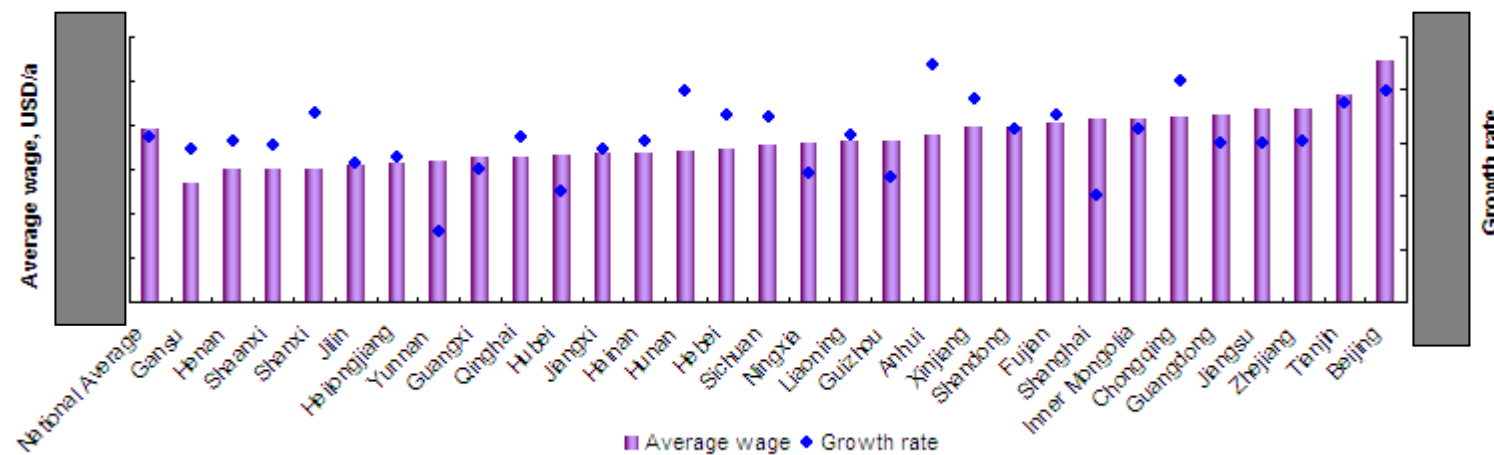


Note: Key data/information in this sample page is hidden, while in the report it is not.

1.1 Background of industry transfer in China

Figure 1.1-1 Average wage of employed persons in urban private units by region in China, 2011



Note: $Growth\ rate = (Average\ wage\ in\ 2011 - Average\ wage\ in\ 2010) / Average\ wage\ in\ 2010 * 100\%$

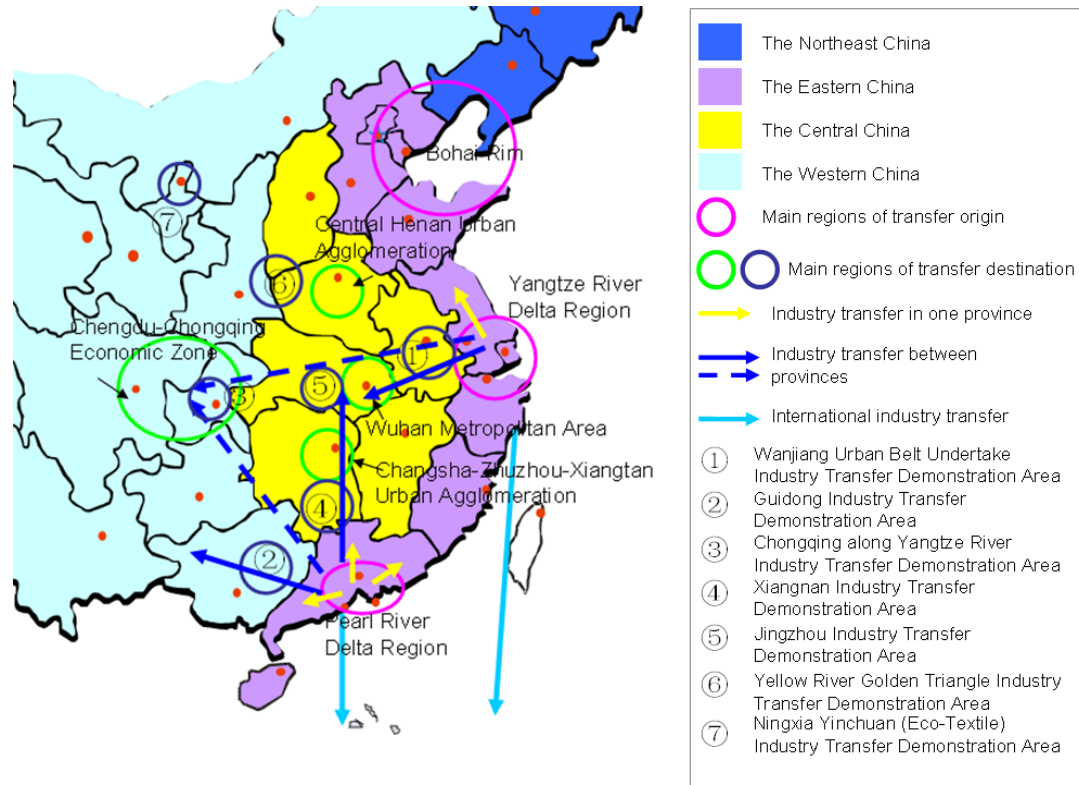
Source: National Bureau of Statistics of China; CCM

1.2 Current situation of industry transfer in China

* Transfer paths in China

There are three major transfer paths for Chinese industries: transfer in one province, transfer from eastern China to central China and western China, and transfer from eastern China to Southeast Asia and other countries.

Figure 1.2-1 Current trend of industry transfer in China



Note: 1. This map is an incomplete China map. It describes the current main trend of China's industry transfer. The research scope in this report excludes industries in Taiwan, Hong Kong and Macao.

2. Blue dotted lines refer to leaping industry transfer. Yellow and blue solid lines refer to gradual industry transfer.

Source: CCM

2.1 Model of site selection

Table 2.1-1 Model of site selection

Location factor	Index	Conditionality	Superiority		
			Weight	Score	Weighted score
Labor	Wage level	Y/N	–	–	–
	Wage growth	Y/N	–	–	–
	Population and age structure	Y/N	–	–	–
	Population quality	Y/N	–	–	–
Land	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
Plants, animals and mineral resources	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
Science and technology	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
Capital	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–
Natural environment	xxx	Y/N	–	–	–
	xxx	Y/N	–	–	–

Supporting facilities	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Transportation	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Customs	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Market	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Industrial clusters	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Government	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
	xxx	Y/N	-	-	-
Social environment	Public order	Y/N	-	-	-
	Living facilities	Y/N	-	-	-
Total	/	/	/	/	-

Note: xxx

Source: CCM

2.3.3 Financial appraisal for the case

Table 2.3.3-1 Estimated cash flow statement of the isopropylamine project, USD

Years	1	2	3	4	5	6	7	8	9	10
Cash inflows	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Product sales revenue	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Recovery of residual value of fixed assets	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Liquidity recovery	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Cash outflow	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Construction investment	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Liquidity	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Operating costs	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Sales tax	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Income tax	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Staff welfare expenses	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Net cash flow	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Accumulated net cash flow	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Discount factor	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Present value of net cash flow	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx
Present value of accumulated net cash flow	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx	xxx

Note: xxx

Source: CCM

Table 2.3.3-3 Sensitivity analysis for NPV of this new project

Factors	-20%	-10%	0	10%	20%
Product sales revenue	xxx	xxx	xxx	xxx	xxx
Recovery of residual value of fixed assets	xxx	xxx	xxx	xxx	xxx
Liquidity recovery	xxx	xxx	xxx	xxx	xxx
Construction investment	xxx	xxx	xxx	xxx	xxx
Liquidity	xxx	xxx	xxx	xxx	xxx
Operating costs	xxx	xxx	xxx	xxx	xxx
Discount factor	xxx	xxx	xxx	xxx	xxx

Note: xxx

Source: CCM

3.1 Industry transfer policy in China

Table 3.1-1 Major policies of industry transfer made by Chinese central government in recent years

Time	Name	Applicable districts	Main contents about industry transfer	Network link
July 2007	Notice of the State Council on the Issuance of the Planning of the Main Functional Areas	China	<p>1. The main functional areas are divided into four major categories—optimized development zones, key development zones, restricted development zones and prohibited development zones.</p> <p>2. The traditional industries in optimized development zones could be transferred to Shaanxi Province, Wuhan City, Chongqing City, Chengdu City and other key development zones.</p>	http://www.gov.cn/zwggk/2011-06/08/content_1879180.htm
...