Preface

A new wave of technological revolution is gaining momentum as a result of the profound changes in the global economic landscape. As noted in the “Made in China 2025” initiative, China is planning an innovation-driven industrial transformation and upgrading, with a focus on the transition from “Made in China” to “Innovated in China”, to facilitate an in-depth integration of industrial development and information technology, and speed up economic restructuring to invigorate the country’s economy through manufacturing.

Situated in China’s most economically vibrant region, the Yangtze River Delta (YRD), Nantong overlooks the cosmopolitan city of Shanghai across the Yangtze River, and is known as the “Northern Gate to Shanghai”. During the 13th Five-Year Plan Period (2016-2020), capitalizing on a number of favorable national strategies, Nantong is accelerating the transformation and upgrading of local traditional competitive industries, and the development of strategic emerging industries, aiming to raise up as a hub of advanced industries.

Located in the southernmost part of Nantong, Su-Tong Science & Technology Park (STP) enjoys a prime location at the geographical center of the Shanghai-Nantong-Suzhou triangle.

Strategically, STP is not only an important center in Jiangsu Province for implementing the national strategies of promoting coastal development and integrated development of the YRD region, but also a pioneering platform for development cooperation between two economically vibrant cities across the Yangtze River – Suzhou and Nantong. Planned as “a coastal eco-town and an international innovation park” drawing on the successful experience of China-Singapore Suzhou Industrial Park (Suzhou Industrial Park or SIP), STP is to be built into a new international industrial community with a high concentration of industries and wide-ranging supporting facilities.

Since its establishment seven years ago, STP has developed a strong cluster of diverse industries, creating an international, professional and convenient investment environment ideal for the sustainable development of businesses in the park.

Aiming to deliver high value-added and high-tech-based products and solutions with low energy consumption and pollution, a “4+X” modern industrial system is taking shape, which specifically features a synergic development of “4” leading industries, namely, the precision machinery industry with a focus on automotive and auto parts and general aviation, the electronic information industry with a focus on integrated circuit, the energy conservation and environmental protection industry with a focus on new energy, and the modern service industry with a focus on service outsourcing and cultural tourism, supported by the development of financial, insurance, education, and healthcare services.

In order to better align the needs of STP-based businesses with domestic and overseas investors, STP has requested Deloitte China (hereinafter “Deloitte” or “we”) to issue this Research Report on the Investment Environment of Su-Tong Science & Technology Park for investors from an objective third-party perspective using specialized research and analysis methodologies.

In addition to information and data on the economic and industrial development of Nantong city and STP, this report is primarily based on information obtained through interviews with relevant government departments and selected STP-based companies, combined with Deloitte’s observations in its operational practices and during the field research in STP. Using Deloitte’s methodologies of research in investment environment and industrial development, the Report aims to present an overview of the investment environment in STP, in particular its resources and specialized advantages, from the following five aspects:

• Infrastructure
• Government policies and services
• Business environment
• Human resources
• Living environment

This report aims to provide a practical reference for your business investment and operations in China, and specifically, the YRD region. We are grateful for all attention and support given during the preparation of this Report from various government offices in STP. Special appreciation is also extended to STP for providing necessary data and information in the research process, and to all those participating in the in-depth interviews for their insightful perspectives and observations.
Content

I. Overview of Nantong City ..................................................................................................... 1

II. Overview of STP ....................................................................................................................... 4
   A Closer Look at STP
   STP Milestones

III. Infrastructure ...........................................................................................................................8
   Transportation System
   Land Supply
   Manufacturing Facilities Supply
   Supply of Water, Electricity and Natural Gas
   Smart STP

IV. Government Policies and Services ...................................................................................15
   Incentive Policies
   Government Services
   Flowchart of Company Establishment

V. Business Environment .........................................................................................................19
   International Cooperation
   Technological Innovation Environment
   Financial Environment
   Functional Layout
   Competitive Industrial Clusters – Precision Machinery
   Competitive Industrial Clusters – Electronic and Information Industry
   Competitive Industrial Clusters – Energy Conservation and Environmental Protection Industry
   Competitive Industrial Clusters – Modern Service Industry

VI. Human Resources ................................................................................................................30
   Human Resource Supply
   Human Resource Costs
   Talent Encouraging Policies and Services

VII. Living Environment ...........................................................................................................34
   Education and Medical Facilities
   Ecological Community
   A City for Living and Working
   A City Rich in History and Culture

Summary and Prospect .............................................................................................................39
I. Overview of Nantong City
A Coastal Area Favored by Multiple National Strategies

Located in the southeast of Jiangsu Province, one of the most economically vibrant areas along the YRD region, and facing Shanghai across the Yangtze River, Nantong City enjoys a premium location advantage in the converging area of the Yangtze River Economic Belt and the Jiangsu Coastal Economic Zone. During the 13th Five-Year Plan period, the city will release greater potential for development supported by a multiple of national strategies.

An Economic Center in the North of the YRD Region

With the Shanghai-Nantong Railway and other major infrastructure projects underway, Nantong is becoming a significant pivot enhancing the connectivity of the national river-sea transportation network with increasingly accumulated factor resources to benefit and serve the surrounding areas, gradually growing into an economic center in the north of the YRD Region.

A City with Solid Industrial Base and Time-honored Industrial Tradition

As one of the cradles of Chinese modern industries, Nantong enjoys a solid industrial base and time-honored industrial tradition and features three pillar industries of electronics and information, naval architecture and marine engineering, and high-end textile, along with three major emerging industries of intelligent equipment, new materials, and new energies and new energy vehicles. During the 13th Five-Year Plan period, Nantong is committed to rising up as an international city with a concentration of advanced industries through further integration of information technologies into industrial development.

Steady Economic Growth and Increasingly Optimized Industrial Structure

During the 12th Five-Year Plan period (2011-2015), Nantong has maintained a steady progress in its overall economic strength with its GDP exceeding RMB 600 billion by 2015, ranking the 8th among all the prefecture-level cities in China, which represents an increase of 9.6% in 2015, remarkably higher than the national growth rate of 6.9%.

In recent years, Nantong has promoted a balanced development of both the secondary and the tertiary industries with optimized industrial structure. In 2015, the secondary and tertiary industries contribute 48.4% and 45.8% respectively to the city's GDP, while the output of the emerging and high-tech industries marks an increase of 11.5% and 12.6% respectively in the overall output value of large-scale industries.

Brand Images of Nantong

- GDP in 2015 ranking the 8th among all the prefecture-level cities in China
- A modern port city
- One of the first national IPR demonstration cities
- The 6th city in Jiangsu approved to build urban rail transit system
- A national historical and cultural city, a national outstanding tourism city, a national garden city, and a national model city of environmental protection
- A city popularly known for its education, architecture, sports, and longevity features

A City Favored by Multiple National Strategies:

- “One Belt One Road” initiative
- Development strategy of the Yangtze River Economic Belt
- Strategy for integrated development of the YRD region
- Strategy for developing coastal areas of Jiangsu Province

GDP of Nantong from 2011-2015

<table>
<thead>
<tr>
<th>Year</th>
<th>GDP (in RMB 1 billion)</th>
<th>Increase Rate of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>408.02</td>
<td>12.10%</td>
</tr>
<tr>
<td>2012</td>
<td>455.87</td>
<td>11.80%</td>
</tr>
<tr>
<td>2013</td>
<td>515.00</td>
<td>11.80%</td>
</tr>
<tr>
<td>2014</td>
<td>565.27</td>
<td>10.50%</td>
</tr>
<tr>
<td>2015</td>
<td>644.84</td>
<td>9.60%</td>
</tr>
</tbody>
</table>

Note: Unless otherwise specified, Renminbi (RMB) is the currency unit throughout this report.
Steady Growth of Foreign Trade
As one of the first 14 coastal cities of China open to the world, Nantong witnessed a continuous growth in its total volume of import and export trades during the 12th Five-Year Plan period to a total of USD 145.2 billion, with its export increasing to USD 22.83 billion in 2015 despite the overall flagging economic situation.

As of 2015, Nantong has established business relationships with 209 countries and regions, among which the US, Japan, Singapore and South Korean are the top four trade destinations.

Stable Development of Foreign Investment
In recent years, Nantong has strived to develop its export-oriented economy by building a multi-level, comprehensive and diversified foreign investment market.

Nantong has attracted funds, technologies, talents and projects with transparent and favorable industrial policies in a more accessible business environment enabling international operations. In 2015, 315 foreign-invested enterprises are established in Nantong, an increase of 8 over the previous year, receiving a total investment of over USD 2.58 billion from outside mainland China, up by 0.14%, ranking the 4th in the province, mostly from Japan, Singapore, the US, Hong Kong and Taiwan.

Significant Cost Reduction with Increased Efficiency
Drawing on the successful experience of China (Shanghai) Pilot Free Trade Zone, Nantong has been committed to reducing the cost of business operation with increased efficiency through the pilot program of market purchase trade, electronic port and other innovative trade and investment models.

In 2016, the city has pioneered in introducing policies to truly reduce the cost burden of real economy enterprises with a focus on cutting the cost in financing, use of energy and land, investment, human resources, operation, taxes, and institutional management.

Continuous Expanding of Consumer Market
During the 12th Five-Year Plan period, Nantong has enjoyed an increasingly expanding consumer market with enhanced domestic consuming capacity. With a permanent resident population of 7.3 million, Nantong has secured an upward momentum in disposable personal income which reaches in 2015 RMB 36,000 for urban citizens and RMB 17,000 for rural residents. As of 2015, the total retail sales of consumer goods reached RMB 237.95 billion, an increase of 10.5% over the previous year.

Total Retail Sales of Consumer Goods of Nantong from 2011-2015

II. Overview of STP
Connecting four major cities

A territory of 50 km²

Convenient distance to four airports

**Nantong**

<table>
<thead>
<tr>
<th>Departing from</th>
<th>Distance</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nantong Xingdong International Airport</td>
<td>16 km</td>
<td>20 min.</td>
</tr>
<tr>
<td>Nantong Railway Station</td>
<td>26 km</td>
<td>35 min.</td>
</tr>
<tr>
<td>Downtown</td>
<td>15 km</td>
<td>20 min.</td>
</tr>
</tbody>
</table>

**Wuxi**

<table>
<thead>
<tr>
<th>Departing from</th>
<th>Distance</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sunan Shuofang International Airport</td>
<td>86 km</td>
<td>80 min.</td>
</tr>
<tr>
<td>Wuxi Railway Station</td>
<td>114 km</td>
<td>90 min.</td>
</tr>
</tbody>
</table>

**Shanghai**

<table>
<thead>
<tr>
<th>Departing from</th>
<th>Distance</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghai Hongqiao Transportation Hub</td>
<td>96 km</td>
<td>70 min.</td>
</tr>
<tr>
<td>Shanghai Hongqiao International Airport/Shanghai Hongqiao Railway Station</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shanghai Pudong International Airport</td>
<td>150 km</td>
<td>120 min.</td>
</tr>
</tbody>
</table>

**Suzhou**

<table>
<thead>
<tr>
<th>Departing from</th>
<th>Distance</th>
<th>Driving time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzhou Industrial Park Railway Station</td>
<td>82 km</td>
<td>60 min.</td>
</tr>
<tr>
<td>Suzhou Railway Station</td>
<td>89 km</td>
<td>80 min.</td>
</tr>
</tbody>
</table>
Premium Location: Center of the “Shanghai-Suzhou-Nantong” Triangle

Established in 2009 with a planned area of 50 square kilometers, STP is conveniently located in the south of Nantong at the north end of the Su-Tong Yangtze River Highway Bridge, easily reachable from the four cities of Shanghai, Nantong, Suzhou, and Wuxi, serving as a gateway that connects the northern and central parts of Jiangsu Province with southern Jiangsu and Shanghai. Benefiting from the industrial spillover effects of Shanghai and Suzhou, STP is expected to develop rapidly during the 13th Five-Year Plan period.

Industrial System: “4+X”

STP focuses on establishing an optimized and competitive “4+X” modern industrial system that radiates to surrounding areas with enhanced industrial and service functions of the park, specifically features a synergic development of “4” leading industries, namely, the precision machinery industry with a focus on automotive and auto parts and general aviation, the electronic information industry with a focus on integrated circuit, the energy conservation and environmental protection industry with a focus on new energy, and the modern service industry with a focus on service outsourcing and cultural tourism, supported by the development of financial, insurance, education, and healthcare services.

Integration of an International Innovation Park and a Coastal Eco-Town

Strategically planned as “a coastal eco-town and an international innovation park” by drawing on the successful experience of the Suzhou Industrial Park, STP is to be built into an international high-tech, ecological and multi-functional new town that incorporates all aspects of production, living, trade and business, and inhabitation, offering desirable livability resources and career opportunities.

International Cooperation: To Build an Open, Integrated and Innovation-driven Investment Environment

STP is a comprehensive industrial park built in Jiangsu Province as a joint project between China and Singapore to promote cooperation with cities across the Yangtze River. As the innovation-driven industrial base established in the north of the YRD region, it aims to enhance international competitiveness following the principle of high-tech-based, international-oriented and eco-friendly development. During the 12th Five-Year Plan period, STP has established a China-Austria cooperation platform, the China-Austria Su-Tong Eco-Park, to enhance the development of energy efficient and environmentally friendly industries through localized applications of Austrian eco-friendly and new energy technologies. In 2016, the China-Korea Industrial Park project was launched in STP to promote cooperation with Korean machinery and electronics industries, and automobile parts manufacturers, as part of its effort to create an innovative and entrepreneurship-driven business environment.

2.1 A Closer Look at STP

Statistics on Development of STP

- 1,405 companies registered in STP
- 43% gross value of industrial output growth over 2015
- More than RMB 25.7 billion invested in manufacturing projects
- A total registered capital of RMB 47.9 billion attracted in the service industry

Source: STP website.
2.2 STP Milestones

**May**
Establishment of STP
- A Significant cooperation project between Jiangsu Province and Singapore
- Advanced planning concept
- International management

**February**
Establishment of the largest cloud data center (CDC) in the central and northern parts of Jiangsu
- Covering Nantong and the whole YRD region
- Attracting many outsourcing service providers

**July**
Founding of the STP Innovation Capital Investment Center
- The first venture capital investment center in Nantong
- Providing major supports for the incubation and further development of innovative companies

**March**
Signing of the memorandum on China-Austria Su-Tong Eco-Park witnessed by President Xi Jinping

**June**
Signing of the China-Korea Industrial Park project
- Enhancing cooperation with Korean automobile parts manufacturers and with machinery and electronics companies

**October**
Commencement of the first batch of major industrial projects in STP

**Visions during the 13th Five-Year Plan period**
To develop STP into a demonstration zone featuring high-end industries, international cooperation, green development as well as the innovative integration of industries and cities

III. Infrastructure
### 3.1 Transportation System

Enjoying the distinct geographical advantage at the estuary of the Yangtze River, Nantong is accelerating the building of a modern extensive transportation system, as an effort to support the regional economic development and form a pattern of synergistic development with Shanghai and Suzhou.

Since the Sutong Yangtze River Bridge was opened to traffic, Nantong has been included in the “one-hour economic circle” of Shanghai and Suzhou, and STP is located in Nantong at the center of the “Shanghai-Suzhou-Nantong triangle”.

#### Air Transportation

Nantong Xingdong International Airport, a major feeder airport to the two international airports in Shanghai, is only a 20-minute drive away from STP. It currently serves over 10 domestic destinations including Beijing, Guangzhou, Shenzhen, Tianjin, Chengdu, Qingdao and Wuhan, and several international destinations including Seoul and Jeju Island in South Korea, and Osaka and Nagoya in Japan, handling one million passengers per year.

#### Road Transportation

Enjoying a sound road network of expressways, national highways and provincial highways, Nantong is easily reachable from peripheral areas, including the Shenhai (Shenyang-Haikou) Expressway (G15) that traverses STP, and the Hushan (Shanghai-Xi’an) Expressway (G40) and Qiyang (Qidong-Yangzhou) Expressway (S28) interconnected in the city.

#### Rail Transportation

Nantong Railway Station is now included in the China national rail network and connects the city with all major destinations throughout the country. Interconnected by inner-city Ningqi (Nanjing-Nantong) Railway, Xinchang (Xinyi of Jiangsu Province-Changxing of Zhejiang Province) Railway and Hutong (Shanghai-Nantong) Railway Yangtze River Bridge (under construction), Nantong Railway Station will become one of the railway hubs in East China. As specified in the 13th Five-Year Plan of Nantong, the Yantong (Yancheng-Nantong) High-Speed Railway and the Beiyanjiang High-Speed Railway (along the northern bank of the Yangtze River) will be built.

#### Cross-river Bridges

Nantong currently enjoys two cross-river bridges: the Sutong Yangtze River Bridge and the Chongqi Yangtze River Bridge, with another one, the Hutong Railway Yangtze River Bridge, under construction, all contributing to enhanced connectivity of Nantong with Shanghai and Suzhou.

<table>
<thead>
<tr>
<th>Bridge</th>
<th>Origin</th>
<th>Destination</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sutong Yangtze River Bridge:</td>
<td>Suzhou</td>
<td>Nantong</td>
</tr>
<tr>
<td>Chongqi Yangtze River Bridge:</td>
<td>Chongming County of Shanghai</td>
<td>Qidong of Nantong</td>
</tr>
<tr>
<td>Hutong Railway Yangtze River Bridge:</td>
<td>Shanghai</td>
<td>Nantong</td>
</tr>
</tbody>
</table>

#### Distance between STP and the Nearby Airports

<table>
<thead>
<tr>
<th>Airport</th>
<th>Distance (km)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nantong Xingdong International</td>
<td>16</td>
</tr>
<tr>
<td>Sunan Shuofang International</td>
<td>86</td>
</tr>
<tr>
<td>Shanghai Hongqiao International</td>
<td>96</td>
</tr>
<tr>
<td>Shanghai Pudong International</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: Information provided by STP; Website of Jiangsu Provincial Development and Reform Commission.
Port Logistics
As one of China's top 10 ports, the Nantong Port handled a total cargo throughput of 220 million tons in 2015. The Port provides transportation services to more than 300 ports in over 70 countries including the US, Russia, Canada and Singapore, and operates three international direct shipping lines to Hong Kong, Japan and Busan of South Korea.

Nantong also boasts river ports along the Yangtze and deep seaports. Three container terminals, each with a capacity of 70,000 tons, are scheduled for construction in STP.

- **Tongzhou Bay Port**, where a 300,000-ton deep water channel can be built, has the capability to form a 150-km deep water coastline and construct a cluster of berths with a capacity ranging from 50,000 to 300,000 tons.

- **Yangkou Port**, the only port on Jiangsu's coastline where a 100,000-ton deep water berth can be built, handles the shipment and transshipment of container cargo including raw materials, petroleum and liquid chemicals.

- **Lvsi Port** is a National Category-I open port in China and an important hub for river-sea and road-water intermodal transportation that provides efficient cargo distribution and shipping services.

Nantong lies within 1.5 hour-drive from the port of Shanghai, the world's busiest container port providing shipping and trade access to more than 500 ports in over 200 countries and regions around the world.

- **Yangshan Port**, one of China's four bonded port areas, handled in 2015 a throughput of about 15 million TEUs of containers.

- **Waigaoqiao Bonded Port Area** is developing toward a demonstration zone for international trade with its functions to support import and export, and re-export, and services such as bonded display, warehouse and distribution of goods.

Urban Rail Transit
As the sixth city in Jiangsu Province designated to build its metro system, Nantong will establish an extensive urban rail transit network with a total length of 324 km to relieve traffic congestion and improve the city's overall competitiveness. During the 13th Five-Year Plan period, eight metro lines with a total length of 170.8 km will be constructed, including four lines covering the urban districts and another four extending to suburban areas, making travel more convenient. Both Line 1 under construction and Line 4 under planning will provide access to STP.
3.2 Land Supply

Advantages in Land Supply
STP is planned to cover a total area of 50 km² to be completed in two construction phases. Phase I (completed) covers an area of 9.5 km² and phase II is currently under construction. Two thirds of the park had been constructed with optimized infrastructure and land conditions.

Source: Information provided by STP
3.3 Manufacturing Facilities Supply

**Standard Plants**

By the end of 2015, three zones of standard plants, namely Qingfeng Creative Park, Jiatong Industrial Park and Hongfa Industrial Park, have been developed in STP offering a total of 30 standard plants as basic facilities for the development of advanced manufacturing in STP. The plants are offered in customized sizes to meet the various needs of companies. STP provides plant rental subsidies for resident companies based on their development status.

<table>
<thead>
<tr>
<th>Investment Platform</th>
<th>Land Area (m²)</th>
<th>Floor Area (m²)</th>
<th>Facilities Constructed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qingfeng Creative Park</td>
<td>170,482</td>
<td>94,047</td>
<td>• 7 standard electronics plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 12 standard machinery plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 1 office building complex</td>
</tr>
<tr>
<td>Jiatong Industrial Park</td>
<td>145,750</td>
<td>80,923</td>
<td>• 7 standard plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 1 business service center</td>
</tr>
<tr>
<td>Hongfa Industrial Park</td>
<td>38,398</td>
<td>31,189</td>
<td>• 4 standard plants</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• 2 office buildings</td>
</tr>
</tbody>
</table>

**R&D Center**

Jiangcheng R&D Center in STP comprises five buildings covering a land area of 56,626 m² and a total floor area of 64,714 m², with the Jiangcheng R&D Park being its main R&D and office building complex. Put to use in August 2012, the R&D Center had attracted more than 40 companies to move in as of 2015.

Source: Information provided by STP
3.4 Supply of Water, Electricity and Natural Gas

**Water Supply**

Supported by abundant fresh water resources from the Yangtze River, STP has a daily water supply capacity of 400,000 tons and a daily sewage treatment capacity of 200,000 tons using the rain-sewage diversion system.

**Electricity Supply**

Equipped with a well-structured and reliable electric power system, STP is able to ensure 24-hour sufficient electricity supply for all business operations in the park. According to the planning, four 220kv and four 110kv substations will be built in STP, among which two 220 and one 110kv substation had already been completed.

**Natural Gas Supply**

STP provides a sufficient supply of liquefied natural gas transmitted through a network of pipelines. The gas pressure regulating station, the gas main along riverside highways, the steam pipelines (phase I) and other large facilities have been put into operation.

2015 Cost of Public Utilities (Water, Electricity and Natural Gas)

<table>
<thead>
<tr>
<th>Category</th>
<th>Unit Price (RMB)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water (RMB/m³, including sewage treatment fees)</td>
<td></td>
</tr>
<tr>
<td>Household Water Consumption</td>
<td>2.6</td>
</tr>
<tr>
<td>Industrial and Commercial Water Consumption</td>
<td>3</td>
</tr>
<tr>
<td>Water Consumption of Special Industries (e.g. car-washing and construction)</td>
<td>4.3</td>
</tr>
<tr>
<td>Electricity (RMB/kWh)</td>
<td></td>
</tr>
<tr>
<td>General Business Sectors</td>
<td></td>
</tr>
<tr>
<td>1kV and below</td>
<td>0.867</td>
</tr>
<tr>
<td>1-10KV</td>
<td>0.867</td>
</tr>
<tr>
<td>20-35KV</td>
<td>0.861</td>
</tr>
<tr>
<td>35-110KV</td>
<td>0.852</td>
</tr>
<tr>
<td>110KV</td>
<td>0.637</td>
</tr>
<tr>
<td>220KV and above</td>
<td>0.622</td>
</tr>
<tr>
<td>Natural Gas (RMB/ m³)</td>
<td></td>
</tr>
<tr>
<td>Household Gas Consumption</td>
<td>2.4-3.6</td>
</tr>
<tr>
<td>Industrial and Commercial Gas Consumption</td>
<td>4.2</td>
</tr>
</tbody>
</table>

Source: Information provided by STP

We chose STP because of its good investment environment. Nantong enjoys an excellent location and the Sutong Yangtze River Bridge shortens the commute between Shanghai and Nantong. Moreover, STP meets our specific requirements for the functions of workshops, such as air purification, temperature and humidity control, water and power supply and load-bearing capacity. A professional team from STP contributes to our efficient communication with local planning and construction authorities, thus ensuring our timely access to steam pipelines and sufficient energy supply.

— Nantong Tongfu Microelectronics Co., Ltd.
“Smart Nantong”
As the only prefecture-level city in China to carry out both the EU-China Smart and Green City Cooperation and the China Smart City national pilot projects, Nantong has focused its development on infrastructure, smart industry and livelihood improvement in the six areas of smart city development, namely economy, people, governance, transportation, environment and living.

According to its 2015 Smart City Construction Implementation Program, Nantong will focus on the construction of 25 smart city projects, such as public basic database and public information platform, data integration and sharing, cloud data center, and public service platform, with a total planned investment of over RMB 4 billion.

Cloud Data Center (CDC)
The CDC of STP, which covers an area of around 4 acres, is built with a total investment of about RMB 300 million to accommodate more than 25,000 servers, with approximately 200G network bandwidth. Set up and put into use in 2013, it is one of the largest data centers in central and northern Jiangsu.

As the carrier of smart applications, the CDC serves as the heart of information communications in STP and radiates to Nantong and other parts of the YRD region, attracting many domestic and foreign service-outsourcing enterprises.

Cloud Service Platform
A cloud service platform has been set up to promote the interaction and exchange among the enterprises in STP on foreign business and investment, industry clusters and corporate services, thus providing the enterprises with transparent, efficient and reliable e-government services.

Information Service System

Source: 2015 Smart City Construction Implementation Program of Nantong
IV. Government Policies and Services
4.1 Incentive Policies

STP, as a comprehensive park in Jiangsu Province established to promote the cross-river cooperation and joint programs between China and Singapore, has introduced a number of favorable policies to support the sustainable development of industries.

- STP offers incentive packages to manufacturing projects whose investment exceeds a designated amount and projects that STP vigorously encourages, including those in the service sector.
- Companies generating a gross margin higher than a designated rate are granted an incentive package in proportion to their profits for a fixed number of years, as an initiative of STP to encourage the development of leading industries and emerging industries.
- Standard manufacturing facilities pre-constructed by STP (including custom built ones) are available for STP-based companies on a rental basis at subsidized rental rates.

STP offers us very professional and efficient services. Its service team has been keeping regular contact with us, from the very beginning of our project planning up to now after we have moved in, to identify our development demands and help us communicate with competent authorities. Moreover, STP provides transparent policies and strong support for environmental protection industries that have practically benefited our business development.

— Shaw Carpet (China) Co, Ltd.

Advanced Manufacturing Companies

- An investment incentive package in proportion to the amount of investment is granted to manufacturing companies which build facilities in the park with an investment exceeding a designated amount.
- An incentive package is granted to manufacturing companies in STP for a fixed number of years starting from the year when they begin to make profits in proportion to their register capital and contribution to the local economy.

Corporate Headquarters

- Corporate headquarters are entitled to allowances for buying business premises in STP in proportion to the areas of their purchased premises.
- STP offers subsidies, such as tax reduction, to corporate headquarters registered in STP which operate outside STP and corporate headquarters which rent business premises in STP.

Supporting Service Providers

- Service providers for living (e.g. economical chain hotels, catering services and convenience stores) and for production (e.g. software development, cultural creativity and training services) are entitled to allowances for rental or renovation of business premises and operating rewards in proportion to the areas of their purchased or rented business premises.

Financial and Investment Companies

- STP-based financing and leasing companies are entitled to operating subsidies, allowances for buying, building or renting business premises, and rewards for senior executives. Categorized incentive packages are also available to companies engaged in different categories of financing and leasing business.
- STP-based venture capital and equity investment companies are entitled to special risk prevention subsidy and other benefits in addition to the basic favorable policies effective in STP. Follow-up investment may be available to companies under specific conditions.

Source: Information provided by the STP Administrative Committee; STP Policies on Financing and Leasing Business.
4.2 Government Services

“Service-oriented” Government System
Dedicated to building a “service-oriented” government system featuring highly efficient administrative services, Nantong established the Municipal Bureau of Administrative Approval in 2015 to roll out a new administrative review and approval system characterized by “one-window acceptance, integrated review and approval, and one-stop processing”.

STP has prioritized on serving the STP-based enterprises as a focus of its development, making it one of its goals to ensure that the enterprises are provided with convenient and efficient administrative services supported by a law-ruled and service-oriented intensified government service system so that the enterprises are able to concentrate on their business development.

One-stop Services
A one-stop service center has been set up in STP as an independent branch under the STP Administrative Committee to provide an array of administrative approval services on behalf of the Committee for foreign-owned enterprises in a unified and coordinated way, covering the whole process of enterprise establishment, development and operation.

The service center has facilitated enterprises to move into STP through a “green channel” of faster services, along with the zero-charge policy for public administration and comprehensive follow-up services for major projects.

Major Business Services Completed Within STP
Major service windows are in place to process within STP approvals of frequent administrative matters closely related to routine business operations, involving the following three major areas:

- Market access (establishment of entities and permission of projects)
- Infrastructure (planning, construction and environmental impact assessment)
- Comprehensive coordination (land use, safety supervision and resources supply and coordination)
4.3 Flowchart of Company Establishment

- **Signing Investment Contracts**
- **Registration of Pre-approval of Business Name** (Service Window of Municipal Administration of Market Supervision) Completed Within 1-2 Workdays
- **Filing in the Commerce System** (Service Window for Commerce of STP) Completed Within 3 Workdays
- **Obtaining Business License** (Municipal Administration of Market Supervision) Completed Within 5 Workdays
- **Foreign Exchange Registration** (Municipal Administration of Foreign Exchange) Completed Within 1 Workdays
- **Opening Bank Accounts** Completed Within 3 Workdays
- **Registration with Customs** Completed Within 7 Workdays (20 Workdays for IC Card)
- **Registration of Inspection & Quarantine** (Bureau of Inspection & Quarantine) Completed Within 3-5 Workdays
- **Filing of Foreign Trade Permission** (Service Window of Municipal Bureau of Commerce in the Municipal Government Service Center) Completed Immediately

Source: Information provided by STP
V. Business Environment
5.1 International Cooperation

China-Singapore Cooperation
As a major collaborative project between Singapore and Jiangsu Province, STP is to be built into a new international industrial community with a high concentration of industries and wide-ranging supporting facilities, conforming to international standards in planning, governance, services and environmental protection. The main advantages of China-Singapore cooperation including:

- Synergistic development with the Suzhou Industrial Park
- Advanced strategic planning and scientific development and construction
- Sound governance structure and extensive investor development experience
- Professional services provided by an international management team

China-Austria Cooperation
As the deepening of China-Austria cooperation has brought more Austrian companies into the Chinese market, China-Austria Su Tong Eco-Park (CAEP), the first state-level international cooperation platform in Nantong, is now home to eight Austrian companies, including STIWA Nantong Automation Machinery Production Co., Ltd., iSi Automotive (Nantong) Co., Ltd. and Cnooc Biolux (Nantong) Bioenergy Protein Feed Co., Ltd.

In order to better serve the Austrian companies investing in China, a China-Austria Cooperation Center and a China-Austria Hi-Tech Business Incubator have been set up in CAEP, where a German-speaking professional team is available to provide one-stop services for Austrian companies from initial consulting to business incorporation in CAEP.

STP is ready to further strengthen its cooperation with Austrian companies in a wide range of areas, including environmental protection and green technology, smart cities, clean energy, and energy management, to facilitate the integration of Austrian advanced concepts, technologies and brands with the Chinese market.

China-South Korea Cooperation
Following the official establishment of sister-city relationship between Nantong and Changwon (South Korea) in December, 2015, an agreement was signed in June, 2016 to launch the China-South Korea Industrial Park project in STP.

As Nantong strengthens its cooperation with Changwon, more South Korean companies will be attracted by the investment opportunities in Nantong. Now, several South Korean corporations, such as GMB Korea Corporation, have settled in STP, which will continue to promote cooperation with South Korean mechatronic industry and automobile parts manufacturers and create an enabling environment for business innovation and entrepreneurship.

Case Study
GMB Korea Corporation, a renowned automobile parts manufacturer based in Changwon, South Korea, entered the Chinese market in 1996 and has now set up many production lines in different locations in China driven by the increasing investment in China from South Korean automobile manufacturers. GMB’s operation in the Chinese market is solidly built on its business philosophy of localization as manifested by its strong team of Chinese technicians and network of local suppliers.

Following its downstream companies to Jiangsu Province, GMB started operating in STP in 2014 through Nantong GMB Automotive Co., Ltd., as its management was profoundly impressed by the favorable geographical location of the city and the professional services provided by STP.
5.2 Technological Innovation Environment

Nantong’s Rapidly Growing High and New Technology Industries
Home to 750 high-tech firms by 2015, Nantong produced a total output value of RMB 405.66 billion by its high-tech sector in the first eight months of 2015, ranking the third in Jiangsu Province.
In 2015, the city saw 25,970 patents authorized, up by 109.6% compared to the previous year, representing the largest increase in the province. This achievement was underpinned by the R&D investment that amounted to 2.55% of the city’s GDP.

Enhanced Industry-University Partnerships
During the 12th Five-Year Plan period, Nantong catalyzed technological innovation through enhanced partnerships between businesses and research institutes of the Chinese Academy of Science (CAS). By the end of 2015, local firms had collaborated with 62 CAS institutes, including the Shanghai Institute of Applied Physics, the Institute of Oceanology, the Shanghai Institute of Microsystem and Information Technology and the Shanghai Institute of Technical Physics, launching 527 technology commercialization programs, 5 cooperation platforms, and 39 provincial-level corporate workstations for CAS academicians.
Synchronizing its efforts with Shanghai’s initiative to develop as an international technology innovation center, STP is dedicated to providing international cooperation and exchange platforms for businesses, R&D and academic institutes, and investors, in support of corporate R&D, innovation and technology commercialization.

Public Service Platforms: Optimizing Resource Allocation
Platforms currently in service include the Cooperation Center and the Hi-tech Business Incubator of CAEP, the Nantong Opto-Electronics Engineering Center of Chinese Academy of Sciences, the STP Technology Incubator, the Jiangcheng R&D Park, the Qingfeng Innovation Park, and the STP Innovation Capital Investment Center.

Deloitte Perspectives
By encouraging entrepreneurship and innovation, attracting talents, and offering public service platforms that allow optimized allocation of resources, STP is committed to creating an enabling ecosystem for R&D and technological innovation. Its service team regularly shares with the businesses in STP information on favorable policies for R&D and entrepreneurial and innovative programs and supports their application for certification as High and New-Technology Enterprise to reduce technological innovation cost.

Corporations in STP: High-Tech Driver of the Local Economy
Diversified in investment sources, most companies in STP are domestic or international industrial leaders in their segments, which provide strong high-tech capacities to drive the local economy with advanced technology, high value added, high complementarity and considerable market share.
In the first six months of 2015, new and high technology industries in STP contributed 15.4% of the total output value of the large-scale industry. STP-based leading companies in priority industries have won independent intellectual property rights with domestic and international patents, with high-tech products provincially and nationally certified.

Source: Website of Nantong Municipal Science and Technology Bureau; Information provided by STP.
5.3 Financial Environment

Real Economy Development Supported by Improved Financial Services

Financial services provided by banks and financial institutions in Nantong are getting increasingly diverse and improved, with more customized and innovative business models expanded from traditional services such as deposits, loans and remittance. After decades of development, the banking system in Nantong has been optimized featuring more diversified financial services with more comprehensive functions in the context of extensive market competition.

By the end of 2015, there are 39 banks and financial institutions, 32 listed companies and 39 National Equities Exchange and Quotation (NEEQ) listed companies in the city, recording a total of RMB 608.1 billion in loan balance, RMB 33.3 billion of funds financed through bonds and RMB 16.6 billion financed through equities.

During the 13th Five-Year Plan period, the following measures will be taken to speed up the pace of financial innovation to better serve the real economy development:

- Implementing cost-cutting measures to help companies reduce their financing costs.
- Advancing regional financial innovation, including pilot programs of synergizing investments made through loans, bonds and equities and innovations in mortgage financing, improving the platform for trading industrial surplus assets and the financial service platform for small and medium enterprises, and boosting the financial support for enterprises engaged in outbound investment.
- Improving the financial eco-environment through the consolidated exchange and coordination mechanism between the banks, government and enterprises.
- Assisting companies in making better use of direct financing tools such as guiding them in going public or getting listed in NEEQ, supporting them to raise funds through bonds, and encouraging a better use of funds.

Number of Banks and Insurance Companies in Nantong (2015)

<table>
<thead>
<tr>
<th>Chinese-invested Banks</th>
<th>Foreign-invested Banks</th>
<th>Insurance Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>37</td>
<td>2</td>
<td>75</td>
</tr>
</tbody>
</table>

Deloitte Perspectives

Optimally located with easy access to financial institutions and support service institutions in Shanghai, STP is at a vantage point of enjoying the mature financial market system in Shanghai.

Shanghai is home to various nation-level financial markets including securities, futures, foreign exchange, currency, gold, oil and diamond, where emerging financial markets and institutions in shipping finance, private equity, and financial futures are steadily developing.

Maturing Venture Capital and Equity Investment Companies

The introduction of venture capital and equity investment is of great importance to speed up the commercialization of technological achievements, strengthen the system-building of investment and finance, enhance the cultivation of strategic emerging industries and push forward the industrial structure adjustment.

The first venture capital center in Nantong was set up in STP to act as key support to the incubating, breeding and continuous development of innovative enterprises. By the end of 2015, 217 venture capital and equity investment companies as well as investment management companies have been set up in STP, managing a total amount of capital at RMB 19.3 billion. The prominent venture capital companies include:

- Redbud Capital
- Ping An Ventures
- Tsinghua Finance
- CITIC Investment

Source: Information provided by STP; The 2016 Nantong Municipal Government Work Report.
5.4 Functional Layout

Planned to cover an area of 50 km² to accommodate 300,000 people, STP is divided into six key functional zones:

- Comprehensive Industrial Zone
- Technological R&D Zone
- Eco-Living Zone
- Comprehensive Bonded Zone
- Modern Logistics Zone
- Leisure and Recreation Zone

Represented Enterprises of Priority Industries in STP and Estimated Output Value by 2020

<table>
<thead>
<tr>
<th>Industry</th>
<th>Represented Enterprises</th>
<th>Estimated Output Value by 2020 (RMB billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automobile and Parts</td>
<td>AVIC Automobile, ONDO SHINSHO Precision Technology, Shinsho Osaka Seiko, GMB, Hiroshima Aluminum Industry</td>
<td>26</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Tongfu Microelectronics, Jiejie Microelectronics, Diao Microcircuits, Sunfy Tech</td>
<td>12</td>
</tr>
<tr>
<td>Precision Manufacturing</td>
<td>DEA General Aviation, STIWA, Komori Machinery, Devon</td>
<td>10</td>
</tr>
<tr>
<td>Energy Conservation and Environment Protection</td>
<td>Nobao Group, Zhonggu Opto-electronics, Shenma Electric, Sigma</td>
<td>10</td>
</tr>
<tr>
<td>Service Outsourcing</td>
<td>iSoftStone, Tonghe Information Technology</td>
<td>10</td>
</tr>
<tr>
<td>Cultural Tourism</td>
<td>Yongjia Group</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: Information provided by STP.
Current Status of the Precision Machinery in STP
Based on its current industry foundation, STP is vigorously promoting the precision machinery industry with a focus on automobile and parts and general aviation, with a view to developing a complete industry chain through improved design and manufacturing of essential parts, especially those of aero-engines, automobile engines, transmissions and drivelines, towards the production of complete automobiles and aircrafts. In 2015, the precision machinery industry contributed to 46.32% of STP's total industrial sales.

Current Status of Automobile and Parts Manufacturers in STP
As of June 2015, STP has been home to 18 automobile and parts manufacturers, including complete automobile manufacturers such as AVIC and auto parts manufacturers such as ONDO SHINSHO Precision Technology, GMB, STIWA, and Hiroshima Aluminum Industry, which offer products ranging from tires manufacturing and recycling, auto interior accessories, and auto body parts to casting parts and engine parts. So far, automobile and parts manufacturers in STP have received a total investment of over RMB 20 billion, and generated a total output of RMB 460 million in 2015.

General Aviation Industrial Cluster Taking Shape in STP
Aiming to establish an influential general aviation cluster, STP has prioritized the manufacturing of core components of aero-engines, automobile engines, transmissions and drivelines to form a complete chain of essential parts manufacturing, assembly and module integration.

Case Study
DEA General Aviation
As a technology and investment intensive industry highly demanding on management, the general aviation industry requires a stable and reliable investment environment because of its extensive value chain and long investment cycle. DEA General Aviation has found what it needs in STP to develop its business, including the enabling environment for innovation that attracts professionals in general aviation from Nantong and its peripheral areas and the long-term investment platform built on the well-developed aerospace industry in Shanghai.

DEA General Aviation has established four companies in STP with a total investment of USD 450 million, producing eight types of aero-engines and the lost foam precision casting using 3D printing. DEA General Aviation plans to forge a preliminary helicopter value chain in STP and surrounding areas in 5 years, with an annual output of 400 helicopters and over 400 aero-engines.

AVIC Automobile
Having settled in STP under the cooperation between the Aviation Industry Corporation of China (AVIC) and the Nantong Municipal Government, AVIC Automobile is specialized in domestically-made high-end, mid-size business vehicles and new energy vehicles, with a total investment of about RMB 7 billion and a designed annual production capacity of 70,000 vehicles. The operation of AVIC Automobile in STP is expected to promote the cluster of automobile and parts manufacturing industry. Automobile enterprises in STP will focus on developing and manufacturing key auto parts, supported by assembly and module integration technologies, to establish a complete industry chain of design, production, distribution, and after-sales services.

Source: China Statistic Yearbook; Outline of the 13th Five-Year Plan of Nantong City; Information provided by STP.
Advantages of Precision Manufacturing in STP

Huge Demand from Clusters of Advanced Manufacturing in the YRD Region

The advanced manufacturing clusters in Nantong and its surrounding cities, represented by the sectors of shipbuilding, automobile, electronics, machinery, automation equipment, biopharmaceuticals and information technology, have an increasing demand for precision parts and components, which provides favorable market conditions for developing precision manufacturing in STP.

Leading Enterprises Fueling the Industrial Cluster

The operation of AVIC Automobile and DEA General Aviation in STP well prepares STP for the development of precision machinery industry with a focus on automobile and parts, and general aviation. Precision machinery has developed into a pillar industry in STP.

In the automobile and parts sector, STP has formed an industrial cluster for the manufacturing of business vehicles, feeder buses and electric automobiles, core technology development and production of auto parts including engines, transmission boxes, balancers, differential planetary gears, power batteries and interior and exterior decoration parts.

In the general aviation sector, STP has attracted many precision machinery aero-engine and parts manufacturers, represented by DEA General Aviation which produces small-size helicopters and aero-engines, and leading companies including STIWA etc., resulting in accelerated clustering of upstream and downstream supporting companies.

Benefiting from the Spillover Effect of Shanghai’s Initiative to Develop as a Global Center of Innovation in Science and Technology

As Shanghai is accelerating its development as a global center of innovation in science and technology, its spillover effect will promote industries in the YRD to upgrade and transform. Enjoying the fame of “Northern Gate to Shanghai”, Nantong is eager to draw benefits from Shanghai’s advanced research outcomes and technologies to provide opportunities for industrial production and applicable R&D of manufacturing enterprises.

Policy Support

Nantong has made strategic planning for the general aviation industry in its 13th Five-Year Plan so as to transform Nantong into an important airport logistics hub in the YRD; a training base for repair and maintenance of civil aviation aircrafts (business jets) in East China; a rescue base built under the cooperation of the Ministry of Transport and the provincial government; an international air sports base; and a modern airport service industrial cluster in Jiangsu Province; and the largest cluster of airport-based high-tech industries in the northern and central parts of Jiangsu Province.

In addition, Nantong aims to be a nationally recognized special automobile manufacturing base and a regional auto parts manufacturing base. Committed to building a new energy automobile industry base, STP has made proper planning to provide land supply for auto parts manufacturers, along with targeted incentive policies, to bolster the sustainable development of these enterprises.

Human Resources

Thanks to its well-developed education system, Nantong enjoys an abundant talent pool featuring high-level industrial professionals provided by eight colleges and universities and more than a hundred of technical schools and training institutions. Its human resource supply is augmented by the mature industrial cluster of automobile R&D and manufacturing in the YRD region, which boasts numerous technical and R&D professionals developed by enterprises such as Naveco in Nanjing, Higer Bus in Suzhou and Shanghai Shenlong Bus. STP attaches great importance to human resources, and has implemented a series of incentive policies to encourage the recruitment, cultivation and retention of talented people.

Leading Enterprises of Precision Machinery in STP and Their Main Products

<table>
<thead>
<tr>
<th>Leading Enterprises</th>
<th>Major Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>AVIC Automobile</td>
<td>Luxury/electric mid-size buses</td>
</tr>
<tr>
<td>DEA General Aviation</td>
<td>Unmanned aerial vehicles and small helicopters</td>
</tr>
<tr>
<td>Hiroshima Aluminum Industry</td>
<td>Engines and transmissions</td>
</tr>
<tr>
<td>ONDO SHINSHO Precision Technology</td>
<td>Differential assembly</td>
</tr>
<tr>
<td>STIWA</td>
<td>Automation equipment</td>
</tr>
<tr>
<td>Komori Machinery</td>
<td>Printing machinery</td>
</tr>
<tr>
<td>Jiangsu Deluna</td>
<td>Intelligent collision avoidance system</td>
</tr>
</tbody>
</table>

Source: Statistical Communicqué of Jiangsu Province on 2015 New and Advanced Technology Industries; Information provided by STP.

5.5.2 Competitive Industrial Clusters
Electronic and Information Industry

YRD – R&D and Manufacturing Base of Electronic and Information Products

The YRD region represents China’s dominant R&D and manufacturing base for the electronic and information industry, where a relatively complete industry chain, from R&D, design, manufacturing, final test to ancillary services, has been established. The region is now home to 50% of China’s IC (integrated circuit) design companies, 55% of China’s IC manufacturers and 80% of China’s IC final test companies.

Nantong – Creating a Model Electronic and Information Industrial Cluster

As a result of Nantong’s recent effort to accelerate the transformation and upgrade of its electronic and information industry, a competitive industrial system has been established in the sectors of electronic components, IC, electronic materials, and fiber-optic communications, gaining a nationally leading position in specific industry segments such as IC final test, optical fiber and optical cable, aluminum electrolytic capacitor, and high-performance electrode foil. In 2015, the electronic and information industry in Nantong produced a total output of RMB 180.7 billion, up by 13.8%, ranking the 4th in Jiangsu Province.

Current Status of IC Industry in STP

Up to now, STP has attracted ten electronic and information companies, seven of which operate with an investment of more than RMB 100 million and the rest three over RMB 1 billion, totaling over RMB 10 billion. Awarded by Jiangsu Provincial Commission of Economy and Information Technology the title of “Jiangsu (Nantong) IC Industrial Park” in July, 2016, STP will continuously strive to build an innovation-driven, unique and specialized IC industry.

Electronic and Information Enterprises in STP Specialized in:

Advantages of Electronic and Information Industry in STP

Premium Location
Located in the south of Nantong, a regional transportation hub of national importance formed after the completion of Sutong Yangtze River Bridge, Hutong Railway and Hutong Yangtze River Bridge, STP enjoys an efficient transportation network easily reachable from cities such as Shanghai, Suzhou, Wuxi and Changzhou, facilitating the electronic and information companies in STP to develop synergistically with its counterparts in neighboring areas.

Enhanced Cooperation among Businesses, Universities and Research Institutions
By forging the R&D, industry, capital and policy chains, STP has enhanced the cooperation among businesses, universities and research institutions in technology innovation and market development. The Nantong Opto-Electronics Engineering Center of Chinese Academy of Sciences, a research institute located in STP, has obtained over 30 applicable research achievements in its major research areas, including opto-electronic integrated circuits (OEICs), special IC products and technologies. The center is striving to build an optoelectronics industrial base composed of platforms for test and analysis and research outcome transformation as well as an incubator for optoelectronics companies.

Comprehensive Support Infrastructure
STP provides comprehensive support infrastructure to meet the needs of all businesses. Following the completion of the first phase of STP infrastructure construction, supply of water, electricity, natural gas and steam has been fully in place to ensure smooth business operation.

Leading Electronic and Information Enterprises in STP and Their Major Products

<table>
<thead>
<tr>
<th>Leading Enterprises</th>
<th>Major Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tongfu Microelectronics</td>
<td>IC packaging and test</td>
</tr>
<tr>
<td>Jiejie Semiconductor</td>
<td>Electrical and electronic components</td>
</tr>
<tr>
<td>Sunfy Tech</td>
<td>High-end optical transceivers</td>
</tr>
<tr>
<td>Nantong Opto-Electronics Engineering Center</td>
<td>OEICs and ICs</td>
</tr>
<tr>
<td>Zhonggu Opto-Electronics</td>
<td>LED epitaxial wafers and chips</td>
</tr>
</tbody>
</table>

Source: Information provided by STP.
5.5.3 Competitive Industrial Clusters
Energy Conservation and Environmental Protection Industry

Development of Energy Conservation and Environmental Protection Industry in Nantong
The concepts of energy conservation and environmental protection, recycling and low-carbon economy have been widely recognized in China, and the industrial layout of energy conservation and environmental protection has taken shape in Nantong. As of June 2015, there are 106 energy conservation and environmental protection companies in Nantong, generating an annual output of RMB 7.87 billion from environmental protection products, comprehensive resource utilization, environmental protection services and clean products. In 2015, 212 projects of energy conservation and circular economy and 44 major pollution reduction projects were carried out in Nantong. According to the city’s 13th Five-Year Plan, the energy conservation and environmental protection and new materials industry has become one of the key industries in urban planning.

Strategic positioning of a Coastal Eco-Town Boosting the Energy Conservation and Environmental Protection Industry
Following the concept of ecology and innovation, STP has created a favorable environment for the introduction, fostering and growth of the energy conservation and environmental protection industry by making the most of its carrying capacity of resources and environment, and focusing on intensive utilization of resources and sustainable development.

At present, the energy conservation and environmental protection companies in STP cover three sectors – photovoltaic LEDs, solar energy and environment-friendly materials. As of the end of 2015, the registered capital of energy conservation and environmental protection companies in STP has totaled RMB 2.5 billion, and the total output of the industry has reached RMB 620 million in 2015.

Advantages of Energy Conservation and Environmental Protection Industry in STP

China-Austria Su Tong Eco-Park
The STP-based China-Austria Su Tong Eco-Park (CAEP) is the first national-level international cooperation platform in Nantong and an innovation park built according to international standards. Now, the Cooperation Center and the High-tech Business Incubator of CAEP are both open to business. STP provides extensive opportunities for Chinese and Austrian enterprises to enhance cooperation on ecological projects, promote alignment of technologies, projects and capitals, and realize industrialized development.

Comprehensive policies and professional services
Incentive policies have been introduced targeting industrial development, talent recruitment and financing support. Taking into consideration regulations in specific industries, the STP administration has set up a team to connect companies with relevant supervision authorities so as to help these companies incorporate and go into operation more quickly.

Leading Energy Conservation and Environmental Protection Enterprises in STP and Their Major Products

<table>
<thead>
<tr>
<th>Leading companies</th>
<th>Major Products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nobao Renewable Energy</td>
<td>Energy services</td>
</tr>
<tr>
<td>Sigma</td>
<td>Air energy clothes dryers</td>
</tr>
<tr>
<td>Shaw Carpet</td>
<td>Carpets and floorings</td>
</tr>
<tr>
<td>Xinyi Opto-Electronics</td>
<td>LED lighting products</td>
</tr>
</tbody>
</table>

Source: Statistical Communiqué of Nantong City on the 2015 National Economic and Social Development; Information provided by STP.
5.5.4 Competitive Industrial Clusters
Modern Service Industry

Service Out-sourcing
After 10 years of development, the service out-sourcing sector in Nantong has witnessed a continuous expansion of industrial scale with the number of companies steadily rising and operating system optimized. In May, 2016, Nantong was granted the title of Service Out-sourcing Demonstration City in China by the State Council.

Having established five provincial-level service out-sourcing industrial parks, Nantong is now home to over 1,000 service out-sourcing companies with a total of 50,000 employees, which executed a total contract value of USD 1.27 billion by the end of 2015, ranking the 4th in Jiangsu Province. STP has currently attracted 30 service out-sourcing companies, represented by iSoftStone and iService, as part of its effort to build public services platforms for development of cross-border e-commerce, smart industrial parks, and cloud-based big data. Going forward, STP will strive to build a demonstration base for the service out-sourcing industry by promoting diversified out-sourcing services for R&D design, biomedical R&D, information technology, and business operations.

Four Specialized Clusters of Service Out-sourcing and Their Representative Enterprises in Nantong

- Software R&D
  - iSoftStone
  - Linkage Software

- Data analysis
  - ZTE Corporation
  - Acxiom

- Biomedical R&D
  - Novast
  - Basilea

- On-demand services
  - Ctrip
  - SF Express

Logistics and Warehousing
Brimming with opportunities amid an industrial slowdown, the logistics and warehousing industry in China is undergoing a comprehensive transformation under the macro environment of modest growth. Equipped with sound infrastructures and favorable port resources, Nantong enjoys remarkable potentials for the growth of logistics and warehousing business. Backed by its improved facilities for logistics services, STP has attracted leading players like Pusu Warehousing and Logos.

Financial Services
Following the innovative financial system of China (Shanghai) Pilot Free Trade Zone, STP endeavors to better serve the regional real economy by vigorously developing shared financial IDC platforms and building regional fund allocation centers, property rights transaction centers, and business merger and acquisition centers focusing on the development of finance lease, supply chain finance, equity investment, venture capital and other sectors.

In the area of finance lease, for example, related companies are provided with a promising market thanks to the sound development of manufacturing industries in Nantong. STP is committed to build a linkage platform for finance lease companies and manufacturers to promote the extending of upstream and downstream chains of the finance lease industry supported by targeted industrial policies, thus facilitating the capacity upgrading of financial services in STP.

Deloitte Perspectives
The finance lease industry in China has skyrocketed with increasingly expanding business scale and wider range of business areas accompanied by emerging innovations. Closely intertwined with the development of real economy, the finance lease industry is playing a progressively significant role in promoting the restructuring and transformation of economic development.

For finance lease companies, opportunities co-exist with challenges. They enjoy the flexibility of resource coordination in the financial market while faced with challenges during the painful period of economic restructuring, including the complicated market environment, fierce industrial competition and uncertainties of macro-control policies.

— Specialized Development towards an Era of Finance Lease by Deloitte

Source: The 13th Five-Year Plan of the Service Outsourcing Industry in Nantong; Information provided by STP.
Cultural Tourism
In 2015, Nantong received 34.05 million domestic and overseas tourists, producing a total tourism revenue of RMB 46.35 billion. Its cultural tourism industry is gaining momentum facilitated by the construction of high-speed railway network and the opening of Shanghai Disneyland and other distinctive tourism attractions in the YRD region. In 2016, the “Aircraft Carrier World”, a cultural tourism program constructed by Yongjia Group with an investment of RMB 10 billion, is launched in STP as a new highlight of cultural tourism in the city. The program consists of three themed sections: the “Aircraft Carrier World” theme park, the “Dream World” wonderland, and the wetland park.

In addition, the China-Austria Su Tong Eco City, a hub of cultural elements in STP, is developing as a European style community ideal for cross-cultural communication through integration of advanced European concepts into traditional Chinese culture.

Advantages of Cultural Tourism Industry in Nantong

Distinctive market advantages in the YRD region with the largest tourists base in China
Abundant tourism resources
Optimized tourist access to Nantong supported by extensive transportation network
Favorable macro environment created by the efforts to build an outstanding tourism province

Leading Enterprises of Modern Services in STP and Their Main Products

<table>
<thead>
<tr>
<th>Leading Enterprises</th>
<th>Main Products/Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>iSoftStone</td>
<td>Software R&amp;D</td>
</tr>
<tr>
<td>Tonghe Technology</td>
<td>Cloud-based services</td>
</tr>
<tr>
<td>Pusu Logistics</td>
<td>Logistics and warehousing</td>
</tr>
<tr>
<td>Yongjia Group</td>
<td>Themed park</td>
</tr>
</tbody>
</table>

Commercial and Trade Services
Nantong enjoys sound facilities for the development of commercial and trade services, including 3 provincial-level clusters of modern service industries, ranking top in central Jiangsu Province, and 18 city-level clusters, covering five business patterns, namely CBDs, commercial and trade clusters, high-tech innovation parks, market clusters, and logistics centers.

In recent years, with increasingly rising domestic consuming capacities and speedy development of commercial and trade services, Nantong realized an added value of RMB 281.6 billion in service industry in 2015, an increase of 10.5% over the previous year, with the revenue of accommodation and catering services amounting to RMB 26.57 billion, up by 17.6%, and of wholesale and retail trade to RMB 880.82 billion, rising by 11.1%.

During the 13th Five-Year Plan period when rapid development is made possible, STP is expected to have a population of 100,000 people by the end of 2020, and efforts will be concentrated on building comprehensive functional facilities and encouraging the development of cultural recreation, shopping and catering services.
VI. Human Resources
6.1 Human Resource Supply

**Education Resources**

Known as “a City of Education”, Nantong is home to a wide range of higher education institutions (HEIs) and vocational schools offering extensive degrees and vocational programs, providing a comprehensive human resources supply for enterprises in the city. As of the end of 2015, the total workforce in Nantong had reached 4.6 million.

- **Higher Education Institutions**
  Nantong is currently home to eight general HEIs and two adult education institutions, hosting a total enrolment of 90,000 and 22,900 students respectively by the end of 2015, and every year, these HEIs provide numerous professionals covering a variety of special areas including Mechanical Engineering, Materials Science, Mechatronics, International Economics and Trade, Human Resource Management, Computer, Japanese Language, and Korean Language.

<table>
<thead>
<tr>
<th>General HEIs in Nantong</th>
<th>Nantong University</th>
<th>Jiangsu College of Engineering and Technology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nantong Vocational University</td>
<td></td>
<td>Nantong Shipping College</td>
</tr>
<tr>
<td>Nantong Institute of Technology</td>
<td></td>
<td>Nantong College of Science and Technology</td>
</tr>
<tr>
<td>Jiangsu Vocational College of Business</td>
<td></td>
<td>Nantong Normal College</td>
</tr>
</tbody>
</table>

- **Vocational Schools**
  Around 135,000 graduates of or above the secondary vocational education level are trained every year by the over 100 vocational and adult training institutions in Nantong, including 20 secondary vocational education institutions which hosted a total enrolment of 61,600 students by the end of 2015.

**A Highly Concentrated Pool of Technological Talents**

Nantong boasts a relatively high proportion of technological talents. With 55,700 highly skilled talents newly attracted to the city in 2015, there were 681 professional talents of middle- to high-level skills out of every 10,000 workers by the end of the year.

- **In 2015**
  - 5 newly established innovative practice centers at the provincial level
  - 10 newly established post-doctoral research stations at the national level
  - 128 resident experts of the “1,000 Talents Program”
  - 171 doctoral degree holders designated as “entrepreneurship and innovation leaders” in Jiangsu Province
  - 334 high-caliber overseas-educated returnees employed

**Provincial Human Resource Park**

A Provincial Human Resource Park is planned to be established in STP to facilitate the city’s industrial transformation with enhanced human resource services. Driven by the concept of serving the social and economic development with human resources as a priority, STP is committed to providing human resource support for Nantong’s leapfrogging development, and later serving the YRD.

1. **System**
   - Human resource service system

2. **Mechanisms**
   - Government-led management mechanism with scientific procedures
   - Market-driven operation mechanism

3. **Platforms**
   - Public service platform
   - Technological innovation platform
   - Business operation platform

4. **Functions**
   - Industrial Clustering
   - Service expansion
   - Business incubation
   - Market fostering

**Internationally-Cooperated Vocational Training Systems**

Through cooperation with Germany’s Bremen Handcraft Association and the University of Bremen, STP provides training for students in Nantong with advanced German training systems and skills management software, and sends the locally trained students to Germany for 6-month or longer intensive further training before being granted with German qualifications of mechanics or technicians.

6.2 Human Resource Costs

Costs of Salary
In 2015, Nantong witnessed an average annual salary in its urban area of RMB 65,957, enjoying a competitive advantage over other major cities in YRD in terms of labor costs.

Average Annual Salaries in Selected Urban Regions of Jiangsu Province in 2015

Costs of Social Security
Enterprises operating in China need to make a proportional contribution to their employees’ social security schemes, including the five social insurances and the housing provident fund.

The Nantong Municipal Government has made practical efforts to substantially reduce the costs in this regard for real economy enterprises with an additional cut of 0.5 percentage points in the unemployment insurance rate between 2016 and 2018 on top of its reduced rates of the unemployment insurance, employment injury insurance and maternity insurance. In addition, for professionals in high demand hired by the enterprises that meet applicable policy requirements, government subsidies are granted to the portion of their social insurance contributions made by employers. At present, 45,000 enterprises in Nantong have enjoyed a total reduction of RMB 110 million in unemployment insurance payments and about RMB 130 million in employment injury insurance payments.

The 2016 proportions of social security contributions paid by employers in Nantong and maximum contributions per employee paid by employers

<table>
<thead>
<tr>
<th>Category</th>
<th>Proportion</th>
<th>Maximum Contribution(RMB)/employee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Insurance</td>
<td>20%</td>
<td>3,089</td>
</tr>
<tr>
<td>Unemployment Insurance</td>
<td>1%</td>
<td>231</td>
</tr>
<tr>
<td>Medical Insurance</td>
<td>8%</td>
<td>1,235</td>
</tr>
<tr>
<td>Employment Injury Insurance</td>
<td>0.8%-2.4%</td>
<td>370</td>
</tr>
<tr>
<td>Maternity Insurance</td>
<td>0.5%</td>
<td>77</td>
</tr>
<tr>
<td>Housing Provident Fund</td>
<td>8%-12%</td>
<td>1,853</td>
</tr>
<tr>
<td>Total</td>
<td>39.6%-45.2%</td>
<td>6,855</td>
</tr>
</tbody>
</table>

*The Maximum Contributions are calculated based on the maximum monthly salary of RMB 15,446 earned by workforce in Nantong.

Nantong has sufficient Japanese speaking professionals, making it easy for Japanese companies to find qualified employees. The city is also rich in education resources, and we have cooperated with many local colleges which have graduates with expertise in Japanese, mechanical engineering, mechatronics and electrical engineering, ensuring a sufficient supply of technical workers.

— ONDO SHINSHO Precision Technology (Nantong) Co., Ltd.
6.3 Talent Encouraging Policies and Services

The Nantong Municipal Government and STP have issued a series of favorable policies for talent attraction, training and retention.

- **Talent Attraction**: Driven by the talent attraction initiatives in Jiangsu Province, support is provided in initial funding for business startups and housing allowance to attract talented professionals with different expertise.

- **Talent Training**: A complete talent training system is in place to provide training in various areas, including management, scientific research and professional skills.

- **Talent Retention**: STP provides a talent incentive package including housing and amenities to create favorable living and working conditions.

### Talent Attraction

- **Entrepreneurship and Innovation Programs**
  Individuals or teams and doctoral degree holders selected for the “Entrepreneurship and Innovation Programs” are granted with financial subsidy and support services in permanent residence registration, taxation and spouse settlement.

- **Talent Upgrade Initiative for the Costal Eco-town of Nantong**
  High-caliber talents/teams engaged in innovation and independent entrepreneurship are granted with initial funding subsidies, technology development assistance, housing benefits, and living allowance.

- **Programs to Attract Overseas Nantong Talents to Return**
  Financial support and housing allowance are provided to attract overseas Nantong talents to return.

- **Incentive Packages for Companies**
  Companies in STP employing senior management and technical professionals are granted with an incentive package in proportion to their annual salaries. A proportional subsidy is granted to Austrian manufacturers in STP for their expenses paid to Chinese headhunters to employ high-caliber talents.

### Talent Training

- **Cultivation of Technopreneurs**
  With a focus on the cultivation of technopreneurs, a batch of platforms are established to facilitate the pooling of business management resources, expecting to provide, within 5 years, overseas training programs for 150 participants, and support 1,000 management team members to participate in university workshops and 3,000 management professionals in specialized training.

- **“226 Program” for High-caliber Talents**
  Efforts are made to speed up the establishment of a high-caliber talents training system for technology-based projects, with a focus on young and mid-aged professionals with independent intellectual property rights or capable of making key technological breakthroughs in the emerging industries for prioritized development in Nantong, aiming to train 20 chief scientists, 200 technological leaders, and 600 outstanding technological professionals, all young or middle-aged (“226 Program”).

### Talent Retention

- **Incentive Packages for Management Team**
  In addition to the rewarding benefits provided by national policies for talents, qualified middle- or senior-level managers are granted with an incentive package by STP.

- **Housing and Amenities**
  Eligible talents are granted with the housing allowance provided by the Nantong Municipal Government and STP, and STP offers a range of services to assist with matters including children education and residence registration, along with staff apartments and dormitories provided for companies in STP in proportion to their sizes with free-rental periods.
VII. Living Environment
7.1 Education and Medical Facilities

Aiming to build an industrial park that incorporates production, living, and ecological facilities, STP is stepping on its efforts to follow a new pattern of integrated industrial and urban development to ensure its sustainability.

**Medical Facilities**

**STP Branch of Affiliated Hospital to Nantong University**

STP has invested RMB 120 million to build the STP Branch of the Affiliated Hospital to Nantong University (NUH), which began its construction in October, 2016 and is scheduled to open by the end of 2017. Administered by the NUH, a provincial tertiary A-level general hospital, the branch hospital will offer quality medical services in STP provided by the clinical specialists and physicians from the NUH or refer patients to be treated at the NUH.

**Education Facilities**

**STP Experimental Primary and Junior Secondary Schools**

Built with a total investment of over RMB 200 million, the STP Experimental Primary and Junior Secondary Schools provide a complete nine-year compulsory education. The school is located in a beautiful surrounding with easy access to transportation, and equipped with adequate teaching facilities including multimedia classrooms.

- The STP Experimental Primary School operates as a branch of the No.1 Affiliated Primary School to Nantong Normal College, a top primary school in Nantong enjoying a century-long fame.
- The STP Experimental Junior Secondary School operates as a branch of the Nantong No.1 Junior Secondary School, sharing the resources of the latter in management, teaching and research, faculty training, and culture.

As of the end of 2015, Nantong is home to 306 hospitals and healthcare centers staffing a total of 16,800 licensed physicians and assistant physicians, and 16,700 certified nurses, including four tertiary A-level hospitals:

- Affiliated Hospital to Nantong University
- Nantong First People’s Hospital
- Nantong Tumor Hospital
- Nantong Traditional Chinese Medicine Hospital

**Affiliated Hospital to Nantong University**

The Affiliated Hospital to Nantong University (NUH), a large tertiary A-level general hospital founded in 1911, is well-equipped to deliver efficient medical services in a comfortable setting.

**Nantong Rich Hospital**

Nantong Rich Hospital, a 650-bed private tertiary general hospital operated by Rich Healthcare Group, is designed to offer hotel-style accommodation to meet diverse needs of the patients with single rooms, double rooms, and triple rooms. The hospital is only a 15-minute drive away from STP.

Source: Statistical Communiqué of Nantong City on the 2015 National Economy and Social Development; Information provided by STP.
7.2 Ecological Community

An Overview of Residential Area
By attracting new and high technology industries and through real estate development, STP offers an improved soft environment complete with residential, living and recreational amenities forming a well-structured integration of industrial and residential functions.

With a planned residential area of 1,050 hectares, STP enjoys a beautiful surrounding with easy access to transportation and well-equipped infrastructure. Currently, it accommodates the commercial residential compounds of Jinke City and La Vie en Lotus Riverside French Mansions.

Jinke City
Jinke City is an urban multi-purpose residential complex comprised of four phases: Phase I featuring quality residential properties, including single houses, town houses and high-rise apartments; Phase II for business purposes, including five-star hotels, business hotels, high-class office buildings and serviced apartments; Phase III consisting of riverside recreational and commercial blocks, and Phase IV high-end villas and international apartments.

La Vie en Lotus Riverside French Mansions
Built with a total investment of about RMB 3 billion, La vie en Lotus Riverside French Mansions is a riverside residential complex in STP covering a total land area of about 60 acres and a floor area of 390,000 m².

STP has emphasized the overall ecological planning and the use of green space and water area since the very beginning to provide a quality living environment.

Corporate Apartments
Located in the west of STP, the Yuncui Apartment Building, which offers 280 fully-furnished apartments of various sizes (see the types shown in the table below), is a major living facility provided to satisfy the corporate needs in STP. Companies in STP can apply for a designated number of apartments for their employees.

<table>
<thead>
<tr>
<th>Description</th>
<th>Type A 1 bdrm suite</th>
<th>Type B 2 bdrm suite</th>
<th>Type C 2 bdrm suite</th>
<th>Type E 2 bdrm suite</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quantity</td>
<td>56</td>
<td>56</td>
<td>72</td>
<td>96</td>
</tr>
<tr>
<td>Area (m²)</td>
<td>45.2</td>
<td>72.6</td>
<td>88.1</td>
<td>99.4</td>
</tr>
<tr>
<td>Rental Rate/ month (RMB)</td>
<td>960</td>
<td>1,650</td>
<td>1,800</td>
<td>2,150</td>
</tr>
</tbody>
</table>

Source: Information provided by STP.
7.3 A City for Living and Working

**A Garden City Ideal for Living and Working**
A peninsula-like eco-friendly coastal city featured by balmy climate and natural beauty, Nantong offers many desirable destinations for relaxation after work, including gymnasiums, fitness clubs, golf clubs, museums, parks and hot spring resorts.

**Gastronomy in Nantong**
Nantong is becoming increasingly well-known for its local delicacy cuisines, in particular seafood dishes, offered by many local restaurants and leisure farms. There are also restaurants in Nantong that offer Western food and exotic cuisines from Japan, South Korea, Mexico and Southeast Asia.

**Commercial Complexes**
Nantong boasts many commercial complexes providing services ranging from shopping, catering to recreation, including Nantong Harmony City, Golden Eagle Shopping Center, Zhongnancheng Shopping Center, Wenfeng City Plaza, Nantong Wanda Plaza and Shimao Plaza. Nantong also has many supermarkets, such as Metro, Auchan, Qianjiahui, RT-Mart and China Resources Suguo, along with various convenience stores.
7.4 A City Rich in History and Culture

The First City in Modern China
Known as “the first city in modern China”, Nantong is among the first independently developed cities that focus on overall development in modern China. It is home to the first normal school, the first private museum, the first textile school, the first embroidery school, the first drama school and the first weather station in China.

A Coastal City of Culture
A coastal garden city known for its picturesque sceneries, Nantong has one 5A-level and three 4A-level tourist attractions.

Nantong is also regarded as a cradle of Chinese museums, where a variety of nearly 30 museums, all built along the magnificent thousand-year-old Hao River, unveil the city’s centennial history. Less than 50,000 citizens in downtown enjoy one museum, a ratio seen in developed countries, for which Nantong wins the reputation of “A City of Museums”.

Hao River: The Hao River that encircles the old city at a length of 15 kilometers is reputed as “an emerald necklace” of Nantong.

Mount Langshan: One of the six natural attractions in Jiangsu Province, the Mount Langshan located in the southern suburb of Nantong features the thousand-year-old Guangjiao Temple, a historic site where the Master Monk Jianzhen set off on his eastward sea voyage to Japan and cultural relics such as the Kangxi Emperor Calligraphy Pavilion.

Nantong Museum Complex: Located by the side of the Hao River, the Nantong Museum Complex was originally established in 1905 by Zhang Jian, a late Qing Dynasty scholar known as a pioneer of the early modernization of China, now home to a cluster of nearly 20 museums showcasing the city’s magnificent history and culture.

Source: Information provided by STP.
Summary and Prospect

As China is further opening up to the world, its stable economic growth, rising consumption level, increasingly open industries and improving business environment are becoming China’s new industrial competitive strengths, making China one of the top destinations for international investment and trade.

Located on the northern bank of the Yangtze River adjacent to the Yellow Sea at the juncture of the Coastal Economic Belt and the Yangtze River Economic Belt, Nantong enjoys distinct geographical advantages. Based on its long history of industrial development and solid industrial foundation, the city has gained competitive edges in technology, professional talent base, market, and support facilities.

Through seven years of efforts, STP has entered a period of rapid development underpinned by high standards of planning, high starting point of development, highly consolidated investment for speedy growth, high-quality services and highly efficient management. Investigation by Deloitte shows the most competitive advantages of STP as follows:

**Distinct Geographical Advantages**
STP is situated in the YRD Region, the most vibrant economic region in China with the highest level of openness, leading the nation’s comprehensive development as a hot destination for both domestic and international investors. As a long-term initiative, the YRD Region aims to build a world-class urban agglomeration and a highly advanced manufacturing base.

STP enjoys remarkable geographic advantages for its location at the center of the “Shanghai-Suzhou-Nantong Triangle” within the “one-hour economic circle” well-served by the comprehensive transportation system in Nantong. Able to benefit from Shanghai’s Four-Center Initiative and its development as a global center of innovation in science and technology, Nantong enjoys easy access to the industrial resources in surrounding areas, serving as a gateway that connects the northern and central parts of Jiangsu Province with southern Jiangsu and Shanghai.

**Fully-fledged International Cooperation Mechanism**
STP has fostered a fully-fledged international cooperation mechanism since the beginning of the 12th Five-Year Plan. For example, it has drawn on advanced planning concepts in Singapore and the experience of SIP construction in China introduced by China-Singapore Suzhou Industrial Park Development Co., Ltd. (CSSD), one of STP’s major investors. The STP-based China-Austria Environmental Protection Industrial Park, the China-Austria Technology Business Incubator, and the China-South Korea Industrial Park have provided opportunities for entrepreneurs and investors from Austria and South Korea, and improved the overall environment in STP for international investment.

**Modern Industrial System**
STP has vigorously promoted the coordinated development of advanced manufacturing and modern services in response to a new round of technological revolution and industrial transformation, leading to remarkable achievements in key industries such as automobile and auto parts, precision manufacturing, energy conservation and environmental protection, information technology and modern services. Nantong’s solid industrial foundation and the fast developing “Shanghai-Suzhou-Nantong Economic Belt” have provided STP with abundant resources to develop its key industries and extend its value chain.

STP has continuously optimized the Suzhou-Nantong cooperation platform, the China-Austria cooperation platform and other major platforms including the STP Innovation Capital Investment Center, the Provincial Integrated Circuit Industrial Park, the Sutong Smart Park, the New Energy Vehicle Industrial Base and the China-South Korea Industrial Park, and introduced a substantial financial services platform to connect the capital, industry and innovation chains as part of its effort to build a comprehensive industrial ecosystem.

**Professional and Efficient Service Teams**
**Well-developed Infrastructures and Sufficient Space for Development**
**Professional and Efficient Service Teams**

With a vision to offer a service-oriented administration, STP has stayed committed to providing a whole package of transparent, efficient and practical government services covering the whole business operating cycle from initial consulting, signing of an investment agreement to business setup, operation, merger and reorganization. The STP service teams, composed of professionals with overseas experience proficient in English, German, Korean or Japanese, are available to provide international-level professional and efficient administrative services for multinationals to settle in STP. In addition to the industrial incentive policies implemented by Jiangsu Province and Nantong Municipality, STP has issued a series of preferential packages to encourage investment in R&D and innovation, as well as in attracting, retaining and training talented staff.

**Well-developed Infrastructure and Sufficient Space for Development**

Drawing on the Singaporean experience in planning and building technology parks, STP has endeavored to ensure that all companies in STP are provided with sufficient space for business development and supply of water, electricity and natural gas. R&D centers, business incubators, standard manufacturing plants, office towers, cloud computing centers and staff apartments are all available to provide development platforms and support facilities tailored to the companies’ needs. For the large manufacturers in need of building their own plants in STP, sufficient land and physical space are provided at competitive rates. At present, projects combining industrial and urban functions are in smooth progress in STP toward the integrated industrial and urban development.

During the 13th Five-Year Plan period, new opportunities will be provided for the development of STP as it further benefits from the full implementation of China’s “Belt and Road” initiative and the strategies to promote the development of the Yangtze River Economic Belt, the YRD and the coastal area of Jiangsu Province, and as Nantong further synchronizes its efforts with the progress of China (Shanghai) Pilot Free Trade Zone and Shanghai’s initiative to develop as a Science and Technology Innovation Center. Aiming to develop a coastal eco-town and an international innovation park, STP will further strengthen its integrated development philosophy of production, living and ecology. Through more efficient investment, better functional facilities and enhanced eco-friendly approaches, the innovation-driven STP will be built into a demonstration zone where high-end industries are concentrated, international cooperation is pioneered, the innovative integration of industrial and urban functions is promoted, and green development is exemplified.
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Nantong Tongfu Microelectronics Co., Ltd.
ONDO SHINSHO Precision Technology (Nantong) Co., Ltd.
Shaw Carpet (China) Co, Ltd.
STIWA Nantong Automation Machinery Production Co., Ltd.

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