

Policies and Measures to Promote High-quality Development of Manufacturing Industry

I. Support the Development of Key Industries. It is needed to introduce high-end projects of “3+N” industry that play a significant role in stimulating economic development, implement “one discussion over each matter”, set up a special team, open up green channels in project approval, planning, land, environmental impact assessment and other aspects, and give special support. For newly introduced enterprises in line with the “3+N” industry, 100% of the surplus will be returned to the district level finance for three consecutive years if the annual tax amount exceeds RMB 5 million from the year of production or the next year. If the enterprise has enjoyed the “one discussion over each matter” policy, it will not enjoy the policy again. For new projects of “3+N” industrial stock enterprises or construction projects of newly established enterprises, the district level finance will retain 100% of the surplus for three consecutive years based on the total corporate tax payment of the previous year in the year when the project starts construction if the total investment is more than RMB 50 million. If the enterprise has enjoyed the “one discussion over each matter” policy, it will not enjoy the policy again. For leading organizations ranking top 10 in

the selection of provincial advantageous and characteristic industrial clusters, a one-time reward of RMB 2 million will be given.

II. Support Enterprises to Grow and Be More Competitive For manufacturing enterprises with an annual tax payment exceeding RMB 100 million, RMB 500 million and RMB 1 billion for the first time, it is needed to give a one-time reward of RMB 1 million, RMB 2 million and RMB 5 million respectively. For manufacturing enterprises with an annual output value exceeding RMB 1 billion, RMB 2 billion and RMB 5 billion for the first time, it is needed to give a one-time reward of RMB 500,000, RMB 1 million and RMB 2 million respectively. For manufacturing enterprises that are selected as “Top 100 in Shandong Province”, “Top 500 in China” and “Fortune Global 500” for the first time, a reward of RMB 1 million, RMB 2 million and RMB 5 million will be awarded respectively. A reward of RMB 2 million will be given to the newly recognized national top 100 electronic information enterprises.

III. Support the Listing of Enterprises. For enterprises applying for initial listing on the domestic main board, small and medium-sized board and growth enterprise board, a subsidy of RMB 2 million will be granted if they have completed the filing in Shandong Securities Regulatory Administration and officially entered the counseling period. If the CSRC accepts the listing application materials, a subsidy of RMB 2

million will be granted. If the enterprise is listed successfully, RMB 4 million will be subsidized. For enterprises applying for initial listing on the Science and Technology Innovation Board, they will be subsidized by RMB 2 million if they have completed the filing in Shandong Securities Regulatory Bureau and officially entered the counseling period. If Shanghai Stock Exchange accepts listing application materials, they will be subsidized by RMB 2 million. If the enterprise is listed successfully, RMB 4 million will be subsidized. For enterprises listed on major overseas stock exchanges, after completing listing and raising more than 50% of the funds to invest in our city, a subsidy of RMB 4 million will be given respectively. For enterprises listed on the New OTC (Over the Counter) Market, they will be given subsidies of RMB 500,000 and RMB 1 million respectively after submitting application materials and completing listing. For enterprises listed on the four boards, a one-time subsidy of not more than RMB 500,000 will be given after the listing is completed. For listed enterprises whose registered address is relocated to our city, a one-time subsidy of RMB 8 million will be given. For enterprises newly moved into our city and successfully listed within 3 years, another subsidy of RMB 1 million will be given, in addition to enjoying various subsidies for enterprise listing. For natural person shareholders of original restricted shares of listed

companies who are entrusted and reduced by securities institutions in our city, a subsidy of 90% of the contribution of reduced restricted shares to the local economy will be given, and the securities institutions shall summarize the application. For the new part of local economic contribution formed by the company to be listed three years before the guidance filing, a subsidy that is equivalent to 90% of its local economic contribution will be given after Shandong Securities Regulatory Commission completes the filing and officially enters the mentoring period, with the total subsidy not exceeding RMB 6 million. Natural person shareholders of the company to be listed shall be subsidized by 60% of their local economic contribution, with the total amount of subsidies not exceeding RMB 3 million. For the local economic contribution formed by the merger, acquisition of listed companies and the reorganization of enterprises outside the city due to the change of assets and transfer of ownership, full subsidies will be given by installments within 3 years from the date of completing the first equity transfer procedures.

IV. Support the Development of High-growth Enterprises. A one-time reward of RMB 1 million will be given to the newly recognized provincial high-growth SMEs, manufacturing industry single champion and “invisible champion” enterprises. Those newly recognized as national and provincial specialized and sophisticated

enterprises that produce new and unique products will be given a one-time reward of RMB 3 million and RMB 2 million, respectively. Rewards of up to RMB 3 million and RMB 1 million will be given to the demonstration enterprises and products listed as national single champion in manufacturing industry. For newly recognized as national and provincial unlisted start-up enterprises, 30% of the economic development contribution in the previous year will be given a one-time reward, with the reward not exceeding RMB 15 million and RMB 8 million, respectively.

V. Support the Development of Industrial Internet. A one-time reward of up to RMB 100,000 will be given to the operators that have completed the construction of the secondary node of identification resolution. A reward of up to RMB 1 million will be given to secondary node operators that achieve an annual increase of more than 10 million sign registrations and an average daily resolution of more than 3 million times. A one-time reward of RMB 3 million will be given to the leading organization recognized by Shandong Digital Economic Park. A reward of up to RMB 1 million and RMB 600,000 will be given to the recognized municipal industrial Internet demonstration platforms and application demonstration projects respectively. A one-time reward of up to RMB 500,000 will be given to pilot enterprises that have passed the standard implementation

evaluation of the national “informatization and industrialization” integration management system.

VI. Support New and Technological Transformation Projects. For new or technological transformation projects that conform to national industrial policies and are conducive to industrial restructuring and industrial upgrading, a one-time subsidy of no more than 8% of the investment in production equipment will be given if the production equipment investment is more than RMB 5 million (inclusive), after the project is completed and put into operation or the purchased production equipment is put into use. The subsidy amount for each project will not exceed RMB 2 million.

VII. Support the Intelligent Upgrade of Enterprises. For intelligent transformation projects of the whole production line, workshop and factory, a subsidy that is equivalent to 10%, 15% and 20% of the equipment investment (including software) will be granted, respectively. The maximum amount of a single enterprise will not exceed 10 million. For national and provincial service-oriented manufacturing demonstration enterprises, platforms and projects, a one-time reward of up to RMB 3 million and RMB 500,000 will be given.

VIII. Encourage Reasonable Improvement of the Development Intensity of Industrial Land. Under the premise of conforming to the

urban and rural planning, industrial development layout and not changing the use, if multi-storey industrial plants are approved to be built, reconstructed and expanded, the newly added part except one floor shall be subsidized according to the construction cost. Specifically, a subsidy that is equivalent to 20% of the construction cost will be given to the second floor; 30% will be given to the third floor; 40% will be given to the fourth floor; 50% will be given to the fifth floor, and 100% will be given to the part above the sixth floor (including). The subsidies will be issued in batches within three years, taking into account the benefits per mu and tax payment of the enterprise.

IX. Support High-end R&D and Manufacturing. For the first set of major equipment, the first batch of new materials and the first version of software recognized by the province and the state, 50% of the total actual sales of products within one year after the first sale will be awarded a maximum of RMB 1 million and RMB 2 million, respectively. For manufacturing enterprises that have established a R&D reserve system, if the annual R&D expenses increase by more than RMB 1 million (inclusive) and the growth rate is not less than a certain proportion, they will be given a subsidy of up to 10% of the increase in R&D expenses and up to RMB 500,000 per year. The total amount of the financial subsidy funds will be controlled, and the

total amount of the subsidy will not exceed RMB 5 million per year. It supports manufacturing enterprises to establish R&D institutions in general, and gives a subsidy of RMB 20,000 to enterprises whose R&D institutions have passed the municipal filing for the first time.

X. Support the Green Manufacturing. For parks, enterprises and factories that have won the national green (circular) economy demonstration, a one-time reward of RMB 1 million will be given. For major energy-saving projects implemented, if the energy saved reaches more than 3,000 tons of standard coal after being put into operation, a reward of RMB 200 per ton will be given, with a maximum of RMB 1 million for a single enterprise.

XI. Support the Construction of Innovation System. A subsidy of RMB 250,000 will be given to the first-time recognized high-tech enterprise, and RMB 50,000 will be given to the newly recognized high-tech enterprise. For newly introduced high-tech enterprises, a one-time reward of RMB 250,000 will be given after they are re-recognized as successful. For newly recognized national and provincial technology innovation demonstration enterprises, a one-time reward of up to RMB 2 million and RMB 500,000 will be given respectively. A one-time subsidy of up to RMB 500,000, RMB 300,000 and RMB 200,000 will be given to those who preside over the formulation of international standards, national standards and

industry standards, respectively. In case of presiding over the revision of international standards, national standards and industrial standards, 50% of the subsidy amount will be determined according to the highest presiding standards of the same kind. For those who participate in the formulation and revision of international standards, national standards and industry standards, the funding standards will be determined according to the degree of participation, and 10%-30% of the funding amount for the formulation and revision of similar standards will be implemented.

XII. Support the Development of Innovation Platforms. A one-time subsidy of up to RMB 6 million will be given to manufacturing innovation centers built through policies of guided by the government, dominated by enterprises, supported by education, made breakthroughs through research, boosted by finance, and transformed achievements into benefits. A one-time reward of RMB 15 million will be given to the newly established national industrial design and research institute. A one-time reward of 1 million and 500,000 will be given to the approved national and provincial industrial design centers respectively.

XIII. Support the Protection and Application of Intellectual Property Rights. In order to support enterprises to actively respond to patent disputes and safeguard their rights, for those who win in

domestic patent dispute litigation cases and those who win in foreign-related patent litigation disputes, a subsidy of up to RMB 20,000 and RMB 50,000 will be given respectively at 20% of the actual expenses incurred. The amount of annual patent rights protection assistance for the same enterprise shall not exceed RMB 50,000. A subsidy that is equivalent to 40% of the premium will be given to patent protection insurance. For newly recognized enterprises with intellectual property advantages in Laishan District, a one-time subsidy of RMB 20,000 will be provided. Specifically, the enterprises with intellectual property rights advantages in Laishan District of Yantai City shall meet the following conditions: 1. The enterprise is legally registered in our district and has a certain production scale; 2. The main person in charge of the enterprise has knowledge of intellectual property rights work, and the enterprise strategy has clear objectives and contents of intellectual property rights work; 3. The enterprise has a relatively standardized management system institutions and personnel responsible for relatively fixed intellectual property rights; the enterprise has passed the certification of the Enterprise Intellectual Property Management (GB/T29490-2013) in the year of selection; 4. The enterprise has a certain intellectual property foundation. The enterprise has more than two valid invention patents, or one valid invention patent and no less

than two annual invention patent applications (entering the substantive examination stage); 5. In recent two years, the enterprise has no administrative or judicial procedures to identify intellectual property violations. The evaluation of enterprises with advantages in intellectual property rights in Laishan District of Yantai City shall be reviewed by the Administration for Market Regulation of Laishan District, and the number of enterprises shall not exceed 3 on an annual basis. For high-tech enterprises or sci-tech SMEs that have more than 3 valid invention patents, if they pass the standard implementation certification that year, they will be awarded a one-time reward of RMB 20,000. Subsidies shall be given to the intellectual property assessment expenses incurred by the intellectual property pledge financing filed by the intellectual property management department of Laishan District. The subsidy will be 50% of the confirmed amount, and the maximum amount of a single assessment fee shall not exceed RMB 30,000. In addition, RMB 5,000 will be awarded for each enterprise with intellectual property pledge financing, RMB 50,000 for the same enterprise (financial institution), and no more than three times for the same enterprise. RMB 3,000 will be awarded to the intellectual property service institutions that actively promote the “first loan” of intellectual property pledge financing of enterprises in our district. For invention

patents recognized by Shandong Administration for Market Regulation and belonging to the category of high-value invention patents, a reward of RMB 1,000 will be given for each patent every year.

XIV. Support the Development of High-level Talents. Those introduced from outside Yantai, with key core technologies or independent intellectual property rights, international first-class technology level and the ability to transform major technological research and development achievements can apply for the “one discussion over each matter” policy of Yantai, and will be given a maximum of RMB 100 million of comprehensive assistance or RMB 150 million of direct equity investment support for a five-year management period. Leading talents at or above the provincial level who are introduced full-time and identified as Category A, B, C and D talents will be given a comprehensive subsidy of up to RMB 6 million, RMB 4 million, RMB 2 million and RMB 1 million, respectively. The full-time talents of the National Key Talent Project, the talents of the National Special Support Plan, the industrial innovation talents of the “Taishan Industry Leading Talent Project” and the science and technology entrepreneurship talents will be given a subsidy of RMB 1 million respectively. Subsidies of RMB 500,000 will be given to industrial skilled talents of the “Taishan Industry

Leading Talent Project”, full-time innovative talents of the “Deepening Double Hundred Plan” and entrepreneurial talents respectively. Top talents such as Nobel Prizes and academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering will be subsidized in a “one discussion over each matter” manner.

XV. Support the Introduction of Young Talents. For newly introduced talents with doctoral degrees, a living allowance of RMB 36,000 per year will be given, RMB 24,000 per year for talents with master’s degrees, RMB 12,000 per year for undergraduates from the “Double First-Class” and the world’s top 200 universities, RMB 6,000 per year for general undergraduates, and RMB 3,000 per year for junior college students. The period of enjoyment is 5 years. For newly introduced talents with doctoral degrees in Yantai City, a one-time housing subsidy of RMB 200,000 will be given, RMB 100,000 for talents with master’s degree, RMB 50,000 for undergraduates from “Double First-Class” universities and the world’s top 200 universities, RMB 20,000 for ordinary undergraduates and RMB 10,000 for junior college students. For those newly introduced to work in enterprises and public institutions in our city for the first time (including central and provincial tobacco-related units, excluding public institutions) and who have

paid social security for more than one year, doctoral students under the age of 45 and master's students under the age of 40 (excluding all levels of financial support for students studying abroad at public expense) graduated from the world's top 200 (QS) overseas universities will be given a one-time subsidy of RMB 150,000 and RMB 60,000, respectively, in addition to living subsidies and housing subsidies. For qualified technical talents and skilled talents, each person with a bachelor's degree will receive RMB 6,000 per year. Each person with master degree, intermediate professional title and technician will receive RMB 12,000 per year. Each person with doctor's degree, senior professional title and senior technician can enjoy RMB 24,000 per year for two years.

XVI. Support the Brand Building. For the enterprises participating in the special action of "Shandong Manufacturing Network goes all over the world" featured product network sales, the maximum subsidy for enterprise traffic expenses is RMB 5,000. For enterprises that have obtained high-quality brands or well-known brands in Shandong Province, each product or service will be awarded RMB 50,000, and each enterprise will be awarded no more than RMB 150,000 annually. The same product or service will be awarded only once. RMB 100,000 will be awarded to enterprises that have passed the certification of "Taishan Quality". RMB 1 million

and RMB 200,000 will be awarded to enterprises with the Governor's Quality Award and Nomination Award respectively. RMB 2 million and RMB 500,000 will be awarded to enterprises with China Quality Award and Nomination Award respectively. Up to RMB 2 million and RMB 1 million will be awarded to enterprises that have won the national and provincial “quality benchmarks”, respectively. RMB 2 million will be awarded to works that have won the Gold Award of China Excellent Industrial Design Award. A reward of RMB 500,000, RMB 200,000 and RMB 100,000 will be awarded to works that have won the gold, silver and bronze awards in the “Mayor’s Cup” Industrial Design Competition respectively.

XVII. Support the Opening-up. Priority will be given to foreign investment projects in key investment fields, industry guidance catalogues and industrial layout plans that meet the national, provincial, municipal and district regulations to apply for special funds at all levels. For qualified projects, priority will be given to recommending them to apply for provincial and municipal key projects or key reserve projects. For the institutions, enterprises or individuals newly introduced foreign trade enterprises with foreign trade import and export volume of more than USD 3 million in the current year or the second year, each project will receive a one-time subsidy of RMB 20,000. In particular, RMB 10,000 will be

subsidized for every USD 3 million increase in import and export volume on the basis of USD 3 million.

XVIII. Support the Investment and Financing of Science and Technology Innovation. An incubator seed fund of RMB 5 million for “Angel Investment” investment in excellent seed projects should be established in the incubator. The equity investment amount of a single project shall not exceed RMB 1 million. The shareholding ratio shall not exceed 20%, and the investment period shall not exceed 3 years. A science and technology innovation equity investment fund with a scale of RMB 20 million should be established to invest in high-growth science and technology enterprises in the zone by means of equity investment, and support the research and development of major key technologies and the transformation and industrialization of scientific and technological achievements in key industries and fields. The investment project cycle is generally 3 years, and the amount is not more than RMB 10 million. The policy of “one discussion over each matter” is adopted for major prospective projects that may fill domestic gaps. For projects that have obtained social risk investment, follow-up investment can be carried out based on merit, and the total amount of government contribution is generally not more than 1/3 of the social fund part.

XIX. Overall Cashing Principle. In principle, the total amount of funds (including the supporting part of municipal policies and the compensation part of district-level raised standards) that enterprises enjoy the above policies to be cashed in at the district level of Laishan District shall not exceed the enterprise's local financial contribution to the district level in Laishan District in the current year, and the part exceeding the local financial contribution will not be cashed.