Document of Haizhu District Bureau of Science, Industry, Commerce and Information Technology of Guangzhou Municipality

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Notice of Haizhu District Bureau of Science, Industry, Commerce and Information Technology of Guangzhou Municipality on the Release of the *Implementation Measures of Haizhu District of Guangzhou Municipality for Promoting the High-quality Development of Urban Industries*

To: all related units

In order to accelerate the greater development of industrial enterprises in Haizhu District and promote the high-quality development of urban industries in Haizhu District, the *Implementation Measures of Haizhu District of Guangzhou Municipality for Promoting the High-quality Development of Urban Industries* is hereby released to you. Please act accordingly.

Haizhu District Bureau of Science, Technology, Industry, Commerce and Information of Guangzhou Municipality July 1, 2022

Implementation Measures of Haizhu District of Guangzhou Municipality for Promoting the High-quality Development of Urban Industries

Chapter 1 General Provisions

Article 1 These Implementation Measures (hereinafter referred to as "these Measures") are formulated in accordance with the *Guiding Opinions of the General Office of the State Council on Financial Support to Economic Structure Adjustment, Transformation and Upgrading, Guiding Opinions of the Ministry of Industry and Information Technology and the Ministry of Science and Technology, the Ministry of Finance, and Other Departments on Accelerating the Cultivation and Development of High-quality Manufacturing Enterprises*, on the basis of the actual conditions of this District and with a view to promoting the high-quality development of urban industries in this district, furthering the accelerated, sustainable and innovative development of urban industries across this district, and building a modern, professional and comprehensive modern urban industrial park to enhance the effect of urban industrial agglomeration and improve the competitiveness of urban industries in this district.

Chapter II Applicable Scope

Article 2 [Applicable enterprises] These Measures are applicable to duly registered industrial enterprises in this district that pay taxes and make statistical declaration by scale according to law.

Article 3 [Applicable industrial parks] These Measures are applicable to urban industrial parks (hereinafter referred to as "Industrial Parks") in this district that have independent legal person status, practice independent accounting and operation, and cover a total operating area of more than 200,000m²; the industrial park operators have established a professional investment promotion team, have prepared a mature investment promotion operation plan, and have signed the *Industrial Regulatory Agreement* with the Haizhu District Bureau of Science, Industry, Commerce and Information Technology (hereinafter referred to as the "District Bureau"); these Measures can be applied upon the examination and approval of the District Bureau and the industrial enterprises in the leased-out operating area and the use area (capacity area) of the industrial park have both accounted for more than 60% at the time of applying for incentives.

Article 4 [Industry introduction] The District Bureau shall be responsible for evaluating the industrial direction of the projects introduced by the industrial parks, with the emphasis put on the introduction of such projects with high-quality development potential as "specialized and sophisticated enterprises that produce new and unique products", "high-tech enterprises with high growth" and "enterprises engaged in new technology, new industry, new business forms and modes", including but not limited to strategic pillar industries such as urban industries and new-generation information technologies, and industrial chain clusters in line with the industrial orientation of this district.

Chapter III Incentive Measures

Article 5 [Rewards to enterprises with high growth] For the purpose of strengthening the scale development of urban industries, a reward of up to RMB 5 million will be given to any enterprise with above designated scale in manufacturing and supply industries that boasts an annual output growth rate higher than the average growth rate of manufacturing and supply industries above designated size.

For the newly upgraded or newly relocated enterprise with above designated scale in manufacturing and supply industries that achieves the output growth rate higher than the average growth rate of manufacturing and supply industries above designated size for three consecutive years since the first reference year, a reward of up to RMB 10 million will be given each year.

Article 6 [Subsidies to industrial buildings] For newly settled industrial enterprises above designated scale in the industrial park that rent industrial buildings for self-use, if they have completed the lease registration and filing procedures and have paid in full the rent, and have achieved positive annual output growth, a subsidy of up to RMB 5 million will be given each year during the three consecutive years since the first reference year.

For local industrial enterprises above designated scale relocated in the industrial park that have completed the lease registration and filing procedures and have paid in full the rent, and have achieved positive annual output growth, a subsidy of up to RMB 2 million will be given each year during the three consecutive years since the first reference year.

Article 7 [Rewards to "Individual Champion" and demonstration projects] A one-time reward of no more than RMB 1 million will be given to "Individual Champion" demonstration manufacturing enterprises, manufacturing enterprises under cultivation, and enterprises manufacturing "Individual Champion Products" awarded by the Ministry of Industry and Information Technology of the People's Republic of China; for enterprises of intelligent manufacturing pilot and demonstration projects recognized by the national and provincial departments of industry and information technology, a one-time reward of no more than RMB 1 million or RMB 0.5 million will be given respectively. Where an enterprise qualified to multiple rewards within the validity period of these Measures, the rewards will be given at the highest amount by making up the difference.

Article 8 [Rewards to high-end talents] Enterprises are encouraged to use more than 50% of the total incentive funds (excluding industrial building subsidies) given by this district as the allowances for outstanding key talents. Such allowances may be transferred by the enterprise to the talents' personal account at one time after deducting personal income tax, if appropriate. The specific allocation plan of the incentive funds shall be formulated by the enterprise at its own discretion. For key talent recommendation, the enterprise commitment system shall be implemented and the enterprise shall recommend the key talents to be rewarded and be responsible for their qualifications and incentive plans.

Article 9 [Rewards to industrial parks forming industrial agglomeration] The operators of industrial parks are encouraged to form industrial agglomeration through "characteristic development and staggered development". For every 10 annual increments of the total number of industrial enterprises above designated scale in the park, a one-time reward of no more than RMB 0.5 million will be given to the operator of the industrial park on an accumulative basis, provided that the maximum cumulative reward for each park each year is no more than RMB 2 million.

Article 10 [Support for innovative development projects] Through panel review, for key urban industrial projects in massive health industry, textile, beauty and fashion industry, intelligent terminal and equipment manufacturing industry that meet the following conditions, industrial

housing subsidy (including rent and property management fees) of 50% the total rent of the actual industrial buildings in Haizhu District of the project in the previous year will be given for three consecutive years, provided that the annual subsidy for a single project shall be no more than RMB 2 million.

(1) The application project has a good industrial demonstration effect, a strong innovation leading role, and good upstream and downstream synergy effect, and the applicant should be an enterprise that is above designated scale just after the reference year or has more than 50% output growth rate in the previous year;

(2) When it is found by panel review that the application project having obtained industrial housing subsidy in the first year, but failing to achieve the annual output growth rate of 50% in the second and third years, no support will be given; the project that has obtained industrial housing subsidies shall not apply repeatedly for the support provided in this Article.

For the above-mentioned projects applying for industrial housing subsidy, if the annual output reaches RMB 500 million, RMB 1 billion or RMB 1.5 billion for the first time, a one-time reward of up to RMB 5 million, RMB 10 million or RMB 15 million will be given respectively. Where a project qualified to multiple rewards within the validity period of these Measures, the rewards will be given at the highest amount by making up the difference.

Article 11 [Strengthen business environment support] This district shall create a good business environment for urban industrial enterprises in the district and provide all-round policy supports. The demand of high-quality industrial enterprises in this district for land and housing due to the capital increase and production expansion, shall be well-coordinated through allocating the resources of the whole district. For industrial enterprises that have been recognized by the headquarters enterprises in this district, the policies for the residency of talents and the schooling of their children shall be coordinated in accordance with the law.

Chapter IV Supplementary Provisions

Article 12 The actual rewards and subsidies that an enterprise can receive as per Paragraph 1 of Article 5 and Paragraph 2 of Article 6 herein shall not exceed 70% of its contribution to the new growth of this district's comprehensive benefit in the current year. The actual rewards and subsidies that an enterprise can receive as per Paragraph 2 of Article 5, Paragraph 1 of Article 6, Article 7 and Paragraph 2 of Article 10 herein shall not exceed 70% of its contribution to the comprehensive benefit of this district in the current year. The actual rewards that the industrial park operator can receive as per Article 9 herein shall not exceed 20% of the total contribution of industrial enterprises above designated scale in the industrial park to this district's comprehensive benefit in the current year. For an applicant, on the ground of the same project and the same subject matter, that concurrently meets the conditions for applying support measures as per other support policies of this district (including policies and regulations that the superior department requires this district to give support or share the burden of the funds), support shall be given based on the principle of one-time highest amount support, unless otherwise provided by laws and regulations. The guidelines for annual rewards and subsidies application specified herein shall be publicly released by the District Bureau of Science, Industry, Commerce and Information Technology. Enterprises submit applications on a voluntary basis, and the tax-payable expenses for receiving the rewards, subsidies and allowances shall be solely borne by the enterprise or individual. Only enterprises without bad credit record may apply for the support specified herein after signing the relevant letter of commitment, and shall return the support funds in case of violating the commitment.

Article 13 The monetary unit involved in these Measures shall be Renminbi (RMB). For any provisions describing a number by adding a word of either "more than", "less than", or "reach", it shall mean INCLUDE the number, and "below" or "under" DON'T include the number; the term "above designated scale" used herein shall be subject to the provisions of the National Bureau of Statistics, and the term "average growth rate of manufacturing and supply industries above designated size = (the total output value of the supply industry/manufacturing industry above designated scale in the current year - the total output value of the supply industry/manufacturing industry above designated scale in the previous year)/the total output value of the supply industry/manufacturing industry above designated scale in the previous year", and the term "reference year" used herein refers to the year before the issuance of these Measures.

Article 14 These Measures shall come in force as of the date of its release, and shall be valid for 3 years. When the validity period expires or the basis of relevant laws and policies changes, evaluation and amendment will be made according to the actual situation. Where these Measures cannot be implemented due to force majeure, the acts of higher-level governments or departments, or the promulgation of relevant laws, regulations, rules, and policies, relevant support shall be terminated. In case of any inconsistency between these Measures and the provisions of the superior laws, regulations, rules and policies due to the change of these superior laws, regulations, rules and policies of the superior laws, regulations, rules and policies shall prevail and the corresponding provisions of these Measures shall no longer be implemented. The interpretation of these Measures shall be vested in the District Bureau of Science, Industry, Commerce and Information Technology.

Definitions

[1] Massive health industry: mainly includes Lingnan traditional Chinese medicine (TCM), pharmaceutical chemicals, bio-pharmaceuticals, precision medicine, smart medicine, high-end medical devices and other new business forms.

[2] Textile, beauty and fashion industry: mainly includes such key industries as textile and clothing, household chemicals, culture, creativity, and fashion.

[3] Intelligent terminal and equipment manufacturing industry: mainly includes industries of communication equipment, new network, mobile phone and new intelligent terminal, and rail transit equipment.

Note: The industry classification is subject to the Opinions of the People's Government of Guangdong Province on Cultivation and Development of Strategic Pillar Industry Clusters and Strategic Emerging Industry Clusters (Yue Fu Han [2020] No. 82)

Disclosure method: Active disclosure

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