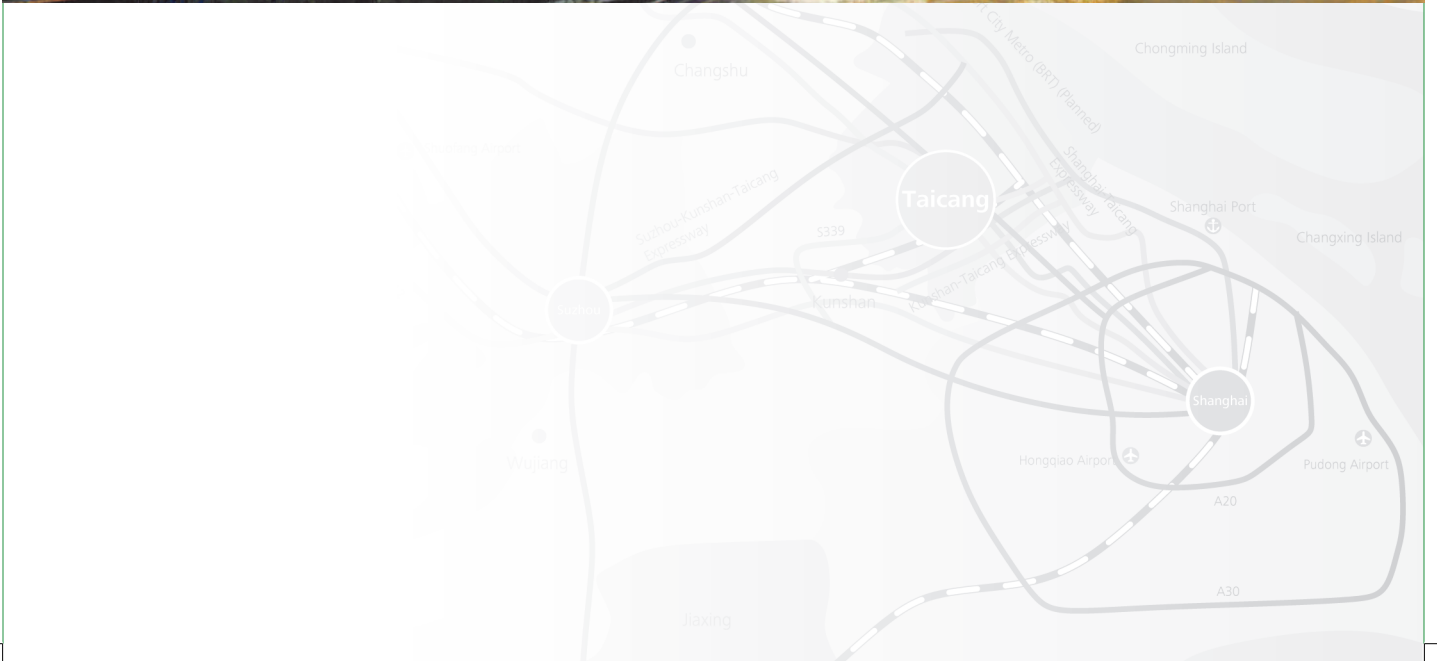
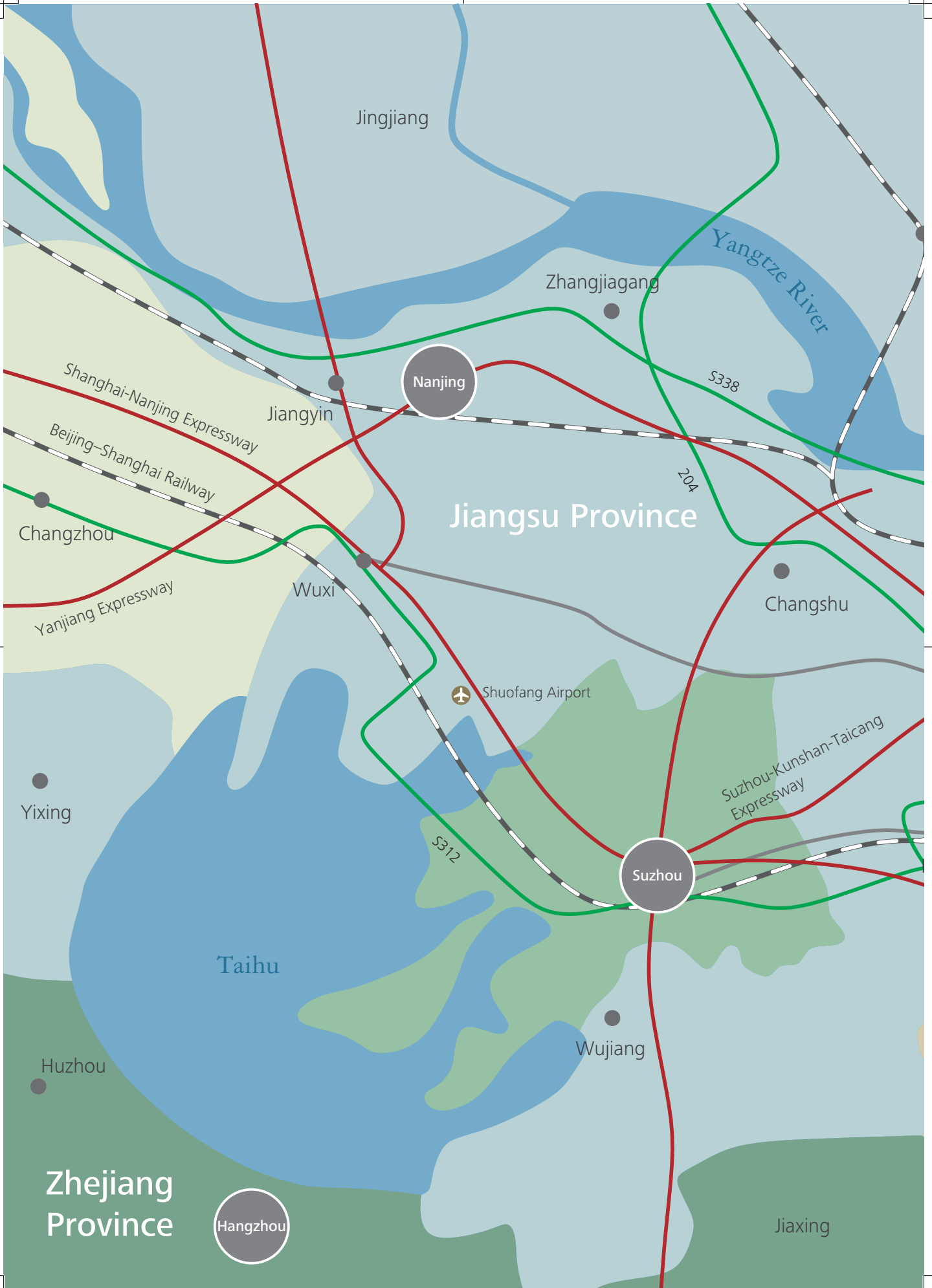
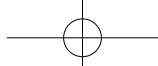


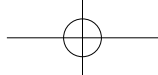
Deloitte.

德勤

Research Report on the Investment Environment of Taicang, Jiangsu Province







Preface

Located in Jiangsu Province just south of the Yangtze River, Taicang is a city renowned for its long history, rich culture and well-developed education system. With a history that spans more than 4,500 years, Taicang is nicknamed as the "Beautiful Golden City of the Southern Yangtze". As a city along Yangtze river with the closest proximity to Shanghai, Taicang possesses remarkable advantages and broad prospects for development by virtue of its geographical location, economic foundation, and living environment.

Shanghai Deloitte Tax Ltd. (hereinafter referred to as "Deloitte" or "We") is honored to be commissioned by the Taicang Investment Promotion Bureau to present investors with a research report on the investment environment of Taicang. This report was written from an objective third-party perspective and was compiled applying professional research method and analytical approach.

This report is the result of our independent research as well as quantitative and qualitative analysis of Taicang, and was created to provide investors with necessary information on all aspects of the region that may influence investment decisions. From an investor's point of view, our research identifies key variables of the investment environment with specific attention paid to the five dimensions below:

- Government Services and Policies
- Business Environment
- Infrastructure and Supporting Facilities
- Human Resources
- Living Environment

In the meantime, this report has been compiled based on our analysis of Taicang's development plan and investment policies, thus illustrating Taicang's advantages and prospects for development.

1. City of Connections

Taicang is the Yangtze River Delta region's golden gateway to the sea. The city is also the only way to connect to the Shanghai-Nanjing Expressway, Yanjiang Expressway and Shanghai-Nantong Railway (under construction). Its prime location serves as "the first major port for foreign trade of Jiangsu Province", the world's link to the Yangtze River Delta region, and the best way for Shanghai to radiate cities in southern Jiangsu Province. When the Shanghai-Nantong Railway officially opens, it will only take 18 minutes to reach Shanghai.

2. Hometown of German Enterprises

More than 220 German enterprises have established themselves in Taicang, earning the city recognition as the nation's first "Sino-German base for business cooperation" and the first "Sino-German demonstration zone for SME cooperation". Taicang has proven itself as number one investment choice for German enterprises in China in terms of its investment density and credibility. Currently, Taicang also represents one of the best places for German enterprises in terms of development opportunities and the number of German enterprises.

3. City of Livable Spaces

Taicang has always been known as the "land of milk and honey" in the Southern Yangtze River. Taicang is currently striving to become a modern garden city of "farmland in the city, and city in the garden". The city has a reputation for its sustainable charm as a city in south of the Yangtze River, "which only hundred steps needed to see a scenery, and thousand steps needed to see a park".

4. City of Prosperity

Taicang was ranked fourth overall in national socio-economic strength among hundreds of counties in 2014. Taicang is also among Jiangsu Province's first crop of well-off county-level cities in an all-round way, and has already become a premium city known for its dynamic businesses and development potential.

5. City of Openness

With a "contract- and service-oriented government" philosophy, Taicang is committed to its ambition to create a city that is not only prosperous but inclusive as well. Both new and old citizens of Taicang are working together to form a symbiotic relationship to create a modern city of prosperity, civilization and openness.

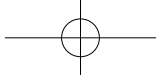


Table of Contents

1. Overview of the City	2
2. Government Services and Policies	7
3. Business Environment	11
4. Infrastructure and Supporting Facilities	19
5. Human Resources	24
6. Living Environment	27



1. Overview of the City

-
- 1.1 Overview of Taicang
 - 1.2 Macro-economy
 - 1.3 Consumer Market
 - 1.4 Investment Environment

1.1 Overview of Taicang

Taicang, also known as Loudong in ancient times, is the birthplace of Loudong culture. The city served as the starting point of Zheng He's seven voyages to the Western world, and was the origin of Jiangnan Stringed and Woodwind Music (traditional musical instruments). Over thousands of years of transformation and development, Taicang mixed its deep and rich cultural environment geographical advantage together, evolved into the "Beautiful Golden City in the Southern Yangtze" that integrates Southern and Northern cultures as well as merges river-sea civilization.



Taicang's Major Achievements

Investment and Economy



- Ranked 6th on Forbes "Best County-Level Cities in Mainland China"
- Cities (counties) of "Best Investment Value" in the Yangtze River Delta region
- Cities (counties) of "Most Dynamic Private Economy" in China's Yangtze River Delta region
- Top 100 Small and Medium Counties (cities) Nationwide by Comprehensive Strength
- Top 100 Best Comprehensive Development Counties (Cities) Nationwide
- Sino-German Base for Business Cooperation

Livable Environment



- China's Happiest City
- National Ecological City
- National Garden City
- National Model City for Environmental Protection
- China's Excellent City for Tourism
- China's Highest Achievement Award for Urban Life

Technological Innovation



- National Technologically Advanced City
- National Model City for Scientific Achievement
- National Key Contact Base for Patent Protection
- Innovative Pilot City of Jiangsu Province

Urban Development



- National Advanced City of Civilization
- Top 10 Small and Medium Economical Cities Nationwide
- National Advanced County for Public Security
- First Wave of Inaugural Port Cities for Cross-Strait Direct Shipping

Source:

① Taicang Statistical Communique on National Economic and Social Development for 2014

1.2 Macro-economy

Stable and Sustained Development of the Regional Economy^①

In 2014, Taicang reported a GDP of RMB 106.533 billion, an increase of 8.6% over the previous year on a comparable price basis. From 2009 to 2014, Taicang's compounded annual rate of GDP growth has reached up to 11.72%.

Secondary and Tertiary Sectors as the Major Economic Structure^①

Taicang continues to optimize its industrial structure. In 2014, the output value of primary industry improved by RMB 3.884 billion which increased 3% compared to the previous year. The output value of secondary industry grew RMB 55.668 billion, increased 8% over last year. The output value of the tertiary industry increased RMB 46.981 billion that achieved a year-on-year growth of 9.8%. As aforementioned, tertiary industry had the fastest development speed.

Rapid Growth of Industrial Output^①

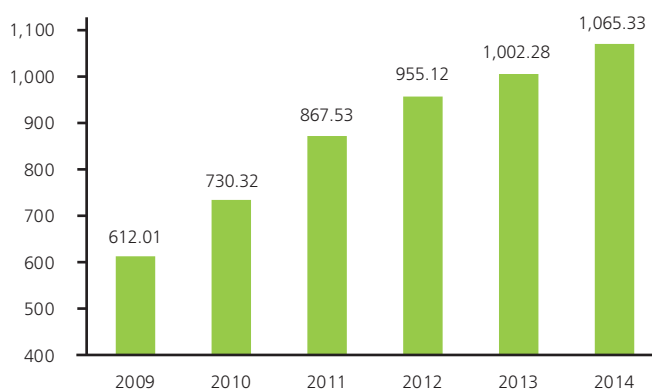
In 2014, the total industrial output was RMB 263.027 billion, achieving an increase of 2.60% compared to the previous year. This included an industrial output of RMB 208.236 billion for large-scale industries, showing an increase of 4.80%.

At the end of 2014, there were 1,165 large-scale enterprises in the city with 336 enterprises exceeding RMB 100 million in annual output. This included:

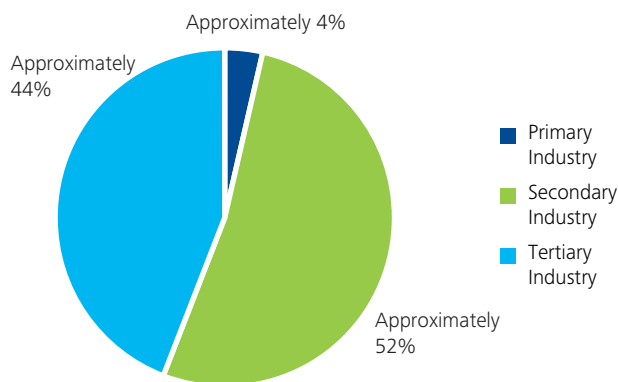
- 20 enterprises with over RMB 2 billion
- 3 enterprises with over RMB 5 billion

2009-2014 GDP for the Taicang region^①

Units: RMB 100 million



2014 Industrial structure of Taicang^①



Note According to the "Classification of Three Economic Sectors" released by the National Bureau of Statistics in 2003, the three sectors are classified as follows:

- The primary sector refers to agriculture, forestry, animal husbandry and fishing;
- The secondary sector refers to the mining industry; manufacturing; the production of electricity, heat and water; and construction;
- The tertiary sector refers to other businesses outside the scope of the primary sector and the secondary sector, which is mainly the service sector.

Source:

① Taicang Statistical Communique on National Economic and Social Development for 2014

1.3 Consumer Market

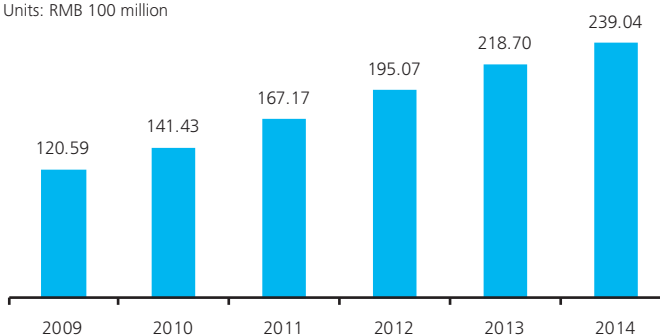
Dynamic Consumer Market^①

In 2014, the total retail sales of consumer goods in Taicang came to RMB 23,904 million, representing a year-on-year growth of 9.3%.

Turnover of wholesale and retail businesses (RMB 100 million)	Growth rate	Lodging and F&B (RMB 100 million)	Growth rate
204.34	10.1%	34.70	5.1%

Total retail sales of consumer goods from 2009 to 2014^①

Units: RMB 100 million



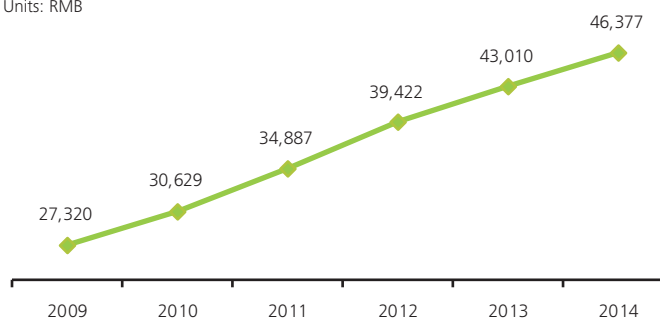
Steady Growth of Residential Income^①

Taicang's residential income continues to increase along with the rapid growth of China's economy. In 2014, Taicang residents' average disposal income reached RMB 46,377, representing a year-on-year growth of 8.50%.

As Taicang residential income continues to rise, the local population's consumption and purchasing power also grows correspondingly, which has further bolstered the foundation of Taicang's prosperous consumer market.

Residential disposal income from 2009 to 2014^①

Units: RMB



Deloitte Perspectives

Despite the uncertainty of the global economic recovery and inflationary pressures on China's economy, the factors driving the development of China's retail industry remain in place and its rapid growth seems to be irreversible.

—extract from Deloitte Retail Research Report, "Focusing on the Retail Chain Industry in China"

Source:

① Taicang Statistical Communique on National Economic and Social Development for 2014

1.4 Investment Environment

Mature Environment for Foreign Investment

Foreign investment in Taicang is derived mainly from Germany, the United States, Japan, Taiwan, Hong Kong, and other countries and regions. Currently, more than 20 enterprises from the Fortune 500 are established in Taicang.^①

Fortune 500 Enterprises in Taicang (Sample)	
Exxon Mobil (USA)	Nike (USA)
Honeywell International (USA)	Ineos (Luxembourg)
BP (UK)	Unilever (UK/Holland)
Staples (USA)	Magna International (Canada)
Heraeus (Germany)	Toyota (Japan)
P&G (USA)	Siemens (Germany)

In 2014, Taicang made significant achievements in attracting direct foreign investment.^②

66	Newly approved foreign investment projects for the year (number of projects)
5.70	Total registered foreign investment (USD 100 million)
1.63	Foreign investment into account in the service industry (USD 100 million)
6.58	Annual volume of outsourced contractual services (USD 100 million)

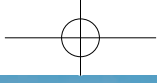
Rapid Development of Domestic Enterprises^②

In 2014, Taicang had introduced 1,074 projects with investment from domestic sources, achieving a new investment total of RMB 18,266 million and a new registered capital total of RMB 7,280 million. The total amount of funds actually received from domestic investment reached RMB 14,276 million, which included 243 projects with a registered capital of RMB 5 million or above.



Source:

- ① Taicang Investment Promotion Bureau
- ② Taicang Statistical Communique on National Economic and Social Development for 2014



2. Government Services and Policies

2.1 Government Services

2.2 Incentive Policies

2.3 Human Resource Policies

2.1 Government Services

Excellent Government Services

Taicang Government is focused on changing its government functions from a traditional government that is oriented toward reviews and approvals, to a contract- and service-oriented government.

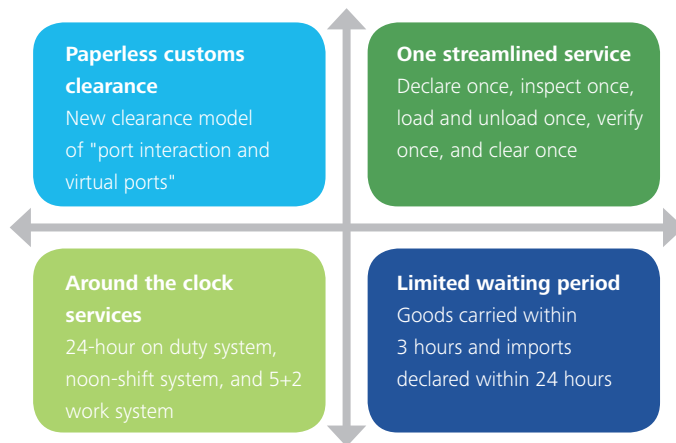


Innovative Service Model^①

- Establish green channels for the key projects
- Innovative service mechanisms: One table system, parallel approval system, fully guided service system and delayed (by appointment) services
- Implement license system and online service to run the entire transfer process

Faster Customs Clearance Services

Depending on "Shanghai-Taicang integrated customs clearance system", Taicang is integrated with the Shanghai-based shipping center while steadily rising as a large modern port that features "large ports, big logistics and big industry". Through the establishment of an e-port information platform, Taicang has further optimized management tools to reduce the time necessary to clear customs.



Source:

① Official Website of the Enterprise Industry Service Platform for Taicang

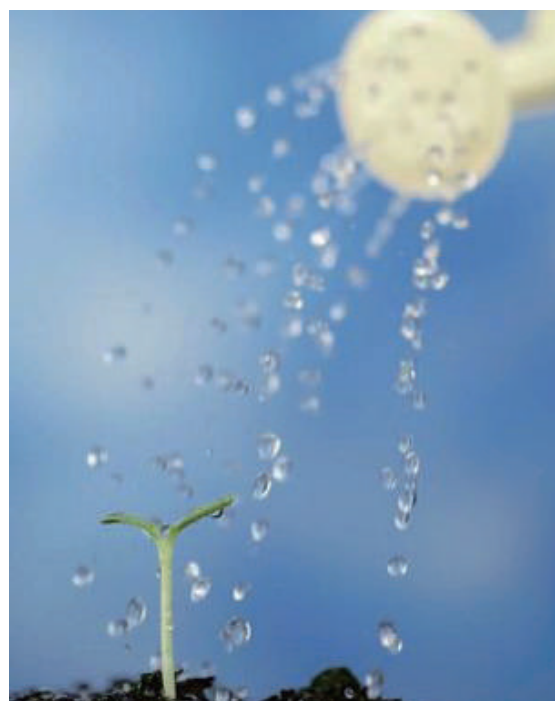
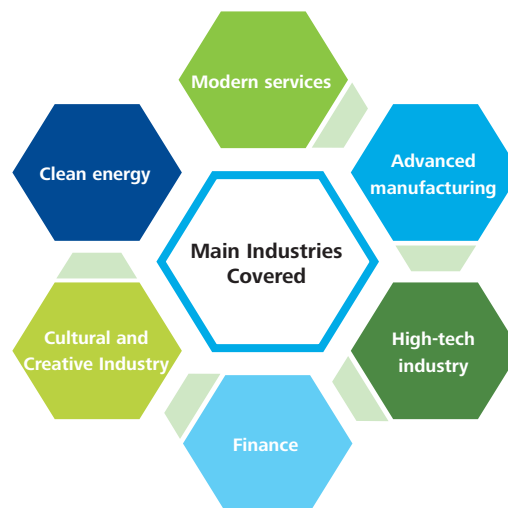
2.2 Incentive Policies

Taicang is combining policy, technology, marketing, talents, capital, and other innovative factors to create strong incentive policies that stimulate creativity and innovation. This effort has provided enterprises with efficient and comprehensive policy support and strengthened its attractiveness to high-end capital and industries.

Sample of Specific Policies^①

Headquarters Economy	<ul style="list-style-type: none"> • Settlement grants and rent subsidies • Operations contribution incentives • Grants and incentives for leading management and technology personnel • Incentives for key projects or new industries, which are provided on a case-by-case basis
Service Outsourcing	<ul style="list-style-type: none"> • Funds for leading industry expansion • Tax incentives and subsidies for rent, telecommunications, and exhibition fees • A training base for outsourced human resources • Financial support of up to RMB 300,000 to attract specially appointed Top 100 enterprises
E-commerce	<ul style="list-style-type: none"> • Subsidies for investment in equipment, rent, advertising, and logistics costs • Incentive platform to promote expansion • Public service platform for the training of personnel • Grants of up to RMB 500,000 for upgrading the scale of enterprises.
Equity Investment Fund	<ul style="list-style-type: none"> • Tax incentives • One-time settlement award up to RMB 1 million • Rent subsidy

Main Industries Covered by Government Policy



Source:

① Tai Zheng Gui [2011] No. 10, Tai Zheng Fa [2012] No. 24, and Tai Zheng Ban [2011] No. 110 and "Government Policies on Accelerating the Development of the E-commerce Industry"

2.3 Human Resource Policies

Charming Golden Taicang and Trailblazing Human Resources

Taicang adheres to a development policy that "prioritizes attracting human capital and developing human resources". Taicang is also committed to optimizing its personnel structure to lead and promote industrial restructuring and upgrades. Moreover, the region is transforming itself into a high-end pool of creative talents, and a landmark city for a wide variety of high-caliber personnel.

Taicang's "522" Human Resources Program^①



A total investment of RMB 500 million over five years



An attraction and development program for 200 leadership personnel working within innovation and entrepreneurship



A focus on providing 2,000 high-caliber personnel to accommodate the development of key industries that have a shortage of talent, and to lead and support the services industry

Main Preferential of Taicang's "522" Human Resources Program^①

Financial subsidies	<ul style="list-style-type: none"> Special project funding/scholarship funding (from RMB 1 to 4 million in special funding based on project size and stage of development) Financial guarantees and interest subsidies (with guaranteed financing up to RMB 5 million) Financial support grants
Financial services	<ul style="list-style-type: none"> Venture capital for projects (up to a maximum of RMB 5 million) A risk-based compensation system
Human Resource services	<ul style="list-style-type: none"> Accelerating the implementation and facilitation of housing projects for newly introduced personnel Ensuring availability of talent introduction incentives and incentives for human resources upgrades Providing training subsidies Encouraging and prioritizing the declaration of various provincial and national awards
Government platform	<ul style="list-style-type: none"> Providing good academic environment Plays a leading role in government procurement Establishing a convenient and efficient service platform Building an internship (practice) base for university students



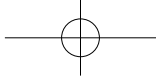
Source:

① Taicang Leading Group Office for Talents



3. Business Environment

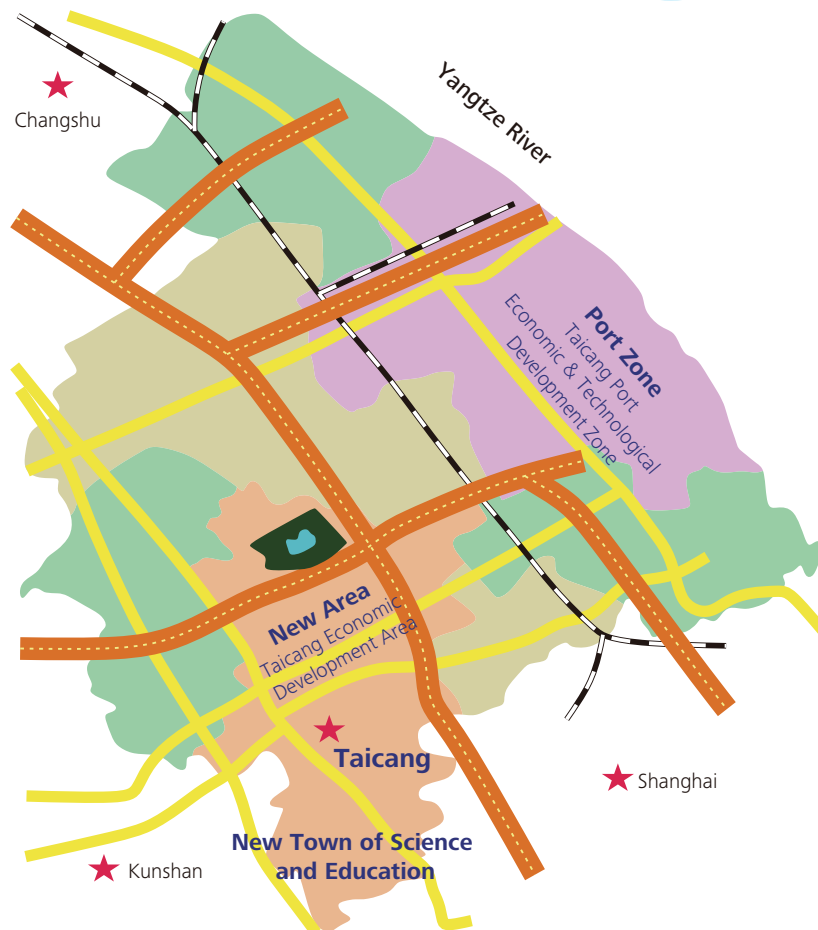
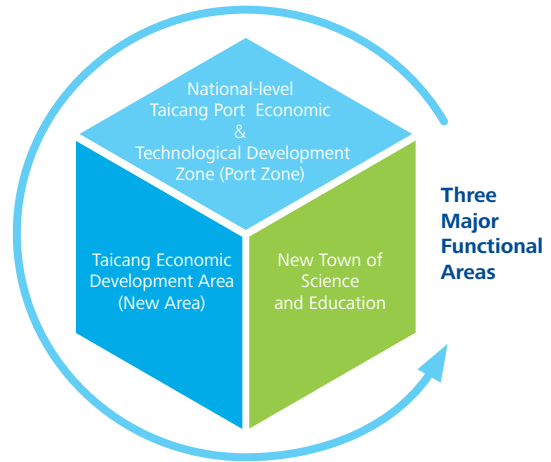
- 3.1 Overview of Functional Areas
- 3.2 National-level Taicang Port Economic & Technological Development Zone (Port Zone)
- 3.3 Taicang Economic Development Area (New Area)
- 3.4 New Town of Science and Education
- 3.5 Hometown of German Enterprises
- 3.6 Research Environment and Professional Service Organization



3.1 Functional Area Overview

Urban Construction Overview

- In the overall development objective of the "modern garden city known as beautiful golden Taicang", the city's development strategy has targeted the following five areas: port navigation, Shanghai docking, transportation leading, environment protection, and winning features.
- Taicang is striving to establish a distinct position within the industry's three pillars of economic development. It has accelerated the development of the city's size and service levels, and has provided a conveniently interconnected transportation network. Moreover, Taicang possesses a natural ecological agriculture and symbolizes an "farmland in the city, city in the garden".

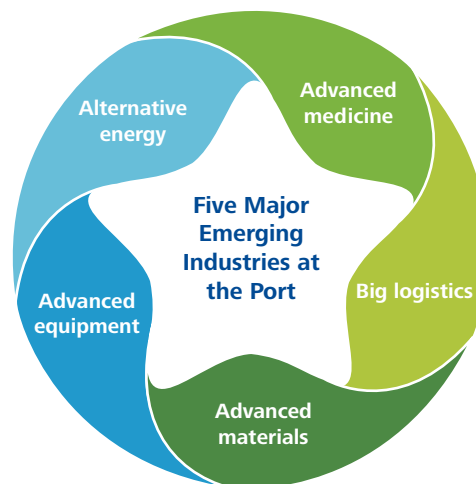


3.2 National-level Taicang Port Economic & Technological Development Zone (Port Zone)

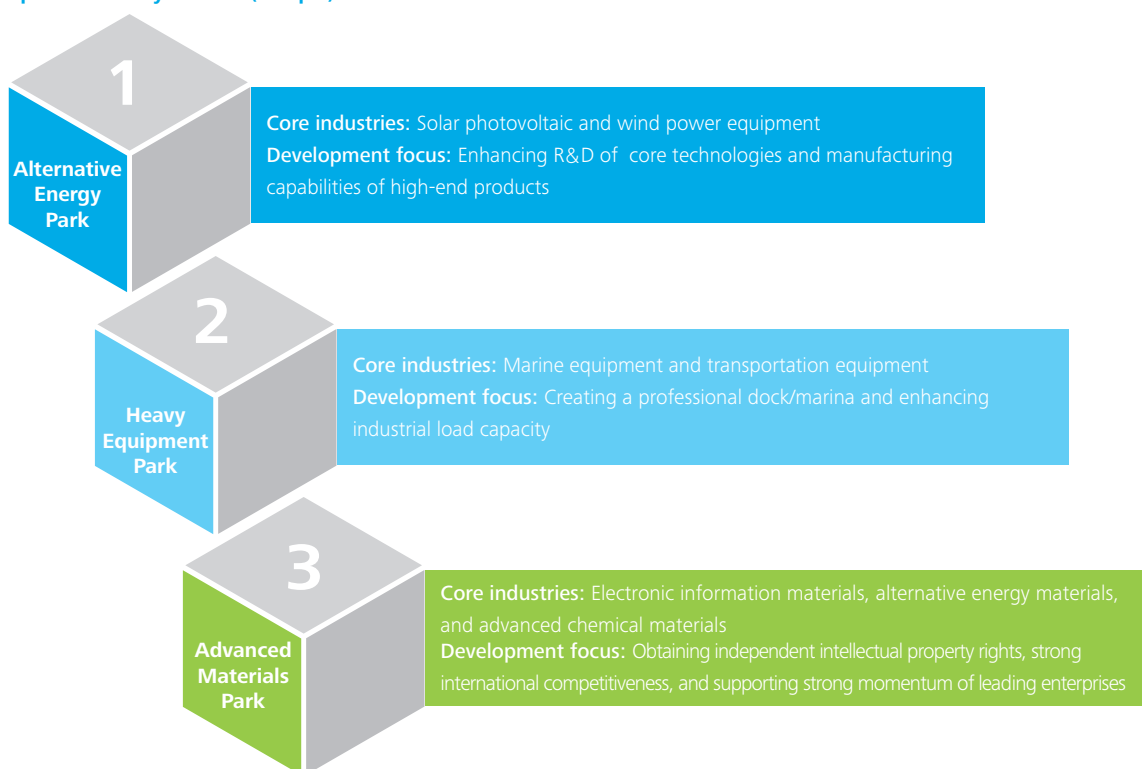
Port Overview

- The port area serves as direct economic hub for Taicang Port, which is the first "Port for Foreign Trade in Jiangsu Province"
- The port area is comprised of a very large and controlled planned area of 261 km² (by land)
- As the closest port to China (Shanghai) Pilot Free Trade Zone, it has been designated as a special customs supervised area known as "Taicang Port Comprehensive Bonded Zone". In addition, the port is currently one of China's special "open" areas with the highest degree of openness, the most preferential policies, the greatest comprehensive functionality, and the most simplified procedures
- It was awarded as "China's Petroleum and Chemical Industrial Park with the Highest Investment Value", a "National Model for an Industrial Park with Excellent Labor Relations" and others

Industrial Development



Special Industry Vectors (Sample)



Source:
Taicang Investment Promotion Bureau

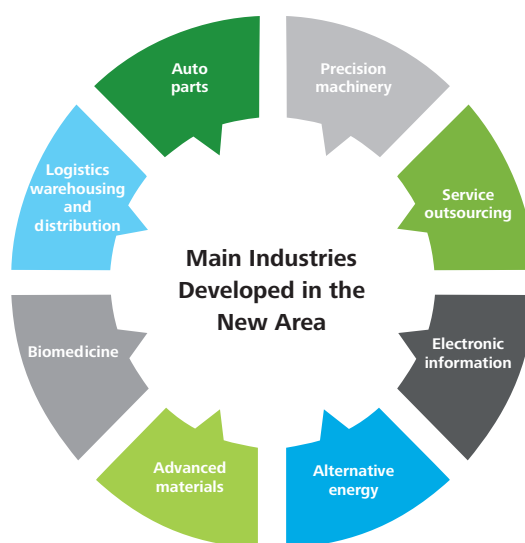
3.3 Taicang Economic Development Area (New Area)

Overview of the New Area

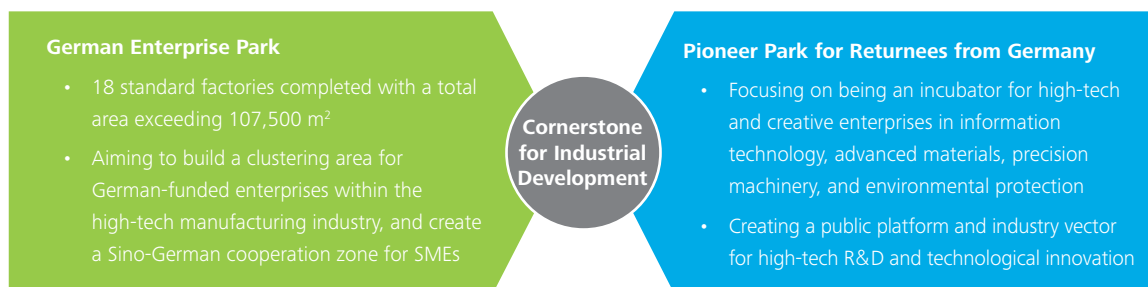
- Accredited as the "development zone with the best investment value in the Yangtze River Delta"
- Taking German enterprises as a key feature of the region's foreign economic development
- Focusing on the development of the high-tech industry, building "high-ground" for headquarters economy, human resources, innovation and creativity
- Staged development plan:
 - Phase I: Development of a new urban district of 15 km² integrated by commercial, residential, and industrial buildings
 - Phase II: Development of a 25 km² "prosperous district" for client projects, and transformation of a 10 km² supporting-facilities area into a leisure and entertainment service area, and a center for commerce and trade
 - Phase III: Development of a 48 km² district for the high-tech industry with effective planning and industrial layout

Industrial Development

By mainly focusing on the export-oriented industries, the tertiary sector is experiencing increasing prosperity. Taking advantage of its proximity to Shanghai, Taicang is switching its development model from introducing manufacturers to operators by focusing on the development of the following industries:



Special Industry Vectors (Sample)



Source:
Taicang Investment Promotion Bureau

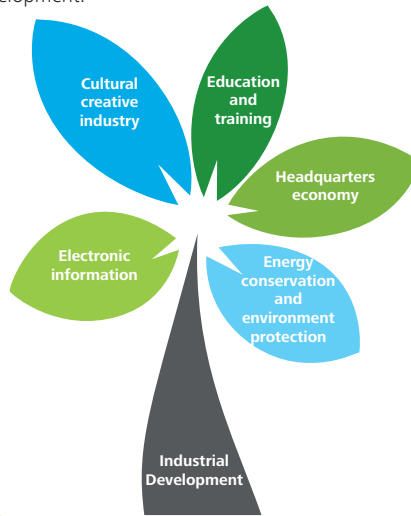
3.4 New Town of Science and Education

Overview of the New Town of Science and Education

- Located at the intersection of Taicang, Shanghai, and Kunshan, it has a planned area of 120,000 km² and focuses on creating an industrial cluster for an innovation-based economy
- A primary portal that links Shanghai to Jiangsu Province
- It plans to connect to the extension of Shanghai's Line 11 (metro), Suzhou's Line S1 (metro) and Shanghai-Nantong Railway thus creating a seamless integration between Shanghai and Suzhou

Industrial Development

As a leading producer of cultural and high-tech services, the New Town facilitates the two-way interaction with manufacturing industries to promote mutual development.



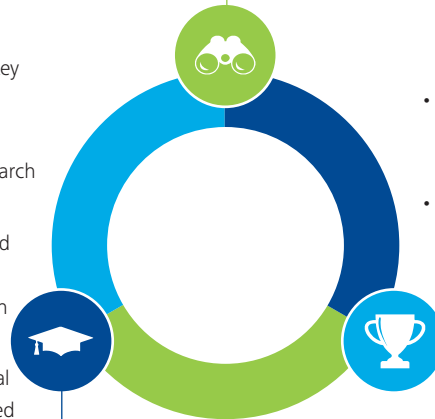
Special Industry Vectors (Sample)

Tianjing Lake Cultural and High-Tech Park

- The first batch of Jiangsu Province's Cultural and High-Tech Parks
- The first batch of Jiangsu Province's Key Cultural Parks
- The first batch of Jiangsu Province's Industry-University Collaborative Research Bases for Innovation
- Development goal: a nationally-ranked demonstration area of the integrated development of cultural and high-tech industries
- Key industries: industrial design, digital publishing, video production, animated games, other cultural creative industries and headquarters economy

Taicang-Zhangjiang Information Park

- Zhangjiang National Demonstration Zone for Innovation Park (Taicang Branch)
- Development goal: develop emerging industries in electronic information and cultural creativity
- Key industries: cultural and high-tech industries in mobile end-user design and manufacturing, digital content development, etc



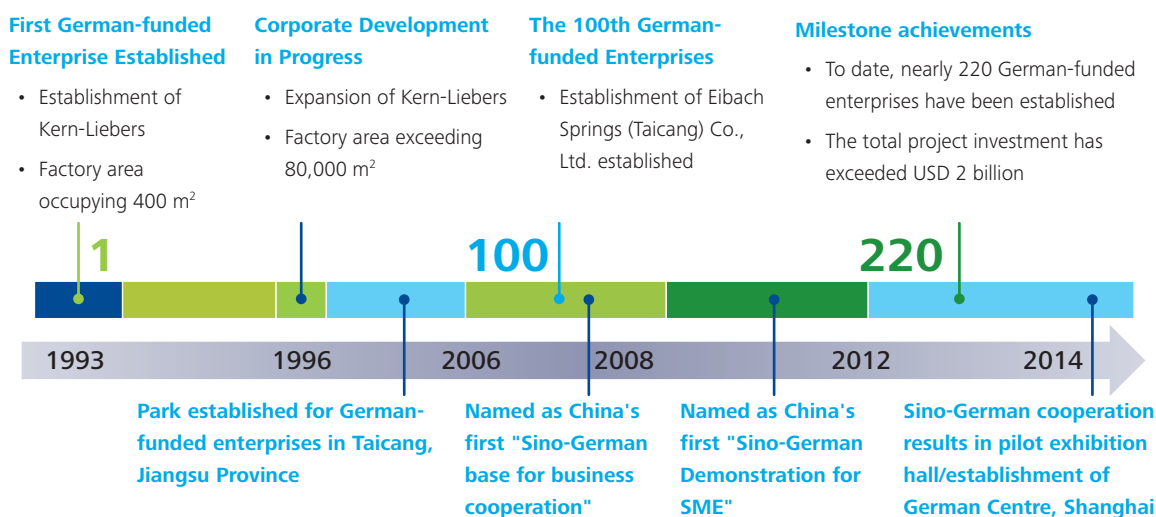
Taicang University Science and Technology Park

- Government-guided model for industry-university research collaboration with a focus on "various schools in one park that is separated into respective zones"
- Development goal: a base for technology and innovation located in Taicang covering the Yangtze River Delta region
- Key enterprises: cultural creative industry, electronic information, energy conservation and environmental protection

Source:
Taicang Investment Promotion Bureau

3.5 Hometown of German Enterprises ——Road to "Made in Germany"

Since the establishment of the first German company in Taicang, Kern-Liebers (Taicang) Co., Ltd. in 1993, more than 220 German-funded enterprises have followed its footsteps. With a total investment exceeding USD 2 billion, Taicang has become a preferred destination for German-owned enterprises due to the region's development opportunities and high-density of German enterprises. Recently, the region has won titles such as "China's Home to German Enterprises" and "China's Swabia".



Rapid Development of German Enterprises

- 300 /** By 2015, it is expected that the number of German-funded enterprises will reach 300.
- 30 /** German enterprises established in Taicang achieved an industrial output of nearly RMB 30 billion.
- 90 /** German enterprises established in Taicang had a capital expansion ratio of 90%.

In December 2014, Shanghai German Centre, China's famous "German House", was established in Taicang. Designed as a research center for German enterprises to enter and explore the Chinese market, Shanghai German Centre selected Taicang as the location of its eighth office. This establishment further illustrates Taicang's growing attractiveness for German-funded enterprises planning to invest in China.

From Kern-Liebers to Eibach Springs, from Munich to Taicang, the number of German companies has increased from 1 to over 200, and history has witnessed how "Made in Germany" established its roots in Taicang's rich and beautiful "fertile ground" for further development.



Source:
Taicang Investment Promotion Bureau

3.5 Hometown of German Enterprises ——Sino-German Enterprise Cooperation Base

Sino-German Base for Business Cooperation

- In 2008, the Ministry of Commerce and the German Ministry of Economic Affairs co-founded China's first "Sino-German Enterprise Cooperation Base" in Taicang.
- Under the sustained guidance of the government, Sino-German enterprises are taking full advantage of Taicang's outstanding investment environment. Through close cooperation, enterprises have utilized the region's industry clusters to enhance overall competitiveness.
- Taicang has become one of the best-known Chinese cities among German industrialists and business circles, while the Taicang Economic and Development Zone has earned the good reputation as the "German Valley"

German Enterprises Established in Taicang (Sample)	
Brose	Haring
Haraeus Electro-Nite	Tox-Pressotechnik
Trumpf	Zollner Electronic
Kern-Liebers	Schaeffler
Mubea Automotive	Krones

Keys to the Success of Sino-German Cooperation

Comprehensive Intellectual Property Rights Protection System

As China's only county-level "National Key Contact Base for Patent Protection", it places special emphasis on the protection of intellectual property rights (IPR). At the same time, the region has been established as a workstation for IPR and a trading center for digital rights.

"Dual System" for Education and Future Leaders Program

Through Germany's advanced "Dual System" of vocational and education model, students rely on both schools and businesses for their vocational education.

Relying on the ME/MBA programs jointly provided by China Headquarter of Steinbeis University Berlin (SHB) and Tongji University for senior corporate management personnel in Taicang Economic Development Zone, the mutual transfer of knowledge and technology has been successfully achieved.

Sino-German Cultural Exchanges

By holding "Experiencing Germany-Taicang Day" activities, Taicang has expanded its visibility and influence in German enterprises. Furthermore, Germany life, culture and other elements have been further integrated into Taicang's local culture.

Rapid Clustering of Special Industries

By forming specialized industrial bases, such as a base for precision machinery and a base for auto parts, a unique place for rapid industry clusters development has been created.



Source:
Taicang Investment Promotion Bureau

3.6 Research Environment and Professional Service Organizations

Rapid Growth of High-tech Industry^①

- In 2014, there were 48 newly established high-tech enterprises. By the end of 2014, there were a total of 193 high-tech enterprises established in the city
- In 2014, high-tech enterprises operating in Taicang achieved a total output value of RMB 68.24 billion, representing a year-on-year increase of 1.85%
- In 2014, high-tech industries accounted for 32.77% of the output value for large-scale industries



Taicang's Financial Institutions

Taicang's financial institutions include commercial banks, credit unions, trust companies, financial enterprises, securities firms, and insurance companies.

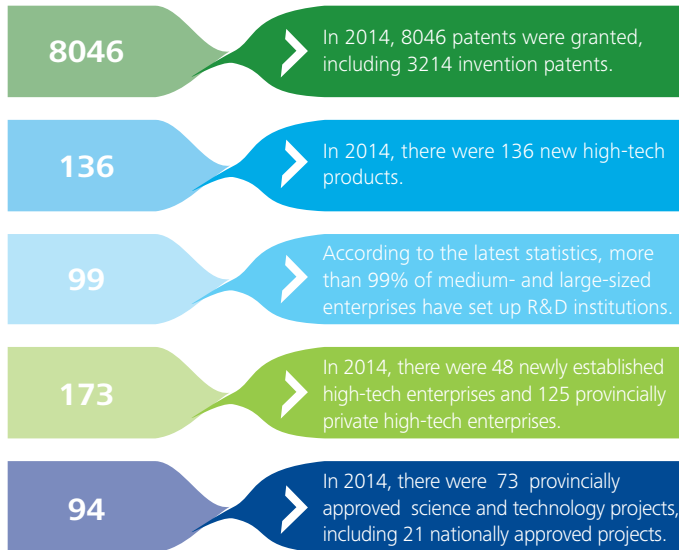
Business Support and Professional Service Organizations^②

Taicang has a wide variety of professional services enterprises, including law firms, accounting firms, consultancies, and guarantee companies. Combined with steadfast support from local financial institutions, Taicang offers a full-range of professional services for enterprises established in the city.

Banking	Securities	Law firms
20	2	9

Source:

- ① Taicang Statistical Communique on National Economic and Social Development for 2014
- ② Taicang Investment Promotion Bureau
- ③ Shanghai Statistical Communique on National Economic and Social Development for 2014



Leveraging Shanghai's financial environment^③

Upon the completion of the Shanghai-Nantong Railway, Taicang will be fully integrated into Shanghai's 30-minute economic circle. Therefore, Taicang will fall under the scope of Shanghai's financial institutions and related service organizations, and take advantage of Shanghai's sophisticated financial market system.





4. Infrastructure and Supporting Facilities

- 4.1 Geographical Advantages and Transportation
- 4.2 Urban Infrastructure
- 4.3 Business Facilities

4.1 Geographical Advantages and Transportation

Utilizing the region's excellent transportation network, Taicang can take advantage of the numerous high-end facilities of Jiangsu Province, Zhejiang Province and Shanghai Municipality, and benefit from their high-quality industrial resources. An increasingly sophisticated network of roads and intercity railways have been built to connect Taicang more closely to other cities of the Yangtze River Delta region. This effort has made Taicang fully accessible to the most developed cities of the Yangtze River Delta, and has effectively secured a steady flow of capital, information, technology, and human resources to the region.

One-hour Traffic Circle

Following the completion of the Shanghai-Nantong Railway, coupled with the Yangtze River Delta Region's steadily improving highway network, Taicang will form a "one-hour transportation circle" with Shanghai, Suzhou, Nantong, and Hangzhou.

- 38km to the border of Shanghai, and 40 km to the city center, Taicang is "Shanghai's Northern Gate" and "Pudong's Backyard"
- Currently, there are three express bus routes that connect to Shanghai's metro system^①
- Upon the completion of the Shanghai-Nantong Railway, it will only take 18 minutes to reach Shanghai
- Taicang Port is only 13 nautical miles from Shanghai's Wusong Port

Highway Network^②

- A highway system consisting of "four vertical and three horizontal routes"
- Highway exits and entrances may be reached within 15 minutes in every direction
- Conveniently connects major cities of Jiangsu Province, Zhejiang Province and Shanghai Municipality within 1 to 2 hours
- Has a high-grade highway density of 45.50 kilometers per 100 km², which ranks number 1 in Jiangsu Province



Urban Transportation

- 57 bus routes that fully covers urban and rural areas^②
- Public bicycle network

Air Transportation

Taicang is taking full advantage of resources in its surrounding area, and will leverage the airport resources of Shanghai and Wuxi to transform Taicang into the leading air corridor to the nation, and to the world.

- Shanghai Hongqiao International Airport (35 km)
- Shanghai Pudong International Airport (72 km)
- Sunan Shuofang International Airport, Wuxi (78 km)

Major Expressways in Taicang

Xitai (Wuxi-Taicang) Expressway	Yanjiang Expressway
Xingang Highway	Hufuhuang Expressway
Sukuntai (Suzhou-Kunshan-Taicang) Expressway	National Highway 204 (G204)
Provincial Highway 339	Taicang Port Expressway

Source:

- ① Taicang Daily News Website
- ② Taicang Investment Promotion Bureau

4.1 Geographical Advantages and Transportation

Rail Transportation

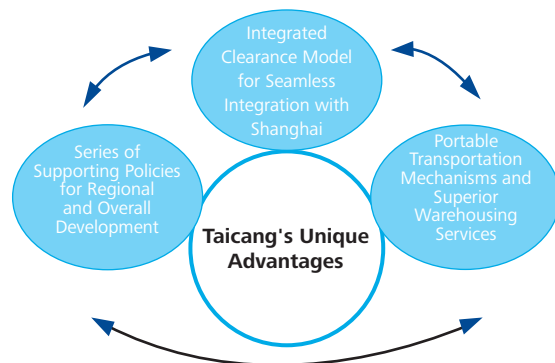
- 30 km from Kunshan Station on the Shanghai-Nanjing Railway
- 50 km from Shanghai Station on the Shanghai-Nanjing Railway
- Along the Shanghai-Nantong Railway currently under construction, Taicang will be home to 3 stations, including Taicang Port Station, Taicang Station and Taicang South Station (planned)

Inland Waterways

- Planning to build a waterway network consisting of seven channels
- Providing passage through the three basin waterway, the Yangtze River waterway and the Beijing-Hangzhou Grand Canal

Yangtze River Transportation

- Taicang Port, which is a national first-class open port
- Focusing on the establishment of the "first foreign trade port in Jiangsu Province"
- A container transportation route and container transshipment port of Shanghai's international shipping center
- The port nearest to the mouth of Yangtze River with a distance of only 42 nautical miles
- Featuring a 38.8 km long shoreline of the Yangtze River and 12.5m deep water channel which includes a 25 km deep shoreline serving as the Yangtze River's "Gold Coast"
- Meeting the requirements of a rotation basin for 50,000-ton ships



Source:
Taicang Investment Promotion Bureau

Taicang Port Logistics

78	78 berths, which includes 34 berths at the 10,000-ton level or above and 10 container berths
125	Designed with a throughput capacity of 125 million tons
4.35	Designed with a throughput capacity of 4.35 million standard containers
168	168 domestic and international routes are available to allow cargo to travel seamlessly around the world

4.2 Urban Infrastructure

A Sound urban infrastructure is a prerequisite for the efficient operations of an enterprise and the main basis for steady and long-term rapid development of economy. Taicang has an abundant energy supply and advanced infrastructure which lay strong foundation for the city's comprehensive strength, thus safeguarding the rapid and smooth development of regional enterprises.



Land Supply

- Taicang is located along the Yangtze River's flat alluvial plain, which has a total area of 809.93 km²
- In 2014, 432.6 mu (1 mu = 0.1647 acre) of commercial land has been transferred
- In 2014, the city increased its inventory and optimized its supply of more than 5,000 mu of land for development
- Industrial land has largely been realized through "seven accesses and one leveling" infrastructure

Urban Water Supply

- Taicang has realized city-wide coverage through the "Yangtze River Water Diversion Project", which is designed to provide a daily water supply capacity of 300,000 tons
- With a factory water pressure of 3.2 kg/cm², project sites have achieved a water pressure of 3 kg/cm²

Wastewater Treatment

- Taicang has four wastewater treatment plants. The wastewater treatment plants in the Port and New Area each have a daily processing capacity of 20,000 tons
- Wastewater treatment standards meet the GB8978-1996 national integrated wastewater discharge standard

Power Supply

- Taicang is a transmission station of power grid in East China with an installation capacity equivalent to 10% of the total power generated in Jiangsu Province
- By 2020, a 220-kV ring network will be established by Kuntai, Huaneng, and eco-friendly power plants comprised mainly of a power supply of 500 kV
- The 10-kV trunk line supplies power in a ring network and operates in an open loop

Smart Taicang

- Taicang's data and multimedia telecommunications provide coverage for the entire city, making a wide variety of telecommunication services available to Chinese and foreign merchants
- The "smart Taicang – citywide digital content service" system was officially launched to build smart engineering projects such as a smart transportation system, a smart water supply, smart health services and others. In doing so, Taicang will rebrand itself as "Smart Taicang"

Source:
Taicang Investment Promotion Bureau

4.3 Business Facilities

MOBO Model Office Building

Taicang is a well-developed region with a wide variety of business supporting facilities. Being a representative of the MOBO model office building, Dongting Tower has enhanced Taicang's business services and business support facilities by taking modernization and internationalization standards.

As an important location for the "German Center", Dongting Tower is centrally located in Taicang's business district, and is the first mobile business and office business (also known as MOBO) building with a skyline garden in Taicang.



Hotel

Taicang has well-developed business supporting facilities, with 4 five-star and prospective five-star hotels as well as 3 four-star hotels. These hotels are conveniently located and provide an excellent living environment for business conferences and travels.

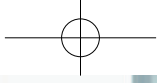
- Jinling Garden Hotel Taicang
- Taicang Loudong Hotel
- Jinjiang International Hotel Taicang
- Century Hotel
- Holiday Inn Taicang City Centre
- Ludu Hotel Taicang
- Four Points by Sheraton Taicang Hotel

Commercial Complex

In recent years, Taicang adopted the development approach of "government-guided corporate investment" by promoting the development of commercial complexes. Taicang is currently home to complexes such as Rhein Plaza, Nanyang Plaza, Wanda Plaza, Taicang International Plaza, etc.

These business complexes, which comprehensively integrate shopping malls, star-level hotels, and premium offices are excellent conduits for business, thus becoming new landmarks for cosmopolitan lifestyles. Furthermore, these complexes have also helped to create a high quality office environment in Taicang.





5. Human Resources

5.1 Human Resource Reserves

5.2 Labor Costs

5.1 Human Resource Reserves

Advanced "Dual System" Education Model

By introducing the "Dual System" education model that incorporates on-the-job training, scientific research, and theory, Taicang continues to localize and innovate its education system, thus developing a unique talent-nurturing model of "Unique posts under the Dual Apprenticeship System".

- Chien-Shiung Institute of Technology
- AHK-Shanghai and Chien-Shiung Institute of Technology Professional Technology Training Center
- Higher Education Student Technology and Entrepreneurship Base under the Ministry of Education and the Ministry of Science and Technology



Comprehensive Training System

Taicang has intermediary and advanced level vocational schools and many other vocational training centers. In 2014, the total number of five-year vocational graduates, junior college graduates and undergraduates came to 2,358^①.

- Vocational and professional schools in Taicang, Jiangsu
- Professional personnel training center funded by German companies in Taicang
- Schaeffler (China) Training Center

Premium Strategic Partnership with Higher Education

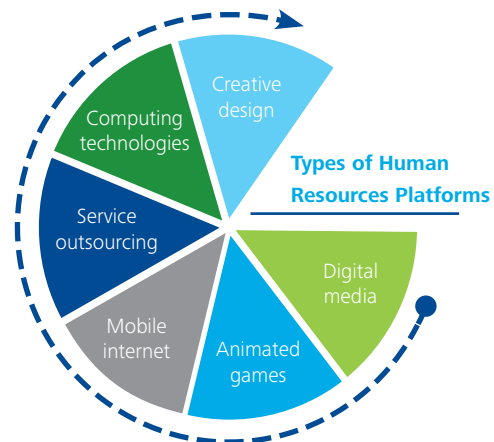
Taicang has established a government-guided "industry-university research collaboration" with many prominent domestic and international higher educational institutions, thus creating a solid foundation for the introduction of high-caliber personnel to the region. By the end of 2014, Taicang reported a total of 19 government-guided "industry-university research collaboration" projects.

Abundance of Scientific Research Institutions and Human Resources Platforms

By the end of 2014, among all of Taicang's enterprises, there were 20 foreign-funded research and development facilities at provincial level, and 33 engineering technology centers^②, specifically:

- Taicang Institute of Computing Technology (Partnered with Chinese Academy of Sciences)
- Taicang Institute of Opto-electronic Technology (Partnered with Chinese Academy of Sciences)
- Taicang Polymer Material Co., Ltd. (Partnered with Chinese Academy of Sciences)
- Tongji University Taicang High-tech Institute (Partnered with Tongji University)
- Fudan University Technology Transfer Center, Taicang Branch (Partnered with Fudan University)
- ZTE Communications Smart City Industry Base (Partnered with ZTE Communications)

Prominent Higher Education Institutions at Home and Abroad (Sample)	
Steinbeis University Berlin (SHB)	Eindhoven University of Technology
Fudan University	Shanghai Jiaotong University
Tongji University	Southeast University
Chinese Academy of Sciences	Suzhou University
Jiangnan University	Hohai University
Nantong University	Shanghai Second Polytechnic University



Source:
① Taicang Investment Promotion Bureau

5.2 Labor Costs

Labor Cost Considerations

Given that all enterprises operating in China are responsible for social security expenditures on behalf of their employees, local enterprises must allow for both local salaries and social security costs when considering local labor costs.

Labor and Salary Costs

In 2014, the average disposal income of Taicang residents reached RMB 46,377 which achieved at a growth rate of 8.50% compared to the last year^①.

Taicang Salary Levels in 2014^②

Position	Salary (RMB per month)
Typical workers' salary (minimum salary)	1,680
Managerial staff	2,500-3,500
Professional and technical staff as well as mid-level management	3,500-4,500

Labor and Insurance Costs

In China, companies must contribute a certain percentage of their employees' salary to their social security program. The program is called "Five Insurances Plus One Fund", which includes medical insurance, retirement pension, housing fund, etc.

In 2014, companies in Taicang contributed 40.5% to 44.5% of the total salary as social security expenditures.^③

Percentage of Social Security Expenditures Contributed by Enterprises to Salary Expenses in Taicang in 2014

Retirement pension	20%
Unemployment insurance	1.50%
Medical insurance	8%
Work-related injury insurance	2%
Maternity insurance	1%
Housing fund	8%-12%
Total	40.50%-44.50%



Deloitte Perspectives

In recent years, enterprises have increasingly come to realize the importance of arranging in-house training programs for their employees: there has been a swing in the "talent management pendulum" from an emphasis on talent recruitment to an emphasis talent development.

Deloitte believes that, Cutting-edge talent development must be combined with on-the-job learning, project arrangement, talent networking, formal education and training and personal experience in order to realize real behavioral changes that are consistent with business needs and objectives.

——From Deloitte's "Global Human Capital Trends 2013"

Source:

- ① Taicang Statistical Communique on National Economic and Social Development for 2014
- ② Taicang Investment Promotion Bureau
- ③ Taicang Human Resources and Social Security Bureau



6. Living Environment

- 6.1 Education and Health Care Environment
- 6.2 Ecology and Culture
- 6.3 Quality of Life

6.1 Education and Health Care Environment

Education Resources

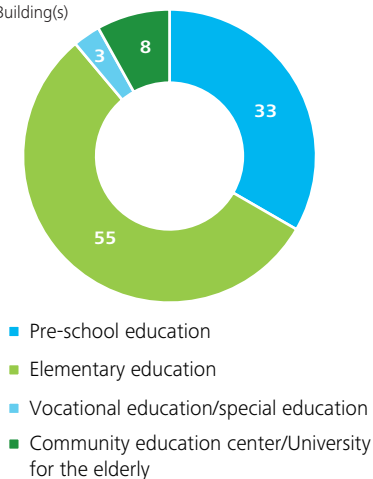
Taicang is on the leading edge in the development of basic education standards, and has become a role model city for parallel (urban and rural) education development across cities and towns.

- First national county (cities or districts) that achieved county-level parallel compulsory education development
- All public elementary and secondary schools are deemed as "Suzhou's modern education schools"



Distribution of Educational Institutions in Taicang for 2014^①

Units: Building(s)



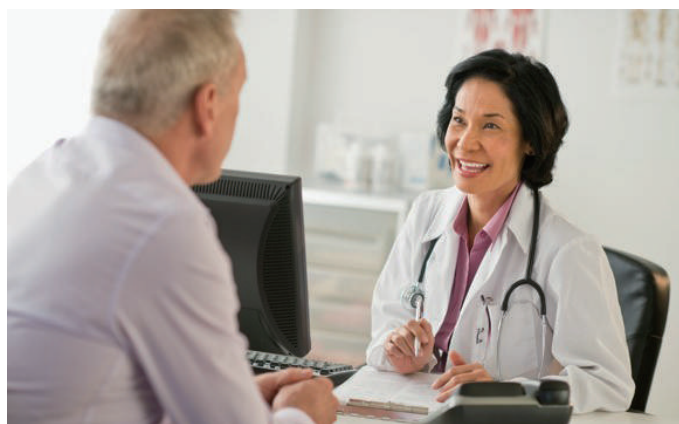
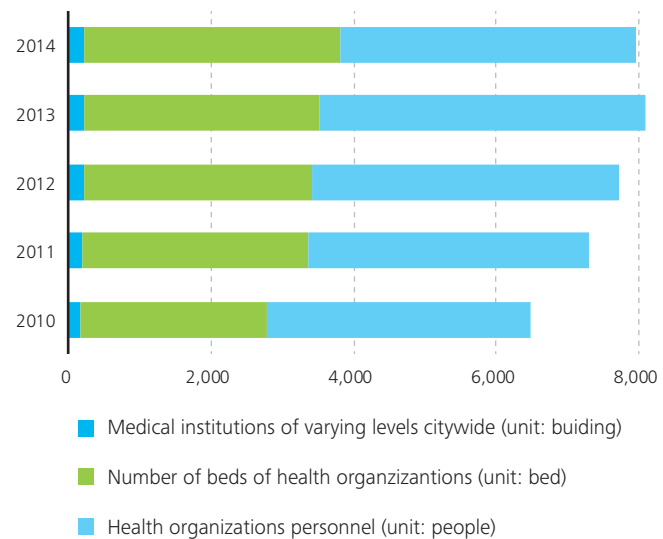
Source:

① Taicang Investment Promotion Bureau

Medical Resources

By the end of 2014, there were 227 medical institutions of varying levels, including 1 grade-III comprehensive hospital and 1 Chinese medicine hospital. The regional health care system is 100% complete.^①

Taicang's Medical Institution Statistics from 2010 to 2014



6.2 Ecology and Culture

As spring rain nourishes apricot blossoms, the Southern Yangtze nourishes generations of outstanding local talents and scholars. As winds blow from the rivers and the sea, the water town is shaped with beauty, gentleness, and elegance in tranquil simplicity. Capitalizing on the marvelous characteristics of the river and the sea as well as integrating the atmosphere of the water town, Taicang perfectly characterizes the urban qualities of "a modern garden city known as the beautiful golden Taicang".

Jincang Lake Park

- Jincang Lake is the largest lake in Taicang. With a water area exceeding 1,000 mu, it was known as "green lung of the city"
- In 2009, it was officially accredited by the Ministry of Water Resources as a "National Scenic Spot for Water Resources"
- It is China's first and the only park that advocates barefoot walking



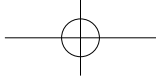
Ancient Town of Shaxi

- Shaxi is a famous town with a long history and culture that is commonly known as "the best town amongst the 18 towns in the Eastern and Southern part of the China"
- Shaxi is the Exemplary Beautiful City (County) of Suzhou, which represents Chinese culture and preserves the waterway architecture of the Ming and Qing Dynasties
- Shaxi is a candidate town on "China's Tentative List of World Heritage" sites and claimed the first-session honorary title of the "Best Tourist Scenic Spot representing slow life on the Yangtze River Delta"

Famous Scholars

- During its long history, the city was home to Wang Shizhen and Wu Weiye, both prominent literary writers during the Ming and Qing Dynasties, as well as Zhang Pu, leader of the Chinese Renaissance Association of Ancient Learning
- In modern times, the city was home to Madame Wu Jianxiong (also known as the Chinese Madame Curie), Madame Jiang Endian (also known as "Madame of Chinese Rose") and educator Tang Wenzhi (founder of Shanghai Jiaotong University)
- There are currently 11 academicians from the Chinese Academy of Sciences and the Chinese Academy of Engineering, including Gu Maoxiang and Lu Youmei





6.3 Quality of Life

Vacation and Tourism

By focusing on the theme of "Old towns, old ports, river-sea features, and leisure", the Yangtze Delta Tourism Resort is a premium tourism resort that integrates high-end leisure and entertainment, special dining and beverage services, cultural experiences, tourism properties, and international exchanges.

- Culture Tourism: Historical and cultural tours to Liuhe ancient towns
- Eco-Tourism: Ecological tourism along the coast of Yangtze River
- Culinary Tourism: quality seafood products from East China Sea Aquatic Products Trading Center

Living Environment

According to the latest statistics, Taicang scored 95.45 points on the comprehensive urban environment index with a green coverage ratio of 42.2%. It is an ideal city to live in with "only hundred steps needed to see a scenery, and thousand steps needed to see a park".

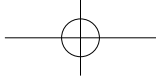
Culture and Entertainment

Besides being the city of Bridge (a poker game), martial arts, dragon and lion dances, stringed and woodwind instrument (an traditional musical instrument), and folk music and dance, Taicang is home to many cultural-facilities such as libraries and museums, all of which are full of rich cultural atmosphere. While sparing no efforts to promote and publicize its modernization, Taicang maintains its infinite charm through its own unique culture.

Leisure and Exercise

The East Sea Golf and Country Club in Taicang is a golf course personally designed by Colin Montgomerie, a world-class golf course designer. This club has a land area of 1,273 mu, which is home to a 18-hole, par-72 course that meets international standards.





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