

MACAO-HENGQIN INVESTMENT BROCHURE

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For more information

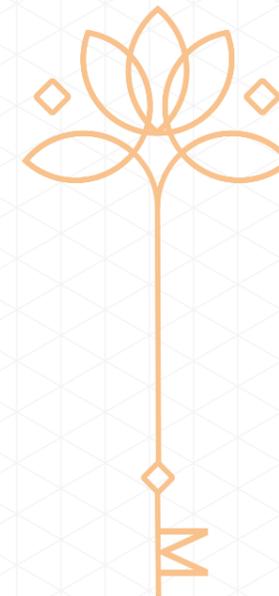




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I. INTRODUCTION

– WELCOME TO MACAO AND HENGQIN FOR
INVESTMENT AND DEVELOPMENT



The Guangdong-Hong Kong-Macao Greater Bay Area is one of the regions in China that has the greatest openness and strongest economic dynamics and is of significant market influence not only to the country but also to the whole world. Macao, an important component of the Greater Bay Area, benefits from an array of commercial advantages brought about by the “One Country, Two Systems” policy, namely a free port, a separate customs territory, and an international market that connects to Portuguese-speaking countries and Southeast Asian countries, making it an international gateway for China to attract business and investments from around the globe.

At present, Macao is implementing the “1+4” appropriate economic diversification strategy with continuous efforts, with the aim of improving the industrial structure, emphasising the diversified development of tourism and leisure, and continuously boosting the four major industries: big health, modern finance, high technologies, conventions and exhibitions combined with commerce & culture and sports. Under the support of the country’s policies plus the spatial advantages of Hengqin, Macao is gradually developing a new model for joint industrial development between Macao and Hengqin featuring the “Macao platform, international resources, Hengqin space, achievement sharing”, thereby jointly creating more investment and development opportunities for investors from around the world.



With the inauguration of the Guangdong-Macao In-Depth Co-operation Zone in Hengqin (“Hengqin” for short) which faces Macao is across the river from Macao and is connected to the city by road and bridge, Macao and Hengqin have been innovating on cross-border co-operation modes and creating unique investment environment and commercial advantages. The efforts can be seen in the effective implementation of the “cross-border administration and registration” mechanism, the increasing number of practices on the “multi-venue event” mode, and the official introduction of preferential tax policies such as the “double 15%” policy in Hengqin. The results have encouraged closer business co-operation between Macao and Hengqin. A variety of favourable factors conducive to the development of the two regions are also showing up gradually appearing, helping enterprises make general business deployments based on the Macao-Hengqin integration for further development.

We sincerely welcome all outstanding enterprises and excellent projects to be open in Macao. Here, we can participate in the construction of the Guangdong-Macao In-Depth Co-operation Zone in Hengqin together and share with one another the benefits of the Greater Bay Area as well as the enormous market at home and abroad!



II. GEOGRAPHIC ADVANTAGES

– FROM HERE TO CHINA AND TO THE INTERNATIONALISED GREATER BAY AREA



• World-class airports

Macao International Airport, Zhuhai Jinwan Airport, Hong Kong International Airport, Guangzhou Baiyun International Airport, Shenzhen Baoan International Airport



• Sea- and river-crossing passages

Hong Kong-Zhuhai-Macao Bridge, Nansha Bridge, Humen Bridge, Shenzhen-Zhongshan Bridge (under construction)



• World-class ports around the Pearl River Delta

Guangzhou Port, Shenzhen Port, Hong Kong Port, Zhuhai Port



• Multi-layer rapid transportation systems

High-speed rail + intercity railway + expressway

Guangzhou-Shenzhen-Hong Kong Express Rail Link, Guangzhou-Zhuhai Intercity Railway, Hong Kong-Zhuhai-Macao Bridge connecting lines, Guangzhou-Foshan-Jiangmen-Zhuhai Intercity Railway, Macao Light Rapid Transit

In terms of geographical advantages, Macao and Hengqin are located on the west bank of the Pearl River estuary along the southeast coast of China, only 60 kilometres away from Hong Kong and 145 kilometres away from Guangzhou. Moreover, due to the comprehensive infrastructure facilitates the sea, land and air transportation network within the regions, it makes them two of the core areas of the Guangdong-Hong Kong-Macao Greater Bay Area with the strongest economic dynamics, greatest openness and advanced internationalisation in China. The regions, with distinctive economic advantages, have substantial investment and business potential.

Connected by a river and a bridge, Hengqin and Macao are only less than 200 metres apart at the closest points. Hengqin, located between Macao and Zhuhai as well as being part of the Greater Bay Area, benefits from the long-established Guangdong-Macao co-operation and is an important platform for the promotion of Macao's appropriate economic diversification. The 24-hour Hengqin Checkpoint adopts an "Integrated Inspection" mode, an innovative border-crossing approach aiming to facilitate the movement of people and seamlessly connect the region to the mainland and the world.

ONE-HOUR LIVING CIRCLE



III. EXTRA ADVANTAGES FROM MACAO AND HENGQIN

– THROUGH THIS PORTAL
GREATER ADVANTAGES
AWAIT YOU

• Preferential Tax Policy for Macao Residents, Tax Exemption for Goods

— For Macao residents working in Hengqin, their individual income tax over the Macao tax burden is exempted.

— For Macao investors who produce and process goods in Hengqin with an added value of 30% or more, goods that are imported to the mainland through the “second boundary” are exempt from tariffs.

• Supervised in Macao, Made in Hengqin

— For Macao investors who have their traditional Chinese medicine products, food products and supplements with labels of “Products inspected by Macao”, “Production supervised by Macao” or “Designed by Macao” produced in Hengqin and approved and registered in Macao, their affiliated companies in Hengqin are entitled to a subsidy of 20% of the production cost (not more than RMB 40 million per year) from the Hengqin authorities.



• Registered in Macao, Developed in Hengqin

— For medicines developed in Hengqin and having obtained a prior clinical trial authorisation or registration certificate issued by the Pharmaceutical Administration Bureau of Macao through affiliated companies in Macao, the companies are entitled to a 20% increase in the incentive amount according to the progress and actual investment for the research and development.

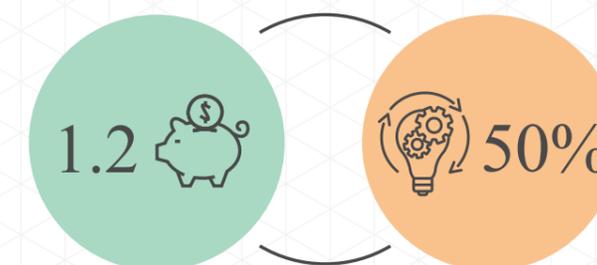
— For products that are self-developed and declared in Macao and the mainland through affiliated companies, the companies are entitled to an incentive according to the highest registration incentive standards of Macao or compensation for the difference.

• Macao-Hengqin Co-operation, Cross-border Finance

— Hengqin companies that have successfully issued qualified bonds in Macao are entitled to a subsidy of 0.8% of the actual raised fund.

— Listed Macao companies that have opened in Hengqin are entitled to a subsidy according to the corresponding listing subsidy standards multiplied by 1.2.

— Micro, small and medium-sized enterprises in Hengqin that have received loans from Macao banking institutions are entitled to an interest subsidy of up to 50% of the sum of the loan interest and the taxes involved in the relevant loan services provided by Macao banking institutions in the mainland.



• Subsidies for Affiliated Companies in Hengqin and Macao

— The full-time researchers from Macao companies, who are affiliated with Hengqin integrated circuit companies, can apply for a talent incentive.

— Macao integrated circuit companies having opened in Hengqin and received subsidies in the sci-tech category from the Macao SAR Government are entitled to a subsidy of 50% of the amount from the Macao Government.

— Macao leading companies having opened in Hengqin are entitled to a subsidy according to the corresponding subsidy standards multiplied by 1.2 for operations, recruitment, loan interest, mergers and acquisitions, office property, and the opening of headquarters of the world's top 500 enterprises.

— Macao companies with substantive operations in Hengqin are entitled to operation incentives, research and development subsidies, and office property rent subsidies.

— Macao companies with business in Hengqin are entitled to commercial property renovation subsidies and brand development incentives.

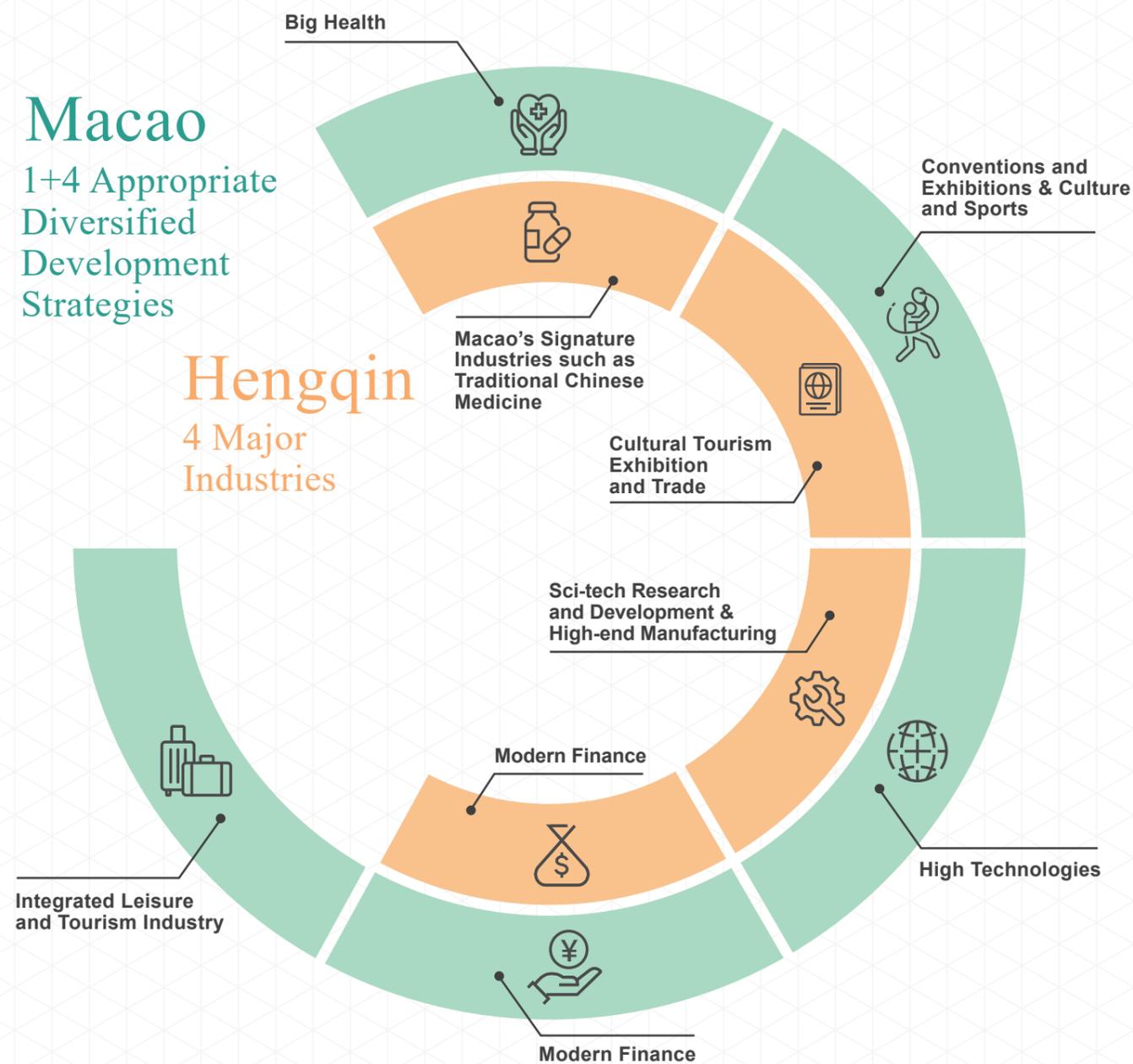
— Macao companies participating in professional exhibitions organized or initiated by Hengqin are entitled to a subsidy of 90% of the exhibition booth cost.

IV. COMPETITIVE INDUSTRIES

– CO-OPERATION AMONG THE BEST FOR GREATER DEVELOPMENT

Macao
1+4 Appropriate Diversified Development Strategies

Hengqin
4 Major Industries



• Macao

Macao will give full play to its unique advantages and focus its effort on the development of "One Centre, One Platform, One Base". The city will also adopt the "1+4" appropriate economic diversification strategy, in which "1" refers to the World Centre of Tourism and Leisure for the diversified development of tourism and leisure, while "4" refers to the major industries: big health, modern finance, high technologies, conventions and exhibitions combined with commerce & culture and sports, for the cultivation of new economic growth points and construction of industrial structures conducive to appropriately diversified and sustainable development.



• Hengqin

Hengqin's development will mainly focus on promoting Macao's appropriate economic diversification and emphasise the "four new" strategic positions and four major tasks, which are to foster the "four new" industries: sci-tech research and development & high-end manufacturing; Macao-branded industries such as Traditional Chinese Medicine; cultural tourism, conventions and exhibitions, and trade; and modern finance. The region will strive to expedite the integrated development of Macao and Hengqin, thereby jointly creating a market-orientated and world-class business environment governed by a sound legal framework.

V. BUSINESS ADVANTAGES

– BEST BUSINESS ENVIRONMENT FOR INVESTMENT

- **Macao enjoys an advantageous position as a free port and a separate customs territory**

As Macao is a free port and a separate customs territory, no tariffs are levied on most of the imports into Macao and there are no restrictions on the repatriation of profits.

- **Macao implements a simple and low taxation system**

Maintaining a simple and low taxation system has been the most effective incentive for Macao to attract investments. All investors can enjoy a profits tax concession at a rate of not more than 12%.

- **Economic and trade co-operation service platform between China and Portuguese-speaking countries**

Based on its historical roots, Macao has been maintaining extensive and profound ties with nine Portuguese-speaking countries, which together have a population of over 300 million, and serving as a service platform for business co-operation between China and Portuguese-speaking countries.

- **Avoidance of double taxation**

As of November 2022, Macao signed the Agreement for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income with eight countries and regions including Mainland China, Belgium, Cabo Verde, Mozambique, and Portugal respectively.

- **“Visa” and “Entry Permit” exemption**

As of November 2022, the Macao SAR Government granted nationals of 81 countries and regions visa and entry permit exemptions.



- **Hengqin implements preferential tax policies for Macao residents**

For Macao residents working in Hengqin, the amount of their individual income tax over the Macao tax burden is exempted.

- **Hengqin carries out “double-boundary management”**

The “first boundary” refers to the border between Hengqin and Macao; the “second boundary” refers to that between Hengqin and the rest of mainland.

— Goods management: goods moving through the “first boundary” (except those entering the mainland) continue to be under registration-based management. Tariffs and import taxes will be levied on duty-free (bonded) goods moving from Hengqin to the mainland through the “second boundary” after going through the formalities relevant to imported goods.

— Movement of people: the “first boundary” adopts an integrated inspection and one-time release mode for customs clearance. There are no restrictions for the “second boundary”.

- **Hengqin implements the system of market access upon commitment**

— The “entry allowed for non-prohibited units” policy is implemented. Restrictions on qualification requirements, shareholding proportion, and industry access for investment and trade are relaxed.

— Regulatory standards and normative systems in line with Macao and international standards are established.



- **Hengqin practices a new system of extensive consultation, joint construction, co-management and shared benefits**

The Management Committee of the Guangdong-Macao In-Depth Co-operation Zone in Hengqin, a management entity established by Guangdong Province and Macao, operates with a two-director mechanism, which involves the governor of Guangdong Province and the Chief Executive of the Macao SAR.

— Under the Management Committee is the Executive Committee that is responsible for international marketing, business and investment attraction, industry introduction, land development, construction projects, and livelihood affairs in Hengqin.

— New land in Hengqin for construction in the future will be used directly to support Macao’s appropriate economic diversification.

- **Hengqin adopts the “double 15%” preferential tax policy**

— Corporate income tax concessions: eligible Hengqin businesses and enterprises can enjoy a reduction to 15% on their corporate income tax. All businesses conducive to Macao’s appropriate economic diversification will be included in the scope of the policy.

Goods made of non-imported parts produced by Hengqin enterprises, or goods made of imported parts produced and processed by Hengqin enterprises with an added value of 30% or more, will be exempt from tariffs when being imported to the mainland through the “second boundary”.

— Individual income tax concessions: high-end talent and talent in short supply from home and abroad who are working in Hengqin are exempted from the amount of individual income tax over 15%.



VI. MACAO-HENGQIN INVESTMENT SERVICES

– WHOLEHEARTED AND ATTENTIVE SERVICES FOR YOUR SAFE INVESTMENTS



• Investors' "One-stop Service"

The Macao Trade and Investment Promotion Institute (IPIM) provides investors with a "One-stop Service", which provides them with a full range of support and assistance for the implementation of their projects in Macao and Hengqin. IPIM and the Secretariat of Macao to Guangdong-Macao In-Depth Co-operation Zone in Hengqin provide investors with consultancy concerning Macao's and the Co-operation Zone's administrative procedures and business environment; designate personnel to follow up on their investment projects and assist in licence applications for Macao projects; and provide notary services for company registration in Macao.



Providing investors with a professional, rapid, convenient one-stop service with dedicated personnel for assistance.

Consultancy Services

Designate personnel to provide investors who plan to make investments in Macao and Hengqin with comprehensive support and assistance, including information on the investment environment of the two regions, and assistance in organising technical conferences.

Joint Follow-up

Jointly follow up on the administrative procedures and relevant formalities for project implementation in Macao and Hengqin through a mechanism established by the two regions.

Joint Initiative for Investment Attraction

IPIM joins hands with Hengqin's economic and business departments to attract investors from home and abroad.



For more information



• "Cross-border Commercial Registration Services of the Co-operation Zone"

The "cross-border administration and registration" mechanism for commercial registration is implemented. By setting up service points in Macao and Hengqin, it allows Macao investors to complete the commercial registration for Hengqin business and mainland investors to complete the registration for Macao business without the need for crossing the border.

The Secretariat of Macao to Guangdong-Macao In-Depth Co-operation Zone in Hengqin provides Macao investors with services in commercial registration, consulting, document collection and submission for approval, and licence issuance for their business in Hengqin. Investors can also proceed with their Hengqin commercial registration through the Secretariat directly.



For more information



• Convenient visa policy for foreigners in Macao to visit Hengqin

Foreigners with permanent residency can apply for a 5-year multi-entry visa while foreigners with non-permanent residency can apply for a multi-entry visa with a validity period the same as that of their resident identity cards. Professional foreign employees can apply for a 1-year multi-entry visa. Other foreigners who visit Macao and Hengqin for conventions and exhibitions can apply for a 3-month multi-entry visa.



For more information



• Macao single-plate vehicles entering and leaving Hengqin

Macao residents (including permanent and non-permanent residents) aged 18 or above can apply for permission to enter and exit Hengqin using motor vehicles registered in Macao. Each vehicle can have two registered drivers with mainland driving licences. At present, the quota for non-commercial small Macao vehicles (with 9 seats or fewer) to enter and exit Hengqin is fully open.



For more information



• Northbound travel for Macao vehicles

The policy ("Northbound Travel for Macao Vehicles" for short) allows all Macao private vehicles to enter and exit the mainland through the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge. Upon reservation, Macao private vehicles with a registration plate can enter Guangdong Province (including Hengqin) via the Zhuhai Port of the Hong Kong-Zhuhai-Macao Bridge.



For more information

VII. SUPPORT AND INCENTIVE MEASURES

– CONSTANT LAUNCH OF PREFERENTIAL POLICIES FOR SMOOTHER INVESTMENT AND DEVELOPMENT

MACAO'S POLICIES

- Tax Incentives Regime for Enterprises Engaged in Scientific and Technological Innovation Activities
- Subsidy Scheme for Encouraging Enterprise Upgrading and Development
- Tax Incentives Regime for Financial Leasing Companies
- Tax Incentives within the Scope of Industrial Policies
- Small & Medium Sized Enterprises Schemes
- Young Entrepreneurs Aid Scheme
- Support and Incentive Measures for the MICE Industry



HENGQIN'S POLICIES

• Comprehensive Policy



- 1.1 Master Plan
- 1.2 Preferential Corporate Income Tax Policies
- 1.3 Support Measures for Promoting Substantive Operation and Development of Leading Enterprises
- 1.4 Support Measures for the Development of Macao-funded Enterprises

• Talent Policy



- 2.1 Preferential Individual Income Tax Policies
- 2.2 Interim Measures for Rent and Living Subsidies to Introduced Talents

• Sci-Tech R&D and High-End Manufacturing Policy



- 3.1 Measures for Promoting the Development of the Integrated Circuit Industry
- 3.2 Interim Measures for Holding Innovation and Entrepreneurship Competitions and Granting Financial Support to Winning Teams

• Policy on Traditional Chinese Medicine and Other Macao-Branded Industries



- 4.1 Support Measures for the High-Quality Development of Biomedicine and Big Health Industries

• Financial Policy



- 5.1 Support Measures for the Development of the Financial Industry
- 5.2 Special Measures on Supporting Enterprise Listing
- 5.3 Support Measures for Promoting Financing Development of Micro-, Small- and Medium-Sized Enterprises
- 5.4 Special Measures Supporting Enterprises in Bond Issuance in Macao (Interim)
- 5.5 Measures for Qualified Foreign Limited Partnership (Interim)
- 5.6 Interim Measures for Qualified Domestic Limited Partnership in Guangdong Province





Macao Trade and Investment Promotion Institute
Economic Development Bureau of Hengqin