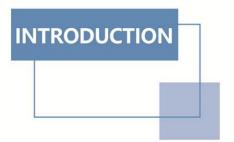


+86-35 I-9630 | SHANXI INVESTMENT SERVICE HOTLINE SHANXI INVESTMENT PROMOTION AGENCIES



Following the guidance of Xi Jinping thought on socialism with Chinese characteristics for a new era as well as the important speech made during his inspection in Shanxi, Shanxi has thoroughly implemented transformation-oriented development (i.e. Transformation in economic structure is the way-out; investment project is the sustaining backbone; reform is the key to resolve long-standing problems; and innovation is the driving force. Maintaining high-quality development and realizing high-level rise to ensure people enjoying an ever-improving environment and living standard. Shanxi will build a prosperous society in all respects by 2020 and basically achieve socialist modernization by 2035). In recent years, it has strengthened economic cooperation, attracted foreign investment, technology and talents on various fields, such as 14 leading industrial clusters, ten industrial clusters for deep processing of agricultural produce, three major cultural tourism development zones, three major innovation programs, urbanization programs featuring "one major cities ,three sub city and six regional centers" and rural revitalization. Those efforts will enable the province to take the lead in paving a new path for economic transformation. Welcome to Shanxi: an open and innovative province in economic transformation.

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PROFILE A CHARMING SHANXI

As one of the birthplaces of the Chinese nation, Shanxi has won a reputation of "a kaleidoscope of Chinese civilization for 5,000 years". Serving as an important new energy and industrial base in China, it has made great contributions to China's economic and social development. In a new era, guided by General Secretary Xi Jinping's important remarks during his inspection in Shanxi, Shanxi is shifting the mode of economic development to build a modern industrial system. Great efforts will be made to build Shanxi into a demonstration area in transformation of resource-dependent economies, a pioneer in energy revolution, and a landmark in opening up among China's inland provinces. Bearing in mind the historic mission entrusted by General Secretary Xi Jinping of "brazing a trail in transformation development", It will continuously pursue high-quality development and share a new future with the world.







GEOGRAPHICAL LOCATION





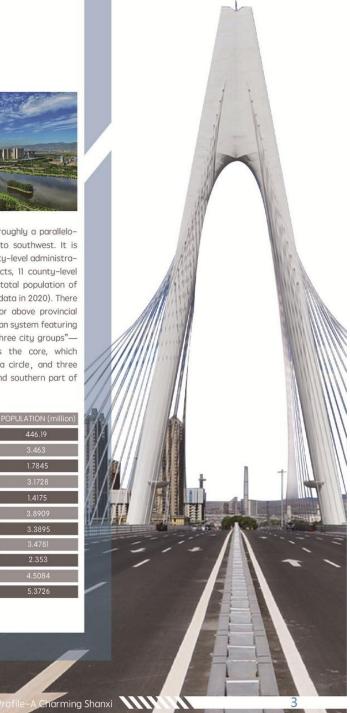
Shanxi gets its name because it is located west of Taihang Mountain. It is called "Sanjin" or "Jin" for short, as well as "Hedong" in ancient times. It is bounded by Taihang Mountain in the east, Lyliang Mountain and the Yellow River in the west and south, and the Great Wall in the north. It neighbors Hebei province, Henan province, Shaanxi province and Inner Mongolia Autonomous Region. It has a total area of 156,700 square kilometers with Taiyuan as its capital. Boasting as a birthplace of the Chinese nation and a record history of 3,000 years, it is widely recognized as the "Cradle of Chinese Civilization" and the "Museum of Ancient Chinese Culture".



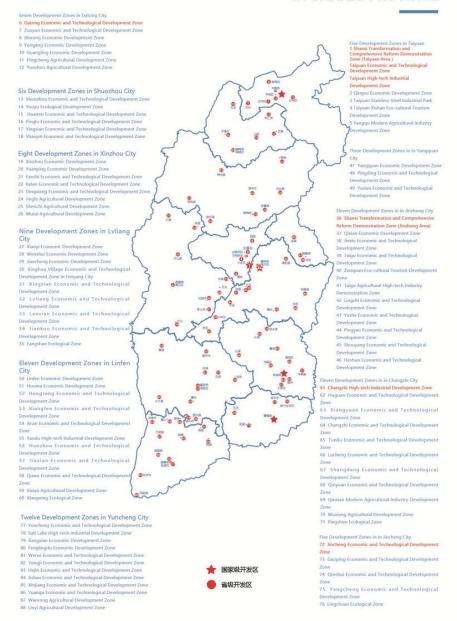


The contour of the province is roughly a parallelogram slanting from northeast to southwest. It is home to 11 districts and 117 county-level administrative bodies (26 municipal districts, 11 county-level cities and 80 counties), with a total population of 37.292 million (according to the data in 2020). There are 88 development zones at or above provincial level. Shanxi is set to build an urban system featuring "one core area, one circle and three city groups"—Taiyuan metropolitan area as the core, which connects surrounding cities as a circle, and three city belts in northern, central and southern part of Shanxi province.

CITY	AREA (sq.km)	POPULATION (million)
Taiyuan	6,959	446.19
Datong	14,176	3.463
Shuozhou	10,662	1.7845
Xinzhou	25,180	3.1728
Yangquanu	4,451	1.4175
Lvliang	21,143	3.8909
Jinzhong	16,408	3.3895
Changzhi	13,864	3.4781
Jincheng	9,484	2.353
Linfeng	20,589	4.5084
Yuncheng	14,106	5.3726

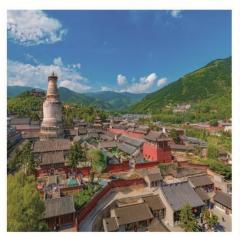


DEVELOPMENT ZONES IN SHANXI PROVINCE



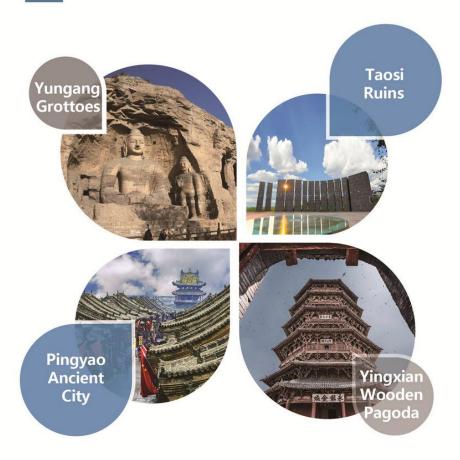


HISTORY AND CULTURE



When it comes to the deepest roots of the Chinese civilization, Shanxi is home to the most complete record of 5000 year's history. Many ancient myths imbued with the national spirit originated form Shanxi, like stories of Nvwa mending the sky, Jingwei filling up the sea, the farmer God Shen Nong tasting all the plants, Dayu harnessing floods, and Hou Yi shooting the sun. The Taosi Ruins was verified as the ancient capital of the Yao period 4,300 years ago, which was the earliest state in China. More than 40 major family names can be traced back to Shanxi. The ballad —"if you ask me where my ancestors came from? They came from the big pagoda tree at Hongtong in Shanxi" —has been passed down from generation to generation.

TOURIST ATTRACTIONS



Shanxi is well known for its tourist attractions both at home and abroad. It is endowed with the vigorous magnificence of the Yellow River, the largest collection of the Great Wall relics, and the breathtaking views of Taihang Mountain. Hukou Waterfall, thousand-year-old ice cave and the Hanging Temple are all marvelous spectacles of the world. There are three famous world cultural heritage sites, namely, Wutai Mountain, Pingyao Ancient City and Yungang Grottoes. Pingyao International Photography Festival is one of the most globally-influential festivals in China. Shanxi is also known as the "Museum of Chinese Ancient Architecture Art" for its abundant ancient architectural remains.





INDUSTRIAL FOUNDATION

Shanxi's industrial system is relatively complete. The four traditional industries of coal, coke, electricity and metallurgy enjoy distinct advantages. While emerging industries such as equipment manufacturing, coal chemical industry, new materials industry, food industry, modern logistics and cultural tourism are developing rapidly.
Relying on its industrial foundation, Shanxi has prioritized 14 strategic emerging industries and fostered an innovation-friendly environment. Based on its agricultural advantages, it has cultivated 10 industrial clusters for deep processing of agricultural produce, and built "Agriculture Valley" to develop modern agriculture. Making full use of its tourism advantages, it has built three major tourism zones featuring the Yellow River, the Great Wall and Taihang Mountain and made Shanxi a top-class domestic tourist destination with international visibility.



Shanxi has built an expressway network with "three vertical lines, twelve horizontal lines and twelve ring roads" with a total mileage of 5744 kilometers. The high-speed rail lines open to traffic and under construction have reached 1000 kilometers. There are seven civil airports, namely Wusu International Airport in Taiyuan city, Guangong Airport in Yuncheng city, Wangcun Airport in Changzhi city, Yungang Airport in Datong city, Dawu Airport in Lvliang city, Qiaoli Airport in Linfen city and Wutai Mountain Airport in Xinzhou city. Wusu Airport in Taiyuan city is among busy airports in the country as it handles over 14 million passengers annually. Efforts to build Shanxi a demonstration province for general aviation industry hove been accelerated. All-round development of aviation, railway ports, land ports and bonded logistics centers has closely linked Shanxi with rest of the country and the world at large.Improvements in transportation has made travel much easier, for example, Datong-Xian high-speed railway and Zhengzhou-Taiyuan high-speed railway goes into operation; No.2 subway line is put into operation and No.1 subway line is under construction.

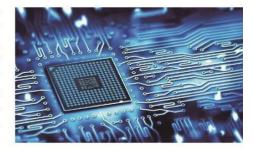




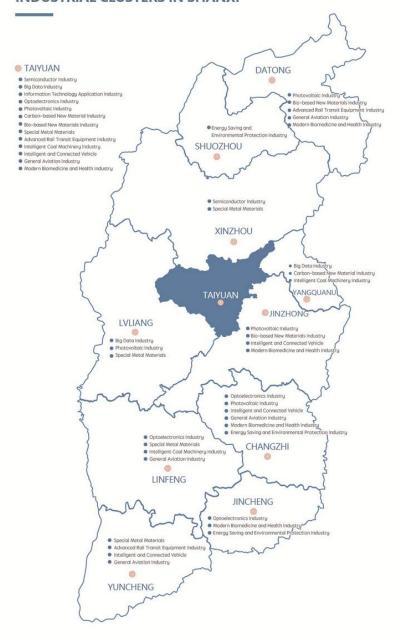


INDUSTRIES SHANXI IN TRANSFORMATION

Aiming at building a modern industrial system , Shanxi is developing industrial clusters in the fields of semiconductor industry, big data innovation Industry, information technology, photoelectric industry, photovoltaic industry, carbon-based new materials, bio-based new materials, special metal materials, advanced rail transportation equipment industry, intelligent coal machinery, intelligent network and new energy vehicles, general aviation, modern bio-medicine and health industry, energy-saving and environmental protection industry.



THE DISTRIBUTION OF MAJOR **INDUSTRIAL CLUSTERS IN SHANXI**



SEMICONDUCTOR INDUSTRY



The semiconductor industry focuses on the program of "one center and three bases" under China Electronics Technology Group Corporation (Shanxi), with Xinzhou Semiconductor Industrial Park as the center. Through strategic cooperation with China Electronics Technology Group Corporation, Shanxi will build a semiconductor industrial chain including materials, equipment, chip design and manufacturing, sealing and application.

BIG DATA INDUSTRY

There are over 200,000 servers in Shanxi. It is accelerating programs such as Qinhuai Data and Baidu Cloud Computing Center, expanding data annotation industry in Shanxi comprehensive reform zone and Lyliang city. Great efforts have been made to develop the national data center for data disaster recovery and make good use of data flow map.



INFORMATION TECHNOLOGY APPLICATION INDUSTRY

Shanxi has initially formed a ecological chain for computer industry. It will carry out collaborative research on complete computer application, and build an integrated industrial chain including central processing units, complete computers, operating systems, basic software, application software and office devices. It strives to build computer manufacturing bases like Baixin, the Great Wall and Suguang and develop key national industrial clusters for information technology.



OPTOELECTRONICS INDUSTRY

As for the LED industry, Taiyuan city has initially established an ecosystem for computer industry. Many companies have been members of the Information Technology Application Innovation Working Committee under China Electronics Standardization Association. They are building an integrated, independent and controllable industrial chain covering optoelectronic materials, optoelectronic devices, and application products; as for the optomechanical industry, Taiyuan and Jincheng Foxconn Parks are the largest production bases for electronic information manufacturing industry in Shanxi . The "Optics Valley" project run by Foxconn Park in Jincheng city aims to foster a leading cluster for optical, mechanical and electrical industries .In addition, products like laser Light guide plate by Shanxi Yuhao New Optical Material Co., Ltd., high-precision pressure sensor by Taihang Instrument Company, and window cleaning robot by Jiashida Robot Co., Ltd. are among the best in china.



PHOTOVOLTAIC INDUSTRY

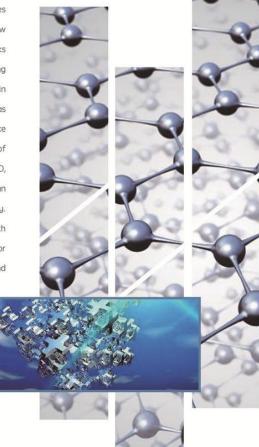
The photovoltaic industry chain in Shanxi Province is relatively complete. Despite the strict production requirements in the field, those major photovoltaic manufacturers with technology edges have operated in full state and increased overall production capacity by 40 percent. It is upgrading the $\,$ core technology for high-efficiency batteries and building an industrial chain covering poly-silicon, wafer, battery chip, battery components and application system.





CARBON-BASED NEW MATERIAL INDUSTRY

The coal chemical and coking industries are important foundations of the new carbon-based material industry. Thanks to its large industrial scale, improving product quality and steady progress in environmental protection ,Shanxi has been actively developing projects—like mass production and application of high-performance carbon fiber in TISCO, carbon fiber manufacture in Yangquan city and high-end textile industry. Besides, Shanxi is pressing ahead with key projects such as diamond, capacitor carbon, synthetic lubricants, and high-end synthetic waxes.



BIO-BASED NEW MATERIALS INDUSTRY



Taking advantage of its technological edges and coordinated development of industrial chains, Shanxi has built the the zone for synthetic biology industry ,which is designed to be a leading 100 billion bio-based new materials industrial cluster. Priority is given to the project of biodegradable polyester by Jinhui Zhaolong High Technology Co., Ltd for the industrialization of human-source collagen.



SPECIAL **METAL MATERIALS**



copper alloy, NdFeB magnetic material. We advance the aluminum-magnesium alloy smelting, high-precision processing, and high-end alloy products.





ADVANCED RAIL TRANSIT EQUIPMENT INDUSTRY

Shanxi has formed a relatively complete industrial chain and technological innovation system as the rail transit equipment industry started early . It has become an major production base for rail transit equipment such as electric locomotives, trucks, wheel sets, and traction electric drive systems in China. Furthermore,it prioritizes development of electric locomotives and urban rail vehicles, and accelerates the industrialization of key parts such as high-speed rail wheel sets, high-performance bogies, and new-generation braking systems.

INTELLIGENT COAL MACHINERY INDUSTRY

Shanxi boasts sound coal mining manufacturing and huge production capacity. Industrial system prioritizing manufacturing and R&D has taken shape with major products of roadheaders, shearers, conveyors, hydraulic support, lifting equipment, washing equipment, coal chemical equipment, auxiliary transportation equipment and mine safety equipment. Focusing on cities of Taiyuan, Yangquan and Linfen, we strengthen in-depth cooperation with leading companies, enhance key technology R&D and market expansion, and further increase the market share of intelligent equipment.



INTELLIGENT AND CONNECTED VEHICLE

The industrial chain for new energy automobile in Shanxi is mainly concentrated on power battery and complete vehicle manufacturing. Shanxi has seen progress in the fields of batteries, engines and electronic control. It is leading the way in devloping hydrogen energy vehicles. The total hydrogen production capacity of coke oven gas reaches 15 billion cubic meters, which can meet the needs of hydrogen fuel vehicles in the whole country. Shanxi has three hydrogen refueling stations. It is constructing an industrial chain integrating manufacture of auto parts, vehicle system and complete vehicles.



GENERAL AVIATION INDUSTRY



MODERN BIOMEDICINE AND HEALTH INDUSTRY

There are 20 leading enterprises in biomedical and health industries, mainly in Taiyuan city, Datong city, Shuozhou city, Jincheng city, Jinzhong city, Changzhi city, and Yuncheng city. Focusing on the development of raw materials and preparations, Chinese patent medicines, new and special medicines, we are picking up pace to build industrial chains covering fermentation-based raw materials, raw drug material, chemical preparations, traditional Chinese medicine, prepared slices of Chinese crude drugs and Chinese patent medicines.







ENERGY SAVING AND ENVIRONMENTAL PROTECTION INDUSTRY

As an important energy producer, Shanxi has produced a large amount of solid wastes such as coal gangue, coal ash, desulfurized gypsum, slag. In recent years, Shanxi has pressed ahead with the development of three national demonstration bases for comprehensive utilization of industrial solid waste in Shuozhou city, Changzhi city and Jincheng city, put in place key projects for comprehensive utilization of solid waste, and developed energy-saving and environmental protection equipment manufacturing and new building materials industries.



FAVORABLE BUSINESS ENVIRONMENT

Shanxi enhances alignment with international economic and trading rules to create an enabling environment for businesses that is consistent with the rule of law and international practices. The "96301" investment service hotline is available for 24-hour bilingual consulting services in both Chinese and English. Shanxi have taken the lead in carrying out the trial reform of business-invested project commitment system and formulated local regulations; it has explored the trial commitment system for investment projects which are subject to government approval and implemented the "commitment system + standard land" approach, and highlighted "Shanxi's commitment".



It has advanced an IT-based government, developing integrated government service platform, an "Internet plus supervision" platform, and a "13710" information supervision system covering governments of province, city, county and township. "Sanjintong" application has greatly improved the efficiency of administrative services.

The mechanism to encourage good faith and penalize lack of credibility has been improved; campaign to clean up hidden obstacles for government services has been launched; government should fulfill its commitments in accordance with laws and regulations. Shanxi has taken the lead in carrying out a third-party assessment of the province's business environment, and made every effort to create a favorable environment for businesses and talents.

VAST INVESTMENT OPPORTUNITIES



There are 88 development zones at or above the provincial level, forming a wide platform for development zones. About 50 development zones will be further improved this year by expanding over 10 million square meters of standard factory workshops. Reasonable planning and sufficient land quotas will ensure that an enterprise can start construction once it makes commitments on required items and obtains the land projects. Shanxi transformation and comprehensive reform demonstration zone, with a planned area of 600 square kilometers, is among the first in replicating and applying institutional innovation experience of the pilot free trade zone in Qianhai & Shekou area of Shenzhen—the "Three Ones" model—one–stop service at the administration service hall, one seal for administrative approval, and one enforcement agency.



LOW INVESTMENT COSTS

Compared with some eastern provinces and cities and central and western provinces, Shanxi enjoys low-cost production factors: relatively low labor costs and moderate water price; the terminal electricity price is 0. 3 yuan / kWh for users of 14 strategic emerging industries; low prices of industrial natural gas and land. Meanwhile, Shanxi has continued to cut tax and fees, deepen the reform of value-added tax, reduce the value-added tax rates in manufacturing and other industries, lower required payments to some government-managed funds, and reduce or exempt some administrative fees.





ABUNDANT TALENT RESOURCES



It has attracted 23 top domestic teams such as Tsinghua University through the open competition mechanism. The leading group on talent work with the provincial Party committee has issued Measures to Build shanxi a Talent-rich Province and Foster Ecosystem for Innovation, proposing 12 reform and innovation measures to attract talents. In particular, for the major institution that has won the first and second prizes of national natural science, technological inventions and scientific and technological progress, the award proportion will increase from 1: 1 to 1: 10.

Despite the financial constraints, Shanxi has adopted innovation mechanism, created better environment and deepen reform to attract talents. It has attracted first-class teams and first-class talents through top disciplines and platforms. Shanxi has introduced an open competition mechanism to select the best candidates to lead key research projects among universities, scientific research institutions, scientific and technological enterprises at home and abroad.



for newly elected academicians of the Chinese Academy of Sciences and the Chinese Academy of Engineering, those of the national talents program, as well as those of the national youth talents program, a one-time special subsidy of 2 million yuan, 1 million yuan and 500,000 yuan will be granted respectively, with reference to the standard of family allowances for similar talents.



+86-351-96301 SHANXI **INVESTMENT SERVICE HOTLINE**



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