



# Pearl of Central Hunan Loudi

Evaluation Report on Loudi Investment Environment 2018

KPMG Advisory (China) Limited  
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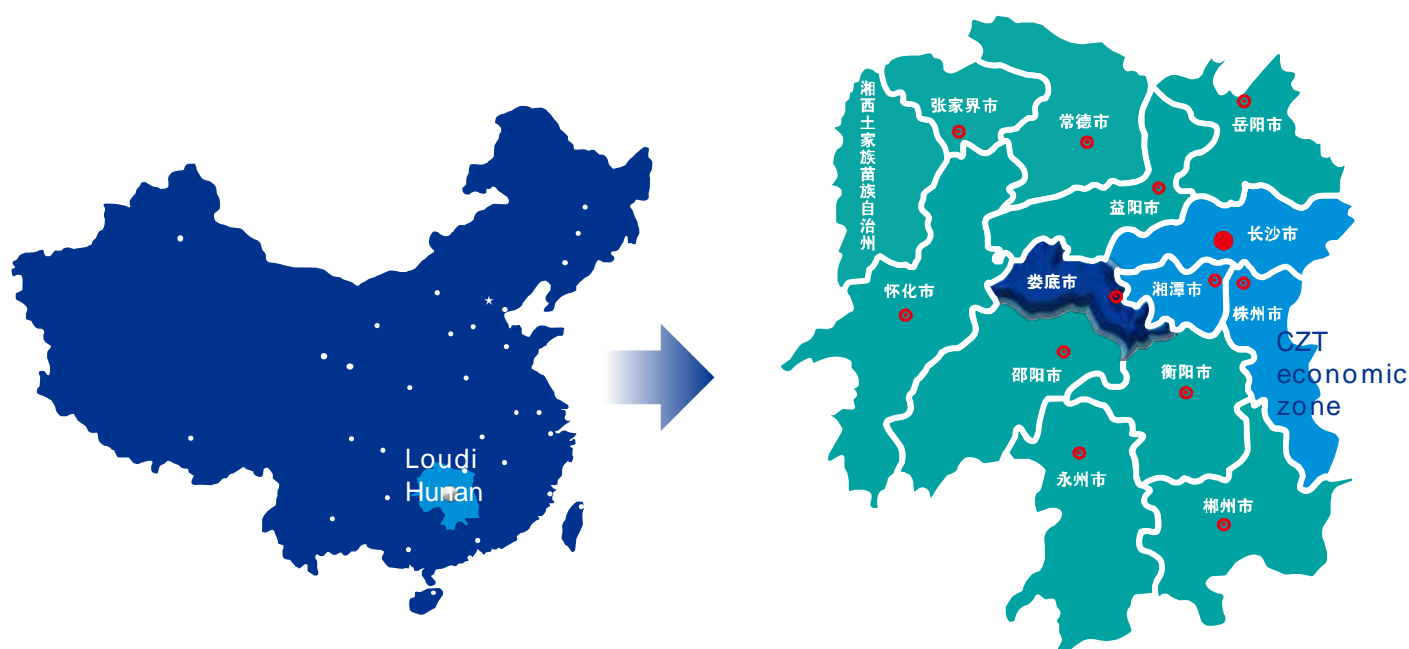
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### **Pearl of Central Hunan——Loudi**

- § **City profile**
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# City profile

- n **Location:** Loudi is located in the geometric center of Hunan, across east longitude 110°45'40" ~ 112°31'07", north latitude 27°12'31" ~ 28°14'27", connecting Yiyang and Changde in the north, Shaoyang and Hengyang in the south, adjacent Huaihua and western Hunan in the west, and Changsha and Xiangtan in the east.
- n **Area:** East-West length is 160 kilometers, North-South length is 102 kilometers, and the total area is 8117.6 square kilometers.
- n **Population:** 4,531,700(end of 2016).
- n **Jurisdiction:** Loudi City has jurisdiction over 1 municipal district: Louxing District; 4 counties and cities: Shuangfeng County, Xinhua County, Lengshuijiang City and Lianyuan City; it also sets up the national Loudi Economic and Technological Development Zone and the "Two Type" social construction demonstration area Wanbao New Zone.
- n **Climate condition:** Loudi City is located in the mid-subtropical monsoon humid climate area. It has both monsoon and continental characteristics. The climate is warm and the seasons are distinct. The annual average temperature is 16.5°C ~ 17.5°C, the annual relative humidity is 78 ~ 80%. Sunshine, warmth and rain show the same trend in the same season, which is favorable for agricultural production.



**Loudi City located in the geometric center of Hunan**



Splendid Hunan,  
Legendary Loudi



## City Brand

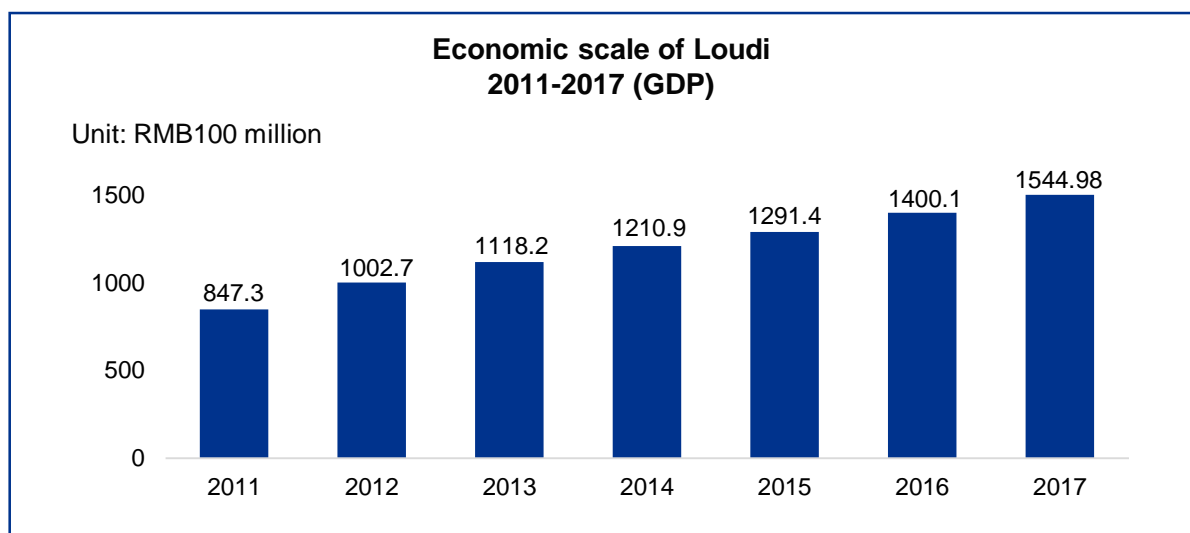
- § National Sanitary City
- § National Garden City
- § National Forest City
- § National Greening Model City
- § China Excellent Tourism City
- § Changsha-Zhuzhou-Xiangtan Urban Agglomeration "Two Type" social construction demonstration area
- § The Hometown of Chinese Poetry
- § The Hometown of Chinese Calligraphy and Painting
- § The Hometown of Chinese Heroine
- § The Hometown of Culture in Chi You's Native Place in China
- § One of the Top Ten livable cities in China

# Macro economy



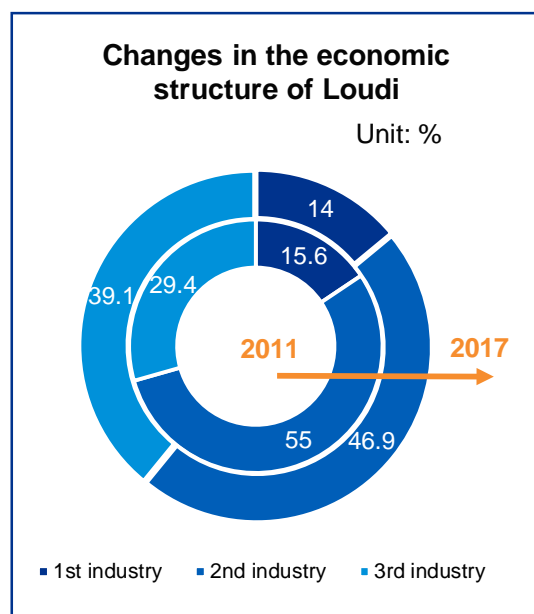
## Steady growth of economic scale

- The scale of Loudi's economy has been steadily increasing. Following the breakthrough of the RMB100 billion in 2012, the total GDP of the city is about RMB154.5 billion in 2017, with an annual compound growth of 12.8%. The GDP per capita calculated by the permanent resident population reached 39,555 Yuan, which increased by 9.9% over the same period last year.



## Optimization of economic structure

- In 2017, the three-industrial structure of the city was adjusted from 15.6:55:29.4 in 2011, to 14.0:46.9:39.1 in 2017. The contribution of service industry was remarkable, and the contribution rate to the city's economy was 51.8%.
- The pace of industrial transformation is speeding up, and the industrial structure optimization is obvious. The new technology and new materials enterprises, such as 3Sun and Dianjiangjun, have been growing rapidly. Modern finance, trade & logistics, cultural tourism and other industries have developed rapidly. The emerging industries, such as the internet economy, headquarters economy, competition economy and intelligent manufacturing, have sprung up.



Data source: Loudi statistical information network



# Macro economy

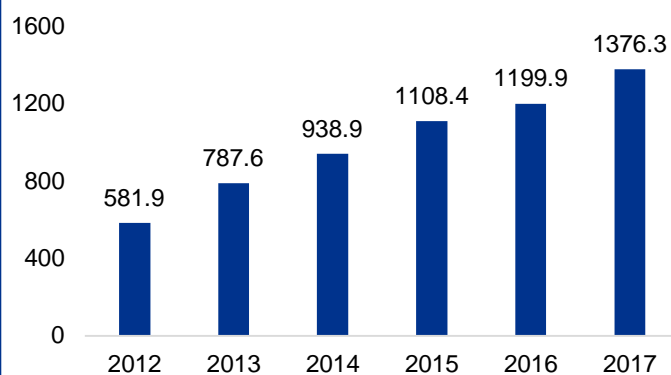


## Continuous increase in fixed assets investment

- In 2017, Loudi continued to carry out the "project construction competition" activities, which promoted 2,800 investment projects, and completed investment of RMB137.63 billion in fixed assets, with a year-on-year increase of 14.7%.
- In 2017, 210 key industrial projects were implemented, and 32 major projects invested more than RMB2 billion, with an increase of 11 projects compared with 2016.

### Investment in fixed assets of Loudi in 2012-2017

Unit: RMB100 million

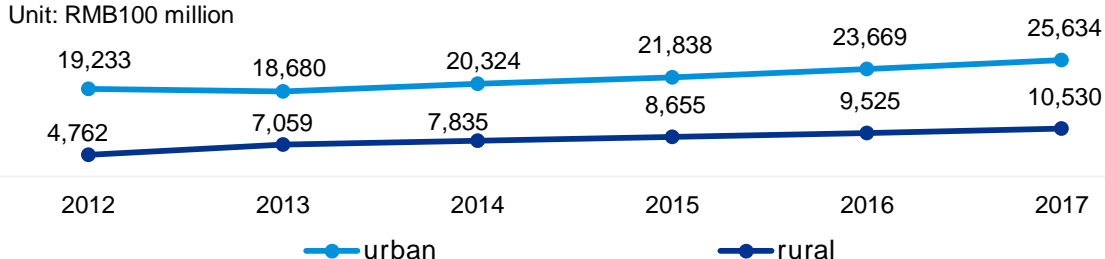


## Continuous enhancement in purchasing power

- In 2017, the per capita disposable income of all residents in the city was RMB16,813, with a year-on-year increase of 9.8%, among which, the per capita disposable income of urban residents was RMB25,634, with a year-on-year increase of 8.3%; and the per capita disposable income of rural residents was RMB10,530, with a year-on-year increase of 10.5%.

### The change curve of per capita disposable income in Loudi in 2012-2017

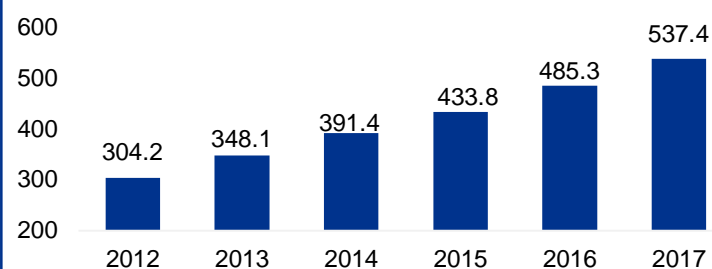
Unit: RMB100 million



- In 2017, the total retail sales of social consumer goods reached RMB53.74 billion, with an increase of 10.8% over the same period last year. Among them, the retail sales of restricted wholesale and retail businesses reached RMB24.7 billion, which increased by 14.9% over the same period last year.

### Total retail sales of consumer goods in Loudi in 2012-2017

Unit: RMB100 million



Data source: Loudi statistical information network

# City facilities

## Infrastructure construction



**Convenient urban traffic:** The construction of 6 highways were successively completed, such as Lou-Xin highway, An-Shao highway, and Chang-Shao-Lou highway. All counties and districts in the city have highway passing across. 25 villages and towns (offices) have interworking highway, and 100% of the city's administrative villages are covered by road network. With the opening of Shanghai-Kunming high speed rail, the urban area of Loudi can reach all counties within half an hour. Loudi is in the first batch of construction of transit metropolis. By the end of 2020, Loudi will be built as a "transit metropolis" with complete facilities.



**Sound public utilities:** Energy security capacity has been strengthened constantly. Xiangtan-Loudi natural gas pipeline has been built. Some residents in the central urban area have been using natural gas. The construction of natural gas pipelines in four counties and cities has been accelerated. The Xiangtan-Shuangfeng oil pipeline has been put into operation, and Loudi has become one of the five major oil reserves in the province.



**Construction of information infrastructure:** The construction of intelligent Loudi is fully started. The construction of information network infrastructure, intelligent government, city management, people's livelihood services, and intelligent industry are accelerated with an investment of RMB700 million. The big data center of "Cloud Loudi" (phase I) has been basically built up to be a unified support platform for accurate operation, scientific management, efficient service and innovative development in the city.



**Comprehensive upgrade of urban environment:** The three-year action plan of "blue sky, clean water and green earth" is actively promoted. Urban and rural residents show good attitude toward green living style. More than 1.9 billion Yuan has been invested in this field. 473,500 Mu of artificial afforestation was built and 30 million trees were planted. The area of forest land in the city reaches 6,165,000 Mu, and forest coverage in the city reaches 50.21%. The achievement in greening equals to sum of the past 10 years. The excellence rate of air quality in central towns and counties is 77.3%.



**Efficient urban management:** Actively promote the intelligent management of the city, promote the big data action plan of urban management, improve the level of intelligent management of the city, promote the standardization and legalization of urban management, and establish a great city management system. The QR code management method of urban public facilities is formulated, which is implemented on main street public facilities.



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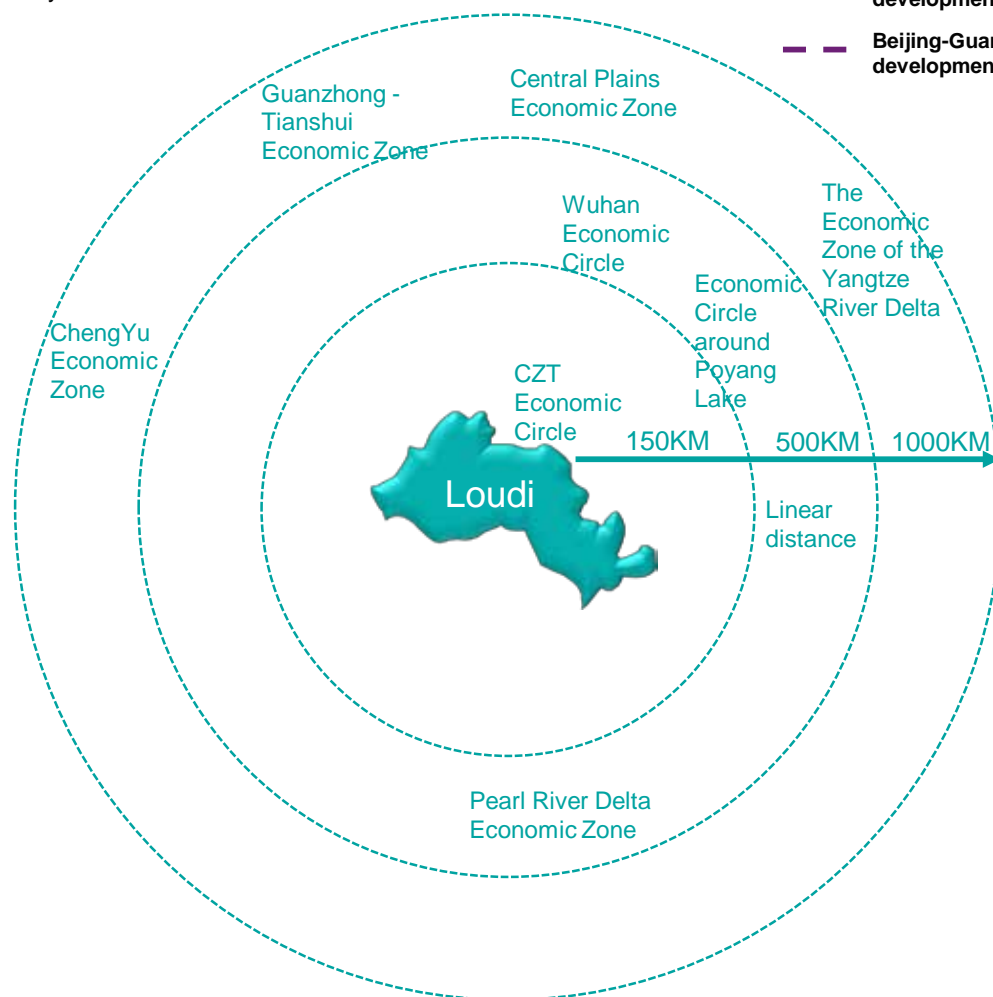
## Investment advantage

- § Strategic Loudi
- § Convenient Loudi
- § Rich Loudi
- § Cultural Loudi
- § Industrial Loudi
- § Talent Loudi
- § Technology Loudi
- § Efficient Loudi
- § Livable Loudi

## Strategic Loudi – a city with multi-strategy

### Loudi is an important city with multiple national and provincial strategies

- § Rational circulation node city
- § National second-level logistics node city
- § An important part of the urban agglomeration around Changsha, Zhuzhou and Xiangtan
- § An important part of the urban agglomeration in the middle reaches of the Yangtze River
- § An important component of the rise of the central region
- § One of the first national industrial transformation and upgrade demonstration areas
- § An important pivot city of the Shanghai-Kunming high speed railway economic zone



Loudi strategic location map



## Convenient Loudi – highway, railway, waterway and air transport connecting all directions

Loudi is located in the geographical center of Hunan Province, with wide coverage of traffic radiation radius. At present, the "1-hour" economic circle has been formed and integrated into the 1-hour economic circle of the big Changsha, the 2-hour economic circle of the Wuhan urban agglomeration, the 3-hour economic circle of the Yangtze River Delta and the 4-hour economic circle of the Pearl River Delta.

### Highway – “#” shaped highway skeleton connecting the central city



- n At present, the six highways of Loudi, **Lou-xin highway, An-Shao highway, Xin-Xu highway, Chang-Shao-Lou highway, Lou-Heng highway and Yi-Lou highway**, have been completed.
- n Shanghai-Kunming highway, with some other highways, formed a "#" shaped skeleton network in the outer ring of central area of Loudi, connecting Loudi and other provinces and cities.

### Railway – an "asterisk shaped" railway transportation network traverses north, south, east and west



- n The Hunan-Guizhou railway and Shanghai-Kunming high-speed railway cross the east and the west, and the Luoyang-Zhanjiang railway runs through the north and south. The Loudi-Shaoyang railway's expansion is completed, the Hohhot-Nanning railway is brought into the national plan, and the construction will be started. The "asterisk shape" railway network has preliminarily appeared, and Loudi is about to enter the "the age of double high-speed railway".

### Waterway – accelerating the integration into the "one vertical and five horizontal" water transport network of Yangtze River Economic Belt



- n The city's water transport mileage is 326 kilometers, and Zishui River and Lianshui River are included in the major waterway development plan and the ten major construction projects in the *Hunan Province River Transportation Development Plan*. They are also included in the "one vertical and five horizontal" waterway transport network of Yangtze River Economic Belt, with only 50 minutes drive from the Changsha-Shaoshan-Loudi highway and Changsha Xianing port, which can allow kiloton cargo ship to pass through.

### Air Transport – the construction of two airports is incorporated into the development plan of Loudi



- n Loudi General Airport is being built according to 3C airport standard (reserving expansion space for 4C standard airport). It is expected to be completed in 2019.
- n Loudi Xinhua Airport is positioned as a civil domestic feeder airport,. The technical index of the flight area is 4C.
- n Loudi urban area is only 50 minutes drive from Changsha Huanghua Airport.

## Rich Loudi – abundance in antimony, coal and non-ferrous metals

- n 56 kinds (65 subspecies) of minerals have been found in Loudi, and the reserve of 28 kinds (35 subspecies) of them have been proved, which accounts for 30% of the proved reserves in Hunan Province, and Loudi has relatively abundant species of ore in Hunan. There are 58 proved mineral reserves, including 36 large-and-medium-sized deposits, which mainly contain coal, building materials and non-ferrous metals.

Ore	World top	First in the province	Second in the province	Third in the province	Fourth in the province
Antimony	√	√			
Coal		√			
Limestone for cement, graphite, sandstone for cement mixture			√		
Pyrite, gypsum, limestone for flux and the decorative marble				√	
Refractory clay					√

Statistical summary of mineral resources reserves in Loudi City by the end of 2016

No.	Name	Reserve: unit	Number of mines	Possessing capacity	Cumulative discovery
1	Coal	1000 tons	69	1087198.74	1355874.42
2	Iron	Ore 1000 tons	14	34040.7	41438.4
3	Manganese	Ore 1000 tons	3	1254.2	1750.5
4	Vanadium	V2O5 ton	2	97030	97839
5	Copper	Copper ton	2	7065.97	9476.45
6	Lead	Lead ton	3	43810.9	44463.5
7	Zinc	Zinc ton	3	204408.7	206358.1
8	Tungsten	WO3 ton	2	1595	1900.4
9	Antimony	Antimony ton	3	207734.8	980501.7
10	Gold	Rock gold kg	3	14491.91	18793
11	Silver	Silver ton	1	2.9	3.1
12	Limestone for flux	Ore 1000 tons	2	102375	102638
13	Metallurgical dolomite	Ore 1000 tons	2	138264	143326
14	Refractory clay	Ore 1000 tons	3	4320	4556
15	Pyrite	Ore 1000 tons	2	13997.4	14036.2
16	Limestone for calcium carbide	Ore 1000 tons	2	51173	53569
17	Arsenic	Arsenic ton	2	5786	8228
18	Graphite	Aphanitic graphite 1000 tons	1	673	908
19	Gypsum	Ore 1000 tons	7	140234.8	149618.5
20	Limestone for cement	Ore 1000 tons	7	1080867	1205496
21	Sandstone for cement mixture	Ore 1000 tons	1	32019	35712
22	Clay for cement mixture	Ore 1000 tons	2	1439.4	3042.4
23	Decorative marble	Ore kilostere	1	3810	3810

Data source: Loudi Bureau of Land Resources



## Cultural Loudi – legendary and time-honoured

Loudi is said to be named due to the combined radiance of “Lou Star” and “Di Star”. It is surrounded by mountains and river, and is full of outstanding people.

### Outstanding People

#### A holy place of Chinese revolution



##### ■ Rich in Chinese red culture

Loudi is the birthplace of Cai Hesen and Cai Chang. Mao Zedong has studied here, and the No. 2 Red Army once fought in this area.

##### ■ Route of the Long March of the Red Army

During the long march of the Red Army, the No. 2 Red Army passed through Xinhua, Lianyuan, Lengshuijiang and other counties.

#### Wise men of the past



##### ■ Men of talent come out in succession

Many historical celebrities has been came here, such as Jiang Wan, the prime minister of later Shu dynasty; Tseng Kuo-fan, the military general and Confucian scholar of the late Qing dynasty and the famous diplomat Zeng Jize ever came here.

##### ■ Home of Chinese heroine

Half of the “eight heroines of China in the century” are from Loudi. Qiu Jin, Tang Qunying, Xiang Jingyu and Cai Chang were born in or married and lived in Loudi.

#### Home of calligraphy, painting and poetry



##### ■ Calligraphy and painting in Loudi

Loudi, with nearly 100 calligraphy and painting houses and art galleries, has held the Painting and Calligraphy Art Fair in two consecutive years. It has 65 members of the Chinese Academy of Calligraphy and 12 members of the Art Association, and the creation and exhibition of calligraphy and painting become common.

##### ■ Home of Chinese poetry

Xinhua county has been awarded the “hometown of Chinese poetry” by the Chinese Poetry Society. The county’s “Yu Jiang Poetry Club” has been established for 20 years.

### Glorious Place

#### Ziquejie Farming culture



##### ■ Farming culture originated in Qin Dynasty, which is a blend of historical and cultural heritage of southern rice culture and Miao Yao fishing culture.

It has unique water conservancy irrigation technology, which is the only world irrigation project heritage in Hunan province.

#### Meishan Chi You culture



##### ■ Chi You's hometown, Meishan is one of the ancestral culture of ancient Chinese civilization and Huxiang culture.

Meishan area has Meishan Nuo opera, Meishan martial arts, Xinhua folk song and many other folk cultures.

#### Longshan Medicine culture



##### ■ Holy place of traditional Chinese medicine, Sun Simiao, the king of medicine in the Tang Dynasty, wrote the first Chinese clinical encyclopedia, Thousand Golden Preions in Longshan, Loudi.

## Industrial Loudi – increasingly growth in agriculture industry

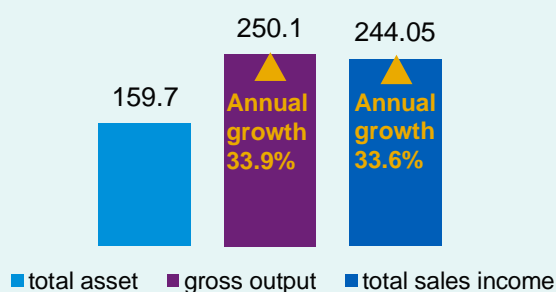
### Rich in agriculture resources

- § The area of cultivated land in Loudi is 2,890,000 Mu. There are 78 families of common crops and fruit trees, 168 genera and more than 2500 varieties; more than 370 conventional rice varieties, 21 hybrid rice combinations, more than 30 kinds of crops; more than 30 families of commercial crops and more than 360 varieties; 58 families of vegetables and more than 480 varieties.
- § A characteristic pillar industry will be built based on the “three black and one fungus” (black pig, black ox, black tea, edible fungus) featured products.

### Achievement in industrial convergence

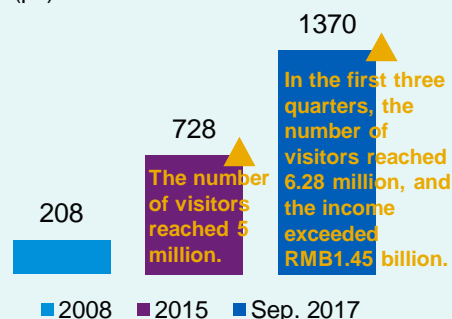
#### Situation of agricultural products processing industry in Loudi ( Jan.-Sep. 2017 )

Unit (RMB100 million)



#### Quantity of leisure agricultural enterprises

Unit (pc)



- By the end of September 2017, there were 1,240 agricultural products processing enterprises in Loudi, among which 157 enterprises possess a scale of more than RMB20 million sales per year, including 1 national leading enterprise and 31 provincial leading enterprises.

### Emerging business in agriculture

- § Shuangfeng County, Lianyuan City and Xinhua County were granted the "national rural e-commerce integrated demonstration county" and the "Hunan e-commerce entering the rural demonstration county" respectively.
- § The agricultural service system, such as the agency of grain production, the specialized control management and the agricultural technology popularization system, has been constantly improved. And the new industries, such as the grain bank and the agent service company, are flourishing nowadays.

### “Beautiful countryside” construction

▼ Home of heroine

▼ National demonstration village of tourism poverty alleviation



Yonghong Village, Shuangfeng County



Youxiqiao Village, Xinhua County



Beiyuan Village, Lengshuijiang City



Haozi Village, Lianyuan City



Zhenglong Village, Xinhua County

▲ Hunan “beautiful Countryside” demonstration village

▲ Famous tourism village of Hunan Province

▲ Famous tourism village of Hunan Province



## Industrial Loudi – the "Ruhr" of Hunan

### "Ruhr" of Hunan

- n Loudi is one of the national heavy industry base, resource-oriented city and Hunan's new energy & material base. It has formed 5 traditional advantageous industries, including steel, energy, building materials, non-ferrous metal and chemical. It can achieve the comprehensive production capacity of over ten million tons of coal, steel and cement.

### New chapter in development transformation

- n In 2017, Loudi was incorporated into the demonstration area of industrial transformation and upgrade in central Hunan (Zhuzhou-Xiangtan-Loudi). It is also one of the first **demonstration areas of industrial transformation and upgrade of old industrial cities and resource-oriented cities** proclaimed by of the National Development and Reform Commission and other four ministries and commissions .

## Five major industries

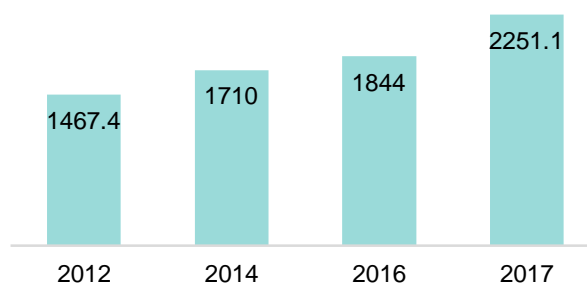
<b>Steel</b>	High quality steel, high-end automotive panels, stainless steel, steel structure, and iron and steel supporting industry.	<b>Energy</b>	Coal, thermal power, hydropower, wind power, photovoltaic power generation.
<b>Building material</b>	New dry process cement and subsequent products, high quality refractories, new wall materials and new decorative materials.	<b>Three major industries of tens of millions of production capacity</b>	
<b>Chemical</b>	High concentration chemical fertilizer, dense soda ash, coke, coal tar processing, coke oven gas making methanol, crude benzene, coal based methanol and their derivatives.	<b>Non-ferrous</b>	Refined antimony, antimony oxide, high performance antimonous oxide catalyst, antimony flame retardant and other antimony fine and deep-processed products.

## Steady growth in total industrial output

- n In 2017, the total large industry output value increased by 21.3% compared with the same period of last year, ranking first in Hunan province.
- n The high and new technology industry is developing continuously. In 2017, output value exceeded RMB57.41 billion from Jan. to Sep., with an increase of 21.5% compared with the same period last year, accounting for 37.6% of the total large industry output.

### The total industrial output value of Loudi

Unit (RMB100 million)



## Industrial Loudi – “ 1+5+N ” industrial system

1

### Mainstay industrial cluster

1

#### Industrial cluster of steel-broad deep processing and auto parts

Relying on superior enterprises such as Valin LY Steel and Lengshuijiang Steel Group, the constructions of sheet metal deep processing industrial park and Hunan automobile accessories industrial base are accelerated, and the "new steel city" will be built.

5

### 5 Major industries

+N

### Other potential industries

1

#### New energy battery and energy storage

New metal materials, biomass energy, solar energy, wind energy, biogas and other renewable energy applications

2

#### Prefabricated building

Building a housing industrialization base with design, production and construction as well as a housing industrialization demonstration park with steel structure and parts and components

3

#### Advanced ceramics

Taking electronic ceramics as the core feature, structural ceramics, functional ceramics and health care ceramics develop in multiple ways.

4

#### Military and civilian integration

Dual-purpose products are to be developed in the fields of intelligent machinery, new materials, aerospace, satellite applications, integrated circuits and electronic components.

5

#### Cultural tourism

Building an all-for-one tourism demonstration area, developing cultural creativity, fitness and leisure (sports fitness), eco-tourism.

1

#### Biological pharmacy and health

Focusing on developing biomedicine, bio agriculture, bio energy and other fields to speed up the construction of healthy towns.

2

#### Modern commercial logistics

Carrying out multimodal transport pilot projects, strengthening and expanding a number of specialized wholesale markets and integrated wholesale markets.

3

#### Internet information

Promoting the integration and development of mobile internet and cultural creativity, cloud computing, big data and Beidou navigation.

4

#### Modern agriculture

Transforming the way of agricultural development and promoting the integration and development of the three industries.

5

#### Modern finance service

Developing new financial type and creating regional modern financial agglomeration areas.

6

#### Modern agricultural machinery

Building the largest agricultural machinery industrial base in the east

7

#### Environmental protection and the intensive processing industry of antimony products

Strengthening the unified layout of industries, developing the processing of antimony, and promoting the construction of antimony trading center.



## Industrial Loudi – city of the steel

### Continuous growth in steel industry

In 2017, the total steel production in Loudi reached 12,455,000 tons, which increased by 21.1% compared with the same period of last year, and the profit was doubled.

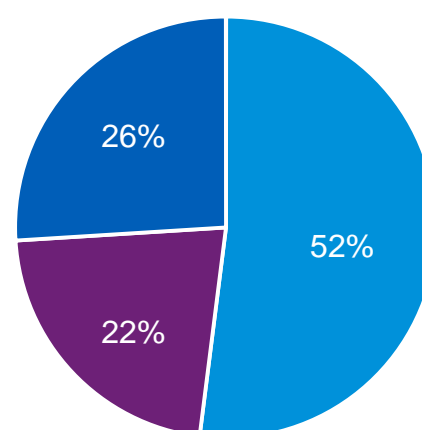
### The upstream leading enterprises provide strong driving force

Loudi City has upstream steel production enterprises, such as Valin LY Steel, VAMA and Lengshuijiang Steel Group.

#### Fine steel production base – Valin LY Steel

- Valin LY Steel is a key enterprise under Valin Group, which is one of the top10 steel enterprises in China, and a super-large state-owned enterprise in Hunan province.
- Its production capacity of crude steel is 8,500,000 tons per year, and the product structure is mainly composed by super-thin and ultra-high strength hot-rolled and cold-rolled coils with high technology content and high added value.

#### Product structure of Valin LY Steel



■ hot-rolled product ■ cold-rolled product ■ ribbed bar

### The leading position of Auto Sheet-VAMA

- VAMA is one of the major investment projects approved by the National Development and Reform Commission and the Ministry of Commerce. It focuses on China's automotive steel products and is committed to providing products and services for international auto manufacturers and top industry suppliers, while providing high quality automotive steel solutions for domestic auto manufacturers and their supplier networks.
- The project could produce 800,000 tons of cold rolled coil, 200,000 tons of aluminum coil and 500,000 tons of hot-dip galvanized steel after the project reaches the designed capacity.



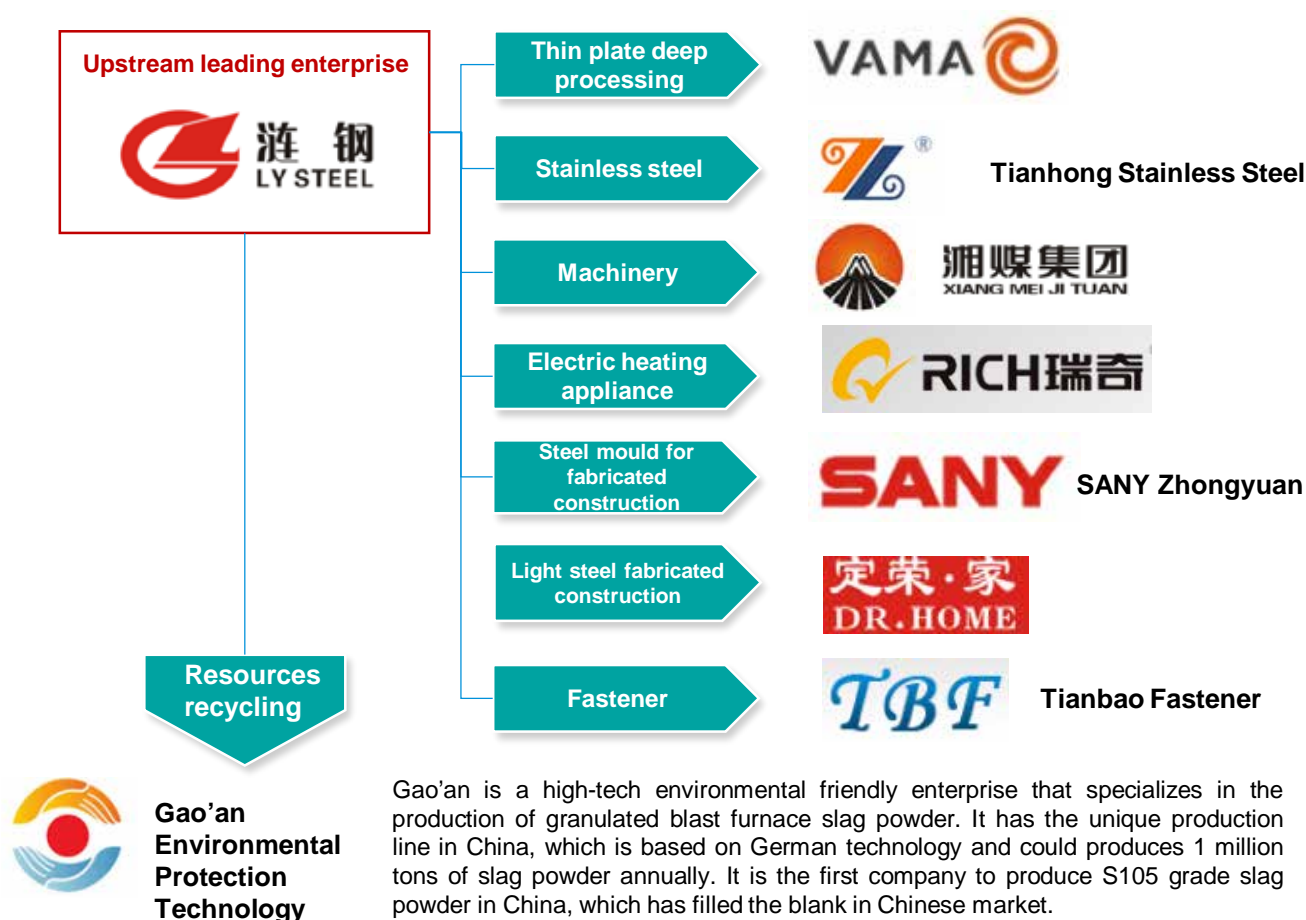
## Industrial Loudi – rapid growth in steel-broad deep processing and auto parts industry

### The downstream steel deep processing industry chain continues to extend

With Valin LY Steel as the core of development, the iron and steel industry extends along the industrial chain to engineering machinery, transportation facilities, agricultural machinery, mining machinery, sheet metal forming automobile parts and many other fields, forming a sophisticated industrial chain .

In 2015, awarded by the Hunan provincial government, Loudi officially became the "auto supporting industry base of Hunan province". At present, leading by VAMA auto sheet, 45 vehicles and parts manufacturing enterprises formed an industrial cluster, and Wenchang New Material, Hunan 3Sun, Guanghua Machinery, Dafenghe Electric Vehicles, Jinhua Vehicles, Tengda Semi-axle, Huada Automobile Air conditioner and so on settled down in Loudi. Loudi has become an important part of the automobile industry in Changsha-Zhuzhou-Xiangtan region.

Based on the waste treatment and resource recycling of Valin LY Steel, Gezhouba Renewable Resources, Gao'an Environmental Protection Technology, Sentai Renewable Resources, CITIC Sus Environment and Guogang Steel and many other projects continue to develop.



### 葛洲坝环嘉（大连）再生资源有限公司

In October 2017, Huanjia formally settled in Loudi. After reaching its designed capacity, the project could reach an annual production of renewable resources of 1.5 million tons, among which 1 million tons are waste steel, 100 thousand tons of waste nonferrous metals, 50 thousand tons of waste PET5 and 350 thousand tons of waste paper.

Note: The above shows only some key fields and representative enterprises.

## Industrial Loudi - 5 ten-billion-output-scale industry become increasingly prominent



### New energy battery and energy storage

With strategic opportunity of the “national industrial transformation and upgrade demonstration area”, Loudi accelerates the transformation from a traditional-energy-material-oriented city to a new-energy-storage-oriented city.

- n Loudi has great basic conditions for this industry. The output value of new energy storage in Loudi reaches more than RMB60 billion. The Deep Processing Industry Park in Loudi Economic and Technological Development Zone and the New Energy Power Battery and Energy Storage Power Supply Industry Park can serve as important carrier platforms for the development of the industry.
- n At present, there are 65 large-scale enterprises. Hunan 3Sun, Electric General, Wenchang Technology, Tianyi High-tech have been listed as key projects of the strong manufacturing province program. The main products include new energy and power battery, intelligent energy storage power supply, new energy storage material, composite material, etc.



#### Hunan 3Sun

- § The total investment of Hunan 3Sun project is RMB2 billion, and the designed capacity is 5 billion kwh lithium battery per year, which can equip 100 thousand electric vehicles.



湖南文昌新材料科技股份有限公司  
Hunan Wenchang Advanced Materials Technology Co., Ltd

- § Hunan Wenchang Advanced Material Co., Ltd., stock code 837654. The products mainly include aluminum alloy materials and aluminum alloy parts. The company's products have won the gold reward of the new material industry fair three times, which is jointly held by the Ministry of Industry and Information Technology, the Chinese Academy of Sciences, and the Chinese Academy of Engineering.



### Fabricated construction

Relying on the steel industry, Loudi accelerates the development of prefabricated buildings, extends the steel industry chain, and achieves industrial transformation with improvement in quality.

- n At present, Loudi has introduced a batch of fabricated construction enterprises, such as SANY Construction, Broad Homes, Zhuoda Group and DR. Home, which formed a number of new industrial leading projects. According to the plan, during the "13th Five-Year Plan" period, the fabricated buildings will account for 50% of the total area of the city's real estate development.

Name of enterprise	Description of construction
SANY Builder	The planned land area is about 150 Mu. The total investment is RMB1.38 billion. The project plans to achieve RMB2 billion of sales income in 3-5 years.
Zhuoda Group	The total planning area is about 2,000 Mu, and the production capacity is 300 million square meters. The total output value will reach RMB750 billion after reaching the designed capacity.
JHTC Group	Produce 60 thousand lightweight steel structure residences each year.



## Industrial Loudi - 5 ten-billion-output-scale industry become increasingly prominent



### Advanced ceramics

#### Developing with sound and advanced ceramic industry system, many hidden-champion products and enterprises formed here

By the end of 2016, there were 150 ceramic enterprises in Loudi. The total industrial output value reached more than RMB6.2 billion, with an annual industrial growth rate of 20%. The industrial structure mainly focuses on electronic ceramics and the combined development of structural ceramics, functional ceramics and health ceramics. Among all the products, alumina ceramic material is a major featured series.

In the domestic market, the market share of the thermostat porcelain pieces reaches 80%. The market share of the metallized porcelain tube and the protective tube porcelain tube for the discharge tube is over 70%, and the market share of the water valve series products is up to 90%.

#### Three ceramic technology service platforms in Loudi

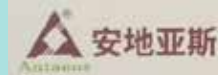
**National Center for Quality Supervision and Inspection of Electronic Ceramics Products**

**National Industrial Ceramics Standardization Technology Committee, Structural Ceramics Sub-technology Committee Secretariat**

**Service Platform for Innovation and Entrepreneurship in Functional Ceramics and New Energy Vehicle**

#### Key enterprises gather in Loudi

Antaeus, Xinxing Ceramics, Jiuxin, Zhongyi Refined Ceramics, Ying Hong, Changqing, Luster, Xianglong Technology, Yalong, and other special ceramic enterprises have gathered in Loudi.



Loudi Antaeus Electronic Ceramics Co., Ltd.: the first leading enterprise, which is innovative in new energy vehicle functional ceramic parts and accessories production.



Hunan Xinhua Xinxing Electronic Ceramics Co., Ltd., one of the top 500 private enterprises in Hunan Province, is committed to the national structure ceramic standardization technical committee secretariat. And the gas discharge tube ceramics holds nearly 40% of the global market share.



### Military and civilian integration

#### Developing the integration in wider range and higher level

Improve the development mechanism of military and civilian integration, promote multi-level integration of military technology and civilian technology, and promote the construction of the civil-military integration demonstration base and the civil-military integration industrial park.

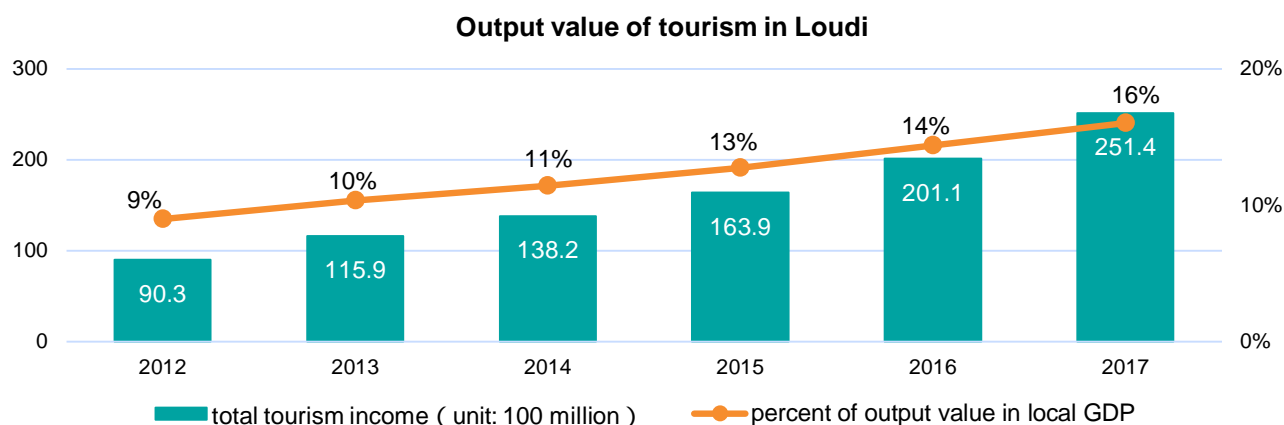
A number of important projects, such as Loudi titanium industrial base, Grin new material, Huajing technology, and Jinxin electronics, have gathered in Loudi.

## Industrial Loudi - 5 ten-billion-output-scale industry become increasingly prominent



### Cultural tourism

- Loudi is a national excellent tourism city, and the tourist economy has achieved leapfrog development. During 2012-2017, the average annual growth rate of tourism reached 26.21%. In 2017, the number of tourist arrivals was 34,661,300 person-trips, and the total tourism income was RMB25.14 billion, which accounted for 16.27% of the city's GDP. It was the fastest growing "leading industry" in the city.



### Surrounding with mountains and rivers, possessing various culture and tourism resources

- Loudi has 4 national intangible cultural heritage projects, 7 provincial intangible cultural heritage projects, 4 level AAAA scenic spots, 103 cultural and tourism sites and 73 natural tourism sites. In 2017, the added value of culture and related industries in Loudi reached RMB6.78 billion, which accounted for 4.39% of its GDP. Relying on "Xiang Army Nostalgia" and "Meishan's Charm", Loudi focuses on creating the eight tourist brands - Qin's terraced fields, the hometown of Tseng Kuo-fan, the world antimony capital, the water landscape Mei Jiang, Meishan Caves, cultural water palace, medicine culture in Long Shan and the historical Da Xiong Mountain.



#### The relics of Qin people – Ziquejie Terrace (National AAAA level scenic spot)

- The national scenic spot, the national natural and cultural heritage, one of the first batch of important national agricultural systems and inclusion in the Globally Important Agricultural Heritage Systems (GIAHS).
- Originated in the pre-Qin period, it boasts over 2,000 years of history. It is the core bearing area of the farming culture of Loudi, and is known as "top10 most beautiful terraces in the world" and "the kingdom of terraced fields".



#### Lian Yuan Mei Jiang Scenic Spot (National AAAA level scenic spot)

Single side canyon of the world wonders



#### Meishan Caves (National AAAA level scenic spot)

National Scenic Spot  
Most Beautiful Geological Museum in Asia  
National Natural and Cultural Heritage



#### Hometown of Tseng Kuo-fan (National AAAA level scenic spot)

Important Historical Monuments under Special Preservation  
Cradle of Xiang Army

## Industrial Loudi - rapid development of industries with great potential



### Biological pharmacy and health

#### Building the central health valley

In the biological pharmacy field, Loudi has high-tech enterprises such as Huichuntang Pharmacy, Jianyuan Medical, Xiangcun Stock, Kanglu Biology, Weijia Biology, Wuxing Biology, Taixin Taide, Nova Biology, Huaxin Biology, Kangzhe Pharmaceutical, Futai Chinese Medicine, and Chinese Decoction Pieces. The industrial scale surpasses RMB5 billion.

The plan aims to form the overall layout of the health industry with "one center, one zone and four bases". Centering on the central urban area, the health industry zone is gathered along Loudi Avenue. With Shuangfeng Qingshuping and Gantang TCM materials plantation, processing and distribution base, the Lianyuan and Longshan traditional Chinese medicine convalescence base, Lengshuijiang modern biological medicine and medical equipment manufacturing base, and Xinhua Daxiong mountain ecological health base, the city forms the overall layout system of the health industry, which leads by the center area and coordinated with the industrial zone and the four bases.



### Modern agricultural machinery

#### A number of competitive agricultural machinery enterprises emerged in Loudi, with outstanding regional characteristics and good marketing share.

**Diverse categories.** In 2016, the output value of agricultural machinery and electromechanical industry in Loudi reached RMB7.643 billion. There were 65 agricultural machinery terminal enterprises and 48 supporting enterprises, producing 300 types of agricultural machinery products in over 60 varieties. It is the town of Chinese rice milling machinery, new industrialization demonstration base and agricultural machinery industry park. And it's also one of the top10 major agricultural machinery markets in China.

**Strong R&D capacity.** It has 1 state-level R&D center, 2 provincial R&D centers, and 8 provincial bases in which enterprises, universities and research institutes could work together.

**Large market share.** The annual trading volume of agriculture machinery and electromechanical market in central Hunan exceeds RMB2 billion; grain processing and corn threshing machinery account for over 60% of the Chinese market share; agricultural machinery is exported to over 20 countries, with a cumulative export of more than USD15 million in 2016.



It holds 100 patents, leads or participates in the formulation of 2 national standards and 7 industry standards. The market share of combined rice mill is close to 20%, and the production and sales volume ranks first in China. The production and sales of small harvesters, transplanters and dryers rank top in Hunan province.



Hunan Jin Song Machinery Co., Ltd. is the first private enterprise specializing in the production of mini combined rice polisher in Hunan province. It has 33 national patents.



## Industrial Loudi - rapid development of industries with great potential






### Internet information

#### The IT industry is rising rapidly, and several famous enterprises settle down in Loudi

Focused on the IT application, Loudi promotes the integrated development of such sectors as mobile internet industry, cultural and creative industry, cloud computing, big data, Beidou navigation, and geographic information. Google Group Central South Data Center, MOMO Technology Live Streaming Platform, "Internet plus business town" of EGO Group, Zhongguancun Blockchain Alliance Project, and the first domestic F2C platform "Shundezao" offline exploration hall have settled in Wanbao New Zone of Loudi. Beidou satellite navigation terminal products R&D and manufacturing and application platform of Jinxin Electronics has settled in Louxing industrial concentration district, so as to speed up the construction process of important information products center and mobile internet development base in Loudi and central Hunan.

Wanbao New Zone also focuses on incubation of startups, has successfully incubated 32 companies including Zhong Wei Ying Lian and Intelligent Meihui, covering mobile e-commerce, intelligent terminal, platform service, cross-border e-commerce, internet + food production, internet+ targeted poverty alleviation, and live streaming.

	<b>MOMO Technology</b>	<p>§ One of the important project introduced to internet + innovation and entrepreneurship center.</p> <p>§ On July 17, 2017, Loudi MOMO Technology Co., Ltd. completed the commercial registration, and put into operation in December of the same year. It will create a live streaming platform belonging to Loudi.</p>
	<b>Guigu Technology owned by Google</b>	<p>§ The Google Central South Data Center will settle in Wanbao New Zone, which has a great attraction to the related supporting enterprises.</p>
	<b>EGO Group</b>	<p>§ The main business of EGO Group is e-commerce incubation, with a market valuation of over RMB13 billion. RMB300 million was invested in the construction of the "internet + entrepreneurship town".</p>
	<b>Hongkong Xinqi</b>	<p>§ Shundezao innovation creates a new business model of "internet + large chain scene experience center + integrated shop + membership" for home appliances, building materials, sanitary ware, etc. Shundezao settled in the high-speed railway South Station area in Loudi, covering an area of 40,000 square meters.</p>
	<b>UCF Group</b>	<p>§ UCF Group is one of the few enterprises with full financial license in China. After the project is put into operation, the short loan scale of up to RMB6 billion will bring new financial support to the development of the enterprises.</p>

## Industrial Loudi - rapid development of industries with great potential



### Modern Commercial logistics

**Loudi is the national 2nd-level logistics park layout city and the national regional circulation node city, attracting the key logistics park investment projects to settle in Loudi**

**The international logistics park in central Hunan - to realize the integration mode of customs inspection and CIQ**

- § The project is invested and constructed by China CO-OP Group, and is a key provincial investment promotion project, a key provincial construction project, a major provincial industrial project and a major provincial service industry project in Hunan province.
- § The project has an investment of about RMB6.5 billion, with a total area of 2,400 mu, and the total building area is about 3 million square meters.
- § The multi-modal transport center, logistics information center, bulk building materials and ceramics exhibition center, industrial products and raw material display and trading center and other logistics trading platforms are in the pipeline. At the same time, the park can provide customs inspection and CIQ integration mode for clearance services, which can significantly promote foreign trade.



Planning map of Loudi economic and Technological Development Zone, the Central Hunan International Logistics Park



Planning map of Wanbao New Zone Chengtong Business Logistics Park

**Loudi Cheng Tong Business Logistics Park - create Loudi consumer goods business logistics zone**

- § The project is invested and developed by China Logistics Co., Ltd., with a total investment of RMB4 billion, and a total building area of 1.52 million square meters. Warehousing and logistics area covers over 800,000 square meters, with a total of nearly 300,000 square meters of supporting areas.
- § It provides comprehensive logistics services such as highway-railway-waterway multimodal transport, railway container distribution, international freight forwarding, warehousing, distribution, and supply chain finance.
- § Bonded warehousing area is in construction.

## Talent Loudi – a city with a galaxy of talents and and boundless potentials



### Genuine hometown of academicians

- By the end of 2017, there were 12 academicians in Loudi, including 11 academicians from the Chinese Academy of Sciences and the Chinese Academy of Engineering, and 1 academician of the American Academy of Sciences.





#### The list of Academicians in Loudi

Academician of CAE	Zhang Xinwei	Academician of CAE	Zeng Sumin
Academician of CAS	Deng Qidong	Academician of CAS	Zeng Yixin
Academician of CAE	Xie Heping	Academician of CAE	Liu Yongjian
Academician of CAS	Zeng Zhaolun	Academician of CAE	Wang Hanzhong
Academician of CAE	Liu Jun	Academician of CAS	Duan Wenhui
Academician of CAE	Liu Gengtao	Academician of AAS	Qiu Ren



### Characteristic education provides professional talents for enterprises

- In 2016, 8,500 students were admitted to Loudi institutes of higher learning, with 27,600 students at school and 6,000 graduates; 12,600 students of all kinds were admitted to secondary vocational schools, with 34,200 students at school and 14,300 graduates.

Name of college and university	Profile
 <b>Hunan University of Humanities, Science and Technology</b>	It is a general university with 50 undergraduate majors and 1 master's degree program, covering nine disciplines, including liberal arts, science, engineering, education, business, management, law, agriculture and art. There are 16,323 full-time students and 740 full-time professors, including 3 experts enjoying special allowance from the State Council and the provincial government.
 <b>Loudi Vocational and Technical College</b>	It is a provincial public full-time general institution of higher learning, national backbone vocational college construction unit and Hunan demonstrative higher vocational college. There are over 700 full-time professors and 11,000 full-time students. It has 3 national key construction majors with the state finance support, such as mechanical and electrical integration technology, coal mining technology, animal husbandry and veterinary medicine and 2 central national key construction majors, such as construction engineering technology, and application electronic technology.
 <b>Xiao Xiang Vocational College</b>	It is a provincial higher vocational college. There are four professional clusters, viz., automobile engineering school, urban construction engineering school, mechanical and electrical engineering school and business school. There are 20 popular majors, including automobile inspection and maintenance, construction engineering technology, accounting computerization and numerical control technology as the key construction majors.
 <b>Loudi Technician Institute (prepare)</b>	The state key technical school and senior technical institute; there are over 200 faculties, 3,186 students enrolled, and more than 3,000 students trained for a short period each year. There are over 30 specialties, such as lathe workers, fitter, electrician, welder, NC machining technology, CNC machine tool maintenance, mould design and manufacture, mechanical and electrical integration, electrical automation and electronic technology application, modern logistics management, tourism and hotel management, automobile inspection and maintenance.



## Technological Loudi - innovation system formed



### Initial formation of technological innovation system

- Forming a multi-layer system of technological innovation platform

#### General situation of technological innovation in Loudi

Innovation platform	Profile
<b>National innovation platform (3)</b>	<ul style="list-style-type: none"> <li>National Demonstration Base for industrialization of Heavy Metal Pollution Prevention and Control Engineering Technology Research Center</li> <li>National Center for Quality Supervision and Inspection of Electronic Ceramics Products</li> <li>Enterprise technology center of Hunan Nongyou Machinery Group Co. Ltd.</li> </ul>
<b>Provincial academician work station (2)</b>	<ul style="list-style-type: none"> <li>Academician Expert Workstation of Hunan Valin LY Steel</li> <li>Academician Zhou Honghao Expert Workstation of Loudi Central Hospital</li> </ul>
<b>Provincial key laboratory</b>	<ul style="list-style-type: none"> <li>Hunan Key Laboratory of fine ceramics and powder materials</li> </ul>

Provincial engineering technology research center (6); provincial engineering research center (9)

Provincial enterprise technology center (13); provincial star creation world (4)

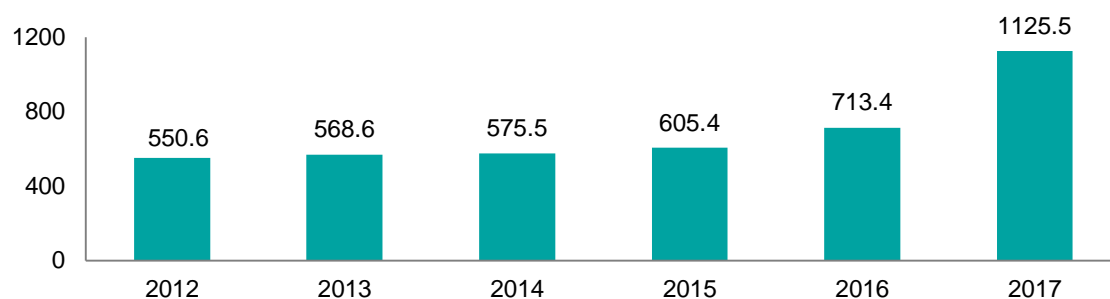


### Gradual better development of high-tech industry

- The high and new technology industry maintained continuous growth and sped up since 2016. The growth rate of the output value of high and new technology industry reached 12.5% in 2016, and rise to another record in 2017.

#### The development situation of high and new technology industry in Loudi

Unit (RMB100 million)



## Efficient Loudi – “one-stop service by one trip” for the updated version of “streamline administration, delegate powers, improve regulation, and strengthen services”

### “One-stop service by one trip” reform

**In 2017, the ratio of cancellation of matters for administrative approval and mergers in Loudi was up to 100%, and the total downsizing rate reached 70%.**

**Implement “one-stop service by one trip”, and “one-center processing, one-network approval, one-stop service”.**

- The issues involving a single department (window) are processed immediately in a streamlined manner at one time, relieving the people and enterprises of the hassle of going to the same department (window) many times.
- Issues involving many departments are processed at one window through parallel approval and integrated service, so that people and enterprises only need to go to one department.
- The related issues involving multiple levels are processed and completed at the community level through decentralization, multi-level linkage, and online examination and approval reform, so that the people and enterprises only need to go to one government department for accessing government services.

### Scientific supervision Efficient management

**“Regulate intermediary services”:** Implement the list management system, make clear and publish the fees standard, resolutely crack down on the “red top intermediary” that relies on administrative power to provide compulsory services.

**“Improve credit rewards and punishments”:** Establish a credit information sharing and exchange platform connecting the entire country, draw up a list of credit rewards and punishment measures, perfect the typical “red list” and “blacklist” for serious loss of credit, and build a joint disciplinary mechanism”.

### Precise service Satisfying enterprises

**“Strengthen business service”:** Introducing famous professional service enterprises in design, training, consulting, business, and testing, etc., to set up professional service institutions in a variety of forms, such as sole proprietorship, joint venture, and cooperative enterprise.

**“Upgrade the park service”:** Providing “one-stop, whole course, tracking, butler” service for key enterprises and projects; establish an industrial development fund of not less than RMB2 billion and RMB1 billion by setting up a financing platform.

**“Make customs clearance more efficient”:** Promoting the “single window” and port IT-based construction, building the Loudi electronic port, align it with the provincial electronic port, and realizing interconnecting with foreign trade enterprises; according to the management category of the last year, upgrading the type four to type one in order, and completing the tax rebate procedures for the type one enterprises in 5 working days and type two enterprises in 10 working days that meet the tax rebate condition.

## Efficient Loudi – implementation of “Internet + public service” reform, to promote the “eight ones” construction

<b>“ One database ” sharing</b>	Building municipal government information resources exchange and sharing platform. Through the horizontal and vertical information flow, complete the construction of basic database and electronic certificate database, such as population, legal person, space geography, social credit, enterprise credit and so on.	<b>“ One network ” processing</b>	The integration of the front end of the government portal and the front-end of the online government hall, data docking and application compatibility; the establishment of a unified processing platform on the Internet, the seamless docking of the examination and approval items, the business system and the online business hall, and the realization of a "one network" service.
<b>“ One code ” management</b>	The promotion of standardization of government affairs, and all matters shall be uniformly coded into the management of rights and responsibilities list, so as to ensure that the matters management data are homologous and standard.	<b>“ One card ” request</b>	With identity card and social credit code as the only sign of citizens, legal persons and other organizations to apply for services, a unified identity authentication system of the city is constructed and a certificate number can be used to request all matters of government service.
<b>“ One center ” Concentration</b>	All government affairs should be concentrated into government service hall at all levels, and multiple services should be processed in one center or window.	<b>“ One hotline ” connection</b>	To offer the city's 12345 mayor hotline for overall plan and municipal command, gathering consultation, complaint, evaluation and suggestion, and promote the mutual integration and service guarantee of the 12345 mayoral hotline and the online office hall, the entity office hall.
<b>“ One window ” reception</b>	The department service windows are classified into a comprehensive service window, and the service mode of "front desk comprehensive reception, back desk classification approval and unified window release" is adopted.	<b>“ One system ” operation</b>	The four level government information platform is connected to the city, county, township and village, and the work mechanism of "great government service" is built, and the service of non-differentiated government affairs are gradually realized so that service is processed in nearby department, processed all in the same city, possibly processed in a different city and one-stop processed.



## Efficient Loudi – simplifying the approval process before the project starts, and merging it into four parts

- q According to the *Trial Method of Optimizing Process for Simplifying the Approval of Loudi Municipal Government Investment Project*, and *Government Approved Investment Project Catalogue* (2017 Edition), implement the approval system for the enterprise investment project. Before the project starts, the approval procedure is simplified into four steps, namely, the approval of the project, the approval of preliminary design, the joint review of the construction drawings, and the approval of the construction permits.



### q Explore a series of pilot reform measures such as implementing investment project commitment system, prior construction and post acceptance mode

- ¾ Carry out the pilot of investment project commitment system. The strategic emerging industrial projects in the Loudi Economic and Technological Development Zone will be promised in writing by the enterprises for the construction in accordance with the state laws and regulations and policies, and the relevant procedures stipulated by laws and regulations before the official operation shall be completed.
- ¾ Carry out the pilot of prior construction and post acceptance mode. The enterprises that rent or purchase standard workshops in Loudi Economic and Technological Development Zone are allowed to request completion acceptance after construction.

## Livable Loudi – complete entertainment, sports and education, one of China's Top 10 livable cities



### Garden City -- the city in the green, the house in the flower, and the human in the picture

- In 2007, it was ranked 8<sup>th</sup> among the Top Ten Livable City in China of *China Urban Brand Value Report*.
- It is steeped in culture and the great men give glory to the place. It is the hometown of Chi You, one of the three great ancestors of the Chinese nation. It is one of the main birthplaces of Huxiang culture. The natural and cultural landscapes add radiance to each other, and there are four 4A scenic spots.
- It has the honorary title of national green model city, excellent Chinese tourist city and national garden city. It is beautiful and livable.

### Sound education and medical infrastructure

- The city has 1 general university, 2 higher vocational colleges, 23 secondary vocational schools, 38 general senior high schools, 247 junior high schools, and 770 general primary schools.
- There are 64 private hospitals and 32 public hospitals, including 17 general hospitals (2 tertiary hospitals), 8,231 practicing doctors and practicing assistant physicians, 7,298 registered nurses, and three medical insurance covering more than 96% of the people.



### Ample entertainment and life facilities

- There are 6 art museums and cultural centers in the city, 21 museums and memorial halls, 6 public libraries, 5 radio stations, 6 TV stations, 99.67% television comprehensive population coverage, and 99.79% radio comprehensive population coverage.
- The modern flower-drum operas, such as Flowers Come out and Fall, Soul of Steel, Village Folks, and Xiang opera Censor Burning the Wagon, are performed wonderfully.

### Complete physical fitness facilities

- There are 4,993 sports venues in the city, including 20 gymnasiums, 311 sports fields and 30 swimming pools. In the prefecture-level city of Hunan Province, Loudi City sports center and stadium features are the most complete, also ranking first in the national prefecture-level cities.



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## Main development carriers

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- § Louxing Industrial Concentration Zone
- § Loudi High-tech Industrial Development Zone
- § Lengshuijiang Economic Development Zone
- § Shuangfeng Economic Development Zone
- § Xinhua Economic Development Zone



## Layout of main development carriers in Loudi

In accordance with the principles of "resources sharing, complementary advantages and staggered development", Loudi actively promotes the national Loudi Economic and Technological Development Zone as the core park, and plans the city's high-tech zones, industrial parks, two-type demonstration areas, industrial concentration areas, and the professional parks in Loudi Economic and Technological Development Zone, with a view to building the industrial development layout of "one zone and multiple parks".



### National Level Development Zone

- **Loudi Economic and Technological Development Zone:** National economic and technological development zone, national demonstration base of new industry, with a focus on becoming a concentration zone of advanced equipment manufacturing industry, and the supporting base of automobile industry in Hunan Province.

### Provincial Level Development Zone



- **Wanbao New Zone:** Changsha-Zhuzhou-Xiangtan Urban Agglomeration resource-saving and environment-friendly society demonstration area and provincial e-commerce demonstration concentration area, focusing on building modern service industry agglomeration area.
- **Louxing Industrial Concentration Zone:** Provincial industrial concentration area, with a focus on building a national relocation and transformation demonstration area of urban old industrial district, and circular economy industrial agglomeration area.
- **Loudi High-tech Industrial Development Zone:** Focusing on building a demonstration area of new industrialization, leading area of new urbanization, agglomeration area of modern service industry and carrying area for attracting investment.
- **Lengshuijiang Economic Development Zone:** Focusing on building a resource-based city transformation and development industry agglomeration area, achieving an annual economic growth rate of over 25%.
- **Shuangfeng Economic Development Zone:** Promoting the "enclave economy" park of Hunan Province, undertaking the industrial base and Taiwan industrial park construction, and focusing on becoming the agricultural machinery industry base, bio-pharmaceutical industry base, and electronic information industry agglomeration area.
- **Xinhua Economic Development Zone:** Accelerating the construction of Xinhua integration and development demonstration area, and focusing on building a cultural tourism and leisure industry agglomeration area and electronic ceramic industry base, realizing the average annual growth rate of over 25% for the park economy.

# Loudi Economic and Technological Development Zone

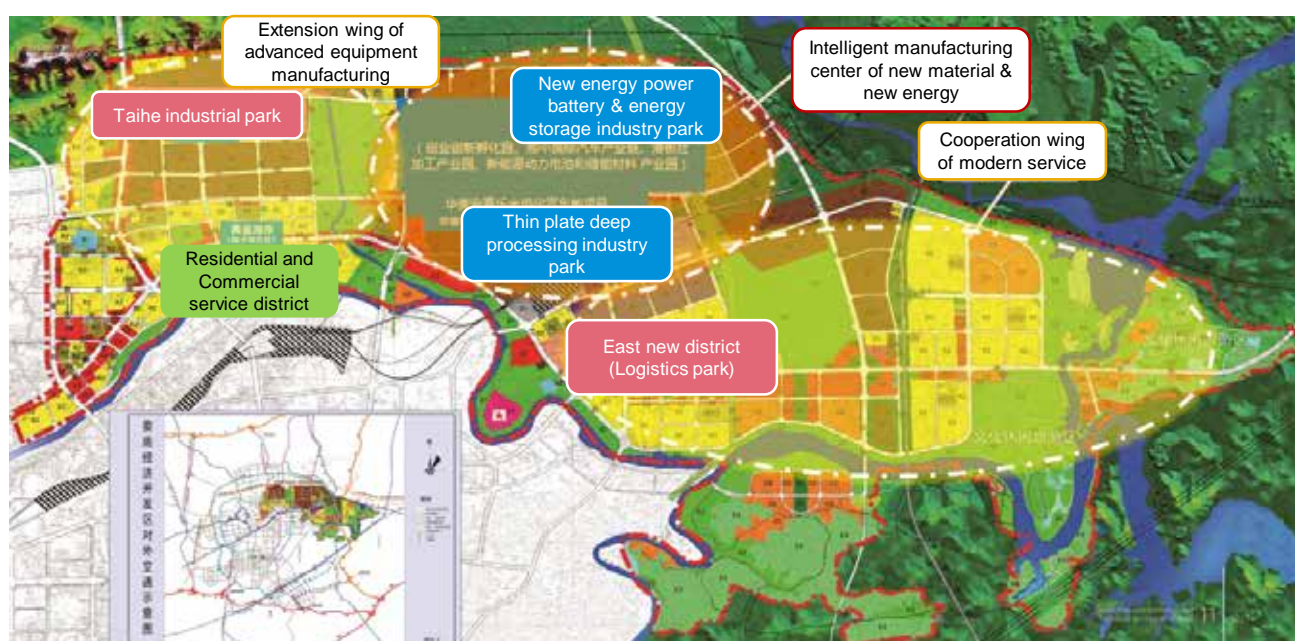
## Profile

- **Development course:** Loudi Economic and Technological Development Zone was established in 1992 and officially launched in 2003. On October 13, 2012, it was upgraded to the national economic and technological development zone with the approval of the State Council. In 2015, it became the sixth "Park with a hundred billion output value" in the province. In 2016, its comprehensive development level was evaluated among the top 100 by the Ministry of Commerce.
- **Industrial strength:** The main economic indicators of the park have maintained a "double-digit" growth, which is higher than the growth rate of the province and the growth rate of the industrial parks in the province.
- In 2017, the total income of technology, industry and trade was RMB135 billion, a year-on-year increase of 15.2%. The total output value of scale industry reached RMB62.6 billion, a year-on-year increase of 45%.
- In 2017, the added value of industry above a designated level stood at RMB 117.37 billion, a year-on-year increase of 40.6%, of which the value added of high-tech industry accounted for 63.46%.

**Innovation platform:** It has 1 national technology station, 12 provincial innovation platforms, 16 municipal innovation platforms. And technology cooperation centers have been set up in cooperation with universities such as Central South University, Hunan University, Xiangtan University and other institutions of higher learning; small and medium-sized enterprise entrepreneurship and innovation incubation park has a plant area of 500,000 square meters, and a comprehensive information building of logistics park is built.

## Layout

- **Industrial space layout:** "one center and two wings"
- "One center" - new materials and new energy sources intelligent manufacturing as the center.
- "Two wings" - advanced equipment extension wing and modern service cooperation wing.



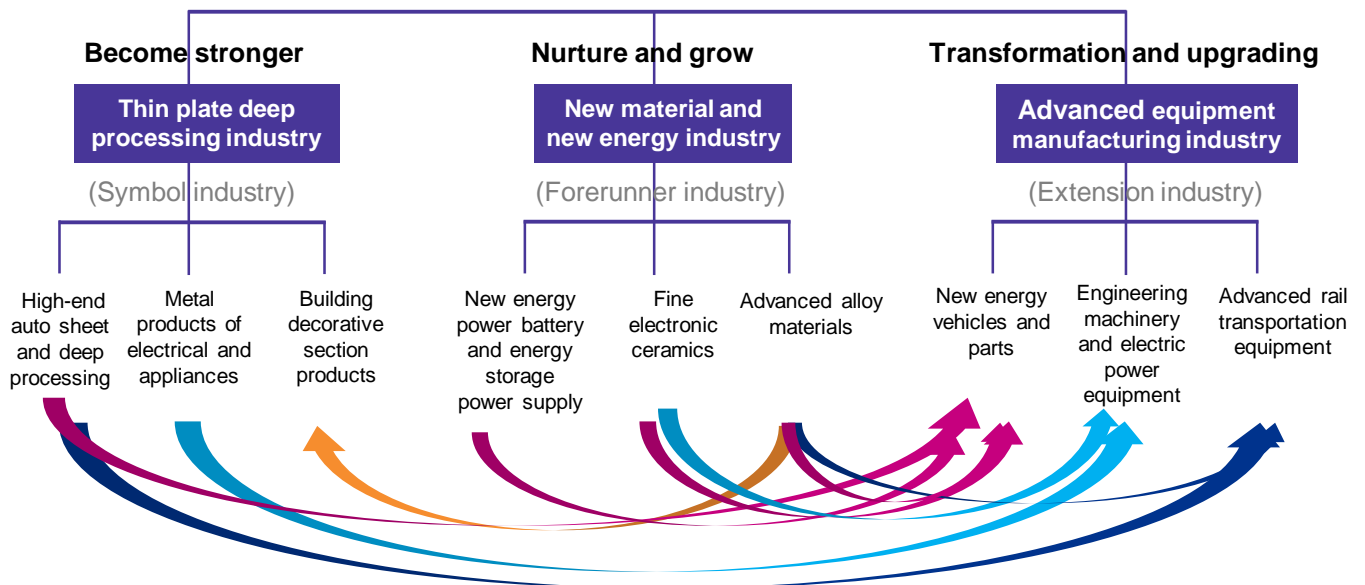
Industrial layout of "one center and two wings" in Loudi Economic and Technological Development Zone

## Loudi Economic and Technological Development Zone

- **Leading industry system:** constructing the three leading industry systems

Leading industrial system of Loudi Economic and Technological Development Zone			
Current leading industry	Thin plate deep processing		Equipment manufacturing
Proportion of industrial scale output value (2016)	41.89%		36.85%
Granted honor	National new industrialization demonstration base		Hunan auto industry supporting base
Leading industry in “13th Five-Year Plan”	Thin plate deep processing (symbol)	New material and new energy (forerunner)	Advanced equipment manufacturing (extension)
Main industry development carrier	Thin plate deep processing industrial park	Energy power battery and energy storage power industry park	The first industrial park (Taihe Industrial Park)
Leading enterprises (incomplete list)	Arcelor Mittal of Valin. Gonvarri.	Antaeus. Santai New Material. 3Sun New Energy.	Dafenghe. Jinhua Vehicles. SANY Zhongxing Hydraulic.

### Three leading industrial systems





## Wanbao New Zone

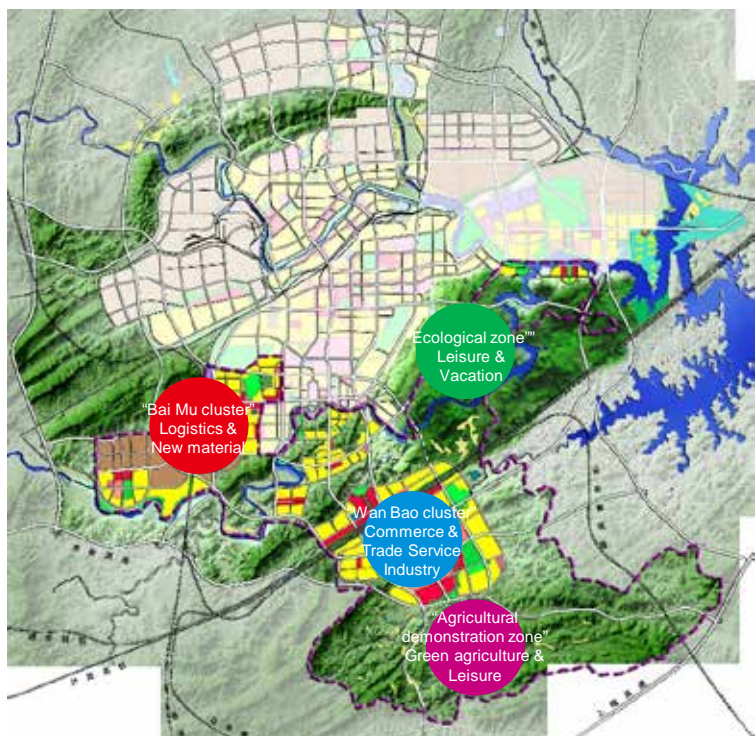
### “Resource-saving and environment-friendly society” leads the demonstration to central Hunan

- **Development course:** Wanbao new zone, set up on January 6, 2011, is one of the “five zones and eighteen areas” of Changsha-Zhuzhou-Xiangtan Urban Agglomeration as resource-economical and environment-friendly society. It is located in the core area of expansion and quality improvement in Loudi. Wanbao New Zone ranges from Lianshui River in the north, Louxing District administrative boundary in the east, Shuangfeng County Hongshandian Town, Xingzipu Town in the south, Louxing District Shuidongdi Town in the west. The total land area is about 110 square kilometers.
- **Development orientation:** focusing on the development of mobile internet, high-tech, modern logistics, cultural tourism, health and elderly care.

### Layout

#### “Three zones, four highlights”

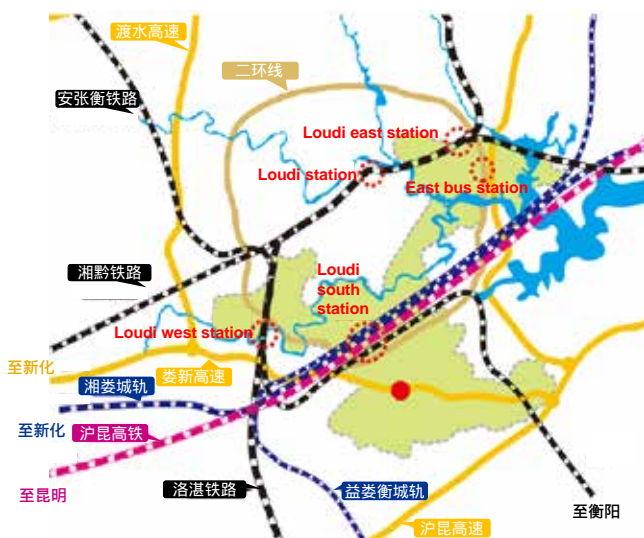
- **“Three zones”:** The demonstration area of quality city, the agglomeration area of new industries and the leading area of the two-type society construction.
- **“Four highlights”:** Creating the “municipal service area” on the South Bank of Sunshui River, concentrating on civic center, exhibition center and so on to form the city window that corresponds with the city government; in the north section of the high speed railway south station, building the “modern service agglomeration area”, developing the financial services, Internet +, headquarters economy and so on; creating “modern logistics park” in the West Railway Station area; creating “cultural tourism and ecological zone” in Xiannvzhai, and developing the cultural tourism industry.



### Location advantage of building the logistics center

#### Superior location and traffic connection

- Loudi south station of Shanghai-Kunming high speed railway is located in the core area of the new zone.
- Shang-Rui and Lou-Xin highways pass through it, Yi-Lou-Heng and Chang-Shao-Lou highways pass around it.
- An-Zhang-Heng and the Luo-Zhan railways interchange between the north and the south.
- Hunan-Guizhou railway and Shanghai-Kunming high-speed railway border the east and the west; Shanghai-Kunming high-speed railway and the planned Hohhot-Nanning high speed railway cross.
- Zhu-Lou, Yi-Lou-Heng city rail lines reaching the province.
- Xiangzhong Avenue, Louxing South Road and Fuqing South Road link up the city center.



## Louxing Industrial Concentration Zone

### Profile

- **Development course:** Louxing Industrial Concentration Zone, located in the western part of Louxing District, was approved as a provincial industrial concentration area in November 2012 by the provincial people's government. The total planning area of the park is 48.66 square kilometers, of which the initial area is 8.26 square kilometers.
- **Industrial strength:** In 2016, Louxing Industrial Concentration Zone achieved RMB10.9 billion for technology, industry and trade, the added value of industry above a designated scale stood at RMB2.1 billion; fixed assets investment reached RMB2.3 billion, and the tax revenue reached RMB68 million. At present, 76 enterprises have settled in Louxing Industrial Concentration Zone, including 17 industrial enterprises above a designated scale, realizing RMB1.642 billion from domestic direct investment and USD20 million from foreign capital.
- **Industrial layout:** Cooperating with China Academy of Engineering Physics to develop the military and civilian integration industry; taking the pre-fabricated building industry as the leader to build the industrial base of the housing industry; taking the 500,000 tons waste steel base project as the leader to develop the comprehensive utilization of resources; developing the steel supporting industry with Steel Zhongyuan Development Co., Ltd. as the leader.

### Layout

#### Overall layout

Three parks, two axes and one center.

#### "Three parks" :

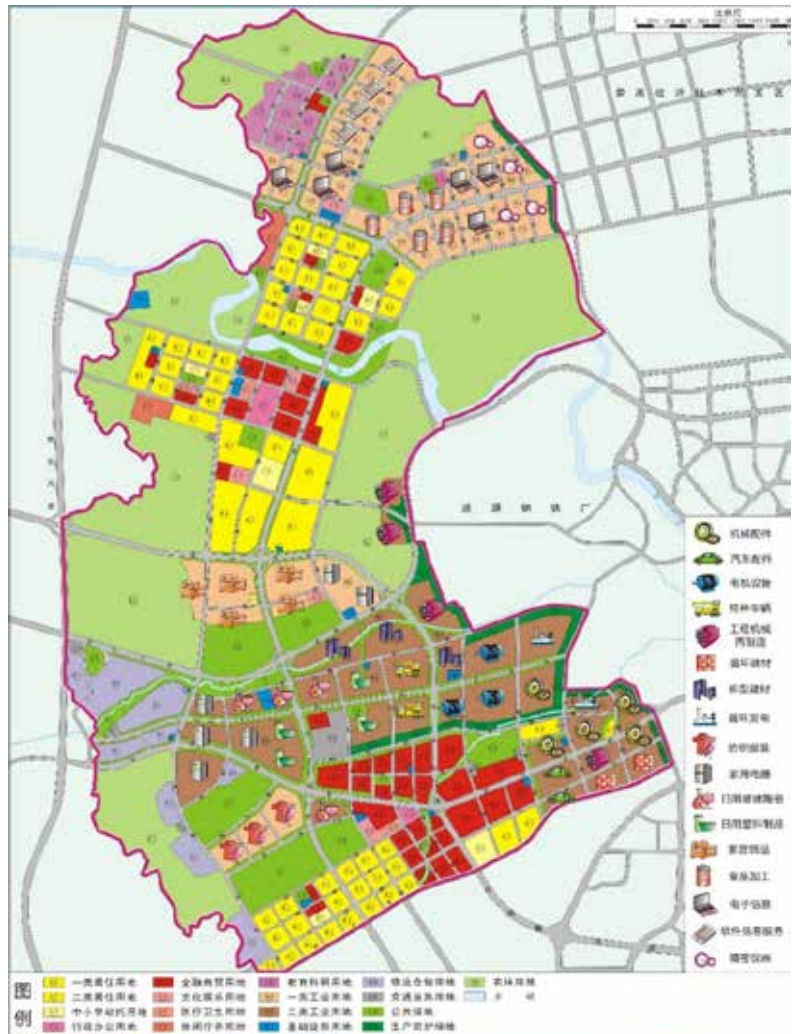
- Steel deep processing industrial park based on Gaoxi Industrial Park.
- Renewable resources recycling economy industrial park with Sentai Renewable Resources Processing as the leader
- Construction machinery parts and components industry park with SME entrepreneurship park as the platform.

#### "Two axes":

- Lianbin West Street and Loudi Avenue

#### "One Center"

- Loudi west production materials logistics and service center with Jinlian Logistics as the leader





# Loudi High-tech Industrial Development Zone

## Profile

- **Development course:** Loudi Hi-tech Industrial Development Zone, located in the eastern part of Lianyuan City and established in 1992, was approved as a provincial economic development zone in 1994, and upgraded to a high-tech industrial development zone in Hunan province in July 2016, and renamed as Loudi High-tech Industrial Development Zone on September 5, 2017.
- **Industrial status :** From January to July 2017, the park added value of industry above a designated scale was approximately RMB2.652 billion, accounting for 56.06% of the total in the city; the investment in the fixed assets of the park was RMB2.32 billion, a year-on-year increase of 31%, and the total output value of the high and new technology industry was RMB7.473 billion, a year-on-year increase of 32.2%, and the added value of the high and new technology industry was RMB1.941 billion, a year-on-year increase of 21.3%. The tax revenue was RMB184 million, a year-on-year increase of 12.88%. In the first half of the year, it ranked 14th among top 50 parks in the total industrial output value.
- **Location advantages:** Integrated into the 1-hour economic circle of Changsha-Zhuzhou-Xiangtan and the 2-hour traffic circle of all cities in the province. With the neighboring cities of Loudi and Shaoyang, they have formed a “silver triangle” interactive and coordinated development area in Hunan Province.
- **Industrial layout:** Layout with advanced equipment manufacturing, new materials and biomedicine as the main form, with special agricultural products processing, warehousing and logistics as the auxiliary industry structure.

## Layout





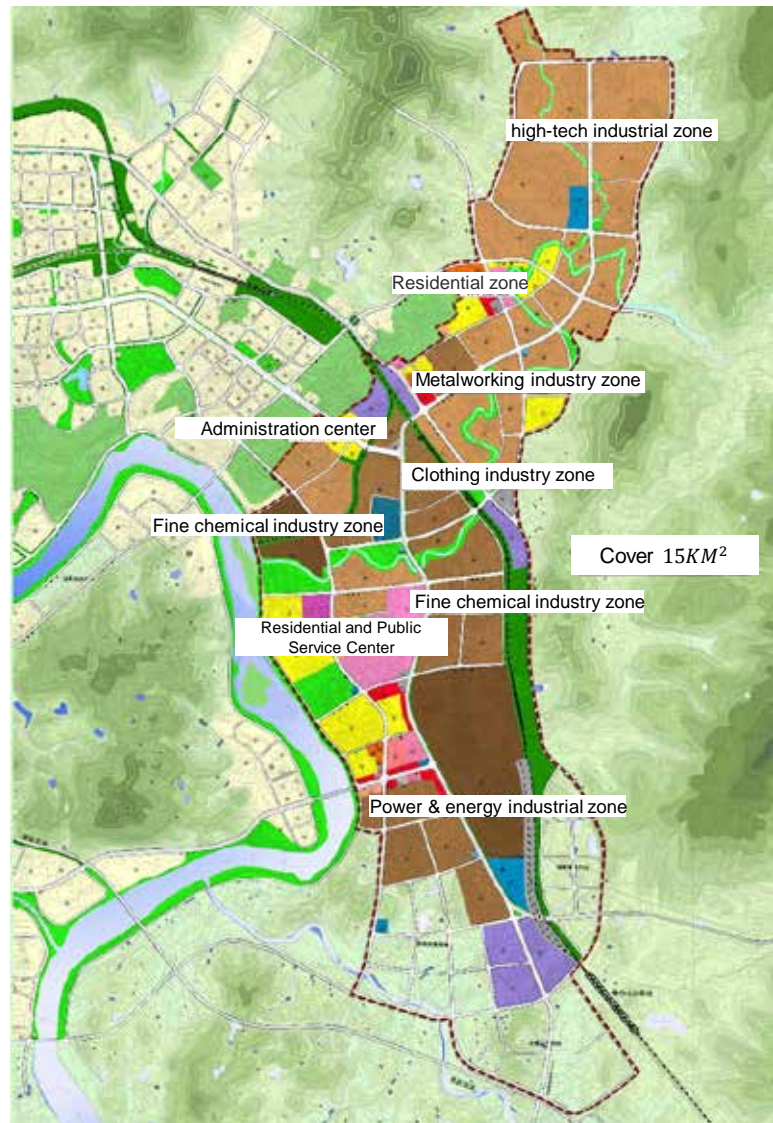
## Lengshuijiang Economic Development Zone

### Profile

- **Location advantages:** Lengshuijiang Economic Development Zone is located in central Hunan Province. The development zone is only 1 kilometer away from the entry to Lou-Xu highway, and 2 hours' drive away from Changsha Huanghua Airport. It enjoys very convenient traffic connection.
- **Infrastructure:** Since its inception in 2005, the development zone vigorously promotes the construction of infrastructure. The construction of the road network has been completely launched, which can completely meet all kinds of projects' electricity and water needs, and the whole area's communication optical cable network is smooth.
- **Mineral resources:** Lengshuijiang, located in the central part of Hunan, is an important energy and raw material base in Hunan. It is known as "the world's Antimony Capital" and "Jiangnan Coal Sea".
- **Industrial status:** There are five pillar industries: metallurgy, power, coal, chemical industry and building materials. In 2007, the total output value of industry above a designated scale was RMB21.95 billion, and the added value was RMB5.79 billion, ranking fourth in the top 10 cities of Hunan province.

### Layout

- **Industrial layout:** The Development Zone is planned into "one center and five zones"
- **"One center"**
  - Administrative service center
- **"Five zones"**
  - Clothing industry zone
  - Metalworking industry zone
  - Fine chemical industry zone
  - High-tech industrial zone
  - Power & energy industrial zone



# Shuangfeng Economic Development Zone

## Profile

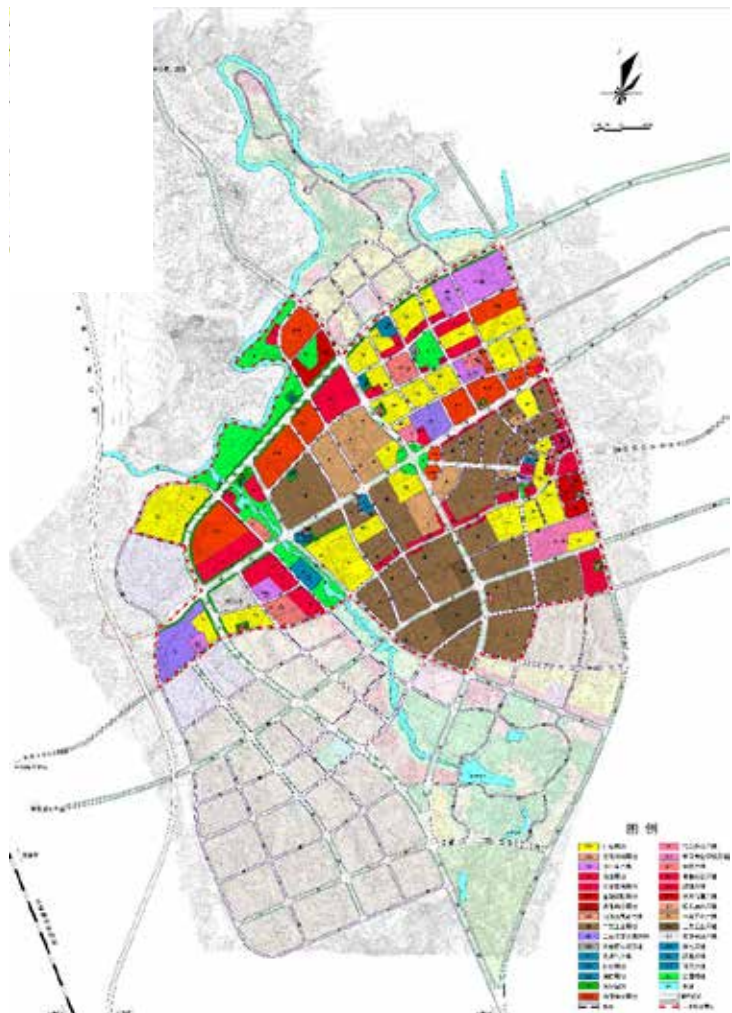
- **Development course:** Shuangfeng Economic Development Zone, established by the provincial government of Hunan in 1992, became a provincial development zone in 2005 after the reorganization of development zones nationwide, with a planned area of 10.8 square kilometers. It is Hunan provincial SME entrepreneurship base, Hunan electromechanical manufacturing base of agricultural machinery, and one of the top 10 bases of coastal industrial transfer bases undertaken in Hunan.
- **Investment status:** 67 enterprises settled here cumulatively, including 34 enterprises with considerable scale, 15 innovation and pioneering enterprises, 11 scale-up enterprises, 3 new listed companies, 2 new Chinese famous brand enterprises, 25 famous brand enterprises in Hunan, 2 enterprises at county level quality award, 5 e-commerce enterprises and 11 high and new technology enterprises.
- **Development status:** The total output value of the industrial park is nearly RMB2 billion, and the industrial output value of enterprises above the designated size is RMB1.5 billion, and the gross industrial output is increasing at the rate of 30% per year.
- **Leading industries:** A characteristic park with Hunan Agricultural Machinery Manufacturing as the leading role, stainless steel new materials, light industry shoes, agricultural and sideline products processing, bio-medicine as the dominant players.

## Characteristic industries

- **Agricultural machinery manufacturing industry:** Hunan Nongyou, Guofan Industrial and Mining, Jinfeng Machinery, Dingyuan Machinery and other projects have formed the large electromechanical market of agriculture machinery in central Hunan, which is also the largest agricultural machinery market in central and South China. The investment scale of the existing agricultural machinery manufacturing industry is nearly RMB500 million.

## Leading enterprises

- Shuangfeng Xing'ang Shoes Co., Ltd.
- Hunan Nongyou Machinery (Group) Co., Ltd.
- Hunan Tianhong Material Technology Co., Ltd.
- Hunan Shuangfeng Kaidi Biomass Power Plant



# Xinhua Economic Development Zone

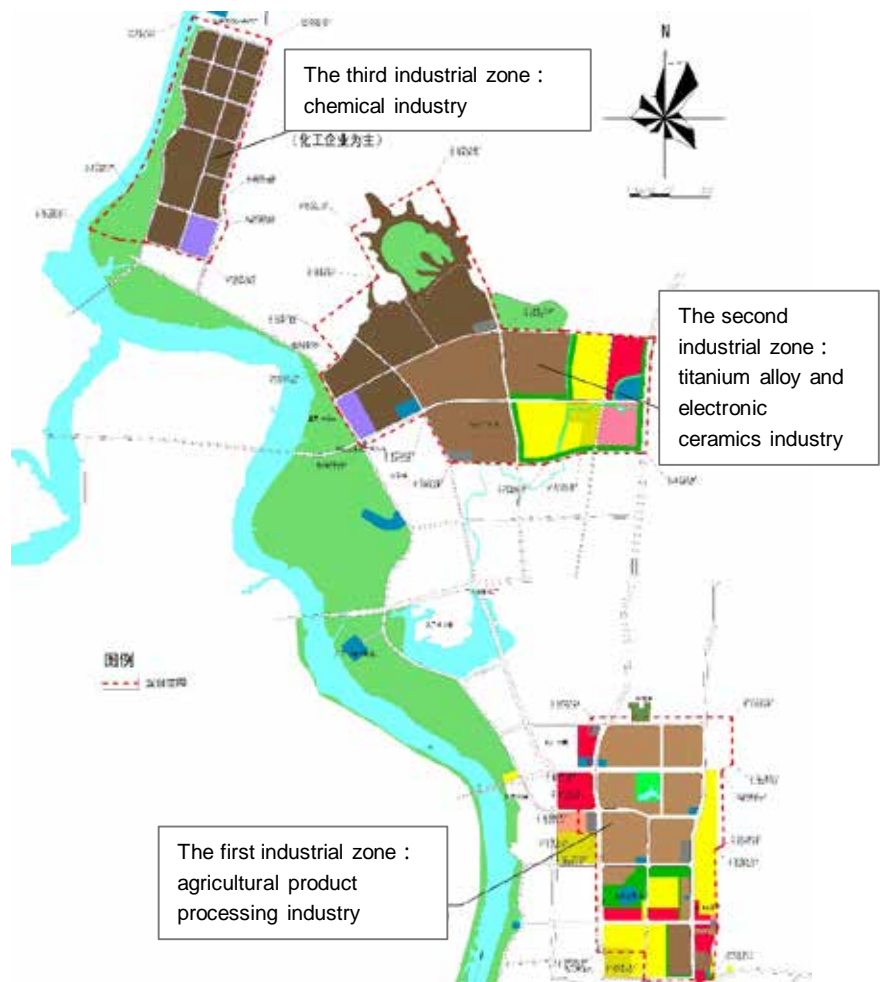
## Profile

- **Development course:** Hunan Xinhua Economic Development Zone, formerly known as “Xinhua County Meiyuan Economic Development Zone”, is located in Xinhua County, Hunan Province. It is the provincial development zone approved by Hunan government in 1992. In January 2006, after the review of the National Development and Reform Commission and the Ministry of Land and Resources, it was established as a provincial development zone, and was renamed as "Hunan Xinhua Economic Development Zone".
- **Infrastructure construction:** Since its inception in 1992, the development zone has invested nearly RMB500 million in water, electricity, road, communication and other infrastructure, as well as the construction of supporting facilities for schools, markets, hospitals, stations and other living facilities. More than 50 projects including production, tourism, service and real estate are introduced.
- **Industry orientation:** Dominating in the traditional industries such as electronics, ceramics, biochemistry, food processing, processing of Chinese medicinal materials, bamboo and wood processing, new metal powder and other traditional industries, it is committed to developing high-tech industries.

## Layout

### ■ Industry Positioning of the “Three industrial zones”:

- The first industrial zone : agricultural product processing industry
- The second industrial zone : titanium alloy and electronic ceramics industry
- The third industrial zone : chemical industry





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## Voice of investors

§ Valin LY Steel Co., Ltd.

§ Valin Arcelor Mittal Auto  
Sheet Co., Ltd.

§ Antaeus Electronic  
Ceramics Co., Ltd.

§ Hunan 3Sun New Energy  
& Technology Co., Ltd.

§ MOMO Technology Co.,  
Ltd.



## Valin LY Steel Co., Ltd.

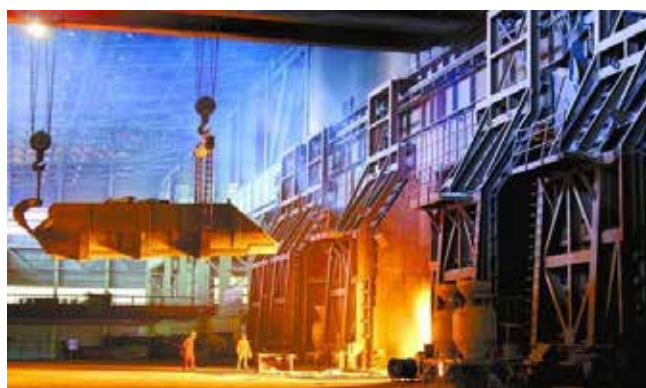
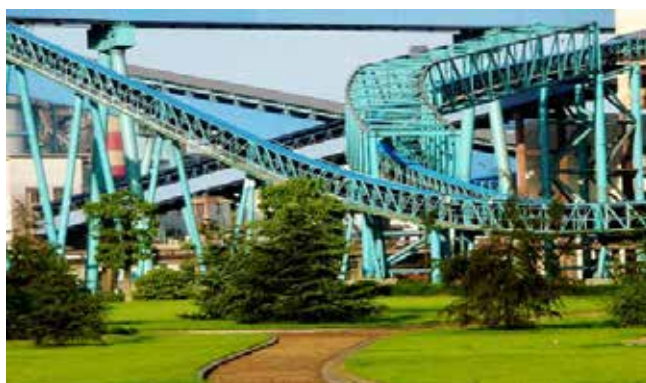
Party committees and governments should build bridges for LY Steel and its downstream products businesses, provide security and precise services, and promote effective and deep cooperation between the two sides. On the one hand, it is necessary to bridge and establish an effective mechanism for the interconnection and intercommunication between the two parties. On the other hand, special and precise service should be arranged for the enterprises to solve the problems. The Loudi municipal government should promulgate preferential policies to support the development of LY Steel. In short, through the joint efforts of the government, LY Steel and many downstream enterprises involved in the steel industry, will create steel and iron industrial clusters with tens of billions output value in Loudi.

—— Li Jianguo, Secretary of the Loudi Municipal Party Committee

### Profile

LY Steel was built and started operation in 1958. After 59 years of development and expansion, it has 8.5 million tons of steel production capacity, and has the whole process line from coking, sintering, steelmaking to steel rolling. The product structure is based on high technology content, high added value super thin high strength hot rolling and cold rolling coil. The hot rolled products account for about 52% and cold rolling products account for about 26% and ribbed bar about 26%.

LY Steel sticks to the road of high end, high quality, characteristic and differential development. Relying on the iron and steel production technology of Arcelor Mittal, it manufactures refined plate, improving the ability of automobile sheet R&D and product quality process control in an all-round way. From architecture to household appliances, from the ship to the car, the products of LY Steel have entered thousands of households. "Shuangling" trademark entered "China top 10 public recognized trademarks", which was identified as "A Well-Known Trademark in China" by Administration of Industry and Commerce. More than 100 key projects in China, including Three Gorges Project, the Yellow River Xiaolangdi Dam Project, Wuhan- Guangzhou high-speed railway and Xiangxi Aizhai Bridge, are designated to use "Shuangling" high-quality steel products. Automobile sheet, construction machinery steel, and household appliance plate and other key products have entered the domestic premium brand supply chain, and are exported to more than 40 countries and regions in Southeast Asia and Europe and the America.



## Valin Arcelor Mittal Auto Sheet Co., Ltd.

"The company has been strongly supported by the Loudi municipal government since its establishment. From project approval to formally completed and put into production, it took 730 days, and achieved the highest level in the same industry in terms of construction speed and quality. Urban leaders regularly come to the meetings in our company to understand our needs and difficulties, and arrange designated personnel to help us solve problems encountered in our daily operations. In recent years, the government has made great progress in terms of tax preferences and efficiency.

——Cai Jun, VAMA Administrative Manager

### Profile

Valin Arcelor Mittal Auto Sheet Co., Ltd. (VAMA), a joint venture in China's steel industry, is created by the Valin Steel and Arcelor Mittal. The total investment of the first phase of the project is RMB5.2 billion, and construction began in June 2012 and was put into operation in June 2014. VAMA adopts the most advanced production technology to produce all kinds of automobile steel. In 2016, the company realized the output value of RMB2.405 billion.

Valin ArcelorMittal Auto Sheet Co., Ltd. and Spain Steel Service Company invested 50% respectively, and jointly established GONVVAMA Investment Co., Ltd. As a downstream solution provider for automotive steel, GONVVAMA will integrate into the supply chain system of VAMA and focus on customers in a unified channel, focusing on the unibody of hot forming steel, advanced high strength steel and super high strength steel and outer plate, and the laser tailor welded parts processing services. GONVVAMA Loudi branch company has the international leading laser welding equipment and laser ablation equipment, and uses mature management experience in Europe and the Americas, technical know-how, and the patent of laser ablation technology of Arcelor Mittal.





## Antaeus Electronic Ceramics Co., Ltd.

“Since our company was here, from the establishment to operation, the government has offered a lot of help such as financial support and so on. In the process of production and operation, the government has also arranged designated personnel docking services. The government helps us connect the products with the provinces and promote the products. It also helps us to dock with Chinese military vehicles and open market channels. In the third stage of our company's construction and operation process, water and electricity are all in place. Loudi has provided plenty of preferential policies for enterprises, and has made rapid progress.

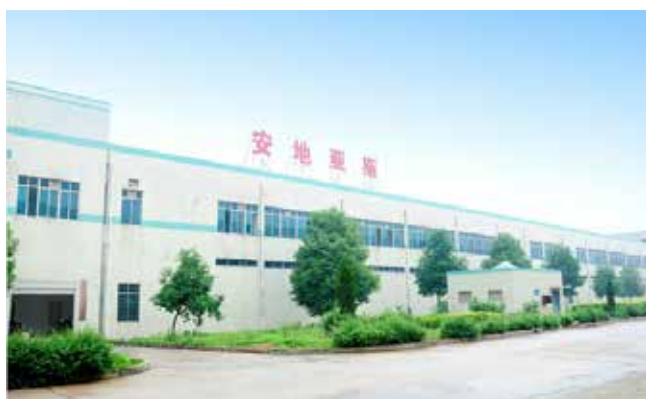
——Kang Dinghua, President of Antaeus Electronic Ceramics Co., Ltd.

### Profile

Loudi Antaeus Electronic Ceramics Co., Ltd., was founded in 2004. It is located in the industrial park of Loudi Economic and Technological Development Zone and entered the field of new energy vehicles in 2006. It is the first innovative high-tech enterprise based on advanced ceramics in the world. The total assets of the company are RMB107 million and the number of existing staff is 318, of which 51 are scientific research personnel. It has new energy advanced ceramic research and development, production and testing. The company mainly develops and produces the lithium ion power battery ceramic sealing connector, the new energy electric vehicle electronic control ceramic relay, fuse and other core parts.

The company has long been working with the Chinese Academy of Sciences, Central South University, Hunan University, and other institutions and colleges to ensure the continuous improvement and upgrading of various product technologies. New breakthroughs have been made in the connection and electronic control technology of the new energy vehicle battery, and the power battery ceramic sealing technology has filled the global gap.

The company entered Loudi Economic and Technological Development Zone in 2012. The annual growth rate of 5 consecutive years has reached over 100%. In 2016, it completed sales of RMB70.9 million, with rate payment from RMB50 thousand in 2012 to RMB10.62 million in 2016 in 5 years. The share of the global market reached 12%, the domestic market share reached 30%. It has close cooperation with new energy vehicle industry giants such as BYD, Beijing Automotive, CRRC and Hongfa.



## Hunan 3Sun New Energy & Technology Co., Ltd.

"Our company is jointly funded and established by Shenzhen 3Sun Electronics Co., Ltd. and the Loudi Venture Capital Co., Ltd. During the project construction, the Venture Capital actively strived for national policy support, and we have obtained the strong support from government. The Party committee secretary, mayor, the leadership of the municipal departments and the leaders of the economic and technological development zone have visited the construction site many times, and a special administration meeting was held to promote the construction of the project. In order to ensure that the project is put into operation as scheduled, from the purchase of plant to the development of water, electrical and gas works, the relevant departments have arranged a designated person docking to solve the problems in the construction of the project. "

——Zhou Wendui, President and General Manager of Hunan 3Sun New Energy & Technology Co., Ltd.

### Profile

Hunan 3Sun New Energy & Technology Co., Ltd. was founded in December 2015. It is jointly invested by Shenzhen 3Sun Electronics Co., Ltd. and Loudi Venture Capital Co., Ltd., with a registered capital of RMB100 million. The company is located in the industrial park of Loudi Economic and Technological Development Zone, which mainly focuses on lithium battery R&D, production, marketing and recycling of used batteries. The total investment of the project is RMB2 billion, and the design capacity is to produce lithium power batteries of 5 billion watt hours each year, which can equip 100 thousand electric vehicles, and reduce carbon emissions by 5 million tons each year. The company has 56 kinds of invention patents. The main product is Lithium ion power battery.

The project is divided into two phases, the first phase is the annual output of 1 billion watt hours power battery project, with the purchase of land 110 Mu and the total area of 65,000 square meters of 6 standardized industrial plants, where were completed in September 2016 for trial production. With full design capacity, it can realize RMB2 billion output value. The second phase is annual production of 4 billion watt hours power battery and full closed waste battery recycling production line, which is planned to be implemented in 2017. It is expected to be completed and put into production in 2018, and the target of RMB10 billion annual output value will be reached in an all-round way.





## MoMo Technology Co., Ltd.

"Loudi is located in the geometric center of Hunan Province, with convenient location and abundant industrial base, which is an attractive and radiant new town in the central Hunan Province. In particular, a series of major decisions made by the municipal Party committee and the municipal government have promoted the rapid development of the mobile internet industry in Loudi, and also provided strong support and help for the Loudi MoMo Technology Co., Ltd. The unveiling of Loudi MoMo Technology Co., Ltd. also indicates that the MoMo Technology Co., Ltd. has started a new historical journey. As a native of Loudi, I can return to the hometown to start a business. Besides the nostalgia to Loudi, I have confidence in the future development of Loudi.

——Tang Yan, President of MoMo

### Profile

Beijing MoMo Technology Co., Ltd. is a company focusing on mobile internet business. It started in March 2011, created by former NetEase Chief Editor Tang Yan, and the CO-founders and core teams are from NetEase, Phoenix, Sina and other top internet companies. The team has about 200 people, focusing on mobile social. In August 2011, a mobile social networking product based on location--MOMO was launched. The product coverage platform includes iOS, Android and Windows Phone. The product aims at promoting faster and more direct communication and interaction among people in the mobile internet. It was listed on the NASDAQ Exchange on December 11, 2014.

Loudi MoMo Technology Co. Ltd. is one of the important introduced projects of internet + innovation and entrepreneurship in Wanbao New Zone. On July 17, 2017, Loudi MOMO Technology Co., Ltd. completed industrial and commercial registration, and was put into operation in December of the same year, including technical services, software development, internet cultural activities, internet information services, which will create a live-broadcasting platform belonging to the native Loudi.



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## List of key investment information

- § Policy of attracting investment
- § Investment cost information
- § Contact Information

## Investment Policies

Preference item	Preference measures
Construction costs (except for real estate projects)	<ul style="list-style-type: none"> <li>Comparing with the average cost of ordinary and general construction projects, the construction costs of super major projects, key investment projects and general investment projects have reduced by 25%, 20%, and 15% respectively.</li> </ul>
Land cost	<ul style="list-style-type: none"> <li>For the super major projects, key investment projects and general investment projects, where the beneficiary finance awards 50%, 40%, and 30% in the retention parts of the land costs paid for the projects, so as to support the infrastructure construction of the projects.</li> </ul>
Project charge	<ul style="list-style-type: none"> <li>The fee items such as the urban infrastructure supporting fee and the urban greening compensation fee are charged according to the 30% of standard; the fee items such as urban road occupation excavation repair fee are charged according to the 20% of standard; the service charge is charged according to the 30% of standard.</li> </ul>
Labor cost	<ul style="list-style-type: none"> <li>According to the scale of employment, the payment portion of investment promotion enterprises is paid by 12% or 14% respectively for the pension, which will increase by 1% per year, and gradually transit to the stipulated unified payment rate.</li> </ul>
Project enters the park	<ul style="list-style-type: none"> <li>For industrial projects that conform to the industrial policy of the park and are invested with more than RMB100 million (or USD15 million), more than 3 years of lease or more than 5,000 square meters of the purchased standard factory buildings of the park, once identified, will be given a certain subsidy by the beneficiary finance.</li> </ul>
Key investment projects	<ul style="list-style-type: none"> <li>For key investment projects, the investment in place forming fixed assets of RMB100 million (or USD15 million), RMB500 million (or USD70 million), or RMB1 billion (or USD150 million), once identified, the beneficiary finance will award RMB1 million, RMB3 million, and RMB5 million respectively as industry support fund.</li> <li>For the key investment projects for 3 years from first year of putting into operation, the beneficial finance will award 50% from the actual payment of investment enterprise to support the development of the project.</li> </ul>
"Big investment and attracting strong" projects	<ul style="list-style-type: none"> <li>On the basis of the encouraging policies of key investment promotion projects, local governments and park management committees can adopt the way of "one case one discussion", increase the supply of land, financial support and cost deduction, and other aspects.</li> </ul>
High level talents of enterprises	<ul style="list-style-type: none"> <li>The spouses and minor children of high level talents can be moved along; children should be transferred into the school of primary and secondary schools or kindergartens in the city. The education department and the relevant schools and kindergartens should arrange the schools to receive them according to their children's willingness, and assist in the related transfer. Hospitals should set up green channels for health care, physical examination and medical treatment for high-level talents.</li> </ul>
The whole process of approval	<ul style="list-style-type: none"> <li>All approval procedures for investment projects are carried out by the government (Park) where the project is located, and the relevant functional departments shall process fast and specifically, and the governments of the city and county will do the supervision.</li> </ul>
Incentive to intermediaries of attracting investment	<ul style="list-style-type: none"> <li>For the industrial projects, agricultural projects and service projects invested by the foreign investors, if the domestic investment is more than RMB20 million, 3‰, 2‰ and 1‰ of the investment amount will be awarded, in which the maximum will not exceed RMB1 million; if the foreign investment is more than USD3 million, 4‰, 3‰ and 2‰ of the investment amount will be awarded to the intermediary.</li> </ul>

Source: Policy provisions of the Loudi city investment policies (Trial) (LZBF[2017] No. 21)

Note: The above policies shall be implemented on the basis of satisfying the government's prescribed conditions, with specific implementation as the criterion.



## Human resources and logistic cost

### Human resources

#### Average salary of worker



- Min. wage standard (full time) • RMB1,130/month
- Min. wage standard (part time) • RMB11.6/hour
- Incumbent workers of the city • RMB4,044/month
- Employees of urban units • RMB3,982/month

#### Social insurance



- Endowment insurance • Min. annual payment by the unit is RMB6,144.6
- Unemployment insurance • Min. annual payment by the unit is RMB226.4
- Medicare and maternity insurance • Min. annual payment by the unit is RMB2,813.6
- Work-related injury insurance • Min. annual payment by the unit is RMB711.5

### Logistic cost

Destination	Road transport cost (above 300KG)		Railway transport cost		
	Time limit	Price	Distance	General cargo	Standard container
Changsha	1 day	RMB0.52/KG	130.31 KM	RMB0.103/TON KM	RMB2.025/CONTAINER KM
Guangzhou	2 days	RMB0.96/KG	658.53 KM	RMB0.103/TON KM	RMB2.025/CONTAINER KM
Shanghai	2 days	RMB0.98/KG	1,167.52 KM	RMB0.103/TON KM	RMB2.025/CONTAINER KM
Beijing	3 days	RMB1.55/KG	1,623.29 KM	RMB0.103/TON KM	RMB2.025/CONTAINER KM
Shenzhen	3 days	RMB1.06/KG	778.59 KM	RMB0.103/TON KM	RMB2.025/CONTAINER KM

Note: Transport costs are different depending on the cargos, the above are just average cost.

## Costs of workshop and public utilities



### Workshop construction and lease costs

Workshop construction and lease costs (RMB/square meter), 2017

	Based on single-floor light steel structure workshop of 1,000 square meters and 8-15 meters high	Based on 3-6 floors reinforced concrete structure workshop of 1,000 square meters and 4-5 meters high
Construction cost	RMB1,200/square meter	RMB2,000/square meter (established by the company)
Monthly lease cost	RMB12/square meter	RMB12/square meter



### Water rate

Water rate ( RMB/ton ), 2017

Item	Price of tapping water	Waste water treatment cost	Water source cost	Domestic garbage cost	Total
Domestic water of residents	1.99	0.7	0.02	0.38	3.09
Domestic water of non-residents	3.08	0.8	0.02	0.60	4.50
Water of special industry	7.96	1.4	0.02	0.70	10.08



### Electric charge

Category	Price (RMB/kilowatt-hour)					Basic price	
	Less than 1 KV	1-10 KV	Below 35-110 KV	110 KV	Above 220 KV	Max. demand RMB/kilowatt-month	Capacity of transformer RMB/KVA-month
Household	0.5880	0.5730	0.5630				
General industry and commerce	0.8550	0.8350	0.8150	0.7950			
Industry		0.6437	0.6147	0.5867	0.5672	30	20
Agriculture	0.5487	0.5287	0.5087	0.4887			



### Hot gas and natural gas costs

Price of natural gas (RMB/cubic meter), industrial steam (RMB/ton), 2017

Item	Price
Industrial natural gas	RMB2.83/m <sup>3</sup>

## Contact Information

### Contact information of investment and commercial activities

#### Loudi Municipal Bureau of Commerce and Grain

Add.: No. 22, Leping East Street, Loudi City  
Tel.: 0738-8223563  
Website: <http://loudi.mofcom.gov.cn/>

#### Loudi Investment Promotion Agency

Add.: No. 40, Leping Avenue East, Loudi City  
Tel.: 0738-6500200  
WeChat public number : ltc6500200

### Other related government departments

#### Loudi Government Affairs Service Center

Add.: Under east fence of party committee and municipal government, Xiangzhong Avenue  
Tel.: 0738-8227585  
Website: <http://www.zwzx.hnloudi.gov.cn/>

#### Loudi Housing and Urban-rural Development Bureau

Add.: No. 158, Jianshe Street, Louxing District, Loudi City  
Tel.: 0738-8313453  
Website: <http://www.ldjs.gov.cn/>

#### Loudi Bureau of Land and Resources

Add.: Xiangzhong Avenue East, Loudi City  
Tel.: 0738-8258111  
Website: <http://www.ldgtzy.gov.cn/>

#### Loudi Local Taxation Bureau

Add.: No. 8, Sanyuan Street, Fuqing Road, Loudi City  
Tel.: 0738-6966015  
Website: <http://www.hnds.gov.cn/hnld/index.html>

#### Loudi State Taxation Bureau

Add.: Xiangyang Road, Loudi City  
Tel.: 0738-8322348  
Website: <http://www.ldgtax.gov.cn/>

#### Loudi Development and Reform Commission

Add.: Government yard, Xiangzhong Avenue, Loudi City  
Tel.: 0738-8269986  
Website: <http://www.fgw.hnloudi.gov.cn/>

#### Loudi Economic and Information Commission

Add.: Government Yard, Xiangzhong Avenue, Loudi City  
Tel.: 0738-8312732  
Website: <http://sjw.hnloudi.gov.cn/>

#### Loudi Tourism and Overseas Chinese Affairs Bureau

Add.: Government yard, Xiangzhong Avenue, Loudi City  
Tel.: 0738-8313881  
Website: <http://ldlyj.hnloudi.gov.cn/>

#### Loudi Bureau of Environment

Add.: Xinxing South Road, Louxing District, Loudi City  
Tel.: 0738-8312938  
Website: <http://hbj.hnloudi.gov.cn/>

#### Loudi Bureau of Finance

Add.: No. 1, Shima Road, Loudi City  
Tel.: 0738-8312354  
Website: <http://www.czj.hnloudi.gov.cn/>

#### Loudi Bureau of Industry and Commerce

Add.: Fuqing South Road, Loudi City, Hunan Province  
Tel.: 0738-8329841  
Website: <http://gsj.hnloudi.gov.cn/>

#### State Administration of Foreign Exchange Loudi Central Branch

Add.: No. 71, Yuetang Street, Louxing District, Loudi City  
Tel.: 0738-8321091

#### Loudi Economic and Technological Development Zone

Add.: No. 577, Xinxing North Road, Loudi City  
Tel.: 0738-8652888  
Website: <http://www.ldkf.gov.cn/>



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