

P+Z 13

Translated Response from Mr Wang Jing Gang of Changshu City Commerce Bureau in relation to Available Subsidy Programs for FIE's in Changshu Province.

Research conducted by ISS International.

Date : 9 June 2010

Client : ROH Automotive.

I. Tax Incentives:

	Item	Tax Rate	Local Portion	Incentive Detail	
1	Corporate Income Tax	25%	28%	1 st -5 th year	14% refund
2	Value Added Tax	17%	16.5%	1 st -5 th year	8.25% refund
3	Property Tax	0.84%	65%	1 st -5 th year	32.5% refund
4	Individual Income Tax		28%	1 st -5 th year	14% refund
5	Import Duty	According to HS code of Customs House		If can be classified as encouraged category, Import duty will be free.	
6	VAT export allowance	According to specific products, part or all the paid VAT can be refunded to WFOE			

Translated Response from Mr Wang Jing Gang of Changshu City Commerce Bureau in relation to Available Subsidy Programs for FIE's in Changshu Province.

Research conducted by ISS International.

Date : 9 June 2010

Client : ROH Automotive

Remark:

Individual income tax:

At current, the statutory individual income tax is calculated according to the progressive rates, with RMB 2,000 Yuan and 4,800 Yuan deductible respectively from their wage and salary income for PRC nationals and expatriate.

Individual Income Tax Rate:

Wage & salary income (RMB Yuan)	Rate (%)
0-500	5
501-2000	10
2001-5000	15
5001-20,000	20
20,001-40000	25
40,001-60,000	30
60,001-80,000	35
80,001-100,000	40
Over 100,000	45

Translated Response from Mr Wang Jing Gang of Changshu City Commerce Bureau in relation to Available Subsidy Programs for FIE's in Changshu Province.

Research conducted by ISS International.

Date : 9 June 2010

Client : ROH Automotive.

II. Infrastructure Cost:

1) Charge for Electricity Power : (50 HZ)

① Basic Fee: RMB 28 yuan / KVA / month;

② Consumption Price: (Unit: RMB/KWH)

Category	1KV-10KV	20-35KV	35KV-110KV	110KV
Big Industry	0.633	0.627	0.618	0.603

☐ Flexible charge rate applicable to different period of time each day:

Peak Hours (08:00AM-12:00AM, 17:00-21:00) : 150% of standard price;

Ordinary Time (12:00AM-17:00, 21:00-24:00): standard price;

Valley Hours (00:00-08:00AM) : 50% of standard price

2) Charge for Water : RMB 3.10/ ton for industrial use

3) Sewage Treatment

Translated Response from Mr Wang Jing Gang of Changsha City Commerce Bureau in relation to Available Subsidy Programs for FIE's in Changshu Province.

Research conducted by ISS International.

Date : 9 June 2010

Client : ROH Automotive

① For wastewater reaching National Sewage 1st Class Standard: Free of Charge;

② For wastewater which has reached National Sewage 3rd Class Standard:

RMB 1.8 - 3.0 / ton (specific price is fixed according to wastewater quality)

4) **Natural Gas:** RMB 3.05 Yuan/ Cubic Meter

5) **Steam:** RMB 210 Yuan/Ton

Translated Response from Mr Wang Jing Gang of Changshu City Commerce Bureau in relation to Available Subsidy Programs for FIE's in Changshu Province.

Research conducted by ISS International.

Date : 9 June 2010

Client : ROH Automobiles.

III. HR Incentives:

1. Talents incentives:

Changshu municipal government formulates the most preferential policy for attracting excellent talents, that is RMB 80,000 Yuan for each PHD, RMB 30,000 for each Master.

Domestic and foreign R&D Centers, after admitted by relevant provincial level department, shall receive the research aid fund of RMB 1 million for "dependent" facilities to RMB 2 million for "independent" facilities.

2. HR Recruitment:

CSDZ will assist WFOE on the recruitment of needed talents, and ensure a 3:1 proportion of applicants selection by CSDZ, and CSDZ will establish special training center for WFOE in Changshu Vocational Training Center and Changshu Institute of Science & Technology, and integrate WFOE's special requirements on engineers and technicians into the curriculum of the training programs.

CSDZ is close to Changshu urban area, only 10 minutes' drive, and has 4 bus routes connect every site in the zone to down town, convenient for HR recruitment and daily work.