

Attractiveness - Strengths Zhuhai - Investment



July 15, 2008

Why Zhuhai & Seattle...



Agenda

- **Zhuhai: attractiveness and strengths**
- Zhuhai: an investment destination in South China
- Zhuhai: sample industry clusters

Over 28 years of development: today's Zhuhai has unique attractiveness and strengths among cities in China

Overview of Zhuhai

- A seaside city and a special economic zone in southern China
- Promoted to be a county in 1953, and to be a city in 1979. In 1980, it has been established as a special economic zone
- A population of 1.5 million
- A total acreage of 7653 square kilometers, 1687.8 of which is land

City of Attractiveness

- Superior natural environment
- High-living quality environment
- Convenient living & entertainment facilities



City of Strength

- Powerful economic growth
- Rapidly developing export-oriented economy
- Competitive industry structure



Zhuhai has convenient living and entertainment facilities, attracting talents at home and from abroad

Island

- Zhuhai has the biggest ocean acreage, the most islands and the longest coastline within the Pearl River Delta. Zhuhai has 146 big or small isles, making it renowned as "City of Hundred Islands"



Spring

- Zhuhai Imperial Spring
- Zhuhai Ocean Spring Resort
- the largest-of-its-kind in Asia



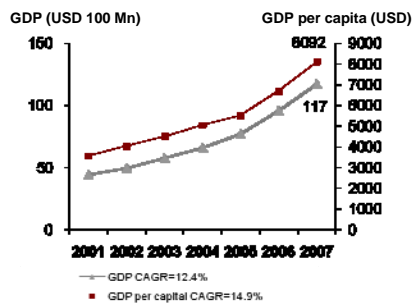
Golf

- 5 golf courses of international quality
- Home of No. 1 golf player in China



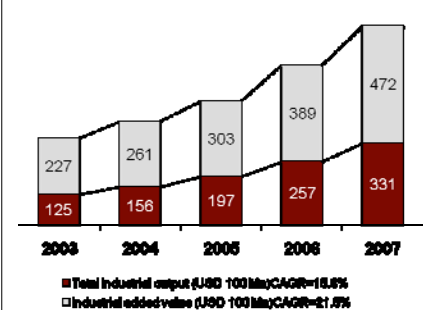
Zhuhai is experiencing good and steady economic growth, especially industrial output develops fast, exhibiting strong development strength

GDP & GDP per capita



- Local GDP for 2007 registered at \$11.7 billion with a record growth rate since 2004
- GDP per capita is \$8092 in 2007, top 3 in Guangdong Province

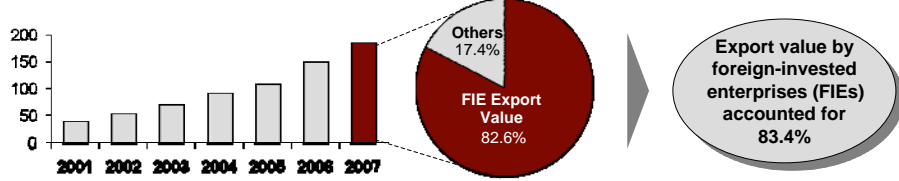
Total industrial output & industrial added value



- The industrial output amounted to \$ 33.1 billion in 2007, up 18.7%
- Industrial added value totaled \$47.2 billion in 2007, up 20.1%

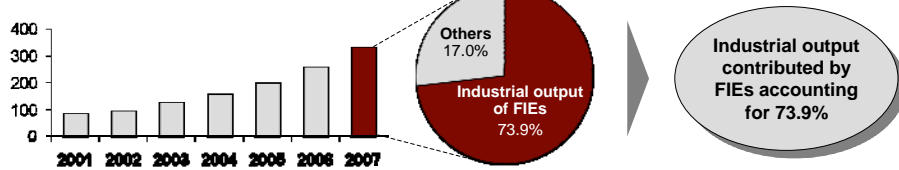
Zhuhai's foreign-oriented economies develop well with rapid growing trade and FDI

Volume of Exports (USD 100 Mn.)



Export value by foreign-invested enterprises (FIEs) accounted for 83.4%

Total industrial output value (USD 100 Mn.)



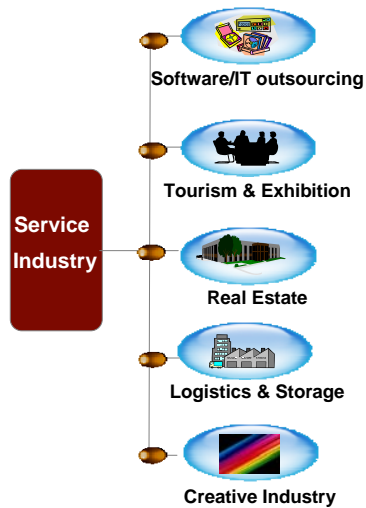
Industrial output contributed by FIEs accounting for 73.9%

Over half of Zhuhai's industrial added value is contributed by Global 500 companies invested in Zhuhai

Zhuhai has gained a competitive edge in the secondary industry represented by the manufacturing industry...

Zhuhai Main Manufacturing Industries				
Electronic Information	Home Electric Appliance	Petro-chemical	Electric Machinery	Bio-medicine
FLEXTRONICS Canon 	 珠海格力集团有限公司 PHILIPS sense and simplicity Panasonic ideas for life	 中国海洋石油总公司 CHINA NATIONAL OFFSHORE OIL CORP.	 Aero Engines 羅西尼 Swatch	 康球医药 LIVZON

...and tertiary industry represented by software/ IT outsourcing



Introduction of main industries

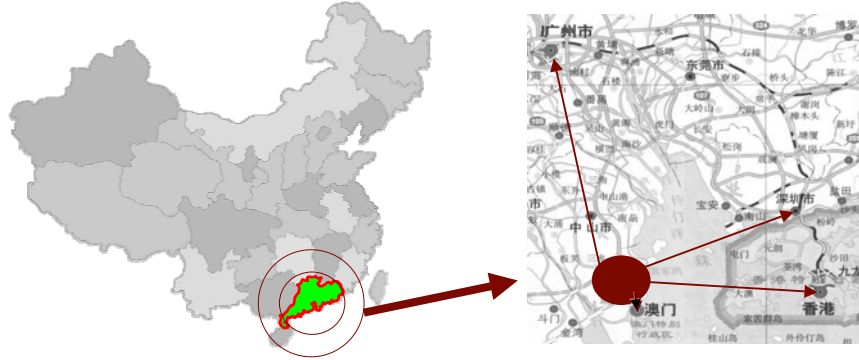
- Zhuhai is one of the national software bases in China.
- Zhuhai received the "International Award for Best Practices" in 1998 awarded by United Nations Human Settlements Programme for its beautiful scenery, being the only Chinese city with such honor. It's also among "Top 40 Tourist Destinations in China" with the whole city as a scenic spot
- The Creative industry is a very promising industry with great potential. A beautiful natural environment and a unique geographic location guarantee the external conditions for the city to develop the industry. The government is striving for opportunities in the next round of industry upgrade



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- Zhuhai: attractiveness and strengths
- **Zhuhai: an investment destination in South China**
- Zhuhai: sample industry clusters and latest key projects

Zhuhai is strategically well positioned, giving it a unique geographical advantage



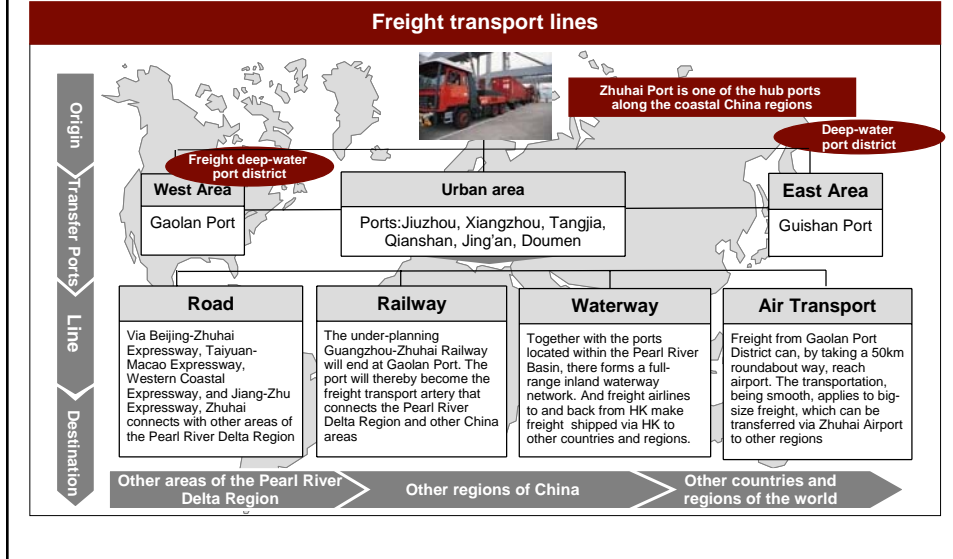
Strategic Location

- Situated in the "Zhuhai-Hong Kong-Macau Metropolis" and the Pearl River Delta (PRD)
- Bordered by Macau, 36 nautical miles to Hong Kong, 120km away from Shenzhen and 140km from Guangzhou
- A hub for domestic and international business and exchange
- Traditional ties with Hong Kong, Macau and the Southeastern Asia
- Close to the international navigation route and major inland routes
- Region with the highest airport density in Asia making it convenient to reach various major cities across the world

Zhuhai Land Transportation Network

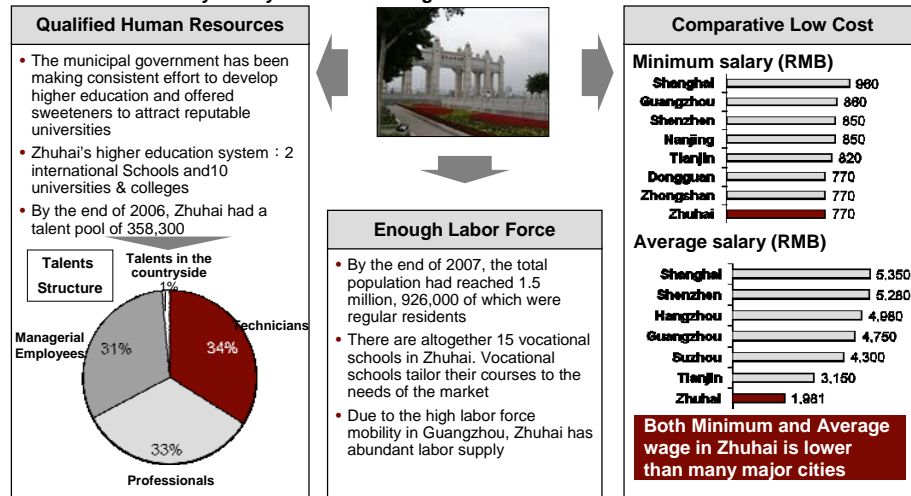


Zhuhai is one of China's important port cities, making it convenient for freights to reach China and the world



Software advantage: Zhuhai enjoys a significant talent advantage within the Pearl River Delta

Within the province Zhuhai's number of enrolled students at university is only second to Guangzhou



The industries are clearly divided based on the new area division

WEST

Liangang Economic Zone

Fushan Industrial Park

Gaolan Port Economic Zone



In accordance with a plan for transportation improvement, development of the manufacturing industry and the city, the West embraces a broad structural development, focusing on providing convenient logistics and adequate space for the high – end manufacturing industry

EAST

Zhuhai Bonded Area

Zhuhai-Macao cross-border industrial park

Zhuhai High-tech Development Zone

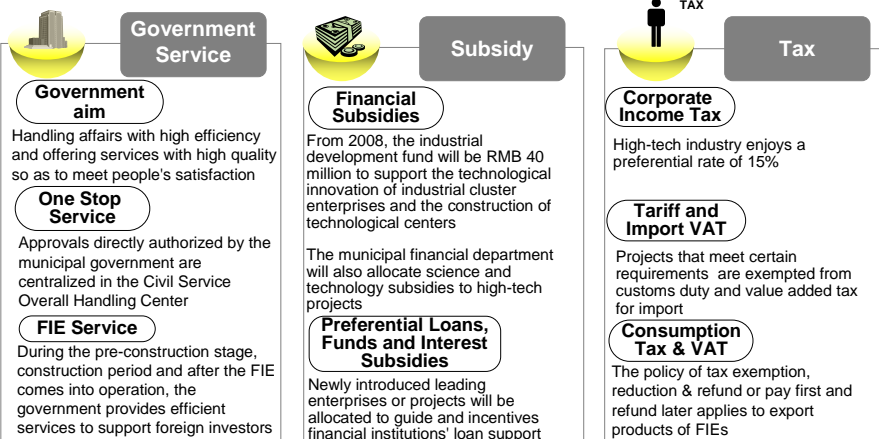


In order to promote the transition from an industry driven economy to a service driven economy, Zhuhai puts high priority on environmental protection and efficient services, especially focusing on the development of the high-tech industry and high-end service sector, the improvement of city services and the connection Zhuhai-Hong Kong-Macau

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High-quality governmental services and preferential policies for target industries

Preferential Policies



The construction of Hong Kong-Zhuhai-Macau bridge is now undergoing financing arrangements



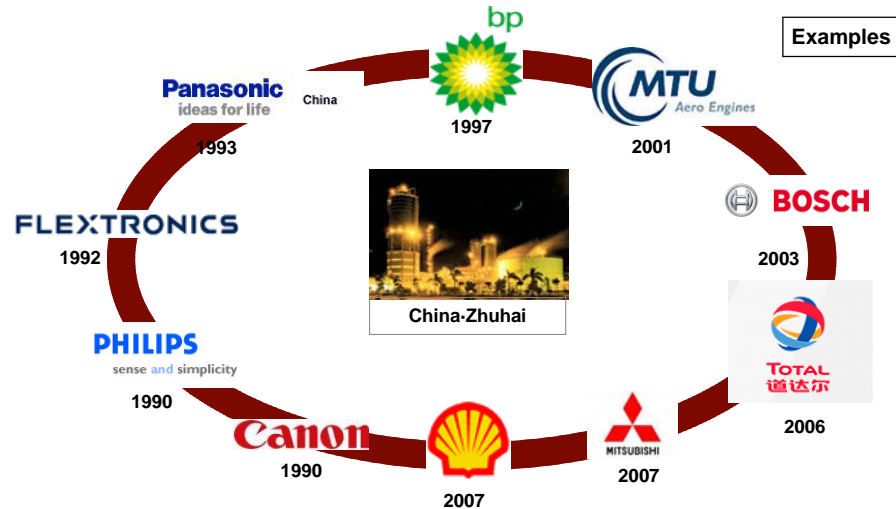
Introduction to Hong Kong-Zhuhai-Macau Bridge

- **Link:** It will start from Lantau Island in Hong Kong, run through Tai O, span across the mouth of Pearl River, and eventually get divided into Y-shape with one end linking Zhuhai and another end linking Macau. Once built, Zhuhai will become the only mainland city in China having bridge connection with Hong Kong and Macao
- **Distance:** The planned 29-km bridge is estimated to spend US\$2bn, the would-be longest bridge in the world
- **Flow:** The entire bridge will be constructed according to the criteria of six-lane expressway, and the designed MPH is 100kmh
- **Time :** On completion and operation, the driving hour from Zhuhai to Hong Kong will shrink from the current 3 hours to less than half an hour

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- Zhuhai: sample industry clusters and business opportunities

Lots of investors are successful in Zhuhai

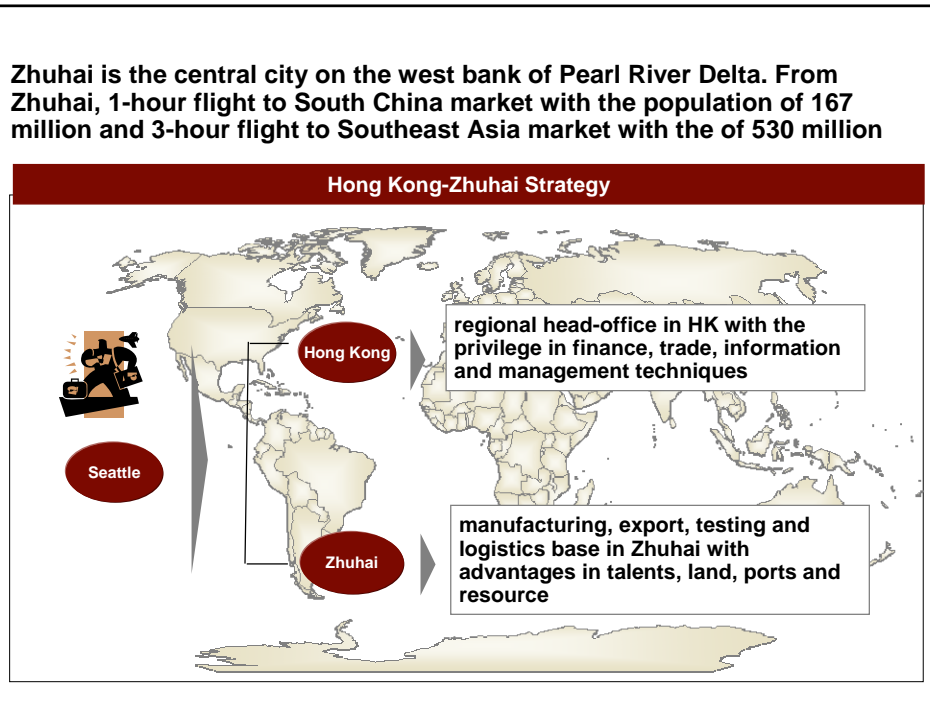
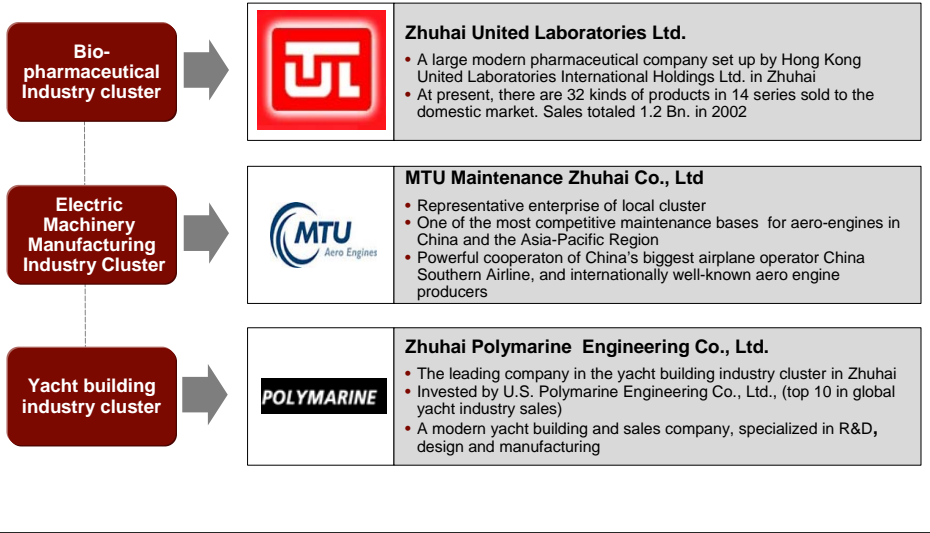


- By December 2007, 10,341 FDI projects had been approved. Out of the Fortune 500 companies, more than 30 invest in Zhuhai

Foreign-invested enterprises in Zhuhai have made remarkable development, and became the leaders in major local industry clusters



Foreign-invested enterprises in Zhuhai have made remarkable development, and became the leaders in major local industry clusters (cont'd)



Zhuhai & Seattle: Potential Cooperation

Aviation
manufacturing
and training

China International Aviation and Aerospace Exhibition which is organized biyearly has been held successfully for 6 sections in Zhuhai, ranking among world's top 5 air shows. Zhuhai is designated as the only civic aviation industrial base in Guangdong Province. An aviation industrial park has been planned with the coverage of 40.66km², aiming at the investment of aviation assembling, parts and components processing and maintenance, to enhance Zhuhai to be a competitive integration of production, education and research for aviation industry. Zhuhai and CAE—a Canadian company cooperate for the biggest pilot training program in China.

Software

In 2007, Zhuhai boasts Zhuhai 194 software providers certified by the state, 1006 kinds of registered products, 132 of which are verified with copy rights; Kingsoft and Wanlida were listed respectively in Hong Kong and Shenzhen. In May 2008, Kingsoft kicked off the cooperation with world top searching engine—Google to launch *Google—Kingsoft PowerWord Co-Version*, which combines the desktop translation provided Kingsoft and Google's strong online translation function.

Yacht

Zhuhai is endowed with the longest coastline within PRD. It's the biggest yacht-building base in China with 23 manufacturers in the industry, among which there has been the facility invested by Brunswick from US. More and more businessmen are now preferring to buy yachts made in Zhuhai. The market in South China for yachts will be huge in 20 years after automobile is affordable to the folks.

Auto

The neighboring city of Zhuhai—Guangzhou boasts itself "China's Detroit". A giant industrial cluster of auto components is developing amazingly around 2-hour-driving distance to Guangzhou. There have been 12 auto manufacturing and supporting companies in Zhuhai, including the investment from Bosch, Mitsui and Fujikura, etc.

Environmental
protection &
wellness

Zhuhai is one of the environmental protection model cities in China, suited for development of environmental protection and wellness business

THANK YOU!

For more information, please refer to

<http://www.investzhuhai.gov.cn>

<http://www.zhccie.org.cn>