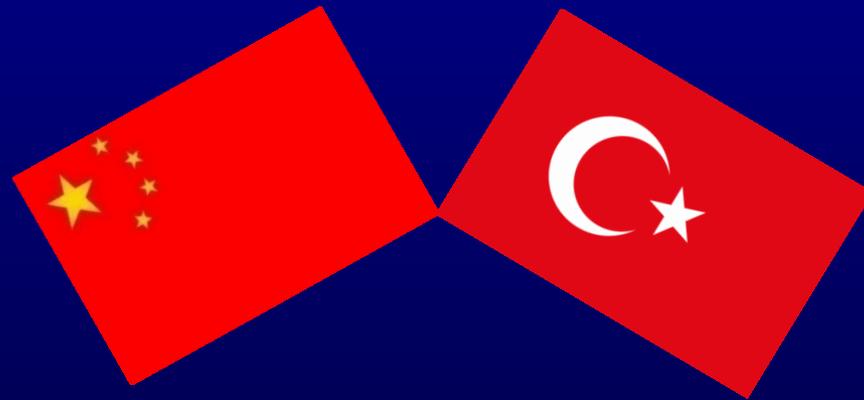


Sino-Turkey

Cooperative Industrial Base overview





Main item

- ✓ **P**roject background
- ✓ **X**injiang and Urumqi investment environment
- ✓ **S**ino-Turkish Cooperative Industrial Base
- ✓ **D**omestic and international market
- ✓ **U**rumqi Economic & Technological Development Zone (Toutunhe district) advantage



In October, 2010. Premier Wen Jiabao held talks with Turkish premier Erdogan in Ankara, and they jointly attended the signing ceremony of relevant cooperative documents of both parties.



In April, 2011, the Premier's Office Foreign Trade Department of the Republic of Turkey and Xinjiang Uygur Autonomous Region Commercial Affair Bureau signed the Memorandum of Understanding about the Establishment of Joint Workgroup for the Preparations of Turkish Industrial Park in Xinjiang.

Survey of Xinjiang

Located at the northwestern frontier in China, Xinjiang is an administrative region at provincial level with the largest land area. The land area covers 1.6649 million square km, accounting for one sixth in China's total land area. The capital city is Urumqi. Adjacent to 8 countries including Mongolia, Russian Federation, Kazakhstan and etc. respectively in the neighborhood, with the borderline as long as over 5600 km, Xinjiang is the province with the longest borderline, adjacent to the greatest number of countries and with the greatest number of ports for opening to the outside world in China. (Xinjiang has 17 first grade ports and 12 second ports.)



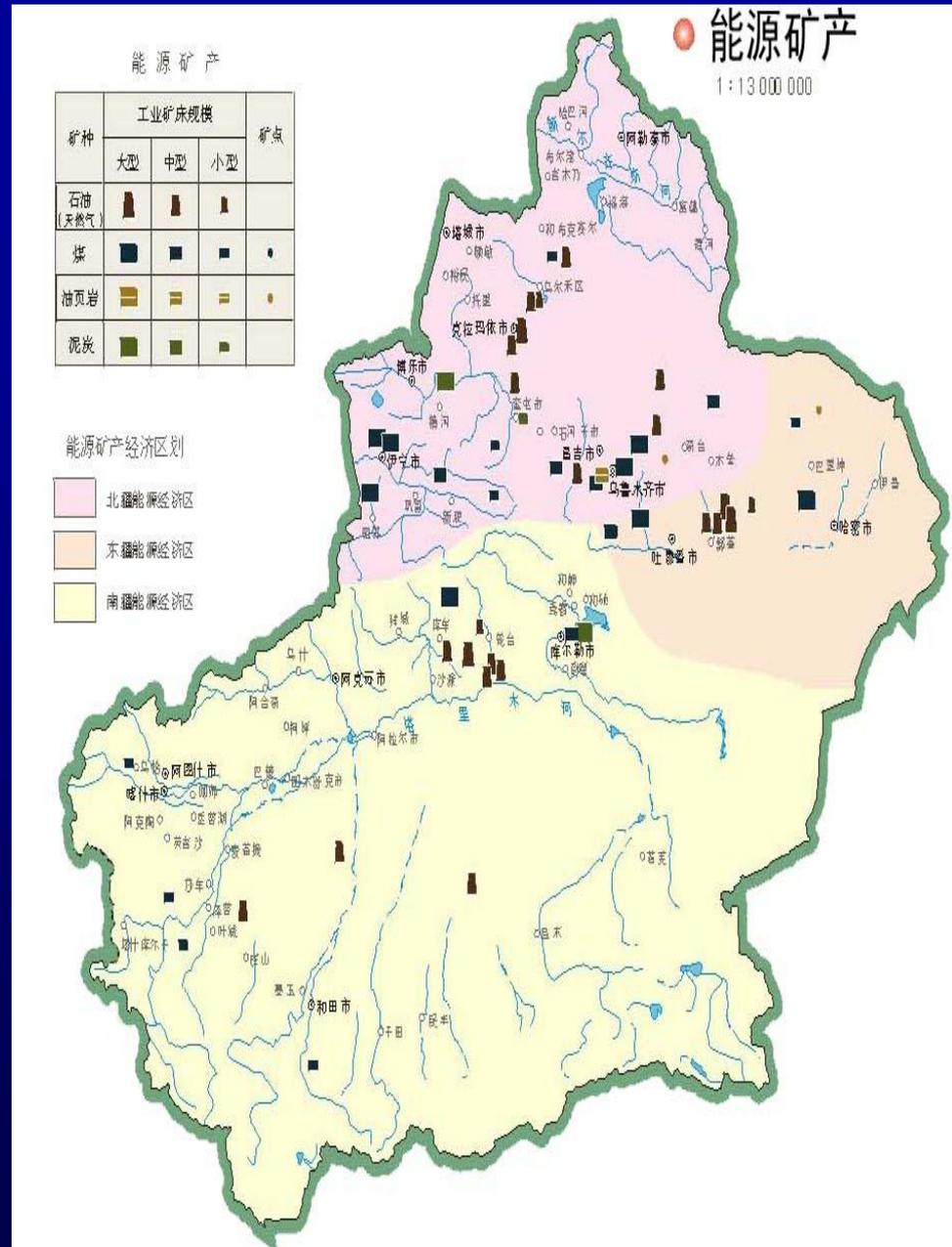


The total population in Xinjiang is 21.81 million, in which the population of ethnic minorities accounts for about 60%. There are 47 ethnic groups.

The ethnic groups permanently residing here include the Uygur, Han, Kazak, Hui, Kirgiz, Mongolian, Tajik, Xibe, Manchu, Uzbek, Russian, Daur and Tatar.



Xinjiang is exceptionally gifted in resource advantages. The petroleum resources approximately account for 30% in overland petroleum resource throughout China; the estimated natural gas resources account for 34% in national overland natural gas resources; the estimated coal resources account for 40% in national estimated reserves.



As one of the provinces with the greatest number of sunshine in China, Xinjiang is rich in solar energy, terrestrial heat, wind energy and etc. Due to long period of sunshine and great temperature difference between day and night, there are exceptionally favorable conditions for agricultural development. The featured agricultural products such as cotton, hops, tomato, medlar, Hami melon, grape, pear, pomegranate, walnut and etc. enjoy great prestige both at home and abroad. Among them, the output of cotton in Xinjiang accounts for one third throughout China; the output of ketchup ranks in the first place nationwide and in the second place in the World.



——Rapid growth in overall strength

Content	Index	Growth rate
GDP	541.8 billion RMB	10.6%
GDP per capita	24978 RMB	9.4%
Urban per capita disposable income	13644 RMB	11.3%
Total foreign trade value	13.8 billion USD	24.6%

Reasonable industrial structure
the overall price level remains stable



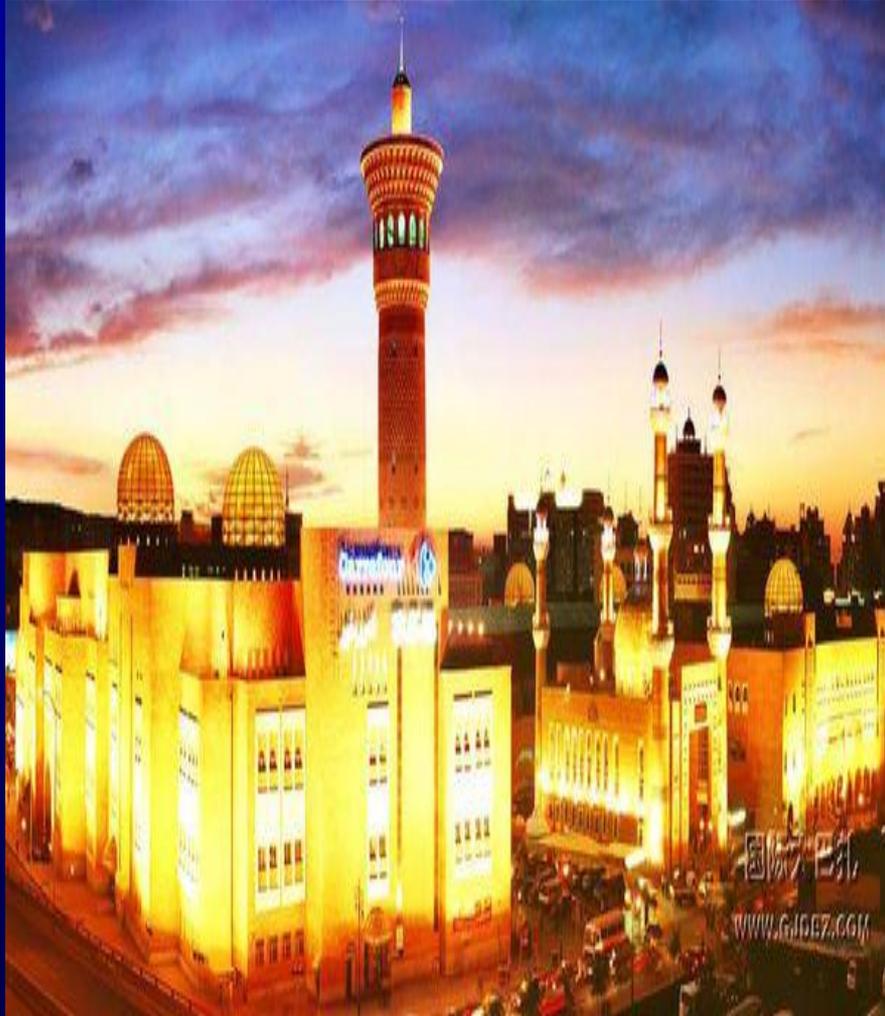
For 10 years of Development in West China, Xinjiang has become the “bridgehead” of westward development in China as the economic “basin” in the far west region of China. In 2010, the Central Government held the working conference on Xinjiang, in which important decision and deployment were made in terms of the promotion of the leap-forward development as well as long-term peace and stability in Xinjiang, and a series of favorable policies were issued to support construction and development of Xinjiang. Xinjiang will embrace the historical opportunity for great construction, great opening and great development.

Xinjiang International Exhibition Center



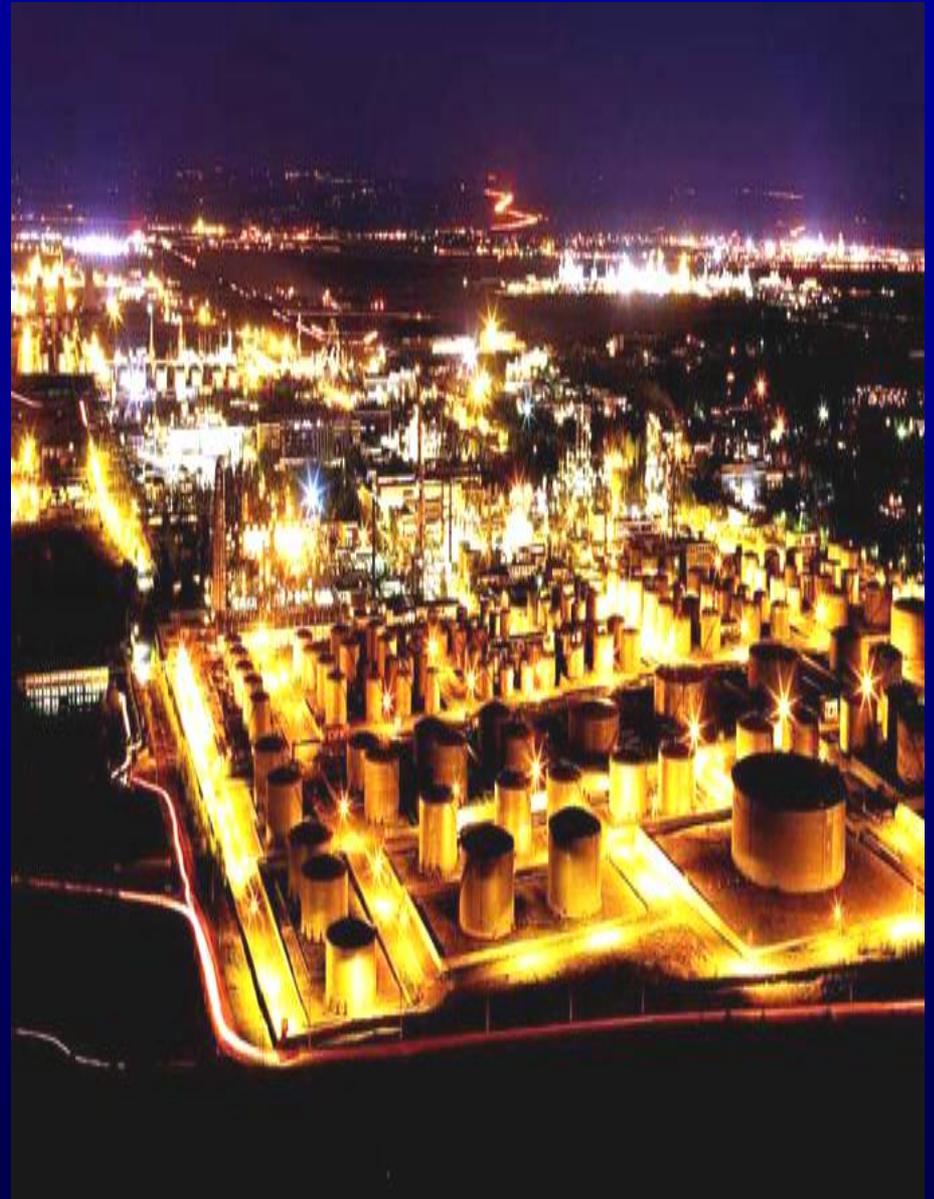
From September 1 to September 5, the first China-Asia-Europe Fair will be held in Urumqi. It is an important measure of Chinese government to realize leap-forward development in Xinjiang. It is a platform for the heads in Asian and Europe countries to hold summit meetings; the platform for international and domestic enterprises to make exchange; the platform to demonstrate opening of Xinjiang to the outside world.

Survey of Urumqi



Located at the geographic center of the Asian Continent, at the northern foot of the middle section of Tianshan and the southern margin of Junggar Basin, Urumqi is the strategic passage to connect South Xinjiang and North Xinjiang and link mainland China with Central Asia and Europe, the capital city of Xinjiang Uygur Autonomous Region and the political, economic, science & technology and cultural center throughout Xinjiang, the bridgehead of the second Eurasian Continental Bridge in West China, the important gateway in westward development of China, the largest and the most prosperous central city in Central Asia area. It is renowned as “the City of Asian Center” and “the City of Halal Food in China”.

As an emerging comprehensive industrial city, Xinjiang has formed a complete industrial system, including coal、machinery、petroleum 、chemical engineering 、textile 、metallurgy 、building material, electric power, food and products with distinctive national features and etc.



World Top 500 and well-known enterprises which invests in Urumqi



China Top 500 enterprises which invests in Urumqi

China Petroleum & Chemical Corporation (No. 1), China National Petroleum Corporation (No. 2), State Grid Corporation of China (3), Baoshan Iron and Steel Group Co., Ltd. (No. 12), China State Construction Engineering Corporation (No. 16), COFCO Limited (No. 19), China Minmetals Corporation (21), China steel Corporation (No. 24), Dongfeng Motor Corporation (No. 30), Shenhua Group Co., Ltd. (No. 36), Jiangsu Suning Appliance Group Co., Ltd. (54), China Datang Corporation (55), China Guodian Corporation (64), China Huadian Corporation (No. 66), Henan Coal Chemical Industry Group Co., Ltd. (68th), China National Coal Group Co., Ltd (76), China Southern Air Holding Company (93), China National Heavy Duty Truck Group Co., Ltd. (No. 112), Red Cloud Red River tobacco (Group) Co., Ltd. (No. 118), Yanzhou mining Group Co., Ltd. (No. 121), GOME Electrical Appliances Holding Limited (No. 126), Anhui Conch Group Co., Ltd. (No. 144), China's nuclear industry Group (No. 163), etc.

Urumqi in 2010 each economic indicators

Content	Index	Growth rate
GDP	131.1 billion RMB	12.2%
The local Financial revenue	19.757 billion RMB	35.8%
Investment in fixed assets	50 billion RMB	21.4%
Total retail sales of social consumer goods	56.3 billion RMB	19.1%
Total import and export	5.99 billion USD	60.2%

Sino-Turkish Cooperative Industrial Base orientation

Textile and other light industries, foodstuff, leather, iron & steel, mechanical & electrical products, automobile manufacturing and etc. in Turkey are relatively developed. The export of textile clothes in Turkey ranks among top 5, the annual output is USD 50 billion, and the export is USD 20 billion (in which 60% are exported to EU); with the output value of nearly USD 200 billion in the food industry of Turkey, Turkey is the fourth largest country for food supply in Europe. In 2009, the export of the food industry reached USD 10.5 billion.



Sino-Turkish Cooperative Industrial Base orientation

Based on the advantages in economy and technical development in Turkey, our industrial park proposes to introduce textile and clothing industry, food processing and deep processing of agricultural and sideline products, high-tech industry, leather processing industry and dairy processing and etc. from Turkey, and also gives consideration to other advantageous industries in Turkey.

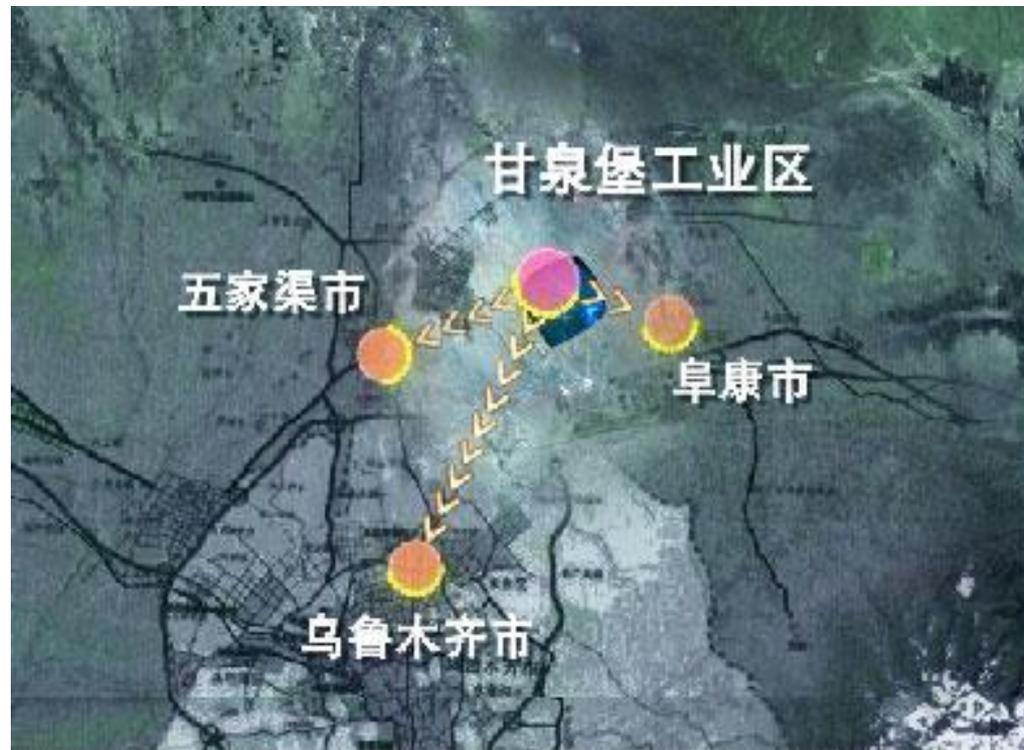




Site location and surrounding environment



- ❖ The site of the Sino-Turkish cooperative industrial base was selected at the South Zone of Ganquanpu Industrial Park. It is 40km away from the downtown area of Urumqi in the south, 16km away from Wujiaqu in the west, 10km away from Fukang in the east, 20km away from Midong District.



乌鲁木齐市甘泉堡工业区



Urban planning



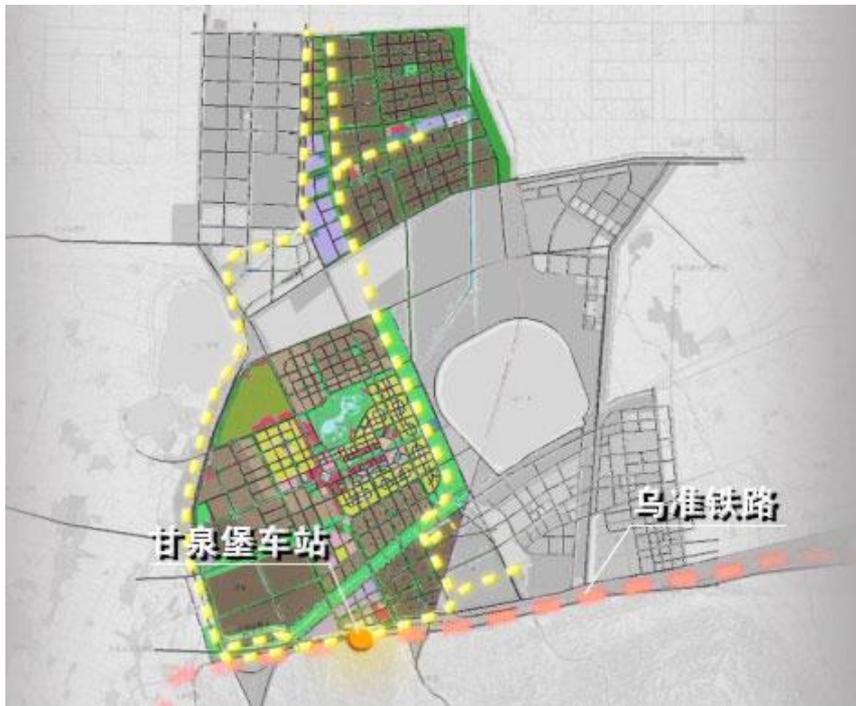
The total land area of the industrial park is 360 square kilometers, including the administrative scope of Urumqi, Wujiaqu and Fukang. The land for the industrial section planned in the administrative scope of Urumqi is 171 square kilometers, and the resident population is 350 thousand.



Transportation Planning



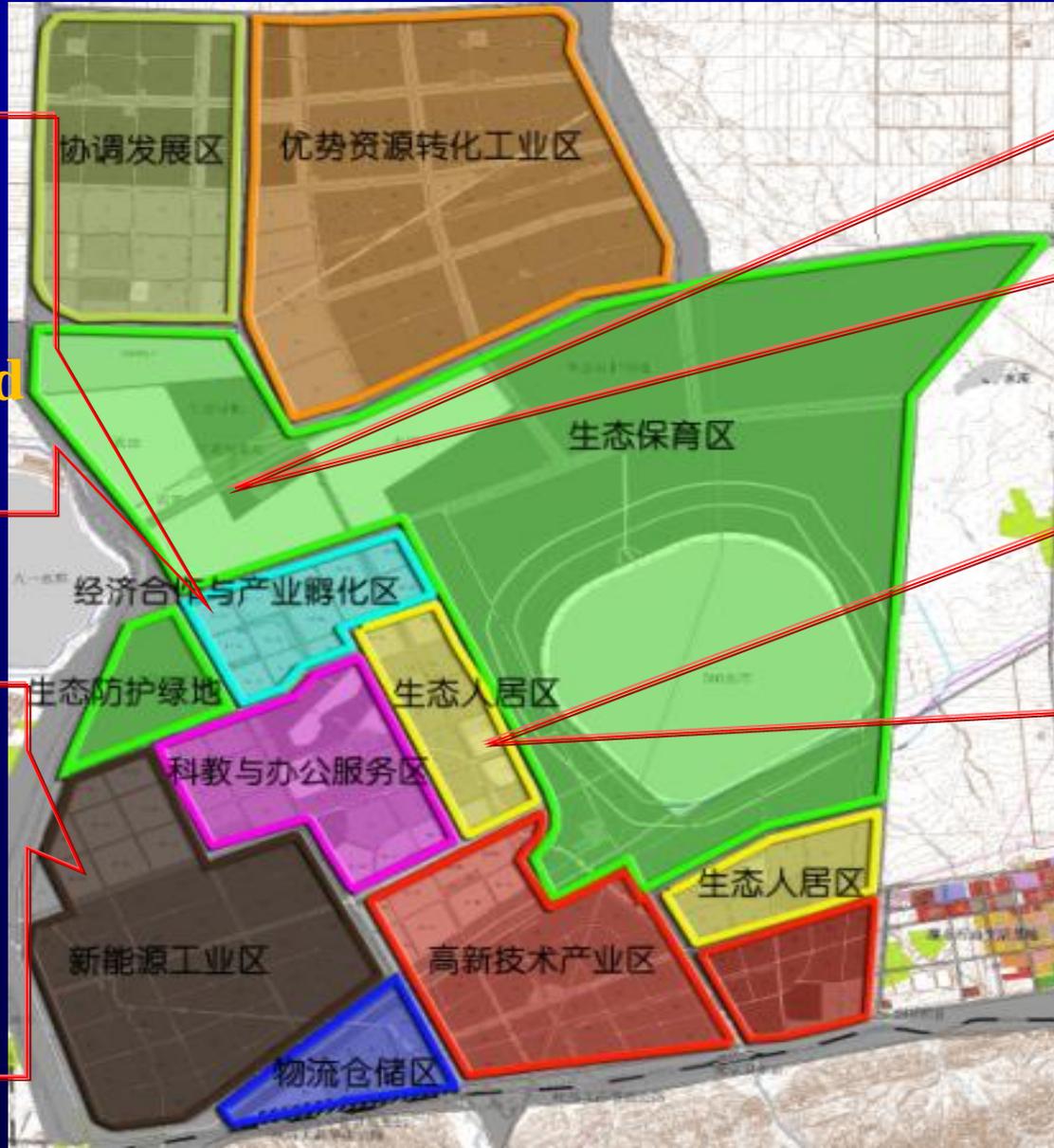
In its vicinity, such motorways as 216 state motorway, 102 provincial motorway and Turpan-Urumqi-Dahuangshan motorway, petroleum special motorway and Ganmo Motorway pass through the Ganquanpu Industrial Park and it is only 30-minute drive to Urumqi International Airport; the Urumqi-Junggar railway line of the Xiaohuangshan to Dahuangshan railway- branch passes through the south of the Ganquanpu Industrial Park, so it features extremely convenient transportation facilities.



Industrial Base Proposed land-use

Planned No. 1 sewage treatment plant will have a daily treatment capacity of 400 m³

No.1 Waterworks has been completed and it has a water supply capacity of 200 m³ /day, and in the long term it shall be expanded to 400 m³ /day;



Sino-Turkish Cooperative Industrial Base Proposed land-use:

The park's 220KV substation has been constructed .

Investment cost

	Turkish cost	Urumqi cost	Cost Comparison
Industrial Electricity	daytime 0.115 USD/kwh, nighttime 0.065 USD/kwh	common industrial electrical use of Urumqi: 0.07 USD/kwh	There is not a big difference between the electric use price of Urumqi and the night electric price of Turkey, which is 38.3% lower than its electric use price of daytime.
Industrial Water	3.93 USD/cubic meter	0.343 USD/cubic meters	The cost of Turkish industrial water is 11.5 times of that of Urumqi's.
Worker's Salary	475 USD/months;	300-390 USD/month	The minimum salary of technicians in Urumqi is 36.8% lower than that of Turkey's.

Preferential policy

- 1. Execute the lowest rate of industrial land transfer and it can be executed according to 10%—50% of the “Standard of lowest rates of national industrial land transfers”.**
- 2. Regarding the high-tech enterprise with key national support, their corporate income tax shall be levied at a rate of 15%. Regarding the industrial enterprises of the encouraged categories of the Western region, the corporate income tax shall be levied at a reduced rate of 15% tax rate.**
- 3. Regarding the export production enterprises conforming to the requirements, the enterprise’ income tax shared by the locality will be executed for 5 years, the real estate tax is exempted and the taxes of land for self-use and township land use are exempted.**

Preferential policy

4. From 2010 to 2020, regarding the newly initiated medium and small-sized enterprises of the encouraged category in the poverty-stricken areas and national industrial parks, they shall be granted the preferential treatment of the “two exemptions and three half-reductions” of the corporate income taxes starting from the taxation year to which the acquisition of the first sales revenue belongs

5. Regarding the enterprises conforming to the refined and deep processing scope of the Autonomous Region, the enterprise' income tax shared by the locality will be executed for 5 years.

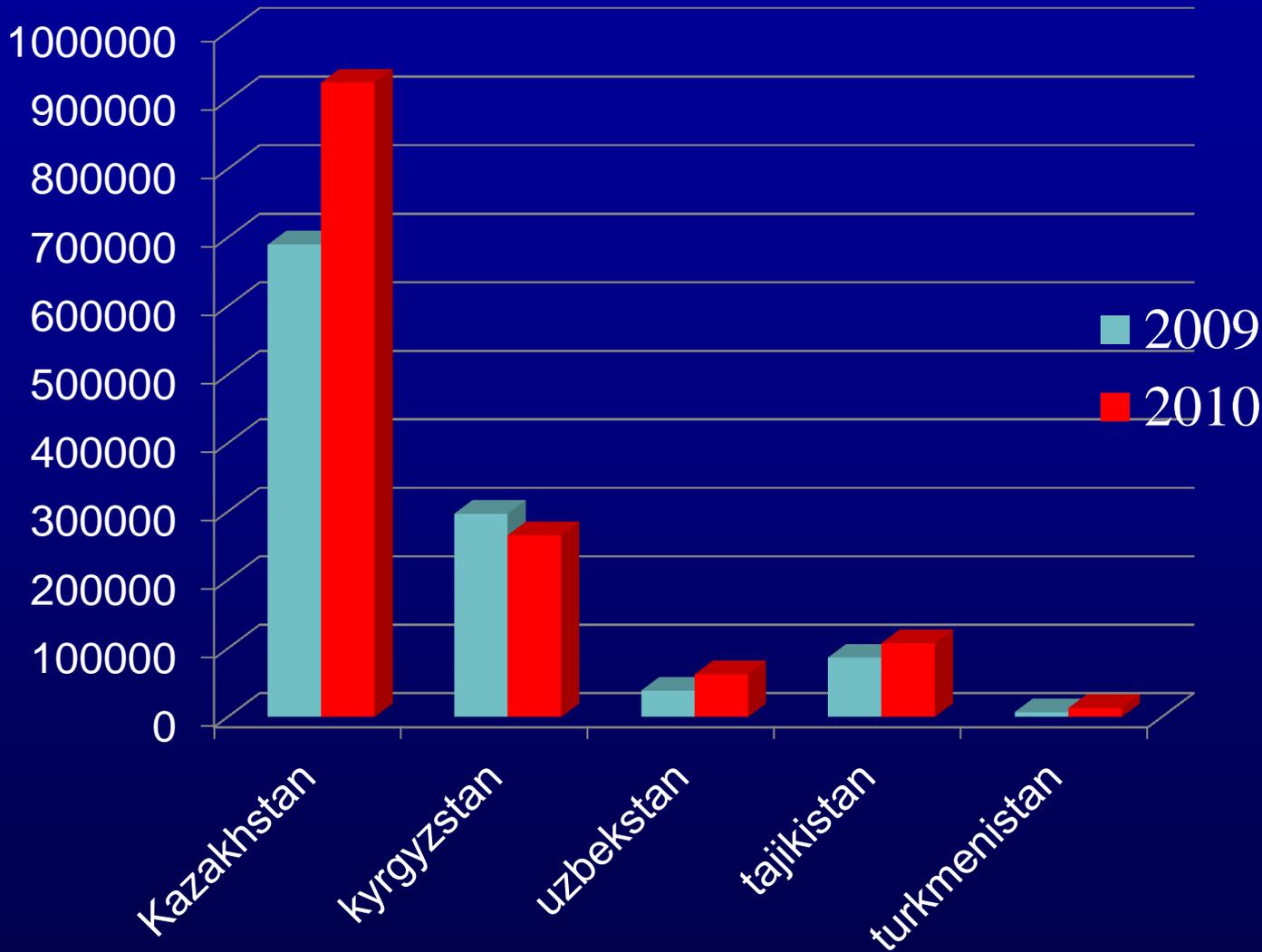
6. Regarding the industrial categories encouraged for foreign investment and the equipment for self-use of the projects of advantageous industries within their total investment volume, they can be exempted the tariff within the specified scope.

Preferential policy

7. Regarding those enterprises that conform to the Industrial Zone's industrial policies, and have had industrial and commercial registration and taxation registration and conducted business operations legally within the Industrial Zone, they shall be entitled to the financial supports given by the Development Zone. Starting from the date of the enterprises' registration in the Development Zone and business operation, within five years, based on their financial contributions to this level, they shall be granted certain amounts of financial supports.

8. Regarding those that conform to the Development Zone's industrial policies, based on the project categories and scales of land use and investments, they shall be granted certain amounts of supports of infrastructure construction.

International and domestic markets



Xinjiang is faced the tremendous markets of China's hinterland and Central Asia and South Asia with a population of 1.3 billion people. In 2010, Xinjiang's import and export trade volume with the five nations of Central Asia reached USD 13.7 billion, a year-on-year increase of 23.4%.

Xinjiang's total import and export volume with five Central Asian countries

Development Zone (Toutunhe District) advantages



Established in August, 1994 with approval from the State Council, Urumqi Economic & Technological Development Zone (Toutunhe District) is located in the Northwest of Urumqi. With a planned management area of 480 square kilometers and a population of 220 thousand people, it has more than 4000 enterprises of various kinds. It has become a multi-functional and zone integrating national economic & technical development zone, national export processing zone, military and civilian cooperation, second-class port, bonded logistics center, export supervised warehouse and public bonded warehouse.

Development Zone (Toutunhe District) advantage

Content	Index	Growth rate
GDP	21.95 billion RMB	23.4%
Industrial output	75.56 billion RMB	68%
The local Financial revenue	2.86 billion RMB	46.4%
Total import and export	2.15 billion USD	144.3%



Creating value for enterprises

**Sincerely welcome Turkey investors
to jointly develop Xinjiang !**

