

# 2010 Jintan Investment Environment Report



- This publication presents an overview for those contemplating investment in Jintan.
- This publication is dedicated to providing prospective investors with accessible, independent research, but this report should not be construed as a substitute for detailed due diligence prior to investment.
- As the business environment evolve rapidly and operational issues vary from company to company and from industry to industry, companies doing business in China, or that are planning to do so, are advised to obtain current information and company-specific advice from experienced professional advisors.

## **Table of Contents**

- Overview & Location
- Culture & History
- Economy & Industry
- Development Zones & Infrastructure
- Logistics
- Human Resources
- Living & Business Environment
- Leisure & Tourism
- Policy & Services
- Contact Jintan
- Contact DTZ

### ■ Executive Summary

Jintan, a city of Jiangsu Province, is located in the most dynamic Yangtze River Delta in China. The emerging city has been called “Land of Fish and Rice” and “Treasure Place of East Yangtze River” thanks for its abundant resources and comfortable living environment.

In recent years, Jintan GDP has increased by some 18% each year, and has grown into a modern industrial city with four pillar industries, namely, Photovoltaic, Textile & Garment, Mechanical & Electronics, and Salt Chemicals.

Presently, Jintan has made great achievement against fierce competing market in attracting Foreign Investment, with the number of foreign investors growing by more than 50 and amount of FDI by more than 30% in the last three years. Currently in Jintan there are many MNCs including Ingersoll-Rand, Oerlikon, Mueller, Maya, Shachihata, and Jintan has become a gathering of famous brands like Gap, Polo, Lee, and Valentino.

DTZ believes the core competence of Jintan is a bunch of factors including low cost (in particular, land, HR and logistics), industrial cluster, cross-regional cooperation, salt resource etc. Jintan is one of the most potential city for investment now and in the near future.

中国综合实力百强县市

National Top 100 Counties in (Cities) Overall Strength

中国和谐名城

National Harmonious City

国家卫生城市

State-Level Hygienic City

中国优秀旅游城市

China Top Tourism City

国家环保模范城市

State-Level Model City for Environment Protection

全国科技进步先进县市

National Top 100 City of Advanced Science & Technology

中国50家投资环境诚信安全区

National 50 Credibility & Safety Regions for Investment

江苏省社会治安安全市

Provincial City of Social Security

Overview

**Jintan is within Jiangsu Province and enjoys mild climate and a strategic geographic position in the Yangtze River Delta.**

- Jintan is a county level city in Jiangsu Province, listed as one of “Top 100 Counties” in China.
- The city is an emerging industrial city located in the heart of the Yangtze River Delta (YRD) .
- Jintan’s total population accounts for 540,000, of which urban residents number 220,000. The city includes seven sub-level towns, and one provincial-level development zone.
- The total administrative area is 976 sq. km which consists of 20% hills, 20% water, and 60% usable land. The urban area of Jintan approximates 20 sq. km.

Climate	Sub-Maritime Tropical Monsoon		
Geology	Flat with rocky outcroppings, hills and many rivers and canals. Land load capacity is 16-25 tons per sq. meter		
Elevation	10 meters		
Avg. Temperature	15.5 °C		
July Avg. Temperature	28.1 °C	July Highest	39 °C
January Avg. Temperature	2.2 °C	January Lowest	-2.0 °C
Annual Rainfall	1,084.7 mm	Sunshine (Hours)	1,942.6 hrs
Days of Rain	134.4 days	Avg. Humidity	78 %



■ **Location**

**Jintan enjoys a unique geographic location and advantageous economic and ecological location.**

□ **Geographic Location**

Jintan is located in south Jiangsu Province at the junction point of Jiangsu, Anhui, and Zhejiang provinces. It is within 2 hours' drive to 17 major cities of the YRD including Shanghai, Nanjing, Hangzhou, Wuxi, Changzhou and Wuhu. Jintan is 105 km and 220 km to Nanjing and Shanghai respectively.

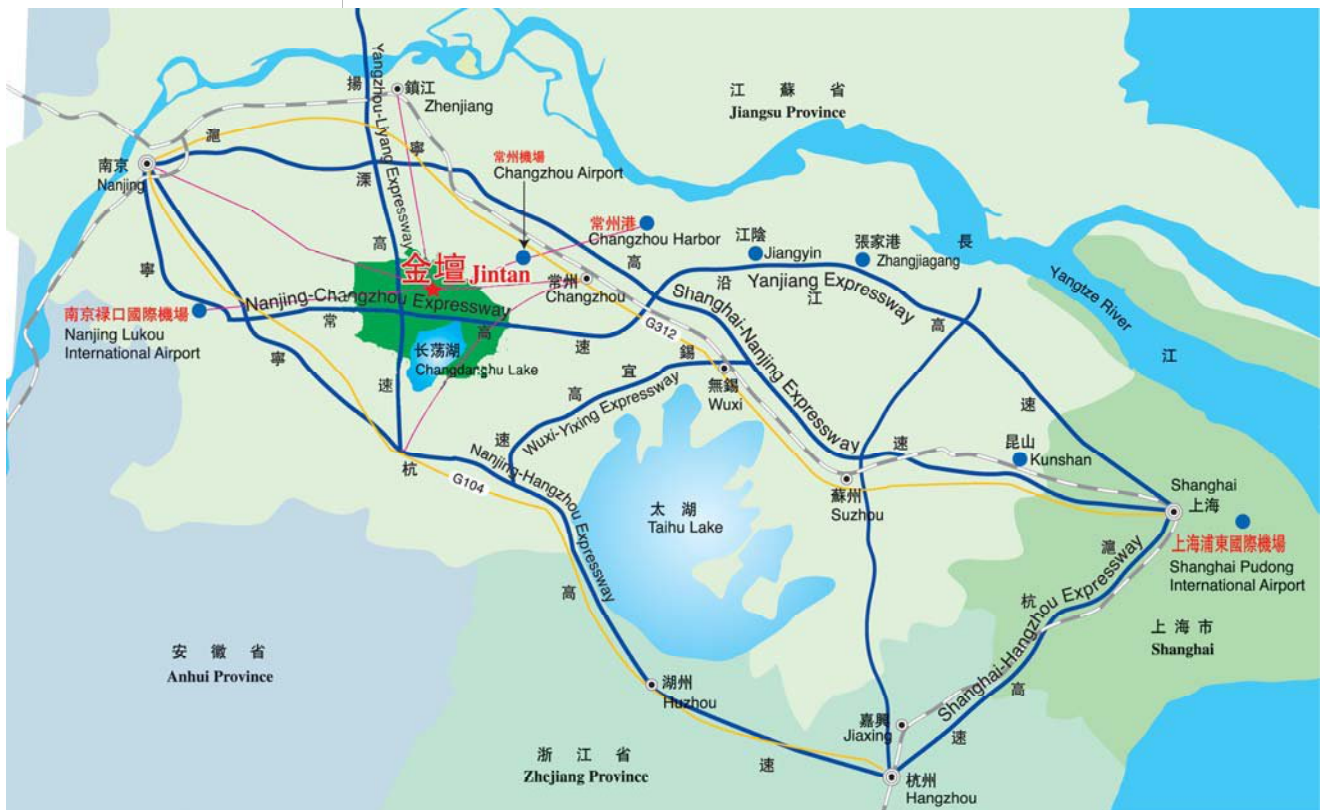
□ **Regional Economic Circle**

Jintan is at the heart of China's largest economic engine, Yangtze River Delta, and within the border area of metropolitan circle of Suzhou–Wuxi–Changzhou and Nanjing metropolitan circle.

The circle within 5 hours to Jintan accounts more than half of China's economic output and one third of China's population or 435 million people.

□ **Ecological Zones**

Jintan city possesses 4 eco-galleries connecting with “S” shaped urban green belt: Maoshan Eco-Gallery, Fangshan Mountain Eco-Gallery, Changdang Lake Eco-Gallery, and North Jintan river system Eco-Gallery. The river network in this zone are dense and linked with lakes. Within this area there is also a wetland reservation.





### ■ Cultural History

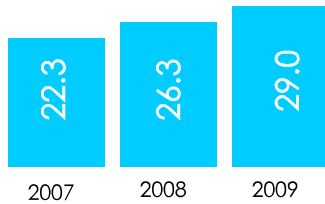
- Jintan was called “Jinsha” in ancient times, and is regined by “Wu” and “Yue” kingdoms in the Spring and Autumn period. In the reign of Queen Wuzetian in Tang Dynasty, AD 688 it changed its name to “Jintan”.
- The birth of talents brings glory to Jintan. These includes the mathematician Hua Luogeng, poet Chu GuangXi, anthropologist Wu Dingliang, the great doctor Wang Kentang, and the translator Wang Weike.

### ■ Specialties

- Jintan has historically been called “Land of Fish and Rice” and “Treasure Place of East Yangtze River” to denote great resources and beautiful landscape.
- Rice: Jintan is known for “Biaonuo” brand super-glutinous rice and “Su” brand rice.
- Tea: Jintan is well-known as “home of green tea” by such famous tea as “Maoshan Qingfeng”, “Yuhua” and “Sparrow-tongue”.
- Crab: Jintan has been called “Land of Eriocheir Sinensis” .The famous crab is a well known dish within the region and often attracts tourists to Jintan’s restaurants.

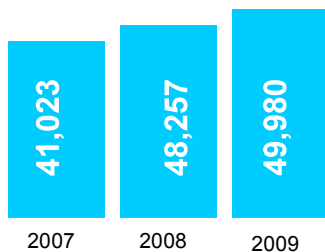
**Jintan GDP**

Billion (RMB)



**Jintan Per Capita GDP**

(RMB)

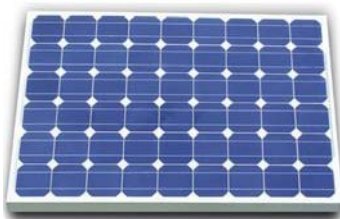
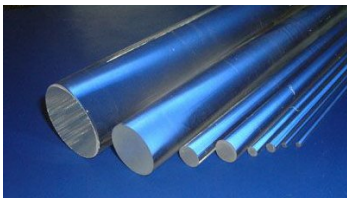


■ **Jintan Economy**

**Jintan’s economy has been steadily growing by an average 18%, dominating by secondary industry.**

- In 2009, GDP in Jintan reached RMB 29.0 billion and fixed assets reached RMB 14.52 billion. Per capita GDP reached RMB 49,980.
- In 2009, industrial value added achieved RMB 14.28 billion accounting for 49% of GDP.
- Jintan’s fastest growing and biggest industry is the secondary industry, particularly the four pillar industries: Photovoltaic, Mechanical & Electronics, Textile & Garment, and Salt Chemicals.

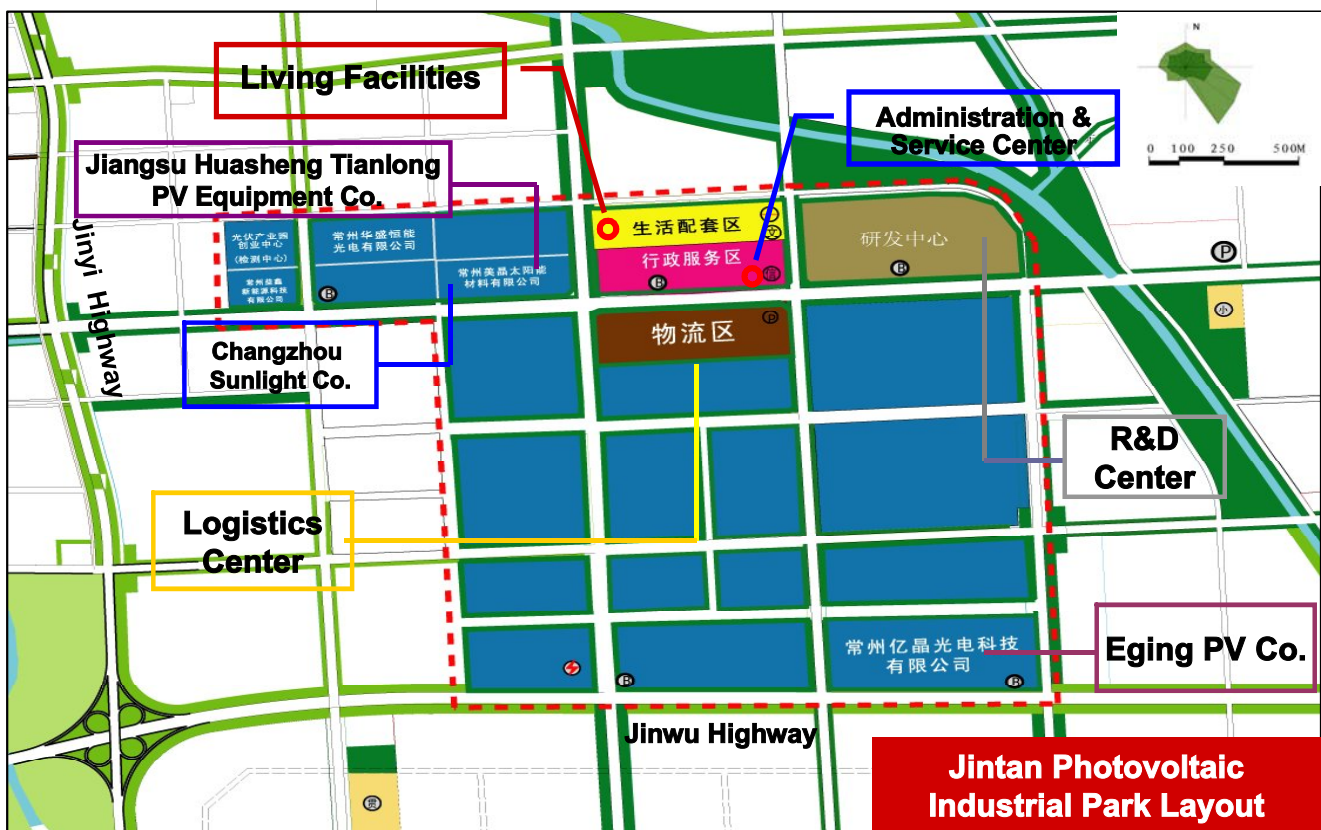
GDP		
Industry	Total (Billion RMB)	Percent(%)
First Industry	1.764	6
Secondary Industry	15.950	55
Tertiary Industry	11.300	39



■ **Photovoltaic Industry**

**The Jintan photovoltaic industry is beginning to take shape, and become a solid platform.**

- The Jintan photovoltaic industry is beginning to take shape. It is Jintan's dominant and advantageous industry which will lead the optimization of industry mix and development of high and new technology. In 2009 ,Changzhou EGing Photovoltaic Technology Co., Ltd. has contributed tax of RMB 212 million.
- Jintan Photovoltaic Industrial Park was approved by Jiangsu Provincial Government, and covers a planning area of 700 hectares. It includes five functional areas, namely, silicon raw material processing, photovoltaic products manufacturing, photovoltaic equipment manufacturing, research and development, as well as service centers and supporting photovoltaic.







**PV Industry:**

**Major Enterprises**

- Eging
- Huasheng Tianlong
- Sunlight
- Huasheng Hengneng
- Znshine
- Tianshun
- ....



**■ Photovoltaic Industry**

**Photovoltaic Industry cluster in Jintan has been matured with good supporting facilities, experienced workers and technicians.**

- There are more than 30 PV enterprises in the park, such as Changzhou Eging Photovoltaic Technology Co., Ltd., Jiangsu Huasheng Tianlong PV Equipment Co., Ltd. and Sunlight Group Inc. (Changzhou Factory) from USA. These enterprises have been the major force in strengthening the industry in Jintan.
- With an industrial cluster and well equipped facilities, Jintan's PV industry is developing into a complete industrial chain
- The development of the industrial has introduced and fostered a contingency of talents
- Jintan key silicon and PV industry products:
  - Silicon Ingots
  - Silicon Wafers
  - Solar Cells
  - Solar Modules
  - Supporting Industries
  - PV Equipments
  - Cutting Steel Wire
  - Cutting Fluid
  - Encapsulation Materials
  - .....



## Mechanical & Electronics

### Major Enterprises

- Ingersoll-Rand
- Oerlikon
- Changbao Precision
- Huasheng Tianlong
- Langbo
- Mueller-XingRong
- ....



**OERLIKON**



## ■ Mechanical & Electronics Industry

**The Mechanical & Electronics Industry is a pillar industry with well-known enterprises, skilled labor and established supporting facilities.**

- The Mechanical & Electronics (ME) Industry is the most advantageous industry in Jintan.
- The ME Industry in Jintan has developed into clusters with a wide range of products, skilled labor and established supporting facilities
- A large number of well-known and established manufacturing entities in the ME industry are located in Jintan, including Ingersoll-Rand, Oerlikon ,Mueller, etc
- Jintan Mechanical & Electronics Industry development focuses:

- Mechanical Equipment Manufactory
- Automotive Parts and Components
- Agricultural Machinery
- Tool Making Machinery
- Metal Machinery

中国出口服装制造名城

China Famous City for Export Garment Manufacturing

中国服装跨国采购基地

China Garment Base for Multinational Purchasing

**Jintan Textile & Garment Industry:**

**Major Enterprises**

- Chenfeng
- Liberty
- Crystal
- Hongruichangtai
- Abiding
- Qinqin
- Jinhong
- Chengye
- Capricaries
- Boshiman
- ....

■ **Textile & Garment Industry**

**Jintan is one of the five China Garment Bases for Multinational Purchasing, and focuses on garment OEM processing for export. The local enterprises have established relationship with many famous brands.**

- Jintan city was awarded the title of “China Famous City for Export Garment Manufacturing” and “China Garment Base for Multinational Purchasing”. In 2009, garment exports in Jintan accounts for 1.1% in China, and over 30% of total exports in Jintan. It goes “One out of 20 people in the world wears a Jintan Manufactured piece of garment.”
- The Textile & Garment Industry also enjoys a strong clustering advantage in Jintan that helps foster synergies in the region.
- The majority of Jintan’s garment industrial are subcontracted for manufacturing, and over 90% of the products are exported .
- Many well known brands secure their produced goods from Jintan:



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**Salt Industry:**

**Major Enterprises**

- Jiangdong Chemical
- China National Salt Industry
- Haixiang Chemical
- Repont Pesticide
- Kangtai Fluorine Chemical
- Runtec Chemical
- ....

**■ Salt Chemical Industry**

**With high-end salt mineral resources, Jintan has developed a series of related industries, and planned to exploit downstream industry of fine chemicals.**

- Jintan’s salt reserves have excellent mine conditions and are considered the largest salt reserve in the south of the Yangtze River Delta.
- The excavated space of the mine is used as Gas Storage of “West-East Gas Pipeline” which will both benefit the salt industry and the availability of gas in the region.
- Jintan has China’s largest and Asia’s second largest vacuum salt production base. The factories produce 1.2 million tons of vacuum salt for chemical use annually. In addition to this, a factory with an annual output of 250,000 tons of chloro-alkali products has been launched.

Jintan Salt Resources: Index	
Size	16.3 billion tons
Area	60.5 sq. km
SodiumChloride Content	85%
Bed Density	60-100 m
Bed Depth	800-1000 m
Brine Quality	280 g/l
Major Products	Chloro-alkaline products, caustic soda, sodium carbonate, calcium carbide, PVC,
Middle Chlorine Products	Trichloroethylene, cyanuryl chloride, polycrystalline silicon, chloro-isocyanic acid, tetrachloroethyn
Organic Chlorine Products	Chloroacetic acid, amino acetic acid
Fine Chlorine Products	Benzyl Chloride, benzyl acetic acid
Synthetic Materials	Chloro-epoxy propone, epoxy resin

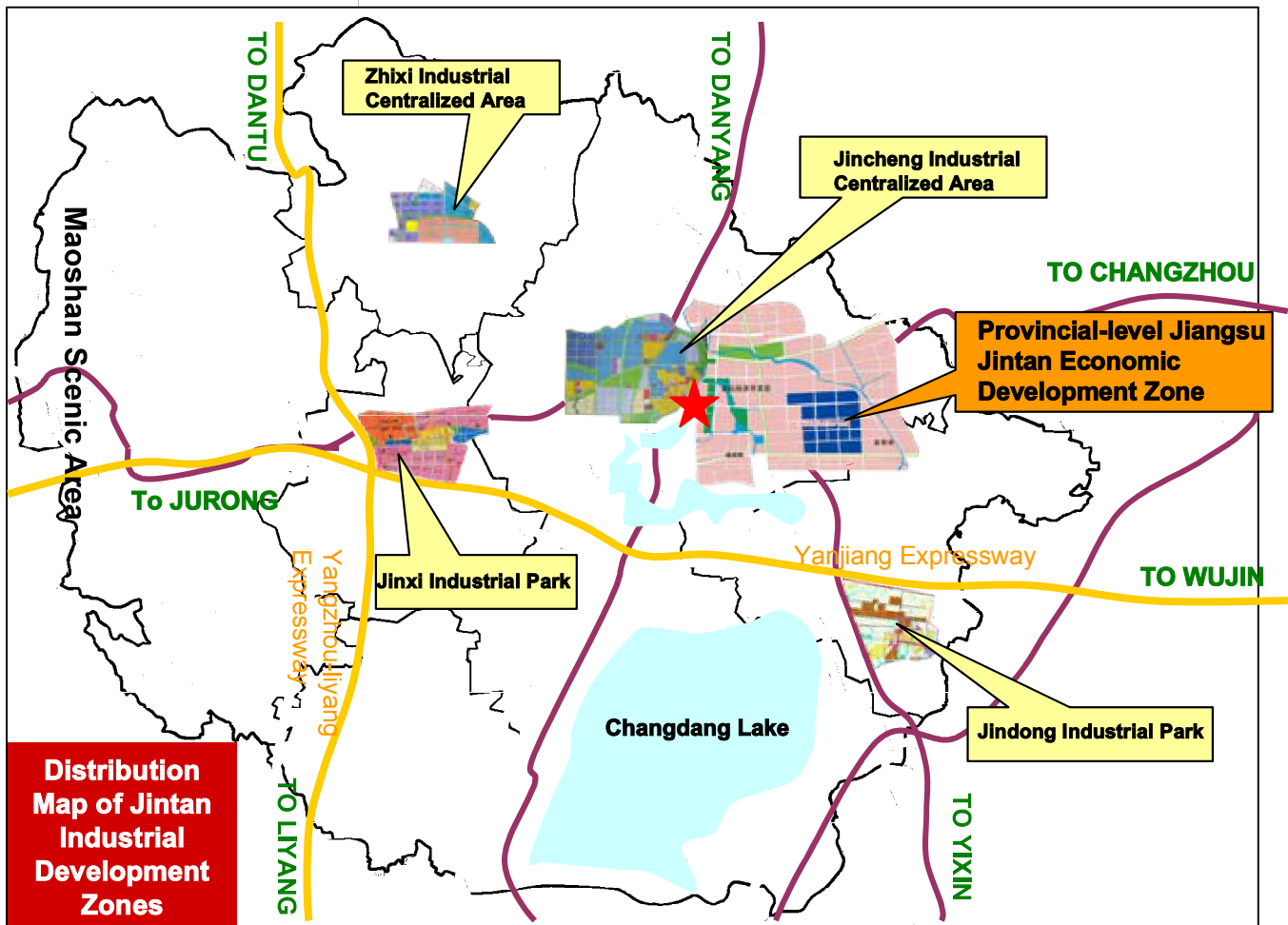


■ **Development Zones**

**Jintan can provide a multi-level facilities and properties with more flexible options.**

□ The Development Zones are the main platforms for industrial development in Jintan. Major Development Zones are:

- Jiangsu Jintan Economic Development Zone
- Jincheng Industrial Centralized Area
- Jindong Industrial Park
- Jinxi Industrial Park





■ Development Zones

Each development zone has a specific industrial focus with corresponding infrastructure. Therefore, foreign investors will have flexible and suitable options on investment.

Name	Level	Planned Area	Industry
Jintan Economic Development Zone	Provincial	68 sq.km planned, 15 sq.km developed	PV Textile & Garment Machinery & Electronics Salt Chemical
Jincheng Industrial Centralized Area	City level	20 sq.km planned, 5 sq.km developed	Textile & Garment, Fine Chemical Machinery & Electronics New Materials
Jindong Industrial Park	City level	planned area of 6 sq. km	Rubber and Paper Products Textile & Garment Light Industry
Jinxi Industrial Park	City level	Planned area of 10 sq.km	Textile & Garment Hardware Machinery New Energy





■ **Supporting Infrastructure**

Every plot in Jintan will live up to “Seven connections and one leveling” standard, e.g. 7 major utilities are connected to the land (electricity, water supply, waste water drainage, road, telephone, broadband, cable TV) and the land will be leveled. Some plot has “Nine connections and one leveling” (has natural gas and steam in addition) as required.

□ Jiangsu Jintan Economic Development Zone

**Infrastructure and facilities in the major parks**

Road	60 m wide main roads, 42 m trunk roads, and 12 m branch roads
Electricity	Cogeneration power plant installation capability: 36,000 KW, 15 substations of 110 & 220 KV. can provide full guarantee of power
Natural Gas	Within West-East Gas Storage Area Annual Supply Capacity is 100 million cubic meters
Water Supply	300-1,000 mm pipe diameter, the daily water supply capacity is 100,000 tons.
Rain and Sewage Water Disposal /Drainage	Rain and Sewage water are separated. Sewage treatment plant with 70,000 tons daily treatment capacity
Communications	50,000 Program Controlled Telephones & “100 M” Broadband network
Steam	Temp 225 ton/hour Pressure: 1.0 MPa Temperature: 310 °C
Land	Bearing Capacity 150-170 kpa
Cable TV	Over 100 channels available

■ **Costs**

**Jintan offers investors a low-cost operating environment.**

- Land is assigned as Level 9 grade. The lowest benchmark price is 204 RMB/sq. m (or 136,000 RMB/Mu)
- Factory: Average rental can vary, depends on the function and matched condition, ranges from 40 RMB/sq. m/year to 100 RMB/sq. m/year.
- Jintan offers a competitive price package compared to other industrial zones in the YRD.

<b>Utilities Cost</b>	
Electricity(10KV)	Peak 1.055 RMB/KW
	Average 0.633 RMB / KW
	Low 0.291 RMB / KW
Water (include WWT)	Domestic Use 2.8 RMB/cu. m
	Industrial Use 3.27 RMB/cu. m
Natural Gas	Industrial Usage 3.09 RMB/cu.m
	Domestic Use 2.20 RMB/cu. m Business Use 2.64 RMB/cu. m Other 2.75 RMB/cu. m
Land	204 RMB/sq. m or136,000 RMB / Mu in general





## ■ Transportation

**Logistics transportation is convenient as it provides quick access to East China's major transportation network of airports, expressways, ports, and railways.**

### □ Expressway

- The Yangzhou-Liyang Expressway, Yangjiang Expressway pass through Jintan and the expressway networks connect Jintan to all major cities of the YRD.

### □ Railway

- The Shanghai-Nanjing Speed Railway passes through Changzhou, only 30 km away. Changzhou is the junction for both passenger and freight trains traveling east-west and north-south in China, with over 190 trains passing through daily and 20-40 TEU cargo deliver capacity.
- The Yanjiang Speed Railway to be constructed passes through Jintan.

### □ Airport

- Shanghai Pudong International Airport, Nanjing Lukou International Airport, Hongqiao Airport, Hangzhou Xiaoshan Airport, Changzhou Benniu Airport and Wuxi Shuofang Airport are close to Jintan. Among those, Shanghai Pudong International Airport is 3 hours' drive away from Jintan, and Nanjing Lukou International Airport is only 40 minutes' drive away.
- For freight use, Shanghai Pudong International Airport and Nanjing Lukou International Airport were ranked 1<sup>st</sup> and 4<sup>th</sup> respectively in total throughput for mainland China.

### □ Waterway

- Jintan is 50 km from Changzhou Harbor, 95 km from Zhangjiagang Harbor, and 125 km from Nanjing Harbor. The Jintan canal system connects the Yangtze River which connects the Shanghai Port (200 km) and Yangshan Deep Water Port (230 km). Danjingcao Canal is one of the Beijing-Hangzhou Grand Canal tributaries, linking Jintan with North China.

■ **Logistics Cost**

Overland	Road Name	Connection To:
Highway	Yanjiang Expressway, Yangzhou-Liyang Expressway, Shanghai Nanjing Expressway, No.239 240, 241, 340 Provincial highways	Shanghai, Nanjing, Changzhou, Hefei, Wuxi, Suzhou, Yixing, Yangzhou, Liyang....

Rail	Shanghai-Nanjing Line, Beijing-Shanghai Line (At Changzhou)	Shanghai, Nanjing, Beijing, Wuxi, Suzhou
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Air	Nanjing	Chang Zhou	Shanghai Hongqiao	Shanghai Pudong
Distance	60km	35km	200km	240km

Direct Flight to:	54 Domestic Cities, 85 routes. Direct airline to Korea, Japan, Thailand, Germany, Singapore, Hongkong and Taiwan. Plan to open America Line	37 Domestic Cities. Plan to open direct airline to Japan, Korea, and Southeast Asia regions and countries.	65 Domestic Cities. Direct airline to Japan and Korea.	China's largest international and Domestic Airport direct to all major Intl. cities
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**Road Transit**

20 TEU	6 RMB/KM		40 TEU	9 RMB/KM	
To:	Shanghai	Nanjing	Chang-Zhou	Guang-Zhou	Beijing
Distance	200	100	35	1,737	1,115
Days	1	1	1	3	3

**Rail Transit**

Avg. Cost	Expense: 0.08 RMB/ton/km Estimated Cost of Bulk Cargo				
To:	SH	NJ	CZ	GZ	BJ
Days	1	1	1	2-3	2

Note: Price estimates are for reference use and may vary dependent on individual carriers.



■ **Logistics Costs**

□ **Jintan is in close to many ports, including Mainland China’s largest port network, Shanghai.**

- **Shanghai Port:** The port of Shanghai surpassed Hong Kong in 2007 to become the second busiest port in the world, just behind Singapore. By 2010, the port is predicted to be the busiest port. Shanghai offer customs clearance, import-export processing services, logistics support, and international shipping lines to all the major ports across the world.
- **Zhangjiagang Port:** An International port with 23 international lines to over 140 ports in Europe, North America and Asia. Currently the port has 53 berths for 10,000 ton vessels and 33 km of waterfront developed for port activity. The port has established customs clearance and processing that allows for direct international import-export.
- **Changzhou Port:** Directly connects Jintan via canal system and the Beijing-Hangzhou Grand Canal. The port has 21 km of riverfront developed for port activity. Changzhou port possesses two 10,000 ton berths and numerous 1,000 ton berths. The port runs 10 international lines and many domestic lines within China.

□ **Jintan Possesses a developed waterway system.**

- The Danjincao River crosses through Jintan, and connects to Yangtze River, is navigable all year round for 500-1,000 ton vessels destinations to ports of Yangtze River and China’s eastern coast.

Port	Distance	Turnover (TEU)
Changzhou	50 km	1,000
Zhangjiagang	95 km	10,000
Shanghai	200 km	56,100

Waterways and Port Transport					
From Shanghai	Hong Kong	Singapore	USA	Japan	Europe
Port To:					
20 TEU	150	200	1500	300	800
40TEU	300	420	2200	600	1600

Note: Prices are for reference only.



## ■ Human Resources

### □ Jintan has high quality talent.

- The Pearl River and Yangtze River Delta are the two largest domestic labor markets, especially in key industries such as Photovoltaic, Mechanical & Electronics, and Textile & Garment, supporting regional economic development.
- The labor market includes Nanjing, Changzhou, Wuxi, Yangzhou, Yixing, Zhenjiang and other major cities in the south Jiangsu Province area. Total new labor arriving in Jintan annually is also approximately 10,000 workers.

### □ The Jintan total labor force is 250,000.

- Total population of the whole Jintan city is 540,000, but unemployment rate is only 2.02%.
- 250,000 total workers, 45% (about 110,000 people) are skilled workers.
- The education institutions annually produce 2,000 people.
- The vocational schools annually produce 5,000 people.

### □ Changzhou provides a deep labor pool, educational and vocational training infrastructure that Jintan can leverage to broaden and enhance its labor market.

■ **HR Costs**

□ **Jintan enjoys low labor costs.**

- Companies may have different wage expectations and structure, but on average the following wage levels are indicative of the city.

- ✓ Worker: 800-1200 RMB/Month
- ✓ Technical Laborer: 1200-1500 RMB/Month
- ✓ Management Level: 1500-3000 RMB/Month

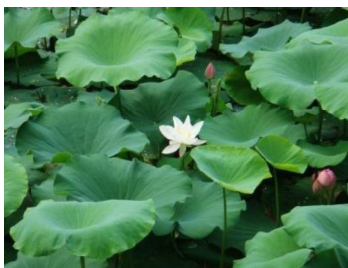
□ **Companies must pay social welfare on behalf of the staff, which factors into cost estimates.**

- The “Labor Laws” stipulate that all enterprises must pay social benefits for their staff, including endowment insurance, unemployment insurance, and medical insurance.
- The following chart shows the Jintan City breakdown:

Item	Standard	Company	Individual
Endowment	28%	20%	8%
Medical	10%	8%	2%
Other	4.8%	3.8%	1%

□ **Jintan is a county/city with a labor cost advantage.**

- According to the Jiangsu Statistical Yearbook, the average salary of Changzhou employees is higher than the mainland China average, but Jintan’s HR cost is lower than its neighboring city, and approximating the Mainland China average.



■ **Living Environment**

**Jintan enjoys a nice living environment with high green ratio which reached 40.85 %, good housing options and many entertainment venues to supply a diverse and rich life.**

□ **Urban Greenery**

- Jintan city has vigorously pursued green projects to promote an ecological way of life an with a higher per capita green area average than the national average.

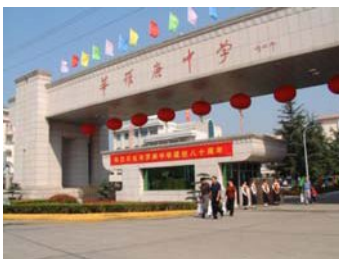
Indicator	Data
Green Area	887 hectares
Landscaped Area	789 hectares
Public Green Area	211 hectares
Per Capita Green Area	12.34 sq.m

Note: The national per capita green area average is 6.25 sq.m

- Jintan’s natural environment is well-regarded and superior to its neighbors. Examples are wetland park, Changdang Lake, Qianzidang Lake etc.
- Jintan has a large stadium. In addition, leisure center in the 7 towns and the 77 villages are all completed.

□ **Residential**

- Jintan city offers many different residential options, including hotel style apartments, high grade apartments, villas, and moderately priced quality apartments. The average price per square meter is 3,000 RMB for housing space in Jintan.



□ **Health and Medical**

- Jintan City has 207 health care institutions (including three municipal hospitals), with more than 1,681 beds, that could meet the medical care requirements.

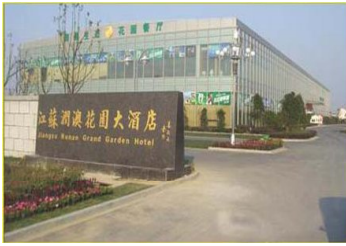
□ **Education**

- Jintan has a developed educational system capable of providing investors and their children with good education options.
- The Changzhou International School is 30 km away from Jintan, it provides classes from pre-school to senior high school and has more than 2,000 students, of which 200 are foreign students.

**Jintan Education**

School	Amount
Kindergarten	26
Primary	30
Junior High	22
High School	5
Vocational	1
Technical	5

Note: The Hualuogeng High School is a principal key school.



■ **Business Environment**

**Jintan has a modern business services infrastructure , it has many hotels with different decorate style capable of meeting the requirements of today’s business traveler.**

□ **Major hotels in Jintan**

Hotel Name	Stars
Run Ao Garden Hotel	★★★★★
Jiujiu Hotel	★★★★
Sakura Hotel	★★★★
Yifeng Hotel	★★★★
Pataya International Hotel	☆☆☆☆
Home Inn	☆☆

Note: ☆ means qualified stars

■ **Functions of the Port**

□ **Jintan Office of Changzhou Entry-Exit Inspection and Quarantine Bureau**

■ Administrative law enforcement such like inspection, quarantine, supervision of the local goods entry/ exit .

■ Issuance Formalities of Generalized System of Preference Certificate of Origin FORMA, Regional System of Preference Certificate of Origin, Certificate of Origin of the People’s Republic of China.

□ **Jintan Business Section of Changzhou Customs District People’s Republic of China**

■ Accept enterprise register, the pre-checking of tax relief, pre-filing of processing business, processing business verify application in Jintan.





■ **Tourism**

□ **Places of Interest**

- Maos han Scenic Area, Maoshan Qianyuan Monastery, Maoshan Yuanyang Monastery
- Gulongshan Park
- Duanyucai Memorial Hall
- Aojin (grandway) Crocodile Park
- Jiangnan Peacock Park
- ....

□ **Tourist Resort**

- Maoshan Tourist Resort
  - ✓ Maoshan Scenic Area plans to establish a “Health Preservation Place”and features a tourist resort, including health culture, Health exercise, health leisure, and health agriculture.
  - ✓ Golf Resort
- Changdang Lake, Qianzidang Lake
  - ✓ Wetland Park
  - ✓ Lakeside Scenery
  - ✓ Lakeside Tourist Resort
  - ✓ ....

## ■ Investment Policy

### □ Foreign-Funded Enterprises Registered Capital Requirements as Portion of Total Investment

Total Investment	Registered Capital %
≤ \$ 3,000,000	70%
\$ 3,000,000—\$ 10,000,000	50% (no less than \$ 2,100,000)
\$ 10,000,000 — \$ 30,000,000	40% (no less than \$ 5,000,000)
≥ \$ 30,000,000	33.3%

### □ Related Tax Policy

#### ■ Business Income Tax

In January 1 of 2008, China introduced the new corporate income tax structure which aims to unify the scope, tax rate, preferential tax policies, deductions for both domestic and foreign companies. The new law has revoked the existing five-year tax holiday (i.e. two-year exemption and subsequent three-year 50 percent reduction of applicable tax rate) for newly established manufacturing FIEs. Transitional grandfathering relief has been introduced for qualifying FIEs established prior to the promulgation of the CIT law.

To promote China's economic restructuring and industrial upgrading, the new enterprise income tax law provides for three tax rates:

15% is applies to High Tech companies meeting all required approvals

20% applies to small size companies with comparatively low profits

All other enterprises will be taxed at 25%

- Other taxes include turnover tax, stamp tax, customs, and personal income tax

- Personal Income Tax

Since March 1 of 2008, the standard rate of taxation on wages has since been re-calculated to the following, as represented in the below table:

No.	All Taxable Income (RMB)	Tax Rate (%)	Deductions (RMB)
1	Less than 500	5	0
2	500 - 2000	10	25
3	2000 - 5000	15	125
4	5000 - 20000	20	375
5	20000 - 40000	25	1,375
6	40000 - 60000	30	3,375
7	60000 - 80000	35	6,375
8	80000 - 100000	40	10,375
9	More than 100000	45	15,375

Note: Personal Income Tax = Taxable Income Tax × Tax Rate – Deductions (Taxable Income Tax = Salary – 2000). The dividend payment and bonus from foreign investment need not pay for the personal income tax.

### **Administrative Business Fees for Construction & Engineering**

- Supporting Measures for Municipal Public Infrastructure Fee
- Housing Construction Engineering Quality Inspection Fee
- Civil Air Defense Construction Fee
- New Wall Material special fund
- Fee of Installing and Checking the Defend Thunder Facilities
- Bulk Cement Special Advance Receipts
- Administration Fee of the Demolition and Removal of Urban Houses
- Non-residential Real Estate Ownership Registration
- Planning Technology Service
- Termite Control Fee
- Real Estate Mapping Fee
- Structure Layout Fee
- Topographic Survey Fee
- Achieves Service Fee
- Drawing Inspecting Fee
- Urban Building Waste Treatment Fee

### ■ **Investment Policy**

#### □ **Related Charges and Fees Policy**

- *Administrative Business Fees for Construction & Engineering*

The actual fees in Jintan are 1/12 of standard regulation fees, which is competitive than other places. Jintan also implements and strives for full transparency during the process.

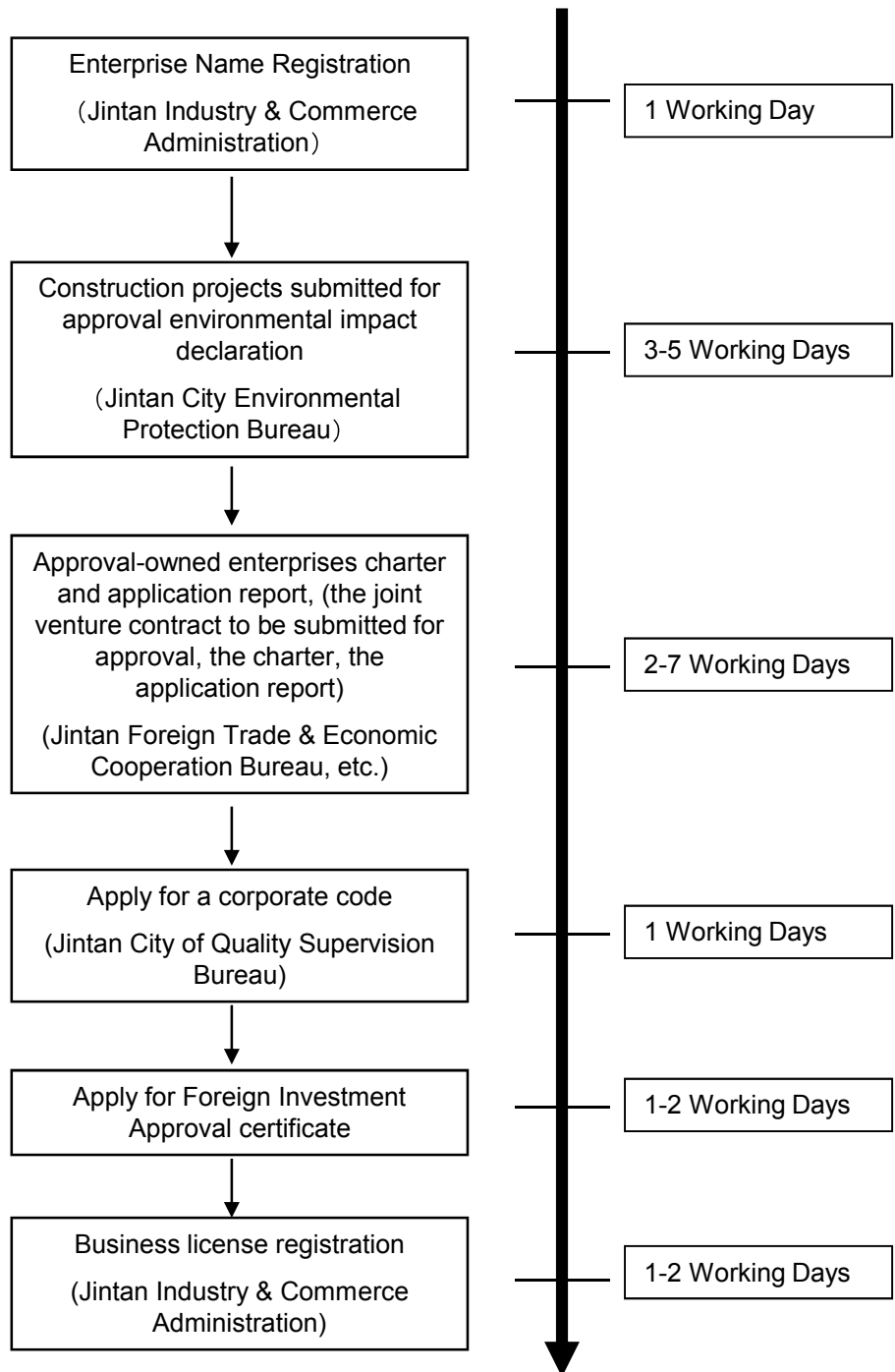
Jintan policy aims to unify and standardize fees into a one-time fee during the construction process. The fees cover 16 items (on the left form) and form a final and total charge of RMB 12/ sq.m.

- *Government Administrative Fees Pertaining to Production*

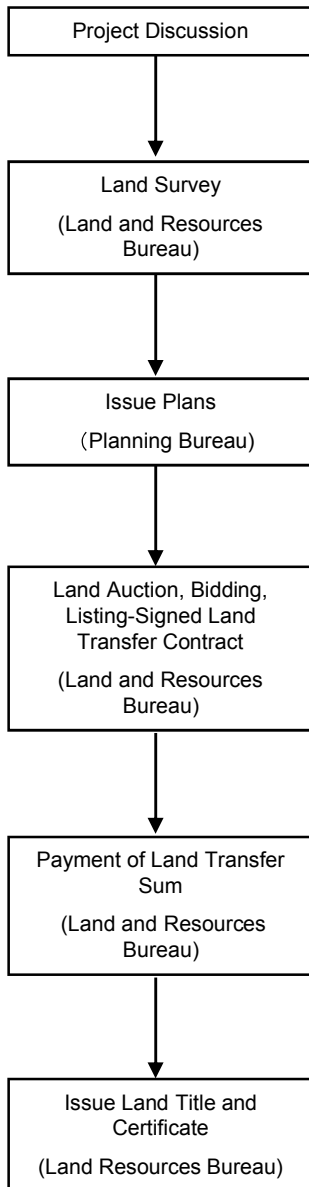
Jintan implements a zero charge policy, which signifies that besides the regulation fees, there is no other additional fees derived from the government.

■ **Reporting Procedure**

- Solely Owned or Joint Venture Companies reporting procedures and required materials.



**Land Use and Building  
Construction  
Procedure**



**■ Land Usage**

- Regulations for transfer / grant land rights use state that Jintan shall be responsible for the matters relating to transfer and grant of use rights of state-owned land for valuable consideration and both domestic and overseas investors are welcomed to invest in land in Jintan.
- Zones of land use, land transfer up to a maximum of 70 years, of which the industrial land is generally no more than 50 years, and land for commercial, entertainment, tourism do not generally exceed more than 40 years, and finally the residential land have use rights for 70 years.
- A Chinese partner can transfer the land use right to a joint venture as a part of its investment or cooperation term for undertaking development and construction with overseas investors.
- Land must be used in compliance with the overall plan and subject to the overall industrial layout of the development zones with the aim of environmental protection.

**Note:** During Pre-Construction Phase, projects must apply for the following procedures:

- Obtain constructional projects approval certificate or filing records, in Development & Reform Bureau
- Obtain license of the usage of the construction land, in Planning Bureau
- Obtain construction land approval, in Land & Resources Bureau
- Obtain constructural planning project for approval, in Planning Bureau
- Obtain certification of construction engineering, in Construction Bureau

**Website:**

Jintan·China

[www.jt.gov.cn](http://www.jt.gov.cn)Jintan Economic  
Development Zone[www.jtkfq.com](http://www.jtkfq.com)

Jintan Information Website

[www.jt.js.cn](http://www.jt.js.cn)**■ The Government**

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