Warmly Welcome to Suzhou Industrial Park
China- World Factory only?

NOT at all,

But the world office
Macro Environment for China’s Service Outsourcing

Modern and Mature Infrastructure

Large-scale Manufacturing Basis
Macro Environment for China’s Service Outsourcing

Strong Policy Support

Abundant Human Resource

high-quality

Low Cost
1. Briefing on Suzhou City

2. Briefing on SIP
Suzhou Jurisdiction

Municipality Area: 8,488 sq km
City Area: 1,649 sq km
Total population: 10 million
City population: 2.07 million

Highway in operation:
- 80km 45 min
- 130km 1h 30 min

Highway under construction:
- A9
- A20
- A30

Hi-speed train (ready before 2010):
- 80km 45 min
- 130km 1h 30 min
Suzhou - An ancient and modern city
- Culture and History

Rich resources
34 cultural relics under state-level protection
60 classic gardens
9 classic gardens listed as World Cultural Heritage
Suzhou main economic index of 2007 in mainland China

2. Utilized Foreign Investment
3. Total import and export
4. Regional fiscal budget
5. GDP

GDP per capita: $12,500
120 Fortune 500 Companies Have Their Presence in Suzhou
of which 77 in SIP

A Miracle in China — Suzhou
Service outsourcing is booming. 500 various service outsourcing companies with 50,000 staff; Total volume 300 million USD.

Suzhou Industrial Park is the only “Model Area for Service Outsourcing” in China.
1. Briefing on Suzhou City

2. Briefing on SIP
SIP- the unique cooperation between China and Singapore

Launched in 1994 by Chinese and Singapore governments.
必需是苏州市内唯一的CBD，其他地区的商业商务点只能是地区中心或以下级别，体量较小。
A jurisdiction area of 288 sq km
A planned population of over 1.5 million
- An internationally competitive high-tech industrial park
- A modern, garden-like & international city
Sector of Investment

- Singapore: 6.3%
- Korea: 5.1%
- Japan: 11.5%
- HK, Macao & TW: 22.5%
- Others: 5%
- Europe: 25.7%

Investment Scale

- 77 Fortune 500 with 111 projects
- 80 Projects with Over US$100m Investment
- 6 Projects with Over US$1b Investment

Average investment of each project over US$ 31m

Foreign Enterprises: 3299

Accumulated Contractual Foreign Capital: USD33.96 billion

Accumulated Utilized Foreign Capital: USD14.55 billion
1 pilot area & 11 BPO bases

Suzhou Industrial Park
SIP-Paradise for BPO

Model Base for Service Outsourcing

- Approved in 2007
- By Ministry of Commerce
- Ministry of Science
- Ministry of Information
- First ever in China
Current Status:

- Pilot area for Service Outsourcing
- Service Outsourcing Association
- Official website for Service Outsourcing

2007 Figures:

- Revenue of service outsourcing: RMB 5 billion
- Revenue of off-shore outsourcing: USD 220 million
- More than 400 outsourcing companies in SIP
Future Development of Service Outsourcing

1. ITO — IT service, IC design, software industry, animation design...

2. BPO — logistics, HR management, finance, calling center...

3. KPO — R&D, insurance, statistics processing...

4. CRO — bio technology, pharmaceutical, Nano-meter technology...
Clustering over 300 software companies, focusing on software development, software outsourcing and system application integration.

Over 60 software outsourcing companies, Pure Software Export in USD 80m in 2006; 10 companies Passed CMMI Certification.
<table>
<thead>
<tr>
<th>Venture Capital</th>
<th>2D Animation</th>
<th>3D Animation</th>
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<tbody>
<tr>
<td>CSVC</td>
<td>Cookoos Nest</td>
<td>Ori</td>
</tr>
<tr>
<td>Kai Yi</td>
<td>Tai Shan</td>
<td>Animation</td>
</tr>
<tr>
<td>Xin Xie</td>
<td></td>
<td>Shi Ao</td>
</tr>
<tr>
<td>Yin Ji</td>
<td>Hong Yang</td>
<td>Hong En</td>
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<tr>
<td>Yingke</td>
<td>Sandman</td>
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<td></td>
<td>Fei Tian</td>
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<td></td>
<td>Hanwen</td>
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<td></td>
<td>Tu Teng</td>
<td></td>
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<td></td>
<td>Jin Di</td>
<td></td>
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<td></td>
<td>Tian Yi</td>
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<table>
<thead>
<tr>
<th>Human Resource</th>
</tr>
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<tbody>
<tr>
<td>Institute of Suzhou Software</td>
</tr>
<tr>
<td>Suzhou University</td>
</tr>
<tr>
<td>Art &amp; Design Tech Institute</td>
</tr>
<tr>
<td>SIPEDI</td>
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<td>SIPIVT</td>
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</table>

<table>
<thead>
<tr>
<th>Digital Effect</th>
<th>Wireless Content</th>
<th>Internet Game</th>
</tr>
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<tbody>
<tr>
<td>Menfond</td>
<td>Avantouch</td>
<td>Snail</td>
</tr>
<tr>
<td>ICT Lab</td>
<td>Unbounded Learning</td>
<td>9 Network</td>
</tr>
<tr>
<td>Ao Jie</td>
<td>PepTalk</td>
<td>MASQ</td>
</tr>
<tr>
<td></td>
<td>Roboo</td>
<td>Q-Toy</td>
</tr>
<tr>
<td></td>
<td>Bo Heng</td>
<td>Xin Yi</td>
</tr>
<tr>
<td></td>
<td>You Go</td>
<td>Ying You</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Ling Ge</td>
</tr>
</tbody>
</table>
Single-player, internet and cellphone Games
2D, 3D, Digital Effect
R & D Organizations in SIP

Up to 70 R&D companies
Strong cooperation with universities/companies

SIP IPB
Ready built Carriers

- **Sino-Singapore Science Hub**
- **BPO Bio-Nano Bay**
- **Creative BPO Park**
- **Ascends Suzhou BPO Center**
- **BPO Hub**
- **SIP BPO Science park**

2.5 million sqm floor space
1/3 in operation
1/3 available
1/3 in construction
SISPark orients at Software Development and IC design based on the requirements of National Software Park and International S&T Enterprise Incubator.
- Located to the southwest of High Education Zone
- Area: 47 hectares
- GFA: 380,000 sqm
  - 100,000sqm for software outsourcing and animation industry
Multiple Carriers

Bio-nano Park

- 86.3 hectare: 50% for R&D, 20% for Production, 30% for Commercial & residential
- Open at 2007 together with public technical platform and GLP animal experiment center
High-tech area gathering manufacture, R&D, habitation, commerce and other functions

Located in the north of SIP with an area of 4 sq.km
Singapore Ascends Suzhou BPO Park

- 0.5 sq Km of land
- At SIP university campus
- First-class BPO facility, with commercial and residential amenities
Multiple Incubators and Public Platforms

IP Protection Center
IDC
Software Training Center
IC Design and Test
Software Testing

5 Public Platforms
Advantages of SIP
中国—新加坡
联合协调理事会第七次会议
THE 7TH CHINA-SINGAPORE JOINT STEERING COUNCIL MEETING
2004.5.17
Special Government Support

- **Model Base for Service Outsourcing**
- **Unique Foreign Affairs Office** to issue visa notification letters to foreigners
- **Independent SIP Customs** approved by Customs General of China
- **Unique Comprehensive Bonded Zone**
- **Unique Social Security System**
Unique Social Security System

- Unique in China, modeled after Singapore CPF system
- Alleviates employer’s burden on social security contribution
- Attracts and retains talents,
- Creates a stable workforce More personal saving for housing, healthcare and retirement
### Existing Social Security System in China

**[OUTSIDE SIP]**

<table>
<thead>
<tr>
<th>Consolidation</th>
<th>Personal Account 42%</th>
</tr>
</thead>
<tbody>
<tr>
<td>58%</td>
<td>Housing 22.2%</td>
</tr>
<tr>
<td></td>
<td>Medical 4.5%</td>
</tr>
<tr>
<td></td>
<td>Retire 15.3%</td>
</tr>
<tr>
<td>58% common share</td>
<td>42% personal acct.</td>
</tr>
</tbody>
</table>

#### How to Use

- Housing
- Medical care
- Retirement
## Comparison between

<table>
<thead>
<tr>
<th></th>
<th>Employee Monthly Gross Salary</th>
<th>Employee Take-Home Salary (Cash)</th>
<th>Total Cost to Company</th>
<th>Provident Fund (Social Security)</th>
<th>Employee Total Benefits (Cash + Individual Account)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SIP</strong></td>
<td>1000</td>
<td>780</td>
<td>1220</td>
<td>418</td>
<td>1198 (780+418)</td>
</tr>
<tr>
<td><strong>Outside</strong></td>
<td>1000</td>
<td>760</td>
<td>1420</td>
<td>277</td>
<td>1037 (760+277)</td>
</tr>
</tbody>
</table>
Top Quality Infrastructure
Telecommunications

- Telecommunication: The telephone capacity of the 1st phase reaches 300,000 lines, which can guarantee 2 lines per door in SIP.

- SIP can provide 40,000 telecommunication lines with connection to countries all over the world by offering the following services: international and domestic telegrams, telephone, facsimile, internet, and data services like E1 service, ADSL, ISDL, DDN, etc.
Qualified Human Resources

- 24 universities and colleges in Suzhou
- Over 200 universities in surrounding areas
- Over 1,400,000 university students in Jiangsu Province (including Suzhou), out of which 44% major in Science and Engineering
- 42,000 diploma level and above IT-related fresh graduates in 2007 in Suzhou
- Suzhou attracted 92,000 talents (Diploma above) in 2007, among which, there were 133 doctors, 1,489 masters and 27,854 bachelors
- Over 50,000 expatriates, compatriots from Hong Kong, Macao and Taiwan, overseas Chinese and students live and work in Suzhou
<table>
<thead>
<tr>
<th>Training organizations</th>
<th>Training volume in 2007</th>
<th>Forecast in 3–5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzhou Industrial park vocational school (servie outsourcing school)</td>
<td>–</td>
<td>500</td>
</tr>
<tr>
<td>Microsoft Training Center</td>
<td>400</td>
<td>500</td>
</tr>
<tr>
<td>Oracle authorized Training Center</td>
<td>23</td>
<td>300</td>
</tr>
<tr>
<td>Global Software Engineering Training Center</td>
<td>805</td>
<td>1000</td>
</tr>
<tr>
<td>SIP KADA Training Center</td>
<td>500</td>
<td>1000</td>
</tr>
<tr>
<td>Digital China institute</td>
<td>–</td>
<td>300</td>
</tr>
<tr>
<td>APTECH Authorized Center</td>
<td>1273</td>
<td>1500</td>
</tr>
<tr>
<td>Hero Mindmine</td>
<td>–</td>
<td>–</td>
</tr>
</tbody>
</table>
10 square km
9 universities
7 post-graduate workstations
50,000 students by 2010

BPO related courses
- Software engineering
- Computer science
- Information management
- MBA, EMBA

Qualified human resources

Dushu Lake Higher Education District
<table>
<thead>
<tr>
<th>Name of University</th>
<th>Major</th>
<th>Degree</th>
<th>Students on study</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suzhou Postgraduate School of University of Science and Technology of China (USTC)</td>
<td>Software Engineering</td>
<td>Master</td>
<td>368</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Master on the job</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Master+Doctor</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Computer Science</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suzhou Postgraduate School of Southeast University</td>
<td>Wireless Internet &amp; Information Security Laboratory</td>
<td>Master</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Telecommunications &amp; Information System</td>
<td>Master</td>
<td>15</td>
</tr>
<tr>
<td></td>
<td>Engineering Master on the job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Suzhou Postgraduate School of Xi’an Jiaotong University</td>
<td>Information Management</td>
<td>Master on the job</td>
<td>15</td>
</tr>
<tr>
<td>Suzhou Postgraduate School of Nanjing University</td>
<td>Software Engineering</td>
<td>Master on the job</td>
<td>58</td>
</tr>
<tr>
<td>Xi’an Jiaotong &amp; Liverpool University</td>
<td>Computer Science &amp; Technology</td>
<td>Bachelor</td>
<td>28</td>
</tr>
<tr>
<td></td>
<td>Information &amp; Computer Science</td>
<td>Bachelor</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Telecommunications Engineering</td>
<td>Bachelor</td>
<td>137</td>
</tr>
<tr>
<td></td>
<td>Information Management &amp; Information System</td>
<td>Bachelor</td>
<td>114</td>
</tr>
<tr>
<td>HKU Space Global College (Suzhou)</td>
<td>Computer Information Management</td>
<td>College</td>
<td>67</td>
</tr>
<tr>
<td>Global Software Training Center</td>
<td>Computer Science &amp; Technology</td>
<td>Bachelor</td>
<td>507</td>
</tr>
<tr>
<td>学校名称</td>
<td>专业名称</td>
<td>学位</td>
<td>在人数</td>
</tr>
<tr>
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</tr>
<tr>
<td>中科大苏州研究生院</td>
<td>软件工程</td>
<td>全日制硕士</td>
<td>368人</td>
</tr>
<tr>
<td>Suzhou Postgraduate School of University of Science and Technology of China(USTC)</td>
<td>信息管理</td>
<td>在士</td>
<td>7人</td>
</tr>
<tr>
<td>在士</td>
<td>Master on the job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>通信与信息系</td>
<td>全日制博士</td>
<td>3人</td>
<td></td>
</tr>
<tr>
<td>Suzhou Postgraduate School of Southeast University</td>
<td>Wireless Internet &amp; Information Security Laboratory</td>
<td>全日制博士</td>
<td>22人</td>
</tr>
<tr>
<td>西南大学苏州研究院</td>
<td>计算机科学</td>
<td>全日制博士</td>
<td>10人</td>
</tr>
<tr>
<td>Suzhou Postgraduate School</td>
<td>Engineering Master on the job</td>
<td></td>
<td></td>
</tr>
<tr>
<td>在工程士</td>
<td>无网与信息安全室</td>
<td>全日制博士</td>
<td>3人</td>
</tr>
<tr>
<td>Suzhou Postgraduate School</td>
<td>在士</td>
<td>Master</td>
<td></td>
</tr>
<tr>
<td>南京大学苏州研究院</td>
<td>软件工程</td>
<td>在士</td>
<td>58人</td>
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<td>Suzhou Postgraduate School</td>
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<tr>
<td>西交利物浦大学</td>
<td>计算机科学与技术</td>
<td>全日制本科</td>
<td>28 人</td>
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<tr>
<td></td>
<td>信息与计算科学</td>
<td>全日制本科</td>
<td>60 人</td>
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<td>全日制本科</td>
<td>67 人</td>
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<td>高博件培中心</td>
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<td></td>
</tr>
</tbody>
</table>
Business Environment

- More than 20 financial institutions

BEA 東亞銀行  DBS 星展銀行  HSBC 汇丰  BNP PARIBAS  citibank

HSBC 汇丰
Business Environment

30 reputed professional firms

Deloitte. PricewaterhouseCoopers

Law Offices of Charmoy, Stolzberg & Holian, LLP

Manpower

SOMPO Japan

HSBC
Adapting Singapore’s experience in urban planning and construction, economic development and public administration while combining China’s actual situation.

- One-stop service center
- Social service commitment and complaint schemes
- 24-hour service hotline
- Regular visits to companies
Government Service

One-stop Service Center
First Class Living Environment

• Modern side of Suzhou
• Complete urban function
• ISO 14001 Qualification
• Green coverage ratio reaches 45%
• A trial ecological industrial park in China
Over 20 primary schools and middle schools
Quality Social Amenities

Singapore International School

Approx. 1400 students
Under IB system

Dulwich British International School
International Brand Chained Commercial
Suzhou International Expo Center
Suzhou Science Cultural & Arts Center
Modern, international and gardenlike city

Hotels

[Image of various hotel logos and images]
Classic Golf Course

Designed by Gary Player
renowned in the golf world as one of the “Big Three” and also as the “Black Knight”
Now ...
热烈祝贺
苏州工业园区首届科技领军人才称号授予大会顺利召开

2007年第一批15人获选园区科技领军人才，每人获2000万元以上资助

张卫  方明  郑忠献  李桂根  李刚  胡仁胜  江必旺  张德龙
徐百  玄振玉  徐科  周之栩  王为民  张佩琢  沈晋文
1、项目启动资金：一次性资助 100 万元左右人民币的领军人才项目创业启动资金。

2、风险创业投资：根据领军人才项目投资需求，经论证审批后，中新苏州工业园区创业投资公司给予 500 万元左右人民币的风险投资。

3、跟进风险投资：为支持风险创投的投资活动，加大领军人才项目的创投扶持力度，专门安排资金用于跟进或引导风险投资，对于获得创业投资企业投资的园区领军人才项目提供实际投资额 30% 左右的股权投资，以分担创业投资企业的投资风险。

4、项目贷款担保：园区中小企业担保公司为领军人才项目提供流动资金贷款等各种筹资方式的担保。

5、统贷平台支持：园区科技型中小企业统贷平台为领军人才项目提供 100 万元左右的人民币两年期左右的贷款支持。
1、项目资助配套：园区科技部门协助企业争取部、省、市各条线项目资助，并给予获得各级资助的领军人才项目相应资金配套。

2、研发用房补贴：提供100平方米左右的领军人才项目启动场所，三年内免收租金。

3、租用住房补贴：提供领军人才100平方米左右公寓住房，三年内免收租金。

4、购买住房补贴：在园区购买自用住宅的，提供领军人才100万元左右人民币购房补贴。

5、家属子女安置：领军人才项目的关键岗位人才，其配偶、子女户口可随迁至园区，子女入学可以享受园区居民待遇。
Taxation

- CIT - 15% (SIP is the only area in China enjoying this)
- Business tax for offshore business–exempted
- Salary can be listed before tax
- Training cost of no more than 8% of total annual salary can be listed before tax
- Deductable basis raised from RMB1600 to RMB4800 for Individual Income Tax for top management and key personnel
- Tax refund for offshore outsourcing business
Special Policies (2)-Others

**Others**

- Flexible working hours
- IP Protection Fund
- Accelerated depreciation of equipment – minimum 2 years
- Bonus for CMMI certification – RMB 30k and up
- Software export award – RMB 0.2 for every 1 dollar export
- Rental subsidy
- Start-up Fund
For more information

Http://techpioneer.sipac.gov.cn
Five strategies for future development

- Open
- Urban development
- Science & technology innovation
- Human resources development
- Renovation
Thank you!