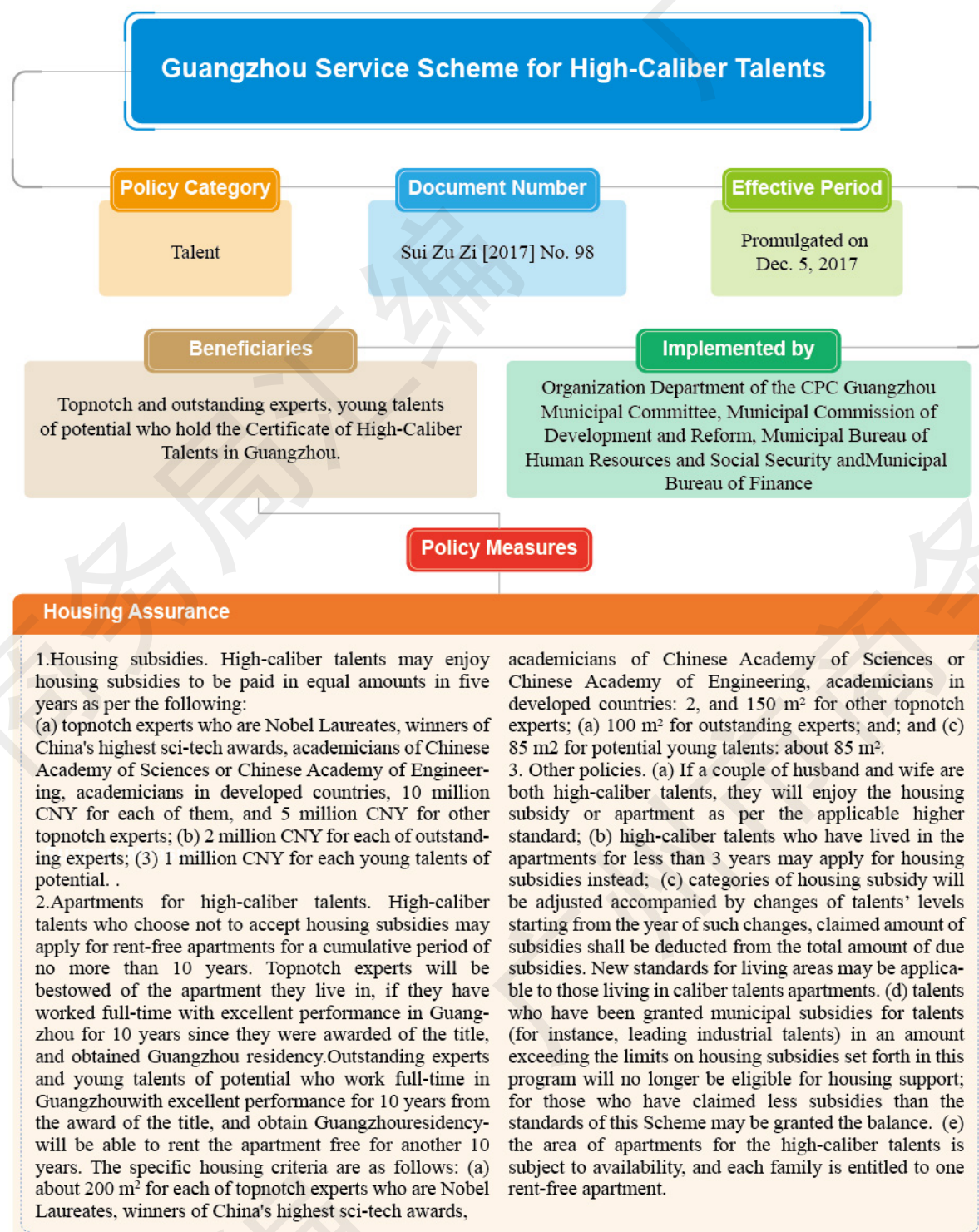
2. Location of Guangzhou Service Window for foreign experts: Room 503, Yi'an Plaza, No. 33, Jian She Liu Ma Lu, Yuexiu District; Tel: 85590501.

3. Location of Guangzhou Service Center for Overseas Students: 6&7/F, Beixiu Building, No. 266, Xiao Bei Lu,

Yuexiu District; Tel: 83568051.

4. Location of Talent Exchange Service Center, Guangzhou Development Zone: No. 81, Xiang Xue Da Dao, Huangpu District; Tel: 82012210.

5. Inquiry: Organization Department of the CPC Guangzhou Municipal Committee: 83548762; Office for Talents at the district's Organization Department: 38623629.



Policy Measures

Medical Assurance

High-caliber talents holding Certificate A or B (within the management period) are eligible for medical examination and healthcare service specified in this program as the following: (1) annual on-leave medical examination. High-caliber talents may take a leave for medical examination in designated hospitals. For details please refer to the Organization Department of CPC Guangzhou Committee and Guangzhou Municipal Bureau of Human Resources and Social Security Circular on Establishing a System on Academic Leave and Medical Examination for High-Caliber Talents (Sui Ren She [2016] No. 22). (2) Healthcare service. High-caliber talents are classified into the category of civil servants in terms of healthcare. Their appointments with doctors may be prioritized.

Children's Schooling

High-caliber talents holding Certificate A or (within the management period) are eligible for the benefits of children's schooling specified in this program as the following: (1) their children without registered permanent Guangzhou residency will be enrolled in schools of compulsory education and high schools as local registered students; (2) if their children attending high school in other places apply for a transfer to Guangzhou, they will be enrolled in schools at city level or above (based on the levels of their original schools and the actual situation) within the districts where their parents or guardians reside; (3) preferential treatment will be given to their children when taking high school entrance examinations.

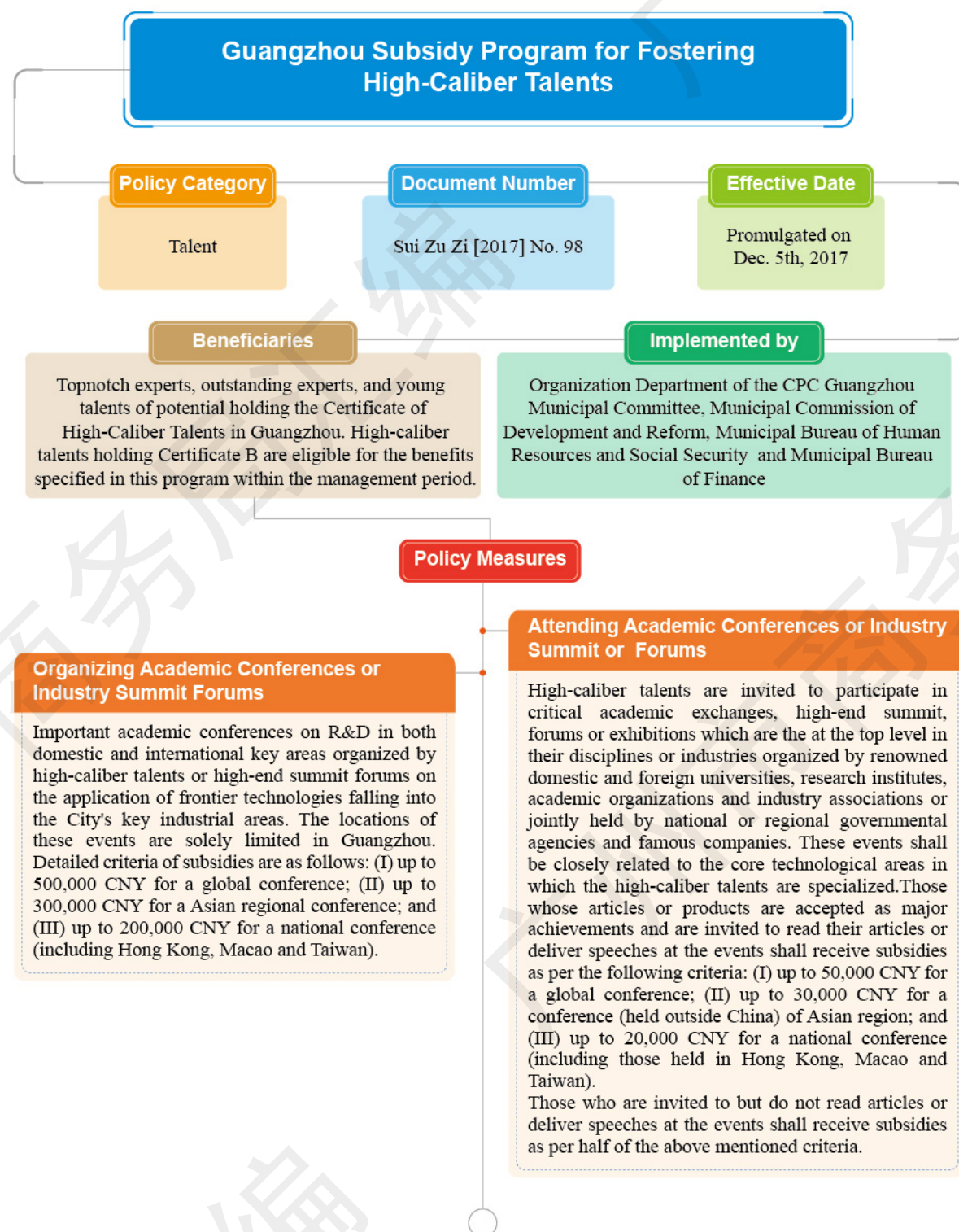
Services for Innovation and Entrepreneurship

1. By means of government procurement, alliances of innovation & entrepreneurship services will be encouraged and supported to provide high-caliber talents with full-chain, intensive and customized services in such fields as policies, technologies, talents, information, markets and financing. The support for each topnotch expert is up to 100,000 CNY per year; for outstanding expert, 50,000 CNY; and for young talents of potential, 20,000 CNY, which will be provided for a maximum of 5 years (Certificate B holders are offered with the services during the management period).

2. Guangzhou Committee of Communist Youth League (CYL) will remain contact with and provide services to young talents of potential. Workstations for young talents will be established in Guangzhou to provide them with a series of innovation and entrepreneurship services.

Employment of Spouse

If the spouse of a high-caliber talent holding Certificate A or B (within the management period) is not working in Guangzhou or unemployed, assistance may be provided jointly by municipal human resources, social security departments and HR service agencies at various levels.



Policy Measures

Attending Further Educations (On-job Trainings)

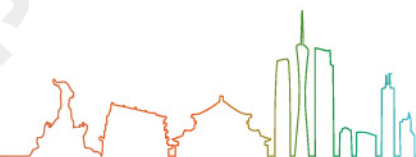
Subsidies may be granted to high-caliber talents participating in further academic education or trainings in renown domestic and foreign universities, research institutes or companies for over 20 days, as per the following criteria: (I) up to 50,000 CNY for trainings outside China; (II) up to 20,000 CNY for trainings in China (including Hong Kong, Macao and Taiwan). Those who have already been subsidized by Guangzhou international talent training programs, corporate international training programs for post-doctors and the like will not receive the subsidies stated above.

Subsidies for Reference Material

Topnotch experts, outstanding experts and young talents of potential shall receive 3,000 CNY, 2,500 CNY and 2,000 CNY per month respectively as subsidies for reference material.

Publishing Papers and Books

Publishing papers means that high-caliber talents publish academic papers on top journals of their research fields included in the Science Citation Index (SCI) as the lead author or the corresponding author. Publishing works means that they publish works with high academic value and good social impacts as the lead author. Subsidies shall be provided to them as follows: (I) up to 20,000 CNY for each article based on the SCI impact factor of the journal in the year of publication; (II) up to 100,000 CNY for each work on a proportional basis of the publication costs.



Guangzhou Opinions on Kapok Program Encouraging Overseas Talents to Start Up Business

Policy Category

Talent Policy

Document Number

Sui Fu Ban Gui [2017] No. 21

Effective Until

Dec. 12, 2023

Implemented by

Organization Department of the CPC Guangzhou Municipal Committee, Municipal Commission of Development and Reform, Municipal Bureau of Human Resources and Social Security and Municipal Bureau of Finance

Beneficiaries

Eligible overseas talents in various specialized fields refer to those who used to study, work or live abroad and introduced via various platforms and events (e.g., Convention on Exchange of Overseas Talents and Guangzhou Convention of Overseas Chinese Scholars in Science and Technology) and foreign talents who have studied in China. This specifically includes: (I) high-caliber overseas executives who are enlisted into the

Thousand Talents Plan and the Thousand Foreign Talents Plan implemented by the central government; (II) overseas students who have obtained a bachelor's degree or above outside China; (III) overseas talents working in large-scale companies or universities; (IV) foreign students who have obtained a master's degree or above in China; and (V) overseas Chinese living abroad.

Policy Measures

Enhanced Support for Start-up Projects

A start-up project that have been evaluated for and enlisted to the Kapok Program will be provided with a kick-off fund of 2 million CNY. The first 50% shall be disbursed after the project is reviewed as eligible, and the remaining 50% upon assessment in the second year. Start-up projects receiving B-round investment shall be rewarded as much as 10% of the investment amount, with a ceiling of 1 million CNY. For a startup project

setting up in designated entrepreneurial parks, premises for production and office of not less than 500 m² can be used for free; for those who rent premises for production and office on their own, rental subsidies (no more than 35 CNY/m²/month) shall be provided for three consecutive years. The start-up projects under the Kapok Program shall not be subsidized otherwise by Guangzhou Support Plan for Leading Talents in Innovation and Entrepreneurship.

Expanding financing Channels for Start-up Projects of Overseas Talents

Fiscal and taxation policies shall be developed to encourage investment of venture capital, startup investment. A subsidy for bank loan interest discount up to 50% of the loan interest will be granted to the "Kapok Programme" start-up projects, based on the benchmark

yearly loan interest rate within two years, with a ceiling of 10 million CNY. The development of Internet finance shall be supported to create a capital market for innovative start-up projects.

Policy Measures

Preferential Taxation Policies for Innovation and Entrepreneurship

The R&D expenditure occurred in line with tax policies by companies started by overseas talents under the Kapok Program shall be deducted at an additional 50%, if it is not been included in the current loss and profit as intangible asset. Where it has been included as intangible asset, 150% of the asset shall be amortized.

For sci-tech SMEs, the actual R&D expenditure shall be deducted as per provisions if it has not been included in the current loss and profit as intangible asset. In addition, those occurred between 1 January 2017 and 31 December 2019, another 75% of shall be deducted; in the case where the expenditure has been included as intangible asset, 175% of the cost of the intangible asset shall be amortized before tax payment.

The high and new-tech companies accredited by provincial authorities only need to pay enterprise income tax at a reduced rate of 15%. The expenditure on employee training not exceeding 8% of the total salary shall be deducted from the taxable revenue. The excessive part may be carried forward to the following tax years. Between 1 January 2017 and 31 December 2019, those SMEs with a tax amount payable less than 500,000 (inclusive) CNY in the current period pursuant

to tax policy provisions, its taxable amount shall be calculated at 50% of its revenue, and enterprise income tax at the rate of 20%.

A corporate venture capital enterprise that has made direct equity investment in any unlisted hi-tech SMEs or hi-tech start-ups for two years or more may claim a tax credit of 70% of its investment amount (in the above mentioned entities). The balance may be carried forward to the following tax years, if the amount of allowable tax credit is not fully utilized in the current period.

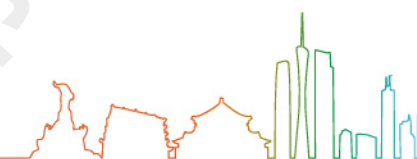
Where a limited partnership venture capital enterprise has made direct equity investment in any unlisted hi-tech SMEs or hi-tech start-ups for two years (24 months) or more, any of its legal person partners may claim a tax credit of 70% of the amount invested into that unlisted hi-tech SME or hi-tech start-up, for deducting tax payable against the taxable income obtained there from. If the amount of allowable tax credit is not fully utilized in that year, the balance may be carried forward to the following tax years.

Eligible overseas students returning home to start a business may receive vehicle tax concessions within one year after their return.

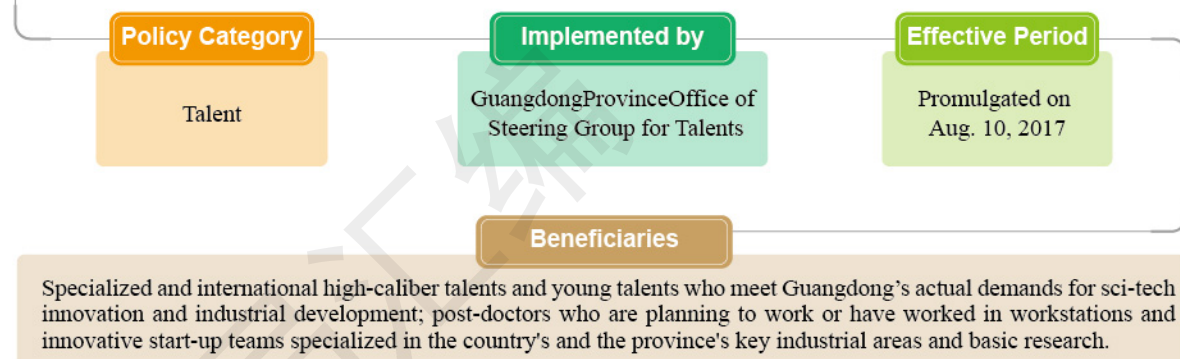
Improving Entrepreneurship Services for Overseas Talents

Efforts shall be made to develop overseas talent entrepreneurial workshops, new types of start-up incubators like Kapok cafe, internationalized maker spaces and incubation services. Public laboratories and technology service centers will be established for overseas talents. A 100,000 CNY housing subsidy will

be granted to overseas students returning home to start businesses, and purchasing or renting residence as per Guangzhou Municipal Measures for Subsidies to Overseas Students. At the same time, innovative and startup talents listed into the Kapok Program may enjoy housing support based on the municipal housing support policies.



Guangdong Announcement on Application for 2017 Pearl River Talents Plan



Policy Measures

Team Project

1. Introducing innovative start-up teams: The introduced teams of industrialization of technical R&D shall receive financial support at three levels ranging from 10 to 100 million CNY; the introduced teams of applied basic research shall receive a fixed amount 20 million CNY of financial support.

2. Local innovative research teams: The provincial fiscal department shall provide research funds to successful applicant teams based in the Pearl River Delta region with the same amount as that provided by their employers, and to those based in the east, west and north of Guangdong with double the amount as that provided by their employers, but no more than 10 million CNY. Those teams evaluated as excellent 3 years later shall be granted an additional fund of up to 10 million CNY.

3. The leaders and core members of the newly introduced teams, being accredited as high-caliber talents as per the Pearl River Talents Plan, shall receive a housing subsidy up to 3.5 million CNY and an annual living subsidy up to 1 million CNY from the provincial fiscal department, and enjoy the benefits of various service policies for talents. The municipal governments above prefecture level where the teams are based may provide financial support in certain proportion to the fund granted by the provincial fiscal department.

High-caliber Talents Project

The accredited leading talents in innovation, high-caliber talents in management, talents in finance sectors and young elites shall receive living subsidies as much as their actual annual salaries. Leading talents in sci-tech innovation and young elites specialized in applied basic research and technology development shall be subsidized for 5 consecutive years, and those in basic research for 10 consecutive years, with a ceiling of 1 million CNY per annual; high-caliber talents in management and talents in finance sectors shall be granted a one-off living subsidy of up to 1 million CNY. The accredited talents shall only receive once such subsidies by the province, in which the highest standard shall be applied.

Employers of accredited overseas experts working for a short term in Guangdong shall receive a subsidy calculated based on the actual amount they pay to them: up to 250,000 CNY for the duration between 30 and 60 days; up to 400,000 CNY for the duration between 61 to 180 days. The amount of subsidy may be increased by 20%, if the employer is located in the east, west and north of Guangdong.

Policy Measures

Post-doctor Subsidy Project

1. Subsidy to postdoctors in workstations. The provincial fiscal department shall provide a living subsidy of 600,000 CNY to each postdoctor entering into the workstation and payment shall be distributed to the postdoctor workstation in two years.

2. Follow-up subsidy. A further housing subsidy of 400,000 CNY may be offered by the provincial finance to the postdoctors under this Plan who have entered working agreements or contracts of employment with employers in Guangdong after leaving the workstations, with a commitment to work in the province for at least three consecutive years.

3. Supporting funds. The postdoc workstations shall mete out better treatment to the post-docs at their own costs. Local governments and other organizations are encouraged to provide supporting funds based on their actual situation.

4. Those who have received the subsidies shall no longer be eligible for other postdoctor related living subsidies offered by the provincial financial department.

Inquiry & Acceptance

1. Team project: Office for Talents, Department of Science and Technology, Guangdong; Tel: (020) 83163632, 83163374, 83163351 and 83163355; Fax: (020) 83163914.

2. Project of leading talents in sci-tech innovation, high-caliber talents in management, talents in financial sectors, and young elites: Office for Introduction of Leading Talents, Department of Human Resources and Social Security, Guangdong; Tel: (020) 83134790, 83134781; Fax: (020) 83134793.

3. Project of accredited overseas experts working for a short term in Guangdong: Administration of Foreign Experts Affairs, Guangdong; Tel: (020) 83134798, 83134795 and 83134797; Fax: (020) 83134793.

4. Project of subsidy to post-docs: Office for Administration of Professional Technicians, Department of Human Resources and Social Security, Guangdong; Tel: (020) 83134848; Fax: (020) 83307379.

Guangdong Province Policies on Foreign Investment

Guangdong People's Government Notice on Guangdong Province Policies and Measures on Further Expanding Opening-up and Actively Attracting Foreign Direct Investment (Revision)

Policy category

Guangdong Province Policies on Foreign Investment

Document Number

Yue Fu [2018]No. 78

Implemented by

Department of Commerce of Guangdong Province

Beneficiaries

Foreign-funded companies

Policy Measures

Market Access

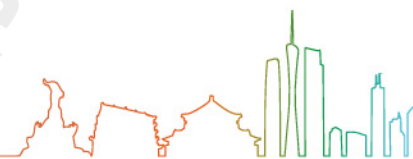
The Special Administration Measures for Foreign Investment Access (Negative List) (2018) will be thoroughly implemented to support the establishment of wholly foreign-owned enterprises in the following areas: manufacturing of utility vehicles and new energy vehicles, design, building and repair of ships and mainline, regional and utility aircrafts, design and manufacturing of helicopters of 3 tons and above, drones and aerostats, construction and operation of gas stations, international maritime transport, rail transport of passengers. The restrictions on the foreign equity shares of Chinese-invested banks and financial asset management companies established in Guangdong will be lifted, and foreign banks are supported to set up branches and sub-branches in the province. Foreign investment in joint ventures of securities, securities investment fund management, futures and life insurance (accounting for less than 51% of the shares) in Guangdong is encouraged. Individual foreign investors working in Guangdong are encouraged to set up A-share accounts. Greater efforts will be put into enhancing the opening-up of service industries in Guangdong Pilot Free Trade Zone to Hong Kong and Macao under CEPA (Closer Economic Partnership Arrangement), expanding the scope of business of law firms jointly operated by Hong Kong and Macao and the Mainland partners, piloting the Hong Kong-based model of engineering management, and treating the air routes to and from Hong Kong and Macao as special domestic routes.

Project Rewards

Between 2017 to 2022, the provincial finance will grant a reward of no less than 2% of the annual actual foreign investment (excluding that with loans by foreign shareholders, same as below) to new projects (excluding those in real estate, finance and quasi-finance sectors, same as below) of over 50 million USD investment, capital-increased projects of over 30 million USD, and the like of foreign-invested multinational corporation global headquarters or regional headquarters with over 10 million USD. The above reward shall not exceed 100 million CNY. Prioritized support will be offered based on case-by-case basis to new (including capital increment) manufacturing projects with actual yearly foreign investment of more than 100 million USD, and new manufacturing projects in the areas of IAB and NEM (new energy and new material) with an actual yearly investment of no less than 30 million USD by Fortune Global 500 listed corporations or global leading companies.

Between 2018 and 2022, the provincial and municipal governments will grant rewards to projects re-invested with the profits of Chinese domestic enterprises by overseas investors in Guangdong. Specifically, rewards from the provincial fiscal department will be given to local governments according to the financial contribution by the new projects to the provincial revenue to support the foreign investors in expanding their production and operation, as well as enlarging investment in encouraged new projects in Guangdong.

Global or regional headquarters of multinational corporations will be rewarded with 30% of their annual financial contribution to the provincial revenue, with a maximum of 100 million CNY, if that annual contribution exceeds for the first time 100 million CNY. Local governments may provide additional incentives.



Policy Measures

Support for Land Use

The foreign-invested manufacturing enterprises will enjoy the preferential policies on land use according to the Guangdong Province Policies on Reducing the Costs of Manufacturing Companies to Support the Development of the Real Economy (Revision). The land use of manufacturing projects with an actual foreign investment of more than 1 billion CNY and that of self-built office property of the headquarters or regional headquarters of Fortune Global 500 enterprises and leading enterprises in different industries around the world (hereinafter referred to as key foreign headquarters) will be jointly arranged by the provincial and prefectural governments in line with land use planning quota. For major foreign-invested projects that meet the requirements of the Guangdong Province Measures on Rewarding Major Industrial Projects in Line with Planning Quotas, the provincial government will provide rewards concerning land use quota as per relevant standards. For those projects with an investment of over 2 billion CNY and having gone through the formalities for land supply, their full quota of land use will be fulfilled. If the quota fails to be achieved in the current year, local governments may apply for supplements from the provincial government according to the regulations.

Support to R&D and Innovation

Foreign-invested R&D institutions (including those of enterprises (the same below) are encouraged to participate in the development of public R&D platforms and governmental science and technology plans, and receive relevant financial support. Between 2017 and 2022, up to 10 million CNY will be funded by the provincial finance to foreign-capital R&D institutions verified as new type R&D institutions. A 1 million CNY subsidy will be provided to those recognized post-doctoral workstations and Chinese Academy of Sciences and Chinese Academy of Engineering academician workstations. A maximum of 2 million CNY will be provided to those foreign-capital R&D institutions evaluated as the 1 provincial-level enterprise technical centers and innovation platform projects. Prioritized support will be given to new R&D institutions of independent legal person nature established by Fortune Global 500 enterprises and global leading industrial based on "one case one discussion" approach.

Financial Support

Support will be prioritized for Fortune Global 500 enterprises, global industrial leading enterprises and round-trip investments of major multinational M&A projects in the way of equity investment through the Guangdong Industry Development Fund. Guangdong Pilot Free Trade Zone will explore financial management and service innovation. Foreign invested enterprises in the Zone are encouraged to conduct fully cross-border financing of domestic and foreign currency, and obtain domestic and foreign currency financing within 2-time net assets of external debt; they are also supported to issue bonds in and out of the Zone, and use the repatriated funds raised abroad. A lower market access for cross-border cash pooling is provided to support multinationals engaged in the real economy to establish cross-border capital pools. Efforts will be made to make the Zone a pilot for collecting operating lease of aircrafts and ships in foreign currencies, and encourage the foreign-invested companies engaged in finance lease to conduct settlement in foreign currencies. Foreign investment is encouraged to conduct QFLP (Qualified Foreign Limited Partner) business for province-wide replication and promotion in due course. Piloting practice of financing by pledging intellectual property rights will be conducted.

Policy Measures

Supports for Talents

The Guangdong Superior Talent Card Programme has been implemented to provide service to seven categories of talents, including senior management personnel in foreign invested enterprises, and gradually expand the use of the Card as proof of identification in Guangdong Province. The Programme allows card holders, their spouses and under-aged children to be regarded as a registered permanent resident of the city, and enjoy the same policies in housing, education, medical care, pension, etc. Chinese residents holding the card and their spouses and under-aged children may apply for exit and entry permits to Hong Kong, Macao and other exit and entry documents in Guangdong Province. Local governments are encouraged to learn from the experiences of Qianhai District, Shenzhen and provide appropriate rewards to the Superior Talent Card holders who make contribution to the local economy and society. Foreign Card holders may apply for Foreigner's Work Permit (FWP) for less than 5 years and residence permits valid for a period of 5 years, with only half the stipulated application time limit. Eligible foreigners will also be recommended to apply for a foreigner's permanent resident ID card, which allows them to be equally treated as Chinese citizens when they establish sci-tech companies in Guangdong. Accredited high-level foreign talents can enjoy such conveniences as exit and entry, residence, and employment of foreign household service staff.

Support to Key Industrial Parks

Eligible national level development zones are encouraged to set up an administrative bureau that advocates "one seal for all approval affairs". Provincial level development zones in eastern, western and northern Guangdong are encouraged to apply for the inclusion into the administration of provincial industrial transfer industrial parks, so as to enjoy the support of relevant provincial policies. Newly established foreign-invested projects in national level development zones may pay taxes in accordance with income tax preferential catalogs in Qianhai District of Shenzhen City and Hengqin District of Zhuhai City. Industrial parks and local governments are encouraged to reward projects based on a certain percentage of their direct economic contributions. Newly established foreign investment projects in the provincial industry transfer parks (industry transfer clusters) are entitled to enjoy preferential policy according to financial support policy of industry co-construction.