

NANYANG FOREIGN INVESTMENT GUIDE

(2021 EDITION)

A decorative graphic at the bottom of the page consisting of several overlapping, wavy, semi-transparent blue shapes that create a sense of movement and depth, transitioning from light blue to a darker blue.

**Nanyang Foreign Investment Guide
(2021 Edition)**

Nanyang Foreign Investment Guide (2021 Edition) Foreword

In his keynote speech delivered at the opening ceremony of the 4th China International Import Expo (CIIE) held in November 2021, Chinese President Xi Jinping stated that “China will not change its resolve to open wider at a high standard, will not change its determination to share development opportunities with the rest of the world, and will not change its commitment to an economic globalization that is more open, inclusive, balanced and beneficial for all.”

Nanyang, likewise, will remain committed to opening up and stay the course of providing preferential policies and high-quality services to foreign investors. To that end, the city will strictly implement the negative list management system for foreign investment and continuously optimize the review and approval procedures for foreign investors, with a view to creating a level playing field in which domestic and foreign enterprises are treated equally and fair competition is encouraged. In 2021, Nanyang Municipal People’s Government issued the *14-Point Measures to Strengthen Investment Attraction in Nanyang* (NMPG Document No. 26 of 2021), under which, other things being equal, the following three incentive packages are specially rolled out for foreign investors. First, Nanyang will give priority to encouraging and supporting foreign investment in fields such as advanced manufacturing industries, strategic emerging industries, the industries of the future, and producer services industries, and will also support foreign investors in further expanding the field of investment. Second, for any investment promotion agency or intermediary that has successfully attracted foreign investment projects into Nanyang, if the contracted value of foreign investment in the registered capital of newly established foreign-invested projects is worth more than USD 5 million, the above-mentioned agency or intermediary shall receive a reward of up to 5 ‰ of the equivalent RMB amount of the actual funds invested, with a maximum of no more than RMB 3 million. Third, Nanyang will offer rewards for actual utilization of foreign investment to foreign-invested enterprises approved by the Ministry of Commerce commensurate with the total volume of investments made by them. With regard to foreign-funded projects that are highly significant or impactful, specific incentive measures will be promulgated in the spirit of “one project, one assessment” in an effort to be more supportive.

To build a more transparent business environment and facilitate trade and investment, the municipal authorities in Nanyang herein

compiled the *Nanyang Foreign Investment Guide*, which is composed of five chapters. Chapter 1 is titled “Meeting Nanyang”, which presents a general overview of Nanyang, as well as an introduction to the city’s economic landscape and its strategic opportunities for future development. Chapter 2 is titled “Investing in Nanyang”, which touches upon the basic conditions and human resources advantages that Nanyang is endowed with. Chapter 3 is titled “Preferential Policies for Investment Attraction”, which elaborates on a host of preferential policies and incentives for investment promotion and facilitation in Nanyang. Chapter 4 is titled “Procedures for Business Operation”, which briefly introduces the procedures for operating businesses in Nanyang, involving enterprise incorporation, enterprise modification, taxation, foreign exchange, etc. Chapter 5 is titled “Proposed Projects for Foreign Investment”, which covers a total of 295 projects across a wide range of industries mainly including manufacturing, processing, new energy, etc.

Contents

1. Meeting Nanyang.....	1
1.1 Overview of Nanyang.....	1
1.2 The Economy.....	2
1.3 Strategic Opportunities.....	4
2. Investing in Nanyang.....	6
2.1 Well-established Infrastructure.....	6
2.2 Abundant Human Resources.....	6
3. Preferential Policies for Investment Attraction....	7

1. Meeting Nanyang

1.1 Overview of Nanyang

1.1.1 Location-specific Advantages and Natural Environment

With two mountain ranges, namely, Funiushan Mountain and Tongbaishan Mountain, extending through its northern and eastern areas, Nanyang constitutes a natural watershed dividing the Yangtze River, the Yellow River and the Huaihe River. Uniquely situated in a transition zone between the warm-temperate climate to the north and the subtropical climate to the south, Nanyang is an eco-friendly city that boasts a mild climate, distinct seasonal changes and sufficient rainfall. Nanyang is one of the most water-abundant cities in Henan Province, within which lie both the headwaters and the canal headworks of the middle route of the South-to-North Water Diversion Project. Hence, Nanyang has been dubbed the “city of water in North China”. Nanyang’s ecological livability can find best expression in many of the titles and awards it has earned, such as National Key Ecological Functional Zone, National Forest City, Excellent Tourism City of China, National Model City of Greenery, etc. With a forest coverage rate of 40.5%, the forest and woodland area in Nanyang accounts for approximately a quarter of that of the whole province. Besides, Nanyang is also home to 8 natural reserves and 13 forest parks at both national and provincial levels, of which Baotianman Scenic Area has successively been designated a National Geopark and a UNESCO World Biosphere Reserve.

1.1.2 Society and Culture

Nanyang is located in the southwest of Henan Province, right at the intersection of Henan, Hubei and Shaanxi provinces. Known as Wancheng in ancient times, the city of Nanyang derives the name from its geographical location south of the Funiushan Mountain and north of the Han River. Nanyang currently administers 1 county-level city, 2 administrative districts, 10 counties, 1 national high-tech zone, 1 urban-rural integration demonstration area, 2 industrial areas, and 1 comprehensive bonded zone. With a registered population of over 12 million and covering a total area of approximately 26,600 square kilometers, Nanyang is the largest prefectural city in Henan Province.

As a National Famous Historical and Cultural City, Nanyang boasts rich and diverse cultural heritage spanning over 5,000 years. The establishment of the city can be traced as far back as 2700 years ago. Nanyang is an important birthplace of the Chu-Han Culture, a renowned iron smelting center nationwide during the Warring States Period (475–221 BC), and one of the six metropolitan cities in the

Western Han Dynasty (206 BC–8 AD). Nanyang is where Liu Xiu got his start in clawing his way to the throne, who later became the founding emperor (Emperor Guangwu) of the Eastern Han Dynasty (25–220 AD). Thereby, the city earned its fame as the ‘Southern Capital’ or the ‘Emperor’s Hometown’. Nanyang is a city of intellectual brilliance. Li Bai, a great Chinese poet in the Tang Dynasty (618–907 AD), lavished his praise on Nanyang, saying, “Outstanding figures come forth in numbers here; and in this regard, nowhere else could be found comparable.” According to historical records, Nanyang has nurtured over 800 illustrious historical personages. These include but not limited to Fan Li, a distinguished Chinese military strategist, politician, and businessman during the Spring and Autumn Period (770–476 BC), Zhang Heng, a renowned Chinese polymath and statesman of the Eastern Han Dynasty (25–220 AD), Zhang Zhongjing, an eminent Chinese pharmacologist and physician of the Eastern Han Dynasty (25–220 AD), and Zhuge Liang, an exceptional statesman and military strategist during the Three Kingdoms Period (220–280 AD). In addition, Nanyang is also home to a number of contemporary and modern celebrities such as Peng Xuefeng—a senior Chinese military commander, Feng Youlan—a renowned Chinese philosopher, Yao Xueyin—a renowned Chinese historical novelist, Eryue He—a famous Chinese historical fiction writer, Wang Yongmin—a noted Chinese programmer and inventor of the five-stroke input method, etc. Most notably, Nanyang has nurtured over 20 academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, accounting for one third of the number of Henanese academicians in total. That is why the city is often hailed as the “hometown of academicians in Henan”. Moreover, Nanyang is also a revolutionary city. The city witnessed the last leg of China’s War of Resistance Against Japanese Aggression, and hence the pivotal Nanyang Battle goes down the annals of history. In November 1948, the whole area of Nanyang was liberated by the People’s Liberation Army of China. Hearing this, Chairman Mao Zedong specially wrote a telegraph message for Xinhua News Agency, titled “On the Liberation of Nanyang by Our Army in the Central Plains”, to report the news first hand.

1.2 The Economy

1.2.1 Economic Development

During the 13th Five-Year Plan period (2016-2020), Nanyang’s gross domestic product (GDP) increased from RMB 276.8 billion to RMB 392.6 billion, with an average annual growth of 6.3%. The local general public budget revenue increased from RMB 15.7 billion to RMB 20.2 billion, with an average annual growth of 5.2%. The total retail sales of social consumer goods approached RMB 200 billion,

with an average annual growth of 7.3%. The average annual growth of fixed asset investment reached 10.4%. The per capita disposable income of urban and rural residents hit 33,910 yuan and 16,091 yuan respectively, a year-on-year growth of 6.2% and 8.3% in real terms. Nanyang's grain output remained stable at approximately 14 billion *jīn* (i.e. 7 billion kilograms). The districts and counties of Nanyang also registered vibrant economic growth, with the GDP of four of them exceeding RMB 30 billion each.

1.2.2 Economic Structure

■ Transformation and Upgrade in Manufacturing Industry

Nanyang has made its way into the lists of Pilot Cities for “Innovation China”, National High-tech Industrial Bases for New Energy, and National Innovation Bases for Trade Invigoration Through Science and Technology. The total volume of its industrial production ranks third in Henan Province, enjoying a competitive edge in its industrial supporting capacity. With over 3,000 types of industrial products across 38 industry categories, an advanced manufacturing system has taken shape in Nanyang, featuring equipment manufacturing, textile and clothing, electronic information, new energy, green foods, biomedicine and so on. The city has nurtured a number of brands and products well-known both internationally and domestically. The explosion-proof motors produced by Nanyang Explosion Protection Group Co. Ltd., the synthetic diamonds produced by Nanyang Zhongnan Diamond Co., Ltd., the Huashi drilling rigs and workover rigs produced by RG Petro-Machinery Group Co. Ltd., etc. are among the top brands in China. In addition, the optoelectronic modules and components and the photosensitive materials produced in Nanyang, amongst others, figure prominently both in and outside Henan Province, leading the domestic market share.

■ Development of Agriculture with Special Characteristics

Dubbed the “granary of the Central Plains”, Nanyang is a major grain-producing area in China, with its annual grain output stabilizing at 14 billion *jīn* (i.e. 7 billion kilograms). The city's annual export volume of agricultural products accounts for more than 50% of that of Henan, ranking first in the whole Province. Nanyang is the hometown of Zhang Zhongjing, the sage of traditional Chinese medicine (TCM). Naturally, the city not only boasts rich cultural heritage and resources of TCM but also spearheads its development in terms of R&D in TCM materials and products. In 2020, the annual output of TCM industry in Nanyang exceeded RMB 30 billion, becoming one of the important pillar industries of the city.

■ Broad Market Prospects for the Services Sector

Nanyang's total retail sales of social consumer goods rank third in Henan Province. Urbanization is accelerating in Nanyang, with the

permanent resident urbanization rate over 50%, creating a great opportunity for investment and consumption. In the foreseeable years, Nanyang is expected to witness an annual increase in its urban population of around 200 thousand. With strong consumption willingness and capacity on the part of its residents, Nanyang boasts immense consumption potential and broad market prospects.

1.2.3 Open Economy

The system for opening up is maturing in Nanyang. The city's foreign trade and two-way investment have reached over 140 countries (and/or regions). Solid progress is being made in regional cooperation with the Beijing-Tianjin-Hebei (BJ-TJ-HB) Metropolitan Region, the Yangtze River Delta, and the Guangdong-Hong Kong-Macao Greater Bay Area. Today, Nanyang is expanding its opening up on all fronts, with well over 5,000 registered import and export companies offering a variety of products and services. For instance, Nanyang CIJAN Auto Shock Absorber Co., Ltd. has developed its high-speed rail shock absorbers, which filled a domestic gap. Lucky Huaguang Graphics Co. Ltd. in Nanyang has established a strategic cooperation alliance with Agfa-Gevaert Group in the Netherlands, eyeing to become the world's largest offset plate manufacturer. At the same time, a number of local multinational enterprises are thriving in Nanyang. The open economy is beginning to take shape. Since the inception of the 13th Five-Year Plan, Nanyang's goods trade has increased by 12.4% on an annual basis; its export of agricultural products has secured the top spot in Henan Province; and its annual transaction volume of cross-border e-commerce has exceeded RMB 10 billion. Moreover, 11 world's top 500 enterprises such as China Everbright Group and over 30 China's top 500 enterprises such as Tunghsu Group have set up their businesses in Nanyang.

1.3 Strategic Opportunities

1.3.1 Development Positioning

During his inspection tour to Nanyang in May 2021, Chinese President Xi Jinping, also General Secretary of the Communist Party of China Central Committee and Chairman of the Central Military Commission, convened a symposium on advancing the high-quality follow-up development of the South-to-North Water Diversion Project. The speeches and proposals made by President Xi at the symposium have brought unprecedented historic opportunities to and charted a new course for Nanyang's future development. Meanwhile, the 11th Henan Provincial People's Congress of the Communist Party of China held in October 2021 endorsed a decision to "support Nanyang in its effort to build a sub-provincial level city". Hence, Nanyang has ushered in another major development opportunity with milestone significance.

1.3.2 Major Targets for the 14th Five-year Plan Period

Implement the “6333” Plan. Namely, the total economic output is to exceed RMB “600” billion; the general public budget income is to reach RMB “30” billion; the built-up area of the city proper is to reach “300” square kilometers; and the urban population is to reach “3” million. The main economic indicators per capita are to near or reach the provincial average level. In terms of economic strength, the city is to enter the list of top 50 prefectural economies in China, and the construction of a sub-provincial level city is to yield substantial results. The urbanization rate is to reach 60%, reclaiming its spot among the ranks of cities with a permanent population of 10 million. **Implement the “5 + N” industrial cluster development plan.** Namely, priority will be given to fostering “5” industrial clusters worth over RMB 100 billion each, covering such five fields as equipment manufacturing, green foods, electronic information, bioindustry, as well as cultural tourism and health services. “N” refers to a host of industrial clusters worth over RMB 10 billion each, which will also be forged in earnest by the city. Besides, the proportion of the secondary industry is to exceed 40%, and a modern industrial system supported by advanced manufacturing will have taken shape. **Implement the “732” key project investment promotion plan.** Namely, during the 14th Five-Year Plan period (2020-2024), the city will focus on “7” areas encompassing advanced manufacturing, key infrastructure, urban construction, etc., and implement around “3,000” key projects at either provincial or municipal levels, to strive for an investment totaling RMB 2 trillion. **Advance innovation in science and technology to a new level.** The R&D investment intensity (ratio of R&D to GDP) in the whole society is to exceed 2%. The system and mechanism of and for innovation is to be more supportive and thorough. The vitality of innovation stakeholders and talents is to be continuously stimulated. The capacity for independent innovation of key industries is to be improved by leaps and bounds. The number of high-tech enterprises is to double. Above all, Nanyang is to become a national innovation-driven city of considerable influence.

2. Investing in Nanyang

2.1 Well-established Infrastructure

2.1.1 Convenient Transportation Networks

Nanyang is an important national transportation hub, where the Jiaozuo-Zhicheng Railway and the Nanjing-Xi’an Railway intersect. The city also sees the Haolebaoji-Ji’an Railway (West Inner Mongolia to Central China) and the Zhengzhou-Chongqing High-speed Railway traverse its landscape. The total mileage of expressway in Nanyang is 794 kilometers. Nanyang Airport is one of the important civil airports

in Henan Province. The resumption of navigation in the Tangbai River, the largest tributary of the Han River, whose construction is well underway, will enable Nanyang to reach the sea again. Besides, Nanyang has also been designated as an important node of transportation along the Eurasia Continental Bridge corridor and the Erenhot-Zhanjiang High-speed Railway.

2.1.2 Rich Natural Resources

Nanyang is rich in mineral resources, with its natural alkali reserves ranking first in Asia, and its kyanite, andalusite, sillimanite and rutile reserves ranking first in China. The city also boasts abundant reserves of graphite, gold, silver ore and oil. The Dushan Jade of Nanyang is known as one of the “four great jades” in China. The city is also China’s largest base for breeding and cultivation of Chinese roses. Hence, Nanyang has earned a reputation as the “home of jade carving” and the “home of Chinese roses” in China. Meanwhile, Nanyang is endowed with rich water resources, with its total volume of water resources reaching 6.8 billion cubic meters, ranking first among cities in Henan Province either by per capita water resources or in terms of the reserves of water resources.

2.2 Abundant Human Resources

Nanyang is not only a populous city but also a major labor-exporting city, with a working age population of 7.49 million (aged 15-64). Given their hard work and professional expertise, the people of Nanyang have nurtured seven popular and nationally well-known labor service brands, namely, Tanghe security guards, Nanzhao embroideresses, Zhenping jade carvers, Dengzhou nursing workers, Fangcheng electric welders, Sheqi fishermen, and Neixiang construction workers.

At present, Nanyang boasts 7 regular institutions of higher education and 32 secondary vocational and technical schools. Consequently, an education system underpinned by both higher education and vocational education has come of age in Nanyang, covering a variety of academic categories such as literature, science, engineering, agriculture, and medical science.

3. Preferential Policies for Investment Attraction

14 Measures to Strengthen Business Invitation and Investment Attraction Of Nanyang City

In order to thoroughly implement the decision and deployment of the provincial and municipal Party congress: focusing on opening up, promoting business invitation, expanding investment, and empowering the sub-central city of Henan Province, the People's Government of Nanyang City formulated the following measures according to the actual situation of the city.

I. Focus on Business Invitation of Leading Industries

1. Clarify the direction of industrial business invitation. The government will unswervingly give top priority to industrial business invitation, with a view to fostering and building "5 + N" industrial clusters worth 100 billion CNY, the government strives to encourage and support all counties and cities under its jurisdiction to focus on promoting leading industries and investment attraction, to actively attract projects such as advanced manufacturing, strategic emerging industries and other projects. Priority will be given to encourage and support foreign investment in advanced manufacturing, strategic emerging industries, future industries, and productive service industries. (Responsible units: Municipal Investment Promotion Bureau, Municipal Development and Reform Commission, Municipal Industry and Information Technology Bureau, People's

Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

2. Make clear the targets of industrial investment attraction.

Municipal direct departments should undertake quantitative investment task in accordance with the principle that the industrial administrative department must be in charge of industrial investment attraction. During the 14th Five-Year Plan period, each county and urban area will attract at least one advanced manufacturing project worth more than 1 billion CNY or two advanced manufacturing projects worth more than 500 million CNY each year, and strive to attract one advanced manufacturing project worth more than 3 billion CNY. (Responsible Unit: City Investment Promotion Bureau, Municipal Development and Reform Commission, Bureau of Industry and Information Technology, Bureau of Science and Technology, Civil Affairs Bureau, Finance Bureau, Human Resources and Social Security Bureau, Natural Resources and Planning Bureau, Ecological Environment Bureau, Housing and Urban-Rural Development Bureau, Water Conservancy Bureau, Transportation Bureau, Agriculture and Rural Bureau, Bureau of Culture, Radio, Television and Tourism, Health and Sports Commission, Bureau of Traditional Chinese Medicine Development, Bureau of Commerce, Education Bureau, Financial Work Bureau, Affairs Service and Big Data Administration, Rural Revitalization Bureau, Forestry Bureau, Grain and Material Reserve Bureau, Market Supervision and Administration Bureau, City Administration Bureau, Wolong Comprehensive Insurance District, Beijing(Tianjin)-Wan Cooperation Center, Municipal Investment Group,

Municipal Production and Investment Group, Municipal Jiaotong Investment Group, People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

II. Strengthen Incentive Measures of Investment Promotion

3. Set up special funds for municipal investment promotion.

According to On the instructions of the People's Government of Henan Province on Strengthening Business Attraction and Investment under the New Situation (Yuzheng [2020] No. 22), On the Measures for the Management of Special Funds for Provincial Investment Promotion in Henan Province (YuCaimao [2018] No. 62), and On the Notification of the People's Government of Nanyang Municipality on Several Measures to Further Expand Opening Up (Wanzheng [2020] No. 5), a special fund for municipal investment promotion should be set up, which shall be incorporated into the municipal fiscal budget, and used as a whole to support and reward major investment attraction projects, strengthen investment promotion activities, and encourage socialized and specialized investment attraction. Measures for the administration of special funds for investment promotion at the municipal level shall be separately formulated by the Municipal Finance Bureau jointly with the Municipal Investment Promotion Bureau. Besides, the government will also encourage all counties and urban areas under its jurisdiction to set up special funds to attract investment. (Responsible unit: Municipal Finance Bureau, Municipal Investment Promotion Bureau, People's Governments of all Counties and Urban Areas

[Management Committee] of Nanyang)

4. Implement incentives in strategic emerging industry projects.

For strategic emerging industry projects settled in Nanyang city after the implementation of this policy, whose annual output value exceeds 50 million, 100 million, 300 million, 500 million, or 1 billion CNY for the first time after being included in the list of industrial enterprises above designated size (“above” in this policy includes the amount), a one-off reward of 100,000, 200,000, 500,000, 1 million and 3 million CNY will be given respectively. (Responsible units: Municipal Investment Promotion Bureau, Municipal Finance Bureau, Municipal Development and Reform Commission, Municipal Industry and Information Technology Bureau, Municipal Science and Technology Bureau, Municipal Statistics Bureau, People’s Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

5. Implement incentives in leading industrial projects. For projects in accordance with the development direction of the city’s “5 + N” 100 billion industrial cluster incubation plan and having a one-time fixed assets investment of more than 100 million CNY, after the operation, shall be 100% rewarded in the year 1-3, 50% rewarded in the year 4-5 according to their contribution to the local finance, while the accumulative total reward will not be higher than the actual fixed assets investment amount. For enterprises that set up headquarters, regional headquarters, R&D centers, technology centers, procurement centers, settlement centers and other functional institutions in our city, after the operation, shall be 100%

rewarded in the year 1-2, 50% rewarded in the year 3-5 according to their contribution to the local finance. The reward funds will be used to support enterprises in scientific research and innovation, expanding investment and exploiting markets. For the world's top 500, China's top 500, China's top 500 private enterprises, central enterprises, leading enterprises in certain industries that set up headquarters in our city, "one case, one discussion" principle will be employed. (Responsible unit: Municipal Investment Promotion Bureau, Municipal Finance Bureau, Municipal Taxation Bureau, Municipal Development and Reform Commission, People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

6. Implement incentives for investment promotion intermediaries.

To all kinds of business associations, intermediaries and non-state public employees (generally referred to as the investment promotion agencies), who successfully introduce high quality projects (non-financial direct investment) that conforms to the development direction of the city's "5 + N" 100 billion industrial cluster incubation plan outside the city, if the amount of domestic project investment exceeds 100 million CNY, a one-off reward of 4‰ of the fixed assets investment shall be given on the completing operation day of the project, the maximum of the reward shall be no more than 2 million CNY; if the contracted capital of the newly established foreign-capital project is more than 5 million US dollars, a reward of 5‰ of the equivalent CNY of the registered capital of the foreign-capital enterprise actually in place shall be given, and the maximum of the reward shall not

exceed 3 million CNY. And the accumulative amount of the project capital injected in batches shall not exceed 2 years. Only one investment promotion intermediary is recognized for the same project. For major entrusted investment projects, the principle of “one case, one discussion” can be adopted to give rewards according to the introduction of industries and the results of performance appraisal. (Responsible unit: Municipal Investment Promotion Bureau, Municipal Finance Bureau, People’s Governments of all Counties and Urban Areas [Management Committee]of Nanyang)

7. Implement incentives for the use of foreign capital. For the overseas capital projects landing in our city, each registered capital of 1 million US dollars (or equivalent CNY) of the foreign capital enterprise actually in place will be rewarded with 50,000 CNY, and the maximum reward shall not exceed 1 million CNY. For the foreign-funded projects invested by the world top 500 companies landing in our city, 5% of the equivalent CNY of the registered capital of the foreign-funded enterprises actually in place will be rewarded, with the maximum reward not exceeding 1 million CNY. Foreign investors are encouraged to participate in the reorganization and transformation of the city’s leading and traditional industries, and will be rewarded according to 1.5% of the registered capital value of the foreign-funded enterprises actually in place after mergers and acquisitions, also with the maximum reward not exceeding 1 million CNY. And the accumulative amount of the project capital injected in batches shall not exceed 2 years. For those especially major foreign investment projects,

“one case, one discussion” principle can be employed. If the funds actually in place are in foreign currencies, they shall be converted according to the base rate of CNY exchange rate announced by the Bank of China on the day of the fund’s actual arrival. (Responsible unit: Municipal Investment Promotion Bureau, Municipal Finance Bureau, Municipal Development and Reform Commission, People’s Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

8. Implement incentives for leading and key enterprises. The government will encourage the leading and backbone enterprises of industrial clusters in the city to take the lead in introducing cluster supporting projects, strong chain extension projects and chain complement projects, and give rewards to the main implementation subjects and leading introduction enterprises (referring to the enterprises in Nanyang city that introduce projects from other cities) for the introduction of key projects in line with the development direction of the city’s “5 + N” 100 billion industrial cluster incubation plan. Among them, if the amount of the fixed asset investment reaches 500 million CNY to 2 billion CNY, a reward of 1 million CNY shall be given on the completing operation day of the project; if the amount reaches 2-5 billion CNY, or even higher than 5 billion CNY, then, rewards of 2 million and 3 million CNY shall be given respectively. 30% of the incentive funds will be first cashed just after the project is put into operation, while the rest 70% will be cashed when the project reaches its designed production. (Responsible unit: Municipal Investment Promotion

Bureau, Municipal Finance Bureau, Municipal Industry and Information Technology Bureau, Municipal Development and Reform Commission, People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

III. Improve Elements Guarantee System

9. Strengthen the element of land guarantee. The government strives to facilitate the transfer of industrial “sample plots”, implement the transfer mode of “sample plots + agency system + notification and promise system” to minimize the time for enterprises to start projects, so as to achieve the goal of “four permits a day” and “get the land, start the project”. For industrial projects such as advanced manufacturing, strategic emerging industries and major foreign-funded projects, the land transfer price will be reduced to the minimum through land awards and subsidies in accordance with relevant regulations, so that the cost of acquiring land will be the lowest in Henan province among similar projects. Furthermore, the government supports and encourages the construction of high-standard factory buildings and industrial buildings in all the counties and cities under its jurisdiction. High-standard factory buildings and industrial buildings of more than 2 floors with industrial elevators can be registered for the first time according to the basic units such as buildings or floors. (Responsible Units: Municipal Bureau of Natural Resources and Planning, Municipal Bureau of Housing and Urban-Rural Development, Municipal Bureau of Finance, Municipal Real Estate Registration Service Center, People's Governments of all

Counties and Urban Areas [Management Committee] of Nanyang)

10. Strengthen financial and industrial capital support. The government strives to improve the docking mechanism between financial departments and investment promotion departments, to organize relevant financial institutions to participate in the whole process of project negotiation and docking. After the project is signed, the investment promotion department will timely push the information of the signed project to the financial department, and the financial department will then organize relevant financial institutions to provide high-quality financial services for the signed project. For major investment attraction projects identified by provinces and cities, provincial, municipal and county-level guiding funds and social capital can be combined together to customize proper project funds to support the projects. The government will encourage all counties and urban areas under its jurisdiction to set up industrial investment funds jointly with private capital to support the construction of major investment projects. (Responsible unit: Municipal Financial Work Bureau, Municipal Finance Bureau, Municipal Development and Reform Commission, Municipal Investment Promotion Bureau, People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

IV. Improve the Working mechanism of investment promotion

11. Implement the “enclave economy” benefit sharing mechanism. The government strives to innovate cooperation mechanisms for development

zones, encourage the development of “enclave economy”, and implement fiscal and tax sharing and benefit sharing for “fly-in” and “fly-out” projects. In principle, the benefit sharing period is 10 years. For new industrial projects, the proportion of value-added tax and enterprise income tax paid at the county level within 10 years after they are put into operation will be shared in a 5:5 ratio between “flying out” and “flying in”. For relocation projects of existing enterprises, the proportion of value-added tax and enterprise income tax paid at the county level within 10 years after they are put into operation will be shared at a ratio of 6:4 for “flying out of the ground” in the first 5 years and 4:6 for the next five years. If cooperation is carried out in the mode of “share cooperation”, the profits shall be shared in proportion to the share capital of both parties. For major projects, the share ratio can be determined by both parties through negotiation. The tax shall be collected by the local tax authorities of the “enclave economy” park and paid to the Treasury according to the principle of territoriality. The relevant statistical indicators of “enclave economy” parks are based on local statistics, and the statistics department of “enclave economy” government is responsible for the statistics. In the assessment, the proportion of shares shall be included in the “flying out” in the form of marks, and the “flying in” shall be deducted accordingly. The fly-in and fly-out of a single investment attraction project of a non-enclave economy cooperation development zone (park) shall be carried out according to the profit sharing of “enclave economy”. (Responsible unit: Municipal Development and Reform Commission, Municipal Finance Bureau, Municipal Tax Bureau, Municipal Statistics Bureau, People’s Governments of

all Counties and Urban Areas [Management Committee] of Nanyang)

12. Implement the responsibility system for the leaders of industrial chains. The chain chief responsibility system will be implemented for key industries, that is, each industry has one city department-level leader as the chain chief, one industrial competent department as the leading unit, one chain main enterprise, one promotion plan, and one promotion team, which is in overall charge of planning, investment promotion, operation services and factor guarantee of the whole industrial chain. (Responsible unit: Municipal Bureau of Industry and Information Technology, municipal directly related departments, People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

13. Implement reward and punishment mechanism for the evaluation of investment promotion and attraction. The government will implement weekly dynamic release, monthly ranking bulletin, quarterly comprehensive evaluation and year-end general evaluation. According to the evaluation results, The government will give incentives and punishments to counties and cities, overseas investment cooperation and development centers and municipal departments directly responsible for investment promotion and investment introduction. (Responsible unit: Municipal Bureau of Investment Promotion, Organization Department of CPC Municipal Committee, Municipal Commission for Discipline Inspection and Supervision, Municipal Human Resources and Social Security Bureau,

People's Governments of all Counties and Urban Areas [Management Committee] of Nanyang)

V. Supplementary Provisions

14. Contracted projects without a clear start and completion period will not enjoy this preferential policy, and those fail to start and put into operation within the agreed period can only enjoy this preferential policy in short term accordingly. cxIf the project is implemented by stages, the completion and operation of the first phase shall generally take no more than 2 years, the second phase shall take no more than 4 years, and the whole project shall take no more than 5 years. The funds needed to carry out this policy shall be borne by the finance of 10 counties and Dengzhou City for those projects settled in 10 counties and Dengzhou City; and by the finance of city and district (functional area) for those projects settled in the central urban area (functional area) according to the proportion of tax revenue. Project units in line with the measures shall report to the investment promotion (commercial) departments of the counties and urban areas under the jurisdiction every year, and the departments, together with the financial departments at the same level, shall organize relevant experts to evaluate the projects, make public announcements and allocate funds in accordance with the provisions. If municipal funds need to be appropriated, the district government (the administrative committee) shall review and report to the municipal investment promotion and finance department, and the municipal finance department shall allocate corresponding funds to the

district finance department after examination and approval, and the district finance department finally shall allocate funds. If the same project conforms to multiple awards in this policy, only one award in this policy can be enjoyed according to the principle of “the highest but not the lowest”, and declaring twice is not allowed. Enterprises and other business entities that enjoy the policy of “one case, one discussion” principle will not enjoy other rewards within this policy system. New projects of local original enterprises are equally entitled to this policy as newly introduced projects. This policy shall be implemented as of the date of its very issuance. If the existing policies of our city are inconsistent with the provisions of this policy, this policy shall be implemented. And this policy can be adjusted accordingly in case of adjustment of relevant national, provincial and municipal policies during the implementation period.

Nanyang Municipal People's Government Notice on Measures to Further Expand Opening Up

Nanyang Gov., [2020] Reference No. 5

People's governments of all counties (cities and districts), Nanyang Urban-Rural Integration Demonstration District, Nanyang Hi-tech Industrial Development Zone, Yahe Industrial Area, Guanzhuang District, and departments of Municipal People's Government:

Fully implement a series of major decisions and arrangements made by the CPC Central Committee, the State Council, the Henan provincial Party committee and the People's Government of Henan Province on further opening up. To seize the opportunity of a new round of opening up, strive to build a new highland of inland opening up, and promote the high-quality development of our city's economy with a high level of opening up, the relevant matters are hereby notified as follows:

I. Encourage the Development of Headquarters Economy and New Economy

(1) Encourage and support enterprises to set up headquarters, regional headquarters, R&D center, technology center, procurement center, settlement center and other functional institutions in our city. Enterprises with headquarters economy that pay more than 5 million yuan of local tax annually will be rewarded. The specific reward recognition measures and other provisions shall be implemented in accordance

with the *notice of Nanyang Municipal People's Government on printing and distributing the Interim Measures for Accelerating the Development of Headquarters Economy in Nanyang City (Wanzheng (2019) No. 13)*.

(2) Encourage the development of new industries and models such as “Internet plus”, Internet of things, big data and cloud computing. We will relax the restrictions on the registration of enterprise names. Except for those involving pre-approval or the fact that the enterprise name and the enterprise registration are not in the same organ, we will no longer implement the enterprise name approval system. We will try out the independent declaration of enterprises. Enterprises can apply for the independent declaration of names together with the enterprise registration, and allow new business forms other than national economy industries to be used as the industry expression in the enterprise name. The restrictions on residence registration should be relaxed, and new economic entities should be allowed to solve the problem of residence registration by using “one address with multiple licenses” and “one license with multiple addresses”. We will relax restrictions on business scope and encourage integration and development of new economic entities.

(3) For the two types of new economy enterprises, one is whose sales revenue is less than 50 million yuan (inclusive) and whose R & D investment accounts for no less than 5% of the total sales revenue, the other one whose sales revenue is 50 million yuan to 200 million yuan (inclusive) and whose R & D investment accounts for no less than 4% of the total sales revenue, the subsidy will be given according to 20% of the total R & D investment, with a maximum of no more than 1 million yuan after the examination and approval of the science and technology and financial departments. For new economy enterprises with sales revenue of more than 200

million yuan and R & D investment accounting for no less than 3% of the total sales revenue, the subsidy proportion shall be determined according to the principle of “one case, one subsidy proportion”.

II. Strengthen Financial and Tax Support

(4) The municipal special fund for foreign economic and trade development shall be incorporated into the municipal budget and used for the city’s foreign economic and Trade Development Awards and subsidies. 10 million yuan will be allocated in 2020, and it will be moderately expanded in the following years according to the financial situation and actual needs of the city. The administrative measures for the use of special funds for foreign trade and economic development shall be formulated separately by the Municipal Bureau of Commerce and the Municipal Bureau of Finance.

(5) The municipal special funds for investment promotion shall be resumed and be incorporated into the city’s annual budget to support and reward major investment projects, strengthen investment promotion activities, and encourage socialized and specialized investment promotion, etc. 5 million yuan will be allocated in 2020, and it will be moderately expanded in the following years according to the financial situation and actual needs of the city. The administrative measures for the use of special funds for investment promotion shall be separately formulated by the Municipal Bureau of Commerce and the Municipal Bureau of Finance.

(6) A special fund for the development of trade and logistics industry in Nanyang city will be set up, which will be included in the annual budget by the city and district, and will be used to support and reward the development of key trade and logistics enterprises (projects).

(7) Within three years from the tax year, for major new projects that are in line with the national industrial policy and are leading the development direction of our city's industries, paying local annual tax value less than 10 million yuan (inclusive), will be awarded of 50% of their local annual tax contribution value; 60% of their local annual tax contribution value will be awarded if the local annual tax contribution value is between 10 million yuan and 50 million yuan; 70% of their local annual tax contribution value will be awarded if the local annual tax contribution value is more than 50 million yuan.

(8) Senior managers and senior technicians of major projects who have purchased commercial houses or automobiles or participated in professional training in the administrative area of this Municipality shall be rewarded in full according to the local retained part of their personal income tax within five years; those who have not purchased commercial houses or automobiles or participated in professional training in the administrative area of this Municipality, 70% of the local retained portion of personal income tax will be awarded, according to the local retained part of their personal income tax within five years. The subsidy quota for each project shall not exceed 5 persons.

III. Guarantee the Land Utilization

(9) Subsidies for the construction of supporting infrastructure shall be provide by the local government of the project after completion, for the projects in line with the main industrial direction of the leading industries with a one-time investment of more than 100 million yuan in fixed assets or with a one-time investment of more than 500 million yuan in trade and logistics projects. The specific amount of subsidy is "one case, one discussion".

(10) The prices of land for logistics shall be in accordance with the standards for industrial land.

(11) For ecological leisure and vacation tourism construction projects, the pilot policy of “point land supply” can be explored.

IV. Innovate Financial Support

(12) The introduced advanced manufacturing, modern agriculture and scientific & technological innovation projects in line with the national industrial policy and the development direction of the leading industries of city shall be given priority to be incorporated into the advanced manufacturing industry fund, modern agriculture development fund and collaborative innovation fund of our city. Set up the Nanyang Modern Service Industry Development Fund to support the development of modern service industry.

(13) Promote the transformation of investment and financing platforms such as Nanyang Urban Construction Investment (Group) Company and Nanyang Industrial Investment Group Company, and give support to major new projects that can support and drive the development of traditional competitive industries, strategic emerging industries and modern service industries, such as the financing platforms buying shares.

V. Strengthen Employment Support

(14) Promote the school-enterprise cooperation between Nanyang Vocational and Technical School, Labor Service Brand Base and external investment enterprises, such as the external enterprises provide employment intention, and the school (base) implements order cultivation and directional employment. Carry out staff skills training for external enterprises, including pre-job training and skills upgrading

training, and subsidize according to the policy. Subsidize the enterprises that participate in unemployment insurance in accordance with the law and pay unemployment insurance premiums in full to stabilize their posts.

(15) Encourage enterprises to effectively solve the problem of housing for workers by purchasing, building (allocating) and renting houses. Migrant workers will be fully included in the city's housing security system, and talent housing services will be fully provided through low-rent housing security or housing rental subsidies.

VI. Standardize Fees Related to Enterprises

(16) Establish a list of fees related to enterprises by reviewing and rectifying fees related to enterprises, to define the items and standards of fees and make them public.

(17) The fees for business services listed in the government fee management catalog shall be charged according to the minimum amount approved by the issuing of development and reform departments.

(18) Relaxing access conditions for intermediary service institutions, breaking industrial monopoly, and encouraging intermediary institutions to compete and develop in accordance with the law. Reduce business service charges set by the government, and encourage market competition to promote intermediary agencies to optimize their services and lower their fees. The enterprise shall independently choose intermediary service agencies, and the functional departments are strictly prohibited from designating intermediary companies.

VII. Strengthen Investment Incentives

(19) Establishing a market-based incentive mechanism for attracting investment. The referrals shall be rewarded according to the actual fixed assets investment and tax, by introducing the project in the line with the development direction of the traditional

industries that extending chain, supplementing chain and strengthening chain, strategic emerging industries and modern service industry projects (except for real estate projects), and substantive result projects with referrals (except national office, institution, investment project stakeholders and natural persons). Introduced industrial projects in place capital of per 50 million RMB will be given to the referees 100,000 RMB reward, with a maximum of RMB 2 million. For the newly introduced modern service projects that promise not to move out of Nanyang within 10 years and fulfill legal tax obligations in Nanyang, after being recognized, the referrals shall be rewarded according to 20% of their contribution to local finance (including enterprise income tax and value-added tax) in the first year after their opening, with a maximum of RMB 2 million. Detailed implementation rules shall be formulated by the Municipal Bureau of Commerce and the Municipal Bureau of Finance.

VIII. Improve the Investment Environment

(20) To support the development and growth of major enterprises, we establish a direct connection mechanism between the main leaders of the municipal party committee and the major enterprises for solving the problems and providing service.

(21) Deepen reform in delegating powers, enhancing regulation and strengthening public services, strictly implement the tolerance for deficiencies system, improve work efficiency to promote the process of projects. Encourage to explore new models of approval services on investment and construction projects and “land + design project” pilot system of land leasing. The unit or individual undertaking construction may apply for the permit for a planned construction project and construction licence after acquiring the land leasing. Take an active measure to launch relatively centralizing the power of administrative permission pilot and region

appraisal pilot to shorten the time span, deduct the examination and approval links and reduce other application materials.

(22) The administrative examination and approval procedures for foreign investment projects in the downtown area shall be serviced by agents free of charge. The Municipal Investment Promotion and Exhibition Center set up agent office. The investment departments in central districts arrange specialist agents, who take charge of strengthening the services and following up the process. Whole-process service is offered for investors by following the project process diagrams and approval items card of the projects in central districts.

(23) Judicial cases involving major projects shall be included in the supervision and evaluation of the Municipal People's Congress. Compulsory measures to restrict personal freedom of authorized representatives of major enterprises, staff in key positions and technicians of criminal suspect, except for circumstances that hinder the handling of the case, the judicial department shall protect the normal production and operation activities of enterprises.

(24) Strengthen the the construction of government credit. Governments at all levels must fully implement the signed investment contracts, perform contract obligations, honor contract items, and must not breach the contract under any pretext. If the signed contract cannot be implemented due to national policy adjustments, etc., the signing parties shall make amendments and adjustments through friendly negotiation, and shall not unilaterally rescind the contract.

(25) Carry out various forms of return visits and review activities. In accordance with the principle of "who signs the contract, who pays a return visit", regularly carry out large-scale return visits to the signed and landed projects, solicit the service needs

and opinions and suggestions of investors in a timely manner to solve the difficulties and problems encountered in the project progress . Every six months, an enterprise appraisal of municipal department service included in the department's performance appraisal is carried out, and the appraisal results are disclosed in the main local media.

(26) Establish and optimize the fault-tolerant mechanism for investment promotion. In the process of investment attraction, some cases for public intentions and seeking no personal gains, there should be exemption for work mistakes or negligence due to unclear prohibitions of laws and regulations, unclear policy boundaries, etc.

(27) Build a close and cleaning political-business relationship. We will act with firm resolve to implement the Party Central Committee's eight-point decision on improving Party and government conduct and the spirit of relevant regulations of the provincial and municipal party committees, the municipal discipline inspection and supervision, finance, and commerce departments jointly formulate and introduce investment reception measures that are in line with the actual work of investment promotion, so as to avoid "one size fits all."

(28) Adopt "one enterprise, one policy" and "one matter, one discussion" preferential treatment for projects of top 500 enterprises, industry-leading enterprise projects, major investment promotion projects with an investment of more than 1 billion yuan.

IX. Other Items

(29) The various types of rewards and support funds involved in this policy shall be undertaken in proportion by the benefited finance, except for the identification of main fund provider. The specific management methods and application procedures are

formulated and issued by the Municipal Finance Bureau in conjunction with relevant functional departments.

(30) New projects of original enterprises in this city and newly introduced projects equally enjoy the policy measures stipulated in this notice.

If the previous document regulations are inconsistent with this notice, this notice shall prevail.

Nanyang Municipal People's Government Notice on Provisional Measures to Accelerate the Development of Headquarters Economy

Nanyang Gov., [2019] Reference No. 13

People's governments of all counties (cities and districts), Nanyang Urban-Rural Integration Demonstration District, Nanyang Hi-tech Industrial Development Zone, Yahe Industrial Area, Guanzhuang District, and departments of Municipal People's Government:

Notice on Provisional Measures to Accelerate the Development of Headquarters Economy has been deliberated and approved by the 8th Executive Meeting of the Municipal Government. It is now printed and distributed to you. Please implement it carefully.

April 4, 2019

Notice on Provisional Measures to Accelerate the Development of Headquarters Economy

In order to encourage and promote the development of headquarters economy, accelerate the transformation of economic development mode and improve the quality of economic development, Efforts should be made to build a big city with strong absorption and aggregation capacity and important influence, the relevant matters are hereby notified as follows:

I. Confirming Requirements of Headquarters Enterprises

(1) The “headquarters enterprises” referred to in these provisional measures shall be registered, established in Wolong District, Wancheng District, Nanyang Urban-Rural Integration Demonstration District, Nanyang Hi-tech Industrial Development Zone, Guanzhuang District, Yahe Industrial Area, which shall operate in accordance with the law, and perform the management and service functions of investment and controlling interests, operation decision-making, R & D design, marketing promotion, financial settlement for the holding enterprises or branches in a certain region. (Other counties and cities shall implement these provisional measures, and shall not formulate preferential policies higher than the standards specified in this document)

(2) Enterprises newly registered in our city or relocated in our city with the following basic conditions can be recognized as newly introduced headquarters economy enterprises: 1. The enterprises have independent legal personality, and its registered place and main workplace are in Wolong District, Wancheng District, Nanyang Urban-Rural Integration Demonstration District, Nanyang Hi-tech Industrial

Development Zone, Guanzhuang District, Yahe Industrial Area, and practice unified business accounting and pay taxes in these districts. 2. In line with the city's industrial development orientation, there are no less than two wholly-owned or branches outside the city; 3. The annual tax paid to the local level is no less than 10 million yuan.

(3) It can be regarded as headquarters enterprise if any of the following terms is met: 1. Headquarters enterprise (including regional headquarters) established in Nanyang by the world's top 500, China's top 500, central enterprise and China's top 500 private enterprise; 2. listed companies has independent legal person qualification branch (excluding regional equity trading enterprise); 3. the enterprise has the leading position in the industry or other special advantages can be identified as a headquarters enterprise by the municipal government through "one matter, one discussion".

(4) Enterprises registered in our city and pay tax and then transferred to other counties and cities within this city shall not be recognized as headquarters enterprises.

II. Reward and Support Policies

(1) Reward for the business contribution of the headquarters enterprises. For the newly established headquarters enterprises, if the annual local tax paid by the enterprise reaches 10million yuan within the tax year from the date of recognition, the Municipal Finance shall give appropriate rewards for the expansion of the enterprise reproduction within three years from the following year. The amount of reward shall be determined separately by the competent department. If the annual local tax paid is less than 10 million yuan, no reward will be given.

(2) Subsidy for office space of headquarters enterprises. The newly established headquarters enterprise that has been certified has no self-owned office space in Nanyang City, since the second year from the date of certification, the subsidy shall

be given every year according to 1% of the price of first purchase of office space (excluding ancillary facilities and ancillary accommodation) , with the maximum of no more than 10 years and the maximum annual maximum of 500,000 yuan.

For newly established headquarters enterprises that have no self-owned office space in Nanyang city and rent office space (excluding ancillary facilities and ancillary accommodation), 50% of the rental contract amount of office space for their own use shall be subsidized annually for no more than five years, and the total amount of subsidy shall not exceed 1.5 million yuan.

(3) Talent policy. The high-level talents introduced by the headquarters enterprises meet the requirements shall enjoy the preferential policies stipulated in the “Zhu Ge talent plan”.

(4) Enterprises outside the city sets up new subsidiaries in Nanyang or changes branches into subsidiaries, and have collectively paid corporate income tax in Nanyang, which can enjoy the incentive policy according to the existing reward standard for the business contribution of the headquarters enterprise.

(5) the supporting policies shall be separately agreed for those enterprises that are recognized as headquarters enterprises through “one matter, one discussion”.

III. Guarantee mechanism

(1) Organization.

A leading group for economic work of the municipal headquarters should be established to promote the economic development of the municipal headquarters as a whole. Leadership group is headed by the mayor and deputy mayor in charge of the economic work, including the director of People’s governments of all counties (cities and districts) and relevant departments of municipal government, Specific as follows: Wolong District, Wancheng District, Nanyang Urban-Rural Integration Demonstration

District, Nanyang Hi-tech Industrial Development Zone, Yahe Industrial Area, Guanzhuang Industrial District, the Municipal Statistics Bureau, the Municipal Development and Reform Commission, the Municipal Industry and Information Technology Bureau, the Financial Bureau, the Human Resources and Social Security Bureau, the Municipal Taxation Bureau and the Municipal Investment Promotion and Exhibition Service Center. The office of the leading group is located in the Municipal Investment Promotion and Exhibition Service Center, which is responsible for accepting and reviewing the applications of headquarter economic enterprises, rechecking the filed headquarter economic enterprises every year, and establishing the information database of headquarter economic enterprises.

The government of Wolong District and Wancheng District, the management committee of Urban-Rural Integration Demonstration Zone, High-tech Zone, Guanzhuang Industrial Zone and Yaohe Industrial Zone clearly define their respective responsible persons and responsible departments to promote the economic development of the headquarters within their respective jurisdictions.

(2) Recognized Procedures.

The Office of Economic Work Leading Group of the Municipal Headquarters is responsible for accepting the applications of newly registered and newly moved enterprises of the Headquarters regularly, and convening relevant departments to verify.

The preliminary verification result shall be submitted to the Leading Group for examination and approval and publicized to the public on the website of the Municipal Government.

Headquarters of city headquarters economy work leading group office shall establish enterprise annual review and dynamic adjustment mechanism, dynamic

update headquarters business listing every year, make enterprises headquarters service and supervision, public enterprises headquarters for approval and commitment to contribute and signed cooperation agreement, etc.

(3) Policy Implementation.

a. According to the principle of "the beneficiary shall bear the burden", the financial departments of the beneficiary cities and districts shall arrange the annual incentive funds for the economic development of the headquarters in proportion to the award and subsidy funds involved in these Measures.

b. For the recognized headquarters economic enterprises, the principle of financial support and reward shall be applied and completed once a year, and the contract shall be implemented in accordance with the specific provisions of the contract.

c. The preferential policies listed in these Measures are duplicate with other preferential policies of our city. Enterprises may apply for preferential policies on their own merits and shall not enjoy the same preferential policies repeatedly.

(4) Restrictive Measures

1. The recognized headquarter economic enterprise promises to operate in Nanyang City for no less than 10 years after enjoying the financial subsidies or rewards stated herein, and shall not reduce the paid-up registered capital or change its tax liability in Nanyang City within 10 years; For those who violate this provision, the relevant business departments shall order them to return the income from the awards and subsidies.

2. If the headquarter economic enterprise violates the provisions of these Measures and fails to fully fulfill the relevant commitments and agreements on time, the municipal competent department of industry shall order it to rectify within a time

limit; If the rectification is not completed within the time limit, its trust-breaking behavior shall be included in the credit information of the enterprise and disclosed to the public through the news media as the case may be.

3. If the headquarter economic enterprise conceals the true situation and engages in fraud to obtain rewards and subsidies, the relevant business departments shall order it to return the rewards and subsidies, incorporate its trust-breaking behavior into the credit information of the enterprise, and disclose it to the society through the news media as the case may be; Where a crime is suspected, it shall be transferred to a judicial organ for handling according to law.

IV. By law

(1) These Measures shall come into force as of the date of issuance. After the implementation of these measures, in case of any inconsistency between the previous relevant provisions on headquarters economy and these measures, these measures shall prevail.

(2) The Municipal Investment Promotion and Exhibition Service Center shall be responsible for the interpretation of these Measures.

People's Government Office of Nanyang City

April 4, 2019

Notice of the office of Nanyang Municipal People's Government on Printing and Distributing Several Policies and Measures for building Nanyang into an Advanced Manufacturing City

Nanyang Gov. Office, [2017] Reference No. 51

People's Governments of All Counties (Districts), Management Committees of Urban-rural Integration Demonstration Zone, High Tech Zone, Yahe Industrial Zone and Guanzhuang Industrial Zone, and Departments of Municipal People's Government:

Several Policies and Measures for Building Nanyang into an Advanced Manufacturing City have been approved by the municipal government and have been sent to you. Please implement them carefully.

Nanyang Municipal People's Government Office

July 20, 2020

Several Policies and Measures for Building Nanyang into an Advanced Manufacturing City

In order to implement the spirit of 《The notice of Nanyang Municipal People's Government of Nanyang Municipal Committee of the CPC on the division of major special work division of municipal leadership subcontracting》 (Wanwen [2017] No. 43), and accelerate the construction of a strong city with advanced manufacturing industry, the following policy measures are formulated.

I. Support the Development of Key Areas

To build a strong city with advanced manufacturing industry, we must aim at the three key links of advanced industry, advanced technology and advanced management, highlight the construction of industrial structure adjustment, enterprise cultivation, project-construction, scientific and technological innovation, quality brand and intelligent manufacturing, and accelerate the transformation and upgrading of our manufacturing industry.

1. Accelerate the development of six leading industries, including high-end equipment manufacturing, textile and clothing, electronic information, new energy, green food and biomedicine, actively cultivate industrial clusters, expand industrial scale and enhance industrial competitiveness.

2. Every year we will vigorously cultivate leading enterprises and support about 100 key enterprises to become bigger and stronger , through scientific and technological innovation, strategic restructuring, listing, market development, brand building and factor guarantee.

3. We should vigorously promote the construction of projects, establish and improve the database of key projects, dynamically adjust and roll out the implementation, and form a virtuous circle of one batch of reserves, one batch of construction, one batch of completion and one batch of efficiency. All responsible districts and counties should work together. 4. Take intelligent manufacturing as the main direction, promote the digitalization, networking, intellectualization and service of manufacturing industry, vigorously promote scientific and technological innovation, technological transformation and quality brand building, and accelerate the deep integration of "two modernizations".

II. Increase Financial Support

Set up the advanced manufacturing cluster cultivation fund with a total scale of 2 billion yuan and the first phase of 310 million yuan; timely set up the development fund for small and medium-sized enterprises.

Increase financial support for "credit guarantee" and "bridge fund pool" to solve the financing problem of small and medium-sized enterprises. We will improve the establishment of two platform systems at the city, county and district level, and the capital scale of the two platforms at the city level will reach 300 million yuan. The capital of "credit guarantee" platform at county (District) level should reach 100 million yuan, and the capital of bridge fund pool should not be less than 50 million yuan.

Actively support technical innovation projects. For investment projects with annual total equipment investment of more than 20 million yuan in technical transformation projects, awards shall be given according to the standard of annual benchmark interest rate of loans, and the award for a single project shall generally not

exceed 5 million yuan. The discount interest of enterprises in the central urban area is shared by the municipal and district finance, and the county-level finance is responsible for the county-level enterprises.

Accelerate the construction of enterprise science and technology innovation system. For the key technology research and development, transformation of scientific and technological achievements, industrialization of high and new technology and other scientific and technological innovation projects that meet the loan discount, the Municipal Bureau of finance, based on the benchmark interest rate of the people's Bank of China, comprehensively considers the annual budget indicators of discount funds, project investment, financial contribution and the project's demand for discount funds, determines the discount standard to support the discount, and the qualified enterprise project discount amount is one Generally no more than 3 million yuan.

For the enterprises newly identified as National Engineering (key) laboratory, National Engineering Technology (Research) center, national quality inspection center (station, Institute), national manufacturing innovation center and national enterprise technology center, the financial department at the same level will give a one-time reward of 1 million yuan; Enterprises newly identified as provincial engineering (key) laboratory, provincial engineering technology (Research) center, academician workstation, provincial quality inspection center, provincial manufacturing innovation center and provincial enterprise technology center shall be rewarded with 500000 yuan by the finance at the same level at one time; enterprises newly identified as national innovative demonstration (pilot) enterprises shall be rewarded with 200000 yuan by the finance at the same level.

Increase support for advanced manufacturing enterprises. For the newly rated

state-level intelligent factory and intelligent workshop pilot (demonstration) enterprises, the finance at the same level will give awards of 2 million yuan and 1 million yuan respectively. For the newly rated provincial-level intelligent factory and intelligent workshop pilot (demonstration) enterprises, the finance at the same level will give awards of 1 million yuan and 500000 yuan respectively. The financial department at the same level will give a reward of 200000 yuan to the newly selected pilot enterprises of national integration of industrialization and industrialization management and demonstration (pilot) enterprises of national integration of industrialization and industrialization. For the first set of major technical equipment products recognized by the state and the province, after the sales of the first set, the finance at the same level shall give a reward of 20% of the sales of the first set of products, and the maximum amount of reward for a single product shall not exceed 1 million yuan.

Actively support the cultivation of advantageous industries. The financial department at the same level will give a one-time reward of 500000 yuan to the enterprises that have newly obtained Chinese well-known trademarks, and 100000 yuan to the enterprises that have newly obtained provincial famous brand products and provincial famous trademarks. For the enterprises newly awarded the China Quality Award and the provincial governor quality award, the municipal finance will give a one-time bonus of 1 million yuan and 500000 yuan respectively; for the enterprises awarded the mayor quality award, the finance at the same level will give a one-time bonus of 500000 yuan; for the newly recognized national intellectual property demonstration enterprises and provincial intellectual property advantage enterprises, the finance at the same level will give a one-time bonus of 200000 yuan

and 100000 yuan respectively.

Actively support superior enterprises to become bigger and stronger. For the enterprises whose main business income reaches 10 billion yuan for the first time, the municipal government grants the legal representative the gold medal of "Nanyang meritorious entrepreneur lifetime Award" corresponding to the whole kilogram weight (10 billion yuan for 1kg, 20 billion yuan for 2kg, and so on). For the enterprises whose main business income exceeded 1 billion yuan, 3 billion yuan, 5 billion yuan and 8 billion yuan for the first time, the municipal government awarded the legal representative a gold medal of "Nanyang entrepreneur of the year". Starting from 2017, for the industrial enterprises selected into the top 500 Chinese enterprises and the top 500 Chinese private enterprises, the municipal finance will award 1 million yuan and 500000 yuan respectively (subject to the highest award).

III. Create Excellent Enterprise Development Environment

Improve the working mechanism, strengthen the organization and coordination, strengthen the service guidance, and do a good job in the implementation of the work plan and the promotion of key projects. All counties (districts) should put the development of key industries and the promotion of key projects into the annual work focus, refine the work plan, and do a good job in implementation. Relevant industry associations, industry alliances and other intermediary organizations should play the role of bridge and link to serve government decision-making and enterprise development.

Actively strive for national and provincial preferential policies, and further increase support and guidance in the development of key enterprises, undertaking industrial transfer, integration of industrialization and industrialization, and enterprise

strategic restructuring. Financial institutions should be encouraged to increase credit investment in key projects with advanced manufacturing industry to strengthen the city, support enterprises to go public for financing, and encourage various localities to support the construction of guarantee institutions and sub loan pools through capital injection, risk compensation and other means.

Continue to improve the system of enterprise service through train and chief attendant. Special docking activities such as production and marketing docking, bank enterprise docking, employment docking, industry university research docking were held. In order to effectively increase the supply of land for advanced manufacturing industry, the annual land planning index should be inclined to key industrial projects. Give full play to the resource advantages of universities and scientific research institutions, strengthen scientific and technological research, speed up personnel training, and provide technical, talent and intellectual support for the development of key industries.

地址：河南省南阳市中州路291号
电话：0377 - 61652698
传真：0377 - 61652698
邮箱：nyszstzqj@163.com
网址：<http://swj.nanyang.gov.cn>