

AIIB Loan

# **Zhengzhou International Logistics Hub Project**

# **Due Diligence Report on the Relocation of Resettlement**

**Zhengzhou International Hub Development and Construction Co., Ltd.**

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# Table of Contents

<b>Table of Contents .....</b>	<b>1</b>
<b>Definition of Terms .....</b>	<b>1</b>
<b>Chapter I Introduction .....</b>	<b>3</b>
1.1 Project overview .....	3
1.2 Purpose and goal of this due diligence report.....	4
1.3 Tasks for preparation of this due diligence report .....	5
1.4 Preparation basis.....	9
1.5 Comparison between the AIIB's involuntary resettlement policy and China's resettlement policy .....	11
1.6 Project content.....	16
1.7 Project scope, affected area and affected population.....	17
<b>Chapter II Impact of Project Construction and In-kind Compensation.....</b>	<b>1</b>
2.1 Yinggang Village land acquisition policy, process and quantity .....	1
2.2 Impact of construction land for this project .....	4
2.2.1 Demolition area and resettlements affected by demolition.....	4
2.3 Compensation for demolition of houses and attachments .....	7
2.3.1 Compensation policies and standards .....	7
2.3.2 Compensation amount .....	10
2.3.3 Land compensation .....	12
2.3.4 Affected ground infrastructure on state-owned land.....	12
2.3.5 Farmland acquisition and compensation.....	12
2.4 Sampling inspection .....	14
<b>Chapter III Land Acquisition, Resident Relocation and Resettlement Policies</b>	<b>16</b>
3.1 Organization of land acquisition and resettlement .....	16
3.2 Main implementation process .....	19
3.3 The formulation of the demolition plan .....	22
3.4 Determination of homestead and housing area .....	22
3.5 Implementation of relocation and resettlement.....	23
<b>Chapter IV Resettlement Project Construction .....</b>	<b>27</b>
4.1 Basic information about the resettlement housing.....	27
4.1.1 Need for resettlement housing .....	27
4.1.2 Construction of resettlement housing.....	27
4.2 Basic information on job placement housing.....	29
4.2.1 Basic needs.....	30
4.2.2 Construction project management .....	31

<b>Chapter V Relocation Implement of Resettlement .....</b>	<b>34</b>
<b>5.1 Resettlement measures.....</b>	<b>34</b>
<b>5.1.1 Basic information of resettlement.....</b>	<b>34</b>
<b>5.1.2 Property rights of resettlement housing in the Yinggang Community and other housing rights .....</b>	<b>35</b>
<b>5.1.3 Resettlement objectives and tasks, and protection of rights and interests.....</b>	<b>36</b>
<b>5.2 Management in the Yinggang Community .....</b>	<b>37</b>
<b>5.2.1 Yinggang Community organization and its responsibilities.....</b>	<b>37</b>
<b>5.2.2 Yinggang Community management.....</b>	<b>41</b>
<b>Chapter VI Resettlement Recovery Plan .....</b>	<b>44</b>
<b>6.1 Overview of resettlement community.....</b>	<b>44</b>
6.1.1 Post-resettlement environment .....	44
<b>6.2 Life and production recovery plan for the resettlements .....</b>	<b>44</b>
6.2.1 Life and production recovery plan for the resettlements .....	45
<b>6.3 Women and their rights and interests .....</b>	<b>45</b>
<b>6.4 Rights and interests of the aged .....</b>	<b>47</b>
<b>6.5 Identity change and basic social security of the resettlements.....</b>	<b>48</b>
<b>6.6 Poverty relief for the resettlements.....</b>	<b>48</b>
<b>Chapter VII Social and Economic Situation of the Affected Villages .....</b>	<b>49</b>
<b>7.1 General situation of Yinggang Village.....</b>	<b>49</b>
<b>7.2 Social-economic situation of the project area .....</b>	<b>50</b>
<b>7.3 Social-economic survey of affected villages .....</b>	<b>50</b>
7.3.1 Implementation of due diligence.....	50
7.3.2 Survey contents.....	51
7.3.3 Survey of main economic indicators.....	51
7.3.4 Sample selection and survey method.....	52
7.3.5 Age structure, employment, income and expenditure of sample households .....	56
<b>7.4 Survey of vulnerable groups .....</b>	<b>64</b>
7.4.1 Investigation and statistical analysis of the households enjoying subsistence allowances, destitute households and poor households affected by the project .....	64
7.4.2 Survey of the population of women and children in affected villages.....	64
7.4.3 Survey of women's employment.....	64
<b>Chapter VIII Information Disclosure, Villager Satisfaction, Complaint and Appeal Mechanism.....</b>	<b>66</b>
<b>8.1 Complaint and appeal mechanism .....</b>	<b>66</b>
8.1.1 Appeal channels .....	66
8.1.2 Appeal procedures .....	67
8.1.3 Appeal steps.....	69
8.1.4 Complaint resolution satisfaction survey.....	69
<b>8.2 Information disclosure survey.....</b>	<b>70</b>
<b>8.3 House demolition satisfaction survey .....</b>	<b>71</b>

**8.4 House demolition satisfaction reason survey ..... 72**  
**Chapter IX Resettlements' Power Matrix ..... 73**  
**Conclusion of Due Diligence on House Demolition and Resettlement ..... 76**

## Definition of Terms

The due diligence report on the relocation and modiof resettlement is prepared based on the relevant laws and regulations of the People's Republic of China and Henan Province, as well as the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Framework - *Involuntary Resettlement (ESS 2)*. The purpose of this due diligence report is to trace that the relocation of resettlement on the construction land for Zhengzhou International Logistics Hub Project of Zhengzhou International Hub Development and Construction Co., Ltd. (ZIH) comply with relevant laws, regulations and policies, as well as the AIIB's *Involuntary Resettlement (ESS 2)*, resettlements' rights and interests are protected and safeguarded during the relocation and resettlement, and resettlements benefit from the project, with the original or enhanced living standards.

**Project:** Unless otherwise specified, the project refers to the ZIH's Zhengzhou International Logistics Hub Project;

**Resettlement community:** refers to a modern new residential community with complete infrastructure and socialized public service facilities that are used for centralized relocation of resettlement , namely Yinggang community;

**Affected villages:** refer to the villages that need to be relocated because of the project, namely Putianying Village and Dongyinggang Village (both are natural villages) in Yinggang Administrative Village;

**Yinggang Village:** was originally on the project land and now has been relocated;

**Yinggang Community:** refers to the resettlement community from Yinggang Village;

**Due diligence:** refers to the due diligence on resettlement of residents affected by the project;

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**Due Diligence Report on the Relocation of Resettlement**

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**Resettlement goal:** is to keep or enhance the living standards of resettlements. The material losses of resettlements should be compensated in accordance with national laws, regulations and policies. For the affected persons who have land or other property affected by the project but are not qualified for obtaining economic benefits, necessary aids and economic compensation for their property or asset losses should be offered; for the natural persons who are not the property owner or temporarily live in the area, their production and operation activities for commercial, industrial and agricultural purposes should be provided with the same help in recovery as similar production and operation activities of the legal permanent residents, and their property losses should be economically compensated in the same amount with the legal permanent residents; for the natural persons whose industrial and commercial production is not registered but affected by the project, their property losses should also be economically compensated at the same standard.

# Chapter I Introduction

## 1.1 Project overview

**Project source:** In early 2013, to give full play to the strength of modern integrated transport hubs in Henan Province and Zhengzhou City, the CPC Henan Provincial Committee, the Henan Provincial Government, the CPC Zhengzhou Municipal Committee, and the Zhengzhou Municipal Government proposed to build an inland dry port as a window for Henan's wider opening to the outside world, and supported the Administrative Committee of Zhengzhou Economic and Technological Development Zone and Henan Materials Group Co., Ltd. to jointly establish Zhengzhou International Hub Development and Construction Co., Ltd. (hereinafter referred to as the ZIH) under the principle of "government guidance and enterprise operation". With 51% shares held by the Administrative Committee of Zhengzhou Economic and Technological Development Zone and 49% shares held by the Henan Materials Group Co., Ltd., ZIH is mainly responsible for the operation of opening-up platform of Zhengzhou international dry port and the building of international logistics channels of China Railway Express. Located at the intersection of Huaxia Avenue and Jingbei 4th Road in the Zhengzhou Economic and Technological Development Zone and with more than 500 employees, ZIH has grown into a modern large-scale international logistics enterprise featuring a perfect mix of international multimodal transport, international trade, cross-border e-commerce, logistics technology research and development and logistics finance, and a coordinated development of automobile port, grain port, postal port and bonded logistics.

**Project planning:** It is planned that by 2025, the ZIH's Zhengzhou International Logistics Hub Project will be completed and put into operation, and the China Railway Express has trains traveling 1,600 times between Zhengzhou and Europe, with expanded scope and capacity of goods collection and distribution and more contributions to the BRI. The cargo handling capacity of the hub will reach 300,000 TEU/year, the cold-chain storage capacity will rise by 50,000 tons/year, the customs

clearance service will upgrade, and the operation level will enhance, driving the rapid growth of major functional ports for import and export of frozen food, grain, automobiles, and fruits; the cross-border e-commerce will further develop, achieving 50 million parcels per year, and the business environment will continue to improve, attracting at least 800 companies to settle in; the logistics turnover efficiency will significantly increase with lowering total cost, and the demonstration effect of multimodal transport will be more prominent. Through the multimodal transport, the upstream and downstream trade (sales exhibition), logistics (collection and distribution), customs declaration, warehousing, and agency services at each source of goods transported by freight trains will see a rapid development, creating new drivers for the regional economic growth, and the infrastructure for interconnectivity with other countries will be solidified.

**Desired effect:** Through this project, to build an "interconnected" international hub involving major countries along the Belt and Road as a multi-industry, multi-dimensional, and trans-regional emerging international business center; to further leverage the "back-feeding effect" of freight trains, and boost the stabilization of international logistics supply chain and the development of domestic and international "dual economic cycles"; to strengthen the core carrier role of China Railway Express in the BRI, and create a platform for "policy, infrastructure, trade, financial, and people-to-people connectivity". Specifically, (1) to improve infrastructure support capabilities; (2) to upgrade public information services for freight trains; (3) to build a coordinated and efficient transport system; (4) to explore new market-oriented operation and management modes; (5) to develop a characteristics hub economy.

## **1.2 Purpose and goal of this due diligence report**

The resettlement planning must be formulated in accordance with relevant national and local laws and regulations in the People's Republic of China. Since the resettlement of persons affected by the project has been nearly completed, this report aims to "protect the legal rights and interests of resettlements, and to trace whether

these rights and interests have been properly safeguarded by laws and policies in the relocation and resettlement, and whether relevant local government agencies at all levels have put into practice the relevant laws and policies to ensure the same or enhanced living standards of resettlements and to truly benefit them from the project".

This due diligence report is prepared based on the Environmental and Social Standard 2: Involuntary Resettlement of the AIIB's *Environmental and Social Framework* and China's laws, regulations and related policies.

### **1.3 Tasks for preparation of this due diligence report**

#### **1. Scope identification and policy identification**

According to the project's feasibility study report, design plan, environmental impact assessment report, and related maps, identify the scope of persons affected by the project through a field survey; and meanwhile identify the communities, towns and villages affected by the project.

Investigate the resettlement policies at different levels (state, province, city, and district) on land, housing, forestry, social security, and livelihood, and their implementation in the land acquisition and house demolition related to this project.

#### **2. Impact identification**

According to the project design plan and the on-site survey of the resettlement due diligence team, assess and identify the extent, scope, type, location of the impact.

#### **3. Stakeholder identification**

Identify the main stakeholders of the project, and negotiate with them about the impact and relocation caused by land acquisition and house demolition. Identify vulnerable groups who need special help. First, identify groups, communities, and institutions that are directly or indirectly affected by the project and need to be relocated. Then, analyze the benefits and losses related to the project and resettlements. Finally, evaluate the entire process of land acquisition, house demolition and resident resettlement based on the analysis results.

#### **4. On-site investigation of households and communities suffering physical losses**

With the help of local resettlement agencies, investigate the population with

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**Due Diligence Report on the Relocation of Resettlement**

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physical and economic losses, determine the extent and scope of project impact on resettlements, and check the land, building structure, real estate, trees, crops and infrastructure affected by the project. Survey physical losses of all relocated families and communities to collect information on property lost by these families and communities. Investigate household by household to check the losses of private property and individual land use rights; investigate community by community to check the losses of collective property and land ownership. Compare the on-site survey data (including all land, property, and population affected by the project during the resettlement) with the government data on land acquisition and house demolition related to this project to assess the accuracy of the latter.

**5. Socio-economic survey of affected persons and families**

The socio-economic survey is to collect the following information: family property, income support, occupation and livelihood types, use of resources and public property, use of infrastructure, and resettlements' preferences and concerns. The survey covers all important aspects, including society, economy, ethnicity, natural resources, culture, religious beliefs, education, employment, livelihoods, agricultural and non-agricultural activities, living conditions, and community environment. The survey should also include the baseline of personal and family income and support.

**6. Socio-economic survey of affected and resettled communities**

Survey the ground resources, forest land, public collective property, labor force and employment, income and support of communities (villages or residents' committees), social organizations and culture in the project area.

**7. Survey of public wishes and stakeholder wishes**

Survey the land acquisition and expropriation, temporary land occupation, house demolition and resident resettlement, selection process and method of the resettlement community, construction and purchase of resettlement housing, compensation standards, issuance and payment of compensation funds, livelihood recovery, employment brought by future projects, management and distribution of collective compensation funds, and other issues of concern to affected individuals, communities and other stakeholders through questionnaires, interviews, group discussions and

community meetings.

### **8. Satisfaction survey of this resettlement**

Through discussions with representatives of the affected persons, families and communities, solicit their opinions and suggestions on the policies, standards, resettlement compensation and post-resettlement government assistance in employment that have been implemented, and talk with them to assess their satisfaction and concerns, especially the demands of women, particularly poor families and vulnerable groups. The negotiated outcomes should be put on record to urge government's solutions in the follow-up work.

### **9. Retrospective survey of compensation standards**

Investigate detailed compensation rates and standards for permanent land acquisition, temporary land occupation, housing demolition and reconstruction, resident resettlement, property losses, and relocation costs through file review and discussion with major stakeholders.

### **10. Survey of the resettlement community**

Conduct due diligence on the infrastructure and public facilities of the resettled communities. Through discussions with government departments, affected communities, resettlement communities and persons in the resettled site, investigate the current situation and planning of infrastructure and public facilities such as water, electricity, roads, schools, hospitals, health, education, and markets in the resettlement communities.

### **11. Survey of old house demolition, new house construction, and resettlement investigation**

Identify the economic, social and cultural impacts of the demolition of old houses. Investigate old house demolition costs and new house purchase costs. Through the real estate market survey, analyze the house demolition costs and the resettlers' purchasing power of new houses. Assess the affordability of residents affected by this project to purchase the resettlement housing.

### **12. Temporary relocation, compensation and assistance programs**

Investigate whether there is any temporary relocation in this project, the ability

and cost of renting a house in the rural and urban housing markets near the affected villages, the price, compensation standards and payment procedures of temporary houses for rent.

### **13. Identification of the impact on business and enterprise**

Through discussions with affected owners, tenants and stakeholders based on their participatory approach, investigate the impact of this project on employment, financial income, taxation and land, analyze losses, and study compensation standards and recovery plans.

### **14. Survey of compensation and recovery measures for the affected public facilities and infrastructure**

Investigate public or community facilities, such as roads, bridges, power transmission lines, irrigation systems, water supply systems, and other impacts. Based on the investigation, analyze and evaluate the recovery of these facilities and the compensation standard (if necessary).

### **15. Livelihood analysis and recovery plan survey**

Investigate and analyze the source and structure of household income and support affected by land acquisition in this project. Investigate and analyze the employment structure, quantity and economic income of resettlements after relocation. Ask for resettlements' comparison of their income levels before and after relocation. Survey the measures and policies for mitigating impact on families of vulnerable groups such as the elderly, the disabled, and female householders.

### **16. Investigation on the resettlement process**

Conduct due diligence on the land acquisition, compensation, resettlement housing construction, and livelihood recovery time. Investigate the timeline and measures taken for land acquisition, house demolition and resident resettlement, including project announcement, physical loss survey, demolition preparation, land acquisition time pre-approved and finally approved by the land administration, compensation payment, land acquisition, demolition of old houses, construction of new resettlement sites, construction and distribution of new houses, resettlement relocation, income recovery activities, and arrangement of functional officials in

charge of relocation and resettlement.

### **17. Investigation on the role and arrangement of stakeholders**

Investigate the organizational framework of resettlement, and define the responsibilities of all parties involved during the preparation and implementation of resettlement. Investigate project-related organizations, including government agencies, functional government departments (such as administrative committees of districts and communities), developers, consulting companies, contractors, and villagers' committees. Investigate the structure, responsibilities, staffing, and capacity building of related organizations at all stages from demolition preparation to resettlement implementation.

### **18. Investigation on grievance mechanism**

Investigate grievance mechanisms and grievance tracking systems that meet the administrative procedures and requirements of the People's Republic of China.

### **19. Investigation on demolition and resettlement costs**

Investigate the total cost and annual cost of demolition and resettlement related to this project.

### **20. Stakeholder equity matrix**

Based on the project-related resettlement policy, identify the rights and interests of the affected persons, communities and institutions, and formulate an equity matrix.

## **1.4 Preparation basis**

- (1) *Land Administration Law of the People's Republic of China* (Aug. 2004);
- (2) *Regulations for the Implementation of the Land Administration Law of the People's Republic of China* (revised on Jul. 29, 2014);
- (3) *Measures for the Implementation of the Land Administration Law of Henan Province* and *Measures for Announcement of Land Acquisition* by the Ministry of Land and Resources of the People's Republic of China (Order No. 10 of the Ministry of Land and Resources of the People's Republic of China);
- (4) *Notice of the People's Government of Henan Province on Announcement and Implementation of Comprehensive Price of Requisitioned Land in Henan Province*

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**Due Diligence Report on the Relocation of Resettlement**

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(YZ [2009] No.87);

(5) *Notice of Zhengzhou Municipal People's Government on Adjusting the Compensation and Resettlement Standards for National Construction Land Acquisition and Other Issues* (ZZW [1993] No.144);

(6) *Notice of Zhengzhou Municipal People's Government on Relevant Issues Regarding the Adjustment of the Compensation and Resettlement Standards for National Construction Land Acquisition* (ZZW [2004] No.87);

(7) *Opinions of the General Office of Zhengzhou Municipal People's Government on the Handling of Historical Issues Related to Land Acquisition for Single-site Projects in the Special Action for the Centralized Cleanup and Disposal of Idle Construction Land* (ZZB [2014] No.54);

(8) *Approval of the Ministry of Land and Resources on the Construction Land for the Reconstruction of the West Ring Road in Zhengzhou City* (GTZH [2011] No.704);

(9) *Regulations on the Acquisition and Compensation of Housing on the State-owned Land* (Order No.590 of the State Council of the People's Republic of China, Jan. 21, 2011);

(10) *Urban and Rural Planning Law of the People's Republic of China* (Apr. 2015);

(11) *Decisions of the State Council on Deepening Reform and Strict Land Administration* (GF [2004] No.28);

(12) *Notice on Issuing the Measures for the Acquisition and Evaluation of Housing on the State-owned Land* (JF [2011] No.77);

(13) *Measures for Implementation of the Urban and Rural Planning Law of the People's Republic of China by Henan Province* (Jul. 30, 2010);

(14) *Opinions of the General Office of the People's Government of Henan Province on Regulating the Distribution and Use of Compensation for Acquisition of Farmers' Collectively Owned Land* (YZB [2006] No.50);

(15) *Notice of Henan Province on Implementing the Regulations for the Acquisition and Compensation of Housing on the State-owned Land* (YZ [2012]

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**Due Diligence Report on the Relocation of Resettlement**


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No.39);

(16) Asian Infrastructure Investment Bank's *Involuntary Resettlement (ESS 2)*;

(17) Feasibility Study Report on the BRI Multimodal Transport & Logistics Hub Project of Zhengzhou International Hub Development and Construction Co., Ltd. (Sept. 2020);

(18) Relevant laws, regulations, rules and procedures of the country and industry;

(19) Other relevant information;

(20) On-site survey data.

## **1.5 Comparison between the AIIB's involuntary resettlement policy and China's resettlement policy**

The resettlement policy of the People's Republic of China has the same objectives as the AIIB's involuntary resettlement policy (Environmental and Social Standard 2: Involuntary Resettlement): Where possible, involuntary resettlement should be avoided and, if unavoidable, the livelihoods of all affected persons should be strengthened or at least restored to previous levels.

China's resettlement policy is consistent with that of AIIB in terms of livelihood recovery, compensation rights, supervision, consultation, and information disclosure, and it is more specific. The AIIB has a broader definition of resettlement, which includes "economic resettlement". China's resettlement policy mainly involves those who have lost land ownership, and "economic resettlement" is listed into other types of compensation policy. See Table 1-5-1 for details.

Table 1-5-1 Comparison between the AIIB's Involuntary Resettlement Policy and China's Resettlement Policy

<b>Contents</b>	<b>AIIB's involuntary resettlement policy</b>	<b>Resettlement policy of the People's Republic of China</b>
Objectives	Avoid involuntary resettlement wherever possible; minimize involuntary resettlement by exploring project alternatives; if involuntary resettlement is unavoidable, strengthen or at least	The resettlement policy of the People's Republic of China emphasizes the avoidance or reduction of involuntary resettlement and the adoption of a combination of compensation in the early stage and support in the later stage to bring the living standards

Due Diligence Report on the Relocation of Resettlement

	<p>restore the livelihoods of all affected persons to the level before the project; improve the overall socio-economic status of the poor and other vulnerable groups among affected persons; conceive and implement resettlement activities as a sustainable development plan, and provide sufficient resources so that the people affected by the project can share the benefits of the project.</p>	<p>of affected persons up to or above the original level. The basic objective of the compensation policy system for land requisition and demolition is that farmers' living standards will not be reduced and their long-term livelihood will be guaranteed. On the one hand, dynamically adjust the compensation standards for land acquisition; on the other hand, improve the employment training and social security of land-requisitioned farmers to ensure their basic living conditions, and long-term livelihood. Insurance is jointly undertaken by individual farmers, rural collectives and local governments. Popularize and improve the security system, so as to solve the problem of "having no family to support or rely on when they are old".</p>
<p>Scope and application</p>	<p>ESS 2 applies if the project screening process indicates that the project will involve involuntary resettlement (including involuntary resettlement directly related to the project in the near or foreseeable future). Involuntary resettlement includes physical resettlement (relocation, loss of residential land or housing) and economic resettlement (loss of land or access to land and natural resources; loss of assets or loss of access to assets, sources of income or means of livelihood), which stem from: (a) involuntary acquisition of land; or (b) involuntary restriction of land use or access to legally designated parks and conservation areas. It covers this type of resettlement, whether such losses and involuntary restrictions are in whole or in part, permanent or temporary.</p>	<p>Article 47 of the <i>Land Administration Law of the People's Republic of China</i> Where land is requisitioned, compensation shall be made according to the original purpose of the requisitioned land.</p> <p>Article 26 of the <i>Regulations for the Implementation of the Land Administration Law of the People's Republic of China</i> Land compensation shall be owned by rural economic collectives, and the compensation for the ground attachments and young crops shall be owned by the owners of the attachments and young crops on the land.</p>
<p>Countermeasures</p>	<p>If there are adverse environmental, social and economic</p>	<p>Paragraph 12, Article 3 of the <i>Decision of the State Council on Deepening Reform</i></p>

Due Diligence Report on the Relocation of Resettlement

	<p>impacts that are not clearly defined in the definition of involuntary resettlement, including the loss of the right to use assets or resources and restrictions on land use, such impacts should be avoided. If unavoidable, such impacts should be at least minimized, mitigated or compensated by the ESS 1 environmental and social assessment. If the impact is found to be adverse at any stage of the project, the client shall develop and implement a management plan to restore the livelihoods of the affected population to at least previous or better levels.</p>	<p><i>and Strict Land Administration</i></p> <p>Methods of compensation for land acquisition will be improved. Local people's governments at or above the county level must take practical measures to ensure that the living standards of land-requisitioned farmers are not reduced due to land acquisition.</p>
<p>Livelihood recovery</p>	<p>To improve or at least restore the livelihoods of all people displaced by the project, the ways are as follows: (a) where possible, land-dependent resettlement strategies are developed where the livelihoods of affected persons are based on land or collectively owned land; Where land losses do not damage the source of livelihood, cash compensation is calculated at the replacement value of the land, including transitional costs; (b) rapid replacement of the affected assets with assets of equal or higher value; (c) Immediate compensation at full replacement cost for unrecoverable assets; and (d) capacity improvement projects to support improved capacity to use livelihood resources and increase access to alternative sources of livelihood. Compensation includes transaction costs. Investigate opportunities to provide additional revenue and services through benefit sharing, depending on the</p>	<p>Paragraph 13, Article 3 of the <i>Decision of the State Council on Deepening Reform and Strict Land Administration</i></p> <p>The land-requisitioned farmers will be well resettled. Local people's governments at or above the county level shall formulate specific measures to ensure the long-term livelihoods of land-requisitioned farmers. In urban planning areas, the local people's government should include landless farmers as a result of land acquisition into the urban employment system and establish a social security system; outside the urban planning areas, when expropriating land collectively owned by farmers, the local people's governments shall, within their respective administrative areas, reserve necessary farming land or arrange corresponding jobs for them; for landless farmers who do not have basic production and living conditions, they should be resettled in different places. The labor and social security departments shall, together with the relevant departments, put forward as soon as possible guiding opinions on the establishment of employment training and social security systems for land-requisitioned farmers.</p>

## Due Diligence Report on the Relocation of Resettlement

	nature and objectives of the project.	
Information disclosure	<p>In the project area, in accordance with the Environmental and Social Policy, draft resettlement plan for affected persons, including documentation of the process consultation, shall be timely disclosed. The final resettlement plan and any updates shall be disclosed to the affected persons and other stakeholders in the same manner. Any resettlement planning framework shall be disclosed in the same way. Updated environmental and social information, as well as any relevant material changes in the project shall be regularly disclosed.</p>	<p>Paragraph 14, Article 3 of the <i>Decision of the State Council on Deepening Reform and Strict Land Administration</i></p> <p>Land acquisition procedures will be improved. In the process of land acquisition, it is necessary to safeguard the rights and interests of farmers' collective land ownership and farmers' land contractual management rights. Before the land acquisition is submitted for approval in accordance with the law, the farmers affected shall be informed of the purposes, locations, compensation standards and ways of resettlement of the land to be requisitioned; The findings of the current situation of the land to be requisitioned must be confirmed by the rural economic collectives and farmers; If it is really necessary, the Ministry of Land and Resources shall organize hearings in accordance with relevant provisions. The relevant materials known to and confirmed by the land-requisitioned farmers shall be used as necessary materials for land acquisition approval. It is necessary to accelerate the establishment and improvement of a coordination and adjudication mechanism for land acquisition compensation and resettlement disputes, and safeguard the legitimate rights and interests of land-requisitioned farmers and land users. Except for special circumstances, approved land acquisition matters should be publicized.</p>
Compensation and rights Supervision	<p>Pay compensation and provide other resettlement rights before any actual or economic relocation under the project.</p> <p>Closely supervise the implementation of the resettlement plan during the entire project implementation process.</p>	<p>Paragraph 15, Article 3 of the <i>Decision of the State Council on Deepening Reform and Strict Land Administration</i></p> <p>Supervision over the implementation of land acquisition will be strengthened. If land acquisition compensation and resettlement are not implemented, the acquired land shall not be used forcibly. The people's governments of provinces, autonomous regions, and municipalities directly under the</p>

Due Diligence Report on the Relocation of Resettlement

		<p>Central Government shall formulate methods for the distribution of land compensations within rural economic collectives based on the principle that land compensations are mainly used for land-requisitioned farmers. The rural economic collectives whose land is requisitioned shall make public to the members the income and expenses, as well as distribution of land compensations, and accept supervision. The Ministry of Agriculture and the Ministry of Civil Affairs should strengthen supervision of the distribution and use of compensation for land acquisition within rural economic collectives.</p>
<p>Negotiated settlement</p>	<p>If the land acquisition of this project is obtained through negotiation, the procedures shall be formulated in a transparent, consistent and fair manner to ensure that those who have reached a consensus maintain the same or better income and livelihood.</p>	<p>Article 3 of the notice regarding the Circular on Printing and Distributing the Guiding Opinions on Improving the Compensation and Resettlement System for Land Acquisition: about the procedures of land requisition</p> <p>(9) Informing the land acquisition situation. Before the land acquisition is submitted for approval in accordance with the law, the local Ministry of Land and Resources shall inform the rural economic collectives and farmers in written form of the purposes, locations, compensation standards and ways of resettlement of the land to be requisitioned. No compensation shall be made for the ground attachments and green crops that have been planted, or built upon notification by the rural economic collectives and the farmers on the land to be requisitioned.</p> <p>(10) Confirming the results of land acquisition investigation. The local Ministry of Land And Resources shall investigate the ownership, type and area of the land to be requisitioned, as well as the ownership, type and quantity of the ground attachments. The survey results should be shared with the rural economic collectives, farmers, and the owners of the land attachments.</p>

**Due Diligence Report on the Relocation of Resettlement**

		<p>(11) Organizing hearings on land acquisition. Before the land acquisition is submitted for approval in accordance with the law, the local Ministry of Land And Resources should inform the rural economic collectives and farmers whose land has been acquired that they have the right to apply for a hearing regarding the compensation standards and resettlement methods of the land to be acquired. If a party applies for a hearing, the hearing shall be organized in accordance with the procedures and relevant requirements stipulated in the <i>Regulations on Land and Resources Hearing</i>.</p>
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## 1.6 Project content

This project contains 4 sub-projects: (1) Multimodal cold storage facilities, (2) Type-B bonded logistics center, (3) Parallel Vehicle Imports Facility, (4) Multimodal Logistics Information Platform Upgrade. Details are as follows:

(1) ZIH's Multimodal cold storage facilities

It is proposed to build a highway logistics warehouse of 32,540 square meters, a distribution and transfer warehouse of 25,639.18 square meters, with a floor area of 58,179.18 square meters. Supporting cold storage and ancillary equipment, shelves and battery forklifts are purchased.

(2) ZIH's Parallel Vehicle Imports Facility

It is proposed to build an auto parts depot of 8,335.34 square meters, an automobile display & turnover depot of 57,907.30 square meters, a refitting depot of 24,252.36 square meters, logistics business area A of 34,228.8 square meters, logistics business area B of 28,365.74 square meters, a switching station of 268.85 square meters, a public toilet of 83.60 square meters, and a basement of 23,330.19 square meters (including 12,483.16 square meters of underground area of the automobile display & turnover depot and 10,846.33 square meters of logistics business area), with a building area of 176,503.3 square meters. Supporting equipment such as racks, hydraulic vehicles, forklifts, and reach stacker for containers are purchased.

(3) ZIH's Type-B bonded logistics center

5 warehouses are planned to be built with a building area of 93,451.66 square meters, a fumigation room of 190.74 square meters, a gate of 460 square meters, an unloading shed of 5,278 square meters, and a comprehensive service business center of 55,290.32 square meters ( including an underground engineering of 24,437.32 square meters), with a building area of 154,950.17 square meters; supporting shelves, sorting equipment, hydraulic trucks, forklifts, reach stacker for containers, short reversing, smart fence systems, bayonet system, video surveillance system, warehousing system.

(4) ZIH's Multimodal Logistics Information Platform Upgrade

The project will mainly build 8 upgrading, integration and service center platforms for multi-modal transport information platform. The display center platform includes LPD laser Mosaic display system, central control system, visualization system, intelligent monitoring system, acoustic amplification system and server, etc.; Digital train platform includes client, platform, subsystem integration and infrastructure setup.

## **1.7 Project scope, affected area and affected population**

This project involved three physical construction projects, covering a total area of 595.1 mu (39.67 ha) (see Table 1-6-1 for details). (1) ZIH's Multimodal cold storage facilities. The ZIH's Multimodal cold storage facilities is located at the northwest corner of the intersection of Jingbei 4th Road and Sigangliandong Avenue in Zhengzhou Economic and Technological Development Zone, with a planned area of 260.99 mu (17.4 ha). The proposed highway logistics warehouse and distribution and transfer warehouse are located in the northeast corner of the site. (2) ZIH's Parallel Vehicle Imports Facility. The ZIH's Parallel Vehicle Imports Facility is located in the south of Jingbei 4th Road, west of the 18th Avenue, north of Jingbei 1st Road, and east of the 17th Avenue in the Zhengzhou Economic and Technological Development Zone, with a planned area of 138.29 mu (9.22 ha). The imported auto parts warehouse and modification warehouse to be built in this project are located in

**Due Diligence Report on the Relocation of Resettlement**

the north of the site, and the car display & turnover warehouse is located in the middle of the west of the site. The logistics business district is located in the southwest of the site. (3) ZIH's Type-B bonded logistics center. The ZIH's Type-B bonded logistics center is located in the west of Sigangliandong Avenue, south of Jingbei 4th Road, and east of the 18th Avenue, and north of COFCO. in Zhengzhou Economic and Technological Development Zone. The planned area is 195.82 mu (13.05 ha).

The project land involved two natural villages in the original Yinggang Administrative Village (Yinggang Village for short, the same below), namely Putianying Village and Dongyinggang Village. A total of 543 households with 2,507 people were relocated. See Table 1-7-1 for details.

Table 1-7-1 Land use statistics of construction projects

<b>PROJECT</b>	<b>LOCATION</b>	<b>PROJECT AREA (MU)</b>	<b>VILLAGE</b>	<b>NUMBER OF HOUSEHOLDS</b>	<b>NUMBER OF VILLAGERS</b>
Multimodal cold storage facilities	Northwest corner of the intersection of Jingbei 4th Road and Sigangliandong Avenue	260.99	Putianying Village	241	1,122
Parallel Vehicle Imports Facility	South of Jingbei 4th Road, west of the 18th Avenue, north of Jingbei 1st Road, east of the 17th Avenue	138.29	Dongyinggang Village	302	1,385
Type-B bonded logistics center	West of Sigangliandong Avenue, south of Jingbei 4th Road, east of 18th Avenue	195.82			
Total		595.1		543	2,507

## **Chapter II Impact of Project**

### **Construction and In-kind Compensation**

Most of the areas under the jurisdiction of the Zhengzhou Economic and Technological Development Zone were rural areas or suburbs. After more than ten years of rural demolition and construction, they have become developed urban areas. Yinggang Village where the project is built is experiencing such a process of demolition and resettlement.

#### **2.1 Yinggang Village land acquisition policy, process and quantity**

Since the reform and opening up, the farmland of Yinggang Village has been gradually expropriated and became state-owned, and has been under the jurisdiction of Chaohe Sub-district Office of the Zhengzhou Economic and Technological Development Zone since 2008. From 2008 to 2014, all collective land in the village was expropriated as state-owned in six times, totaling 108.2577 ha, or 1623.8655 mu. The collective land included 381.867 mu (25.4578 ha) of garden land, which was expropriated in 2009; 621.6975 mu (41.4465 ha) of farmland, which was expropriated in the first half of 2013; 51.606 mu (3.4404 ha) of farmland such as roads and wheat farms in the village, which was not expropriated until the second half of 2013 although approved by the provincial government from 2008 to 2009; 568.2075 mu (37.8805 ha) of land for construction of villagers' houses, which was expropriated from the second half of 2013 to the first half of 2014; 0.4875 mu (0.0325 ha) of unused wasteland by villagers, which was expropriated in 2014.

Therefore, the collective garden land and farmland of the village were gradually expropriated from 2008 to 2013, while farmland such as roads and wheat farms, as well as unused land were expropriated at one time in the first half of 2014 (see the next section for details of house demolition). See Table 2-1a and Table 2-1b for details. The government approval documents are shown in Fig. 2-1 and the appendix.

**Due Diligence Report on the Relocation of Resettlement**

Table 2-1a Statistics of Collective Land Acquisition in Yinggang Village over the  
Years / ha

YEAR OF LAND USE	APPROVED BY	APPROVAL NUMBER	COLLECTIVE GARDEN	FARMLAND	OTHER FARMLAND/ROADS AND WHEAT FARMS, ETC.	CONSTRUCTION LAND	UNUSED LAND	TOTAL
2008	The People's Government of Henan Province:	[2009]No.183	14.7294	0	1.6882	11.0249	0	27.4425
2009		[2009]No.812	10.7284	27.7548	1.7522	0.3429	0.0325	40.6108
2010		[2010]No.747	0	3.6211	0	2.3109	0	5.932
2011		[2012]No.22	0	0.0236	0	0.3402	0	0.3638
2013		[2014]No.506	0	10.047	0	7.1038	0	17.1508
2014		[2015]No.771	0	0	0	16.7578	0	16.7578
Total			25.4578	41.4465	3.4404	37.8805	0.0325	108.2577

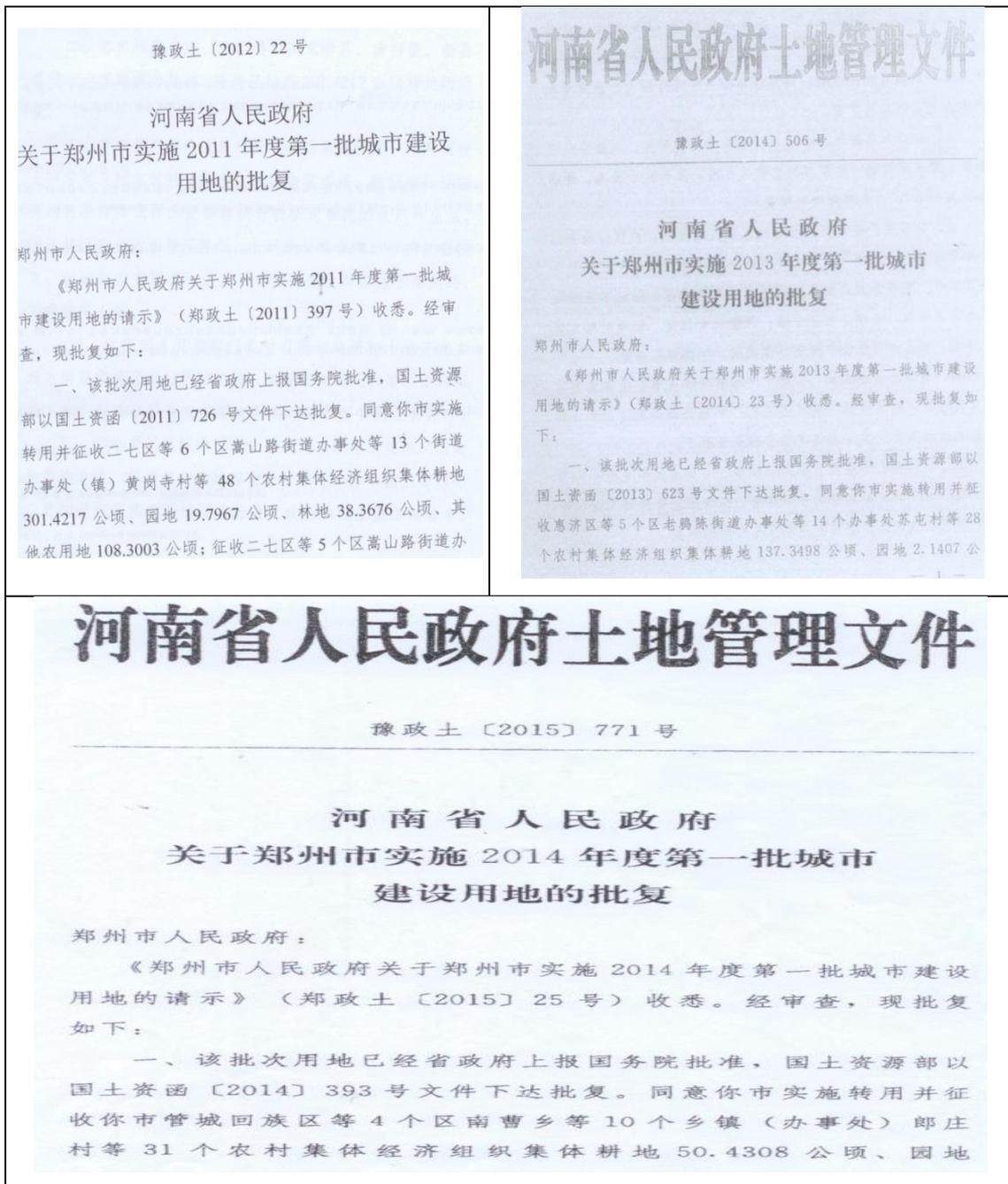
Table 2-1b Statistical Table of Collective Land Acquisition in Yinggang Village over the  
Years / mu

YEAR OF LAND USE	APPROVED BY	REFERENCE NUMBER	COLLECTIVE GARDEN	FARMLAND	OTHER FARMLAND/ROADS AND WHEAT FARMS, ETC.	CONSTRUCTION LAND	UNUSED LAND	TOTAL
2008	The People's Government of Henan Province:	[2009]No.183	220.941	0	25.323	165.3735	0	411.6375
2009		[2009]No.812	160.926	416.322	26.283	5.1435	0.4875	609.162
2010		[2010]No.747	0	54.3165	0	34.6635	0	88.98
2011		[2012]No.22	0	0.354	0	5.103	0	5.457
2013		[2014]No.506	0	150.705	0	106.557	0	257.262
2014		[2015]No.771	0	0	0	251.367	0	251.367
Total			381.867	621.6975	51.606	568.2075	0.4875	1,623.8655

Fig. 2-1 Yinggang Village Land Acquisition Approval and Compensation Policy

<p>Document of Zhengzhou People's Government ZZW [2009] No. 127</p> <p><b>Notice on Adjustment of the Compensation Standards for Young Crops and Ground Attachments on Collective Land Expropriated for National Construction</b></p> <p>People's governments of counties (cities) and districts, departments of municipal people's governments and organizations concerned:</p> <p>In order to protect the demand for construction land and safeguard the legitimate rights and interests of farmers, the municipal government has decided to adjust the compensation standards for young crops and ground attachments on collective land in light of the price changes in Zhengzhou in accordance with the relevant provisions of the <i>Land Administration Law of the People's Republic of China</i> and the <i>Measures of Henan Province for the Implementation of the Land Administration Law of the People's Republic of China</i>. The relevant issues are hereby notified as follows:</p> <p>(1) See the appendix for the compensation standards for young crops and ground attachments.</p>	

## Due Diligence Report on the Relocation of Resettlement



## 2.2 Impact of construction land for this project

### 2.2.1 Demolition area and resettlements affected by demolition

There is only one type of construction land for this project: that is, the project will permanently occupy collective land, and the land occupied by the project is located on the foundation of Putianying Village, Yinggang Administrative Village and Dongyinggang Natural Village. This due diligence is only for the resettlement affected by the project land. The resettlement of non-project land is the same as that of the

Due Diligence Report on the Relocation of Resettlement

project land, which will not be repeated here. The impact of project construction on local residents is the impact of project land acquisition and demolition. The project mainly involves 595.1 mu (39.67 ha) of collective land in the west of Huaxia Avenue, east of the 17th Avenue, and north of Jingbei 1st Road, 260.99 mu (17.4 ha) of land in Putianying Village and 334.11 mu (22.274 ha) of land in Dongyinggang Village. The people on the land were relocated in the second half of 2013, and the houses were demolished in the first half of 2014. See Fig. 2-2-1a and Table 2-2-1a for details.

Table 2-2-1a Land Use Statistics of Construction Project

PROJECT	LOCATION	PROJECT AREA (MU)		VILLAGES AFFECTED
ZIH's multi-modal transport collection - distribution center	Northwest corner of the intersection of Jingbei 4th Road and Sigangliandong Avenue, Zhengzhou Economic and Technological Development Zone	260.99	260.99	Putianying Village
ZIH's Automobile Import Port	South of Jingbei 4th Road, west of the 18th Avenue, north of Jingbei 1st Road, east of the 17th Avenue, Zhengzhou Economic and Technological Development Zone	138.29	334.11	Dongyinggang Village
ZIH's Bonded Logistics Center (Type B)	West of Sigangliandong Avenue, south of Jingbei 4th Road, east of 18th Avenue, Zhengzhou Economic and Technological Development Zone	195.82		
Total		595.1	595.1	



Fig. 2-2-1a Schematic Diagram of Planned Project Site

**Due Diligence Report on the Relocation of Resettlement**

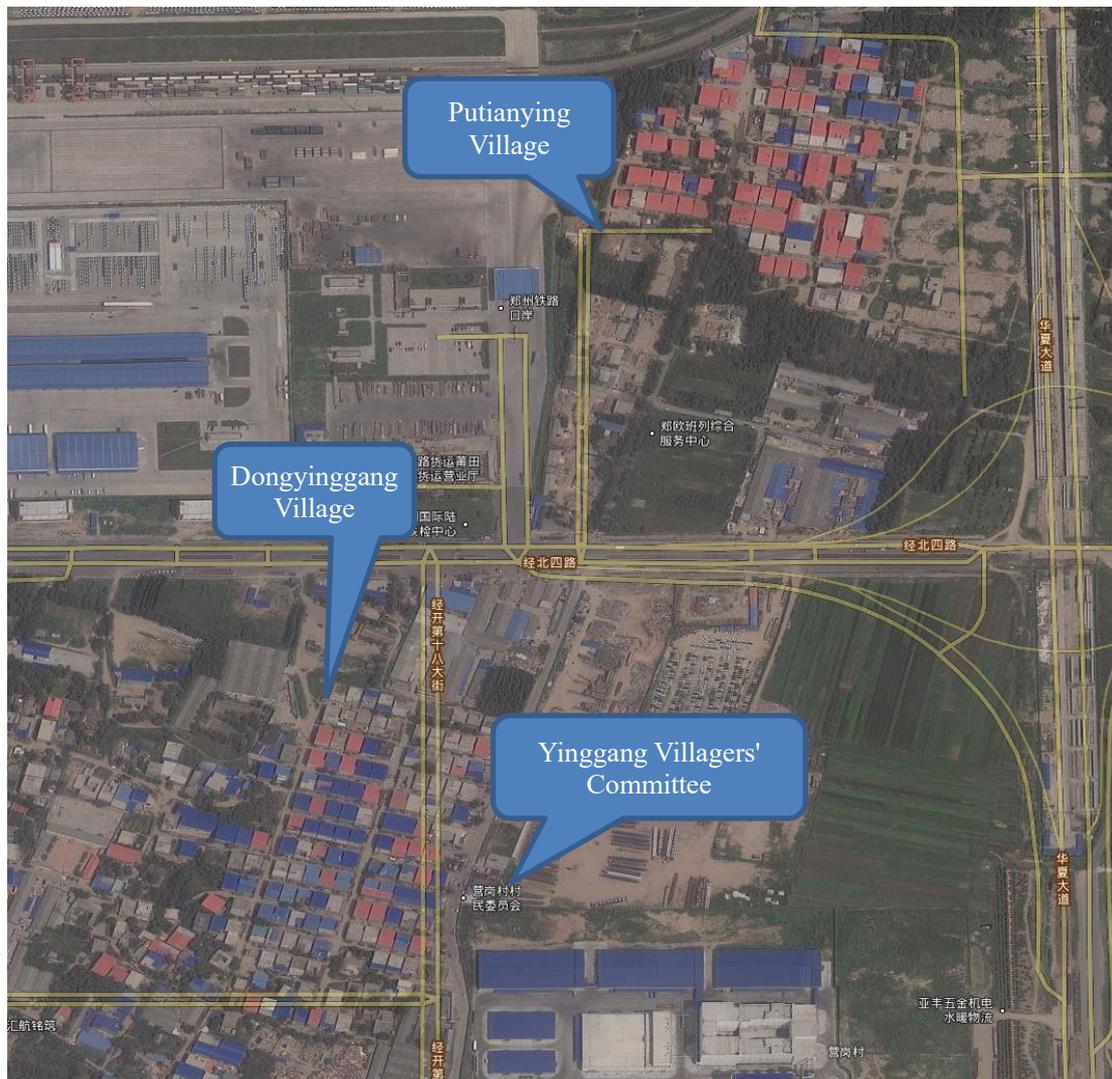
The specific situation of house demolition and the affected population involved in the project construction is as follows. For details, see Table 2-2-1b. Before the land acquisition, the floor space of the houses of the affected villagers (that is, the area marked on the property ownership certificate) was 293,794.1 square meters, and the unlicensed building area was 893,404 square meters; the licensed average demolition area per household was 541.1 square meters, and the unlicensed average demolition area per household was 1,645.3 square meters; the licensed per capita area was 117.2 square meters (the per capita frame area was 74.26 square meters, the per capita brick-concrete structure area was 42.93 square meters), the unlicensed per capita area was 356.36 square meters. The reason why the unlicensed per capita area is larger than licensed per capita area is as follows: the demolition of the village has been rumored for many years. Villagers have added more than one storey of temporary structures to their roofs in exchange for more compensation. These are temporary structures that have not been approved by the government. In addition, the reason why their licensed per capita area is exactly the same is that their homestead was allocated according to the number of people in a family during new rural reformation. The licensed area is obtained by multiplying the area of the homestead by three; the unlicensed area is calculated from the 4th floor, which was added to the residential premises without authorization. The project area affected 543 households with 2,507 people, including 241 households with 1,122 people in Putianying Village and 302 households with 1,385 people in Dongyinggang Village. Satellite pictures of Putianying and Dongyinggang villages before relocation are shown in Fig. 2-2-2.

Table 2-2-1b House Demolition and Affected Population

COMMUNITY	HOUSE DEMOLITION AREA /M <sup>2</sup>		AFFECTED POPULATION		LICENSE D DEMOLITION AREA PER HOUSEHOLD	UNLICENSED DEMOLITION AREA PER HOUSEHOLD	LICENSED PER CAPITA AREA	UNLICENSED PER CAPITA AREA
	Licensed building area	Unlicensed building area	Number of households	Population	Square meter		Square meter	
Putianying Village	131,610.6	383,724	241	1,122	546.1	1,592.2	117.3	342.0
Dongyinggang Village	162,183.5	509,680	302	1385	537.0	1687.7	117.1	368.0
Total	293,794.1	893,404	543	2507	541.1	1,645.3	117.2	356.36
Village	Licensed per capita area (m <sup>2</sup> )							

**Due Diligence Report on the Relocation of Resettlement**

	Frame	Brick and concrete	Brick and wood	Total
Putianying Village	82,579.2	49,031.4	0	131,610.6
Dongyinggang Village	103,598	58,585.5	0	162,183.5
Total	186,177.2	107,616.9	0	293,794.1
Per capita area	74.26	42.93	0	117.2



**Fig. 2-2-2 Satellite Pictures of Putianying and Dongyinggang Villages before Relocation in August 2013**

## 2.3 Compensation for demolition of houses and attachments

### 2.3.1 Compensation policies and standards

#### A. House compensation standards

This demolition and resettlement was in accordance with the *Notice of Zhengzhou Municipal People's Government on the Adjustment of the Compensation*

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**Due Diligence Report on the Relocation of Resettlement**

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*Standards for Young Crops and Ground Attachments on Collective Land Expropriated for National Construction* (ZZW [2009] No. 127), *Measures of the Zhengzhou Economic and Technological Development Zone for Compensation for Village Demolition and Resettlement* (ZJGZ [2009] No. 46), *Notice of the Administrative Committee of Zhengzhou Economic and Technological Development Zone on the Adjustment of Compensation for Village Relocation and Social Security Measures for Land-requisitioned Farmers* (ZJGZ [2012] No. 65) (see the appendix for details). The compensation criteria are as follows:

(1) Households who hold a valid homestead use certificate and a census confirmation registration form for attachments (including houses that have been built and under construction at the time of the census) shall be compensated according to document No. 127 of ZZW [2009] for the part of their houses below the third floors (including the third floors). The part above the fourth floor (including the fourth floor) will be given 150 yuan per square meter as demolition subsidy. (Special note: In order to get more compensation for demolition, villagers have added simple structure buildings on the original buildings. These buildings cost less and are not used for living, but only for compensation. Therefore, the compensation standard for this part is lower. After obtaining generous basic compensation funds, they can readily accept the compensation policy based on the principle of fairness)

(2) Farmers who renovate their houses after the census without authorization or increase the area due to housing shortage, and the total area of the house after rebuilding is less than 50 square meters per capita, compensation will be based on the standard of ZZW [2009] No. 127; If the area of the original house is less than 50 square meters per capita, and the total area of the rebuilt house is more than 50 square meters per capita, 150 yuan will be given per square meter; if the area of the original house exceeds 50 square meters per capita, the compensation for the original house shall be implemented in accordance with the preceding paragraph, and 150 yuan shall be given per square meter for the additional area after reconstruction.

(3) After investigation and verification, the farmers who hold a legal homestead use certificate but fail to register during the census shall be compensated according to the standard of Document ZZW [2009] No. 127; the houses rebuilt after the missed registration shall be implemented in accordance with the preceding paragraph.

(4) For new houses that have not been approved in accordance with the law but confirmed by the three levels of organizing committee, Villagers' Committee, and

**Due Diligence Report on the Relocation of Resettlement**

office, if the per capita area is less than 50 square meters, compensation shall be made according to the standard of Document ZZW [2009] No. 127; for the part beyond 50 square meters per capita, 150 yuan will be given per square meter.

(5) Illegal buildings next to homesteads within the village shall be dealt with according to the following standards: Buildings (structures) and attachments that have been registered without land use procedures before the census shall be dismantled by themselves without compensation, and certain demolition subsidies may be given depending on the situation; A subsidy of 100 yuan per square meter will be given for buildings; 80 yuan per square meter for one-storey houses of rick-concrete structure; 50 yuan per square meter for one-storey houses of brick-timber structure; 30 yuan per square meter for makeshift houses. After the census, the buildings (structures) and attachments that have no land-use procedures will be demolished by the owners without compensation or subsidy for demolition.

(6) If the owners of the removed buildings sign and implement the demolition agreement within the specified time, the reward will be based on the house, and each house will be rewarded 3000 yuan, and no reward will be given over the time limit.

In addition, Article 8 stipulates that: in case of one household with multiple housing lands, then owner shall select one land for compensation, and the other lands will not be compensated; a subsidy of 150 yuan per square meter will be given for demolition.

Table 3-3-1 Compensation Standards for House Demolition

TYPES	COMPENSATION STANDARDS (YUAN)	EXECUTABLE FILE	DETERMINATION CRITERIA	REMARKS
Licensed framework	900	ZZW [2009] No. 127/2. Compensation standards for buildings / storied houses  ZJGZ [2012] No. 65	With a legal homestead use certificate, the part below the third floor (including the third floor) of each farmer's building; The area of compensation for housing requisition is calculated by multiplying the area of the recognized homestead by 3, and the insufficiency shall be compensated according to the compensation rate for brick-concrete structure houses; if the actual total area of the house exceeds the determined homestead area multiplied by 3, the excess will not be compensated, and 150 yuan will be given for	The main load-bearing structures are reinforced concrete structure, concrete or prefabricated roof, single-storey house with a net height of 2.8m, aluminum alloy doors and windows, ordinary plastering of internal and external walls
Licensed brick and concrete	600			Full brick wall, prefabricated or concrete slab roof, single-storey house with a net height of 2.8m, aluminum alloy doors and windows
Licensed brick and wood structure	460			Brick or stone wall bearing structure, wooden roof truss, wooden (prefabricated) purlin, tile roof, single-storey house

**Due Diligence Report on the Relocation of Resettlement**

			demolition per square meter.	with a net height of 3m, cement floor, ordinary plastering of internal and external walls, wooden doors and windows
Unlicensed	150	ZJGZ [2009] No. 46	Buildings not permitted in the homestead	Demolition subsidy
Building	150		Other illegal buildings No land use permit.	Demolition subsidy
Brick and concrete	80			Demolition subsidy
Brick and wood	50			Demolition subsidy

### **B. Compensation standards for ground attachments**

*Summary of the Special Meeting on the Implementation of Lump-sum Compensation for the Attachments other than Residential Buildings and Farmland Attachments in Our District* (ZJHJ [2010] No. 13) document (see the appendix) stipulates the compensation measures on a contract basis for the attachments outside the residential buildings on the homestead as follows:

(1) The lump-sum compensation for the attachments other than the houses on the homestead refers to the lump-sum compensation for the attachments in the certified area except for the residential buildings, including makeshift houses, simple sheds, livestock and poultry houses, floors, wells, trees, walls, power facilities, toilets, biogas tanks, septic tanks, reservoirs, gate towers, etc. The attachments on the free land in the village outside the homestead will not be compensated.

**(2) The lump-sum compensation rate for the attachments other than the residential housing in the homestead is based on the area of the homestead (subject to the homestead use certificate): 120,000 yuan/mu.**

(3) Only one land is compensated for one household with multiple housing lands, and 7,500 yuan will be given for each of the other lands as a subsidy.

(4) Compensation for the demolition of residential houses in the homestead shall be implemented according to the village demolition method in our district. Other attachments in the homestead that have been checked by the office and various departments and signed and confirmed by the households to be demolished will be compensated according to the standard based on the results confirmed by signature.

### **2.3.2 Compensation amount**

#### **A. Compensation for demolition of houses and attachments**

In accordance with the measures for compensation for demolition, the housing compensation of affected households was 368,125,500 yuan. The compensation for

## Due Diligence Report on the Relocation of Resettlement

Putianying Village was 162,160,600 yuan in total, including 103,740,100 yuan for licensed houses, 57,558,600 yuan for unlicensed houses, and 861,800 yuan for ground attachments. The compensation for Dongyinggang Village was 205,964,900 yuan, including 128,389,500 yuan for licensed houses, and 76,452,000 yuan for unlicensed houses and 1,123,400 yuan for ground attachments. The 543 affected households received an average compensation of 677,947.47 yuan per household, and an average compensation of 146,839.04 yuan per capita. See Table 2-3-2 for details.

Table 2-3-2 Compensation for Demolition of Houses and Attachments (unit: yuan)

VILLA GE	ATTAC HMENT	VARI ETIE S	TYPES	FRAME	BRICK AND CONCRE TE	BRICK AND WOOD	SUBTOTA L (YUAN)	TOTAL (YUAN)
Putianyi ng Village	Houses	Licen sed	Area (m <sup>2</sup> )	82,579.20	4,9031.40	0	103,740,12 0	162,160,56 0
			Compensation standards	900	600	460		
			Compensation amount (yuan)	74,321,28 0	29,418,840	0		
		Unlice nsed	Area (m <sup>2</sup> )	383,724.00			57,558,600	
			Compensation standards (yuan)	150				
			Compensation amount (yuan)	57,558,600				
	Attachm ents	Area (mu)		71.82			861,840	
		Compensation standards (yuan)		12,000				
		Compensation amount (yuan)		861,840				
Dongyin ggang Village	Houses	Licen sed	Area (m <sup>2</sup> )	103,598.0	58,585.50	0	12,838,950 0	205,964,94 0
			Compensation standards (yuan)	900	600	460		
			Compensation amount (yuan)	93,238,20 0	35,151,300	0		
		Unlice nsed	area	509680			76,452,000	
			Compensation standards (yuan)	150				
			Compensation amount (yuan)	76,452,000				
	Attachm ents	Area		93.62			1,123,440	
		Compensation standards (yuan)		12,000				
		Compensation amount (yuan)		1,123,440				
Total (yuan)				368,125,500				

**B. The land demolition of this project did not involve collective houses and houses for enterprises and public institutions**

**Due Diligence Report on the Relocation of Resettlement**

Through the investigation, there were no collective property or enterprises and institutions in the area affected by the project. The office of the Villagers' Committee is in Xiyinggang Village, which is not within the scope of land acquisition and demolition of this project. The collective property of the village is only the office building of the Villagers' Committee, and its demolition compensation policy is the same as that of this project, so it will not be repeated.

**C. No shops were affected after investigation**

### **2.3.3 Land compensation**

The project involved 595.1 mu (39.6733 ha) of land expropriated permanently, and the total compensation was 40,466,800 yuan, including 33,325,600 yuan of compensation and settlement cost and 7,141,200 yuan of social security cost. See Table 2-3-3 for details. 10% of the land acquisition compensation and resettlement cost is used for the construction of the Villagers' Committee and the development of public utilities, and 90% is paid to the affected villagers.

Table 2-3-3 Land compensation for affected villages

LAND-REQUISITIONED ORGANIZATIONS	LAND TYPE	AREA	COMPREHENSIVE LAND PRICE OF EXPROPRIATED AREA	
		(ha)	Compensation and resettlement costs	Social security cost
			(Ten thousand yuan/ha)	(Ten thousand yuan/ha)
Yinggang Village, Chaohe Sub-district Office	Village	595.1 mu (39.6733 ha)	84	18
Total (ten thousand yuan)		4,046.68	3,332.56	714.12

### **2.3.4 Affected ground infrastructure on state-owned land**

The state-owned attachments to be demolished, mainly traffic roads, low-voltage poles, communication cables, power cables, drainage pipes, etc. shall be handled by the local government itself in accordance with the *Notice of Zhengzhou Municipal People's Government on the Adjustment of the Compensation Standards for Young Crops and Ground Attachments on Collective Land Expropriated for National Construction* (ZZW [2009] No. 127), and no compensation shall be made.

### **2.3.5 Farmland acquisition and compensation**

From 2013 to 2014, a total of 10.0470 ha (150.705 mu) of farmland was acquired

**Due Diligence Report on the Relocation of Resettlement**

from Yinggang Village.

According to the Notice of Henan Provincial People's Government on The Adjustment of Comprehensive Land Price for Land Expropriation by Henan Province (YZ[2013] No.11) and the annex, the number of land expropriation in this area is 41,010,020, and the relocation fee is 70,000 yuan per mu and 1,050,000 yuan per hectare. See the annex for details. According to the calculation of (YLSB[2008] No. 72 ), the social security fee is 180,000 yuan per hectare; in accordance with the Notice of Zhengzhou Municipal People's Government on Adjusting the Compensation Standard for The Collection of Green Seedlings of Collective Land for National Construction and the Compensation Standard for Abovement Attachments (ZZW [2009] No. 127), the compensation is RMB 12,900 yuan per hectare, with a total compensation of 12,487,416.3 yuan, affecting 378 people in Yinggang Village and 76 households (76 out of 543 households had farmland). The per capita land acquisition is about 0.4 mu (about 0.0267 ha). 90% of the compensation and resettlement fees for land acquisition were paid to the resettlements, and all the compensations for young crops were paid to the resettlements, and the compensation funds were directly transferred to the resettlement through bank transfer. See Tables 2-3-5a and b for details.

In particular, as these resettlements moved to Yinggang Community along with the whole village, they changed their identity from villagers to urban residents in the process of demolition, and their means of living were rearranged. The survey also clearly showed that the villagers had no dependence on land operating income. Therefore, there is no special resettlement for farmland acquisition, which will not be specifically explained here.

Table 2-3-5a (YZ[2013] No.11) Comprehensive price of farmland expropriation zone

No.	Compensation price		social insurance expense	Scope	
	Yuan/mu	10000yuan/ha		Name	village
4101010020	70000	105.000	Implementation with YLSB [2008] No.72	Chaohe office	Collective land in Caogusi, Erlangmiao, Shanzhuang, Yinggang, Wangshiming, Sizhao, Gengzhuang.

## Due Diligence Report on the Relocation of Resettlement

Table 2-3-5b Statistics of Compensation for Farmland Acquisition

Land requisitioned organizations	Land type	Area (ha)	Comprehensive land price of expropriated area		Compensation for young crops (Ten thousand yuan/ha)
			Compensation and resettlement costs (Ten thousand yuan/ha)	Social security cost (Ten thousand yuan/ha)	
Yinggang Community, Chaohe Sub-district Office, Zhengzhou Economic and Technological Development Zone	Irrigable land	10.0470	105.0000	18.0000	1.2900
Total (ten thousand yuan)			1,054.935	180.846	12.96063
Total (ten thousand yuan)		10.0470	1,248.74163		

## 2.4 Sampling inspection

10% of the total households to be demolished, or 55 sample households were randomly selected, and their compensation measurement results were checked from Chaohe Sub-district Office. The demolition contract and bank transfer flow were checked according to the compensation plan, and finally the households were visited to verify whether there were deviations in the compensation process. See the appendix for the demolition compensation of 55 sample households.

55 households involved housing compensation of 39,941,734.5 yuan, attachment compensation of 1,958,130 yuan, reward of 1,100,000 yuan, moving cost of 34,500 yuan, house demolition reward of 825,000 yuan, and first year transition fee of 1,324,800 yuan. See Fig. 2-4-1.

The main verification results were: all the 55 sample households signed compensation agreements in accordance with the compensation policy; all the 55 sample households received bank transfer funds in accordance with the demolition agreement; all the 55 sample households received compensation houses in accordance with the compensation agreement; all the 55 sample households affirmed that the compensation process was real. (See the appendix for details)

## Due Diligence Report on the Relocation of Resettlement

房屋补偿金额	代扣房屋总额	扣房款后房屋补偿款	附属物包干补偿金额	奖励款	扣房款后房屋包干奖励合计	搬家费	总补偿款	房屋拆迁奖励	第一年过渡费	补偿款
645729	120000	525729	36540	20000	582269	500	582769	15000	19200	616969
627133.5	120000	507133.5	36540	20000	563673.5	500	564173.5	15000	19200	598373.5
575757	120000	455757	36540	20000	512297	500	512797	15000	19200	546997
612270	180000	432270	36450	20000	488720	700	489420	15000	28800	533220
532188	120000	412188	36540	20000	468728	500	469228	15000	19200	503428
875773.5	210000	665773.5	36540	20000	722313.5	800	723113.5	15000	33600	771713.5
576295.5	30000	546295.5	36000	20000	602295.5	500	602795.5	15000	4800	622595.5
532728	60000	472728	36000	20000	528728	500	529228	15000	14400	558628
558309	90000	468309	29970	20000	518279	600	518879	15000	24000	557879
632262	105000	527262	36450	20000	583712	500	584212	15000	19200	618412
581545.5	180000	401545.5	36000	20000	457545.5	700	458245.5	15000	28800	502045.5
552732	90000	462732	36000	20000	518732	500	519232	15000	14400	548632
709791	165000	544791	36450	20000	601241	700	601941	15000	28800	645741
538506	120000	418506	30240	20000	468746	500	469246	15000	19200	503446
925734	120000	805734	36000	20000	861734	500	862234	15000	19200	896434
532188	120000	412188	36540	20000	468728	500	469228	15000	14400	498628
532188	60000	472188	36540	20000	528728	500	529228	15000	9600	553828
832041	120000	712041	30240	20000	762281	500	762781	15000	19200	796981
838509	150000	688509	30240	20000	738749	600	739349	15000	24000	778349
646270.5	120000	526270.5	36000	20000	582270.5	500	582770.5	15000	19200	616970.5
646302	150000	496302	36000	20000	552302	600	552902	15000	24000	591902
832735.5	90000	742735.5	36000	20000	798735.5	500	799235.5	15000	14400	828635.5
875773.5	180000	695773.5	36540	20000	752313.5	700	753013.5	15000	28800	796813.5
705822	210000	495822	36450	20000	552272	800	553072	15000	33600	601672
671274	180000	491274	36000	20000	547274	700	547974	15000	28800	591774
668160	90000	578160	36360	20000	634520	500	635020	15000	14400	664420
826278	210000	616278	36000	20000	672278	800	673078	15000	33600	721678
532737	120000	412737	36000	20000	468737	500	469237	15000	14400	498637
726283.5	135000	591283.5	36000	20000	647283.5	650	647933.5	15000	26400	689333.5
832735.5	180000	652735.5	36000	20000	708735.5	700	709435.5	15000	28800	753235.5
832725	180000	652725	36000	20000	708725	700	709425	15000	28800	753225
876300	210000	666300	36000	20000	722300	800	723100	15000	33600	771700
857250	240000	617250	36450	20000	673700	900	674600	15000	38400	728000
876300	210000	666300	36000	20000	722300	800	723100	15000	33600	771700
838767	90000	748767	29970	20000	798737	500	799237	15000	14400	828637
832198.5	180000	652198.5	36540	20000	708738.5	700	709438.5	15000	28800	753238.5
832725	240000	592725	36000	20000	648725	900	649625	15000	38400	703025
832725	150000	682725	36000	20000	738725	700	739425	15000	28800	783225
832725	150000	682725	36000	20000	738725	700	739425	15000	28800	783225
532737	120000	412737	36000	20000	468737	500	469237	15000	19200	503437
598434	120000	478434	36000	20000	534434	500	534934	15000	19200	569134
832725	195000	637725	36000	20000	693725	750	694475	15000	31200	740675
532728	120000	412728	36000	20000	468728	500	469228	15000	19200	503428
596292	120000	476292	36000	20000	532292	500	532792	15000	19200	566992
832725	180000	652725	36000	20000	708725	700	709425	15000	28800	753225
876300	150000	726300	36000	20000	782300	600	782900	15000	24000	821900
832725	180000	652725	36000	20000	708725	800	709525	15000	33600	758125
932706	300000	632706	36000	20000	688706	1100	689806	15000	48000	752806
895767	150000	745767	36000	20000	801767	500	802267	15000	19200	836467
852685.5	240000	612685.5	36000	20000	668685.5	900	669585.5	15000	38400	722985.5
982728	180000	802728	36000	20000	858728	700	859428	15000	28800	903228
682698	120000	562698	36000	20000	618698	500	619198	15000	19200	653398
837250.5	150000	687250.5	36000	20000	743250.5	700	743950.5	15000	28800	787750.5
832735.5	90000	742735.5	36000	20000	798735.5	500	799235.5	15000	14400	828635.5
502731	90000	412731	36000	20000	468731	500	469231	15000	14400	498631
39941734.5	8100000	31841734.5	1958130	1100000	34899864.5	34500	34934364.5	825000	1324800	37084164.5

Fig. 2-4-1 Screenshots of the Statistics of Sample Demolition Compensation

## **Chapter III Land Acquisition, Resident Relocation and Resettlement Policies**

### **3.1 Organization of land acquisition and resettlement**

The land acquisition and resident relocation of Yinggang Village was mainly organized and implemented by the Chaohe Sub-district Office under the leadership of the Zhengzhou Economic and Technological Development Zone Government. The demolition was carried out in accordance with the ZJGZ [2013] No. 26 document. Since Yinggang Village and Hanzhuang Village were demolished in the same year (Hanzhuang Village was relocated and demolished in the first half of 2013, while Yinggang Village was relocated in the second half of 2013 and demolished in 2014), both villages were subject to the above document, as shown in the Fig. 3-1 and appendix.

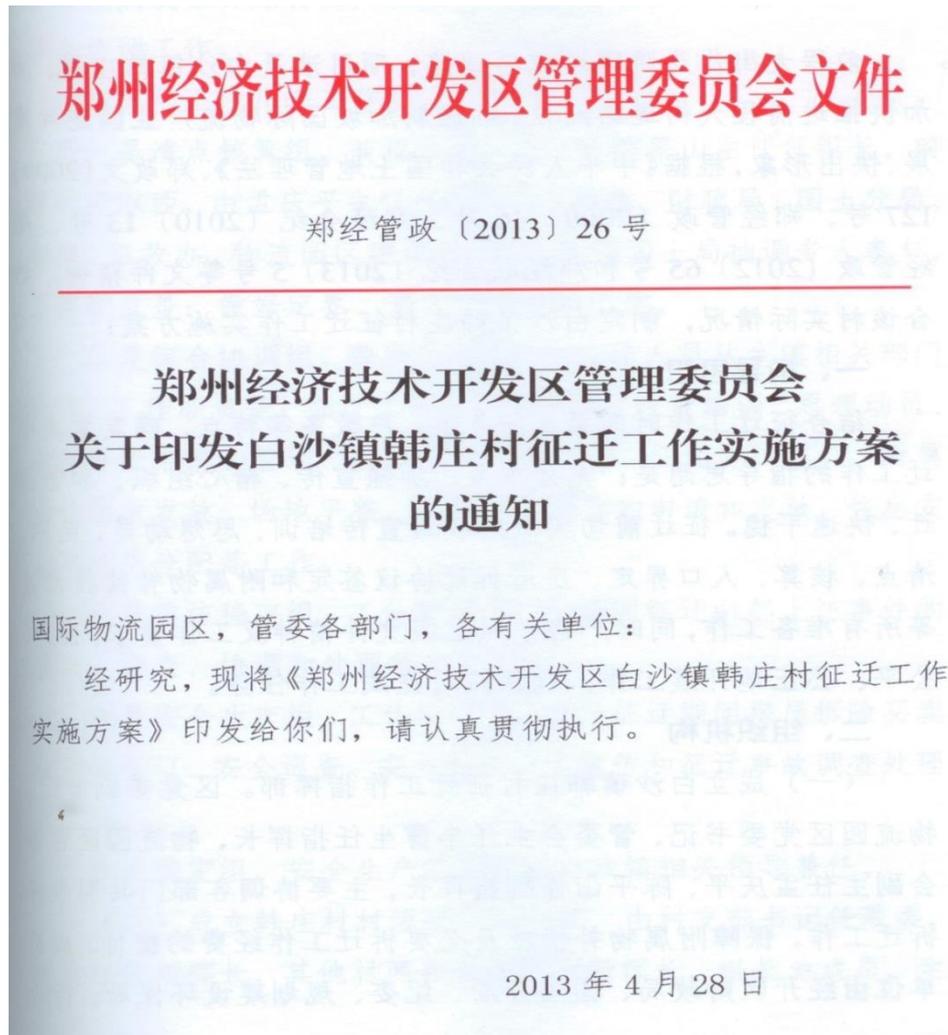


Fig. 3-1 ZJGZ [2013] No. 26 Document

According to the document and the former party secretary of Yinggang village, the resident relocation and resettlement was in the charge of the headquarters which was led by the main leaders of the CPC District Committee, with members of the main heads of relevant bureaus. An office was set up at the Sub-district Office, in the charge of the director of the Chaohe Sub-district Office. See Table 3-1 for details.

Table 3-1 Implementation Plan for Land Acquisition and Resident Relocation

Step		Contents		
1.	Guiding principle	Full preparation, comprehensive publicity, high-quality organization, demolition in harmony, efficiency and smoothness		
2.	Organizing groups	(1) Establishing a headquarters for land acquisition and resident	The directors are assumed by the main district leaders, and the	A. Inventory Accounting Team: responsible for delimitation, inventory, and accounting; B. Comprehensive

## Due Diligence Report on the Relocation of Resettlement

		relocation	members include the main heads of relevant bureaus	Coordinating Team: responsible for policy training, mobilization, population and homestead measurement, signing of land acquisition and resident relocation agreement, making compensation payment, housing allocation and resettlement; C. Petition Team: responsible for investigating and handling the complaints of the resettlements; D. Safety Production Team: responsible for contracting the sales of house scrap and handling accidents.
		(2) Establishing a working team for Yinggang Village's land acquisition and resident relocation	The director of the Chaohe Residents' Committee serves as the head, and the village party secretary serves as the deputy head	Data records, summary and report.
3.	Scope of land acquisition and resident relocation	The whole village of Yinggang Village		
4.	Compensation standard	Implemented in accordance with ZZW [2009] No. 127, ZJGZ [2009] No. 46, ZJHJ [2010] No. 13, and ZJGZ [2012] No. 65 documents.		
5.	Methods & Steps	(1) Mobilization	Holding mobilization meetings for all resettlements	
		(2) Study and training	Organizing legal and policy training to all cadres and the resettlement s, making sure that everyone understands the policy	
		(3) Policy publicity	Extensive publicity through radio, television, banners, slogans, brochures, door-to-door explanations, etc.	
		(4) Definition of population	The affected population is defined in the above documents, and is announced for public supervision.	
6.	Demolition and construction	The Chaohe Sub-district Office and the villagers' committee are responsible for demolishing buildings and removing construction waste.		

**Due Diligence Report on the Relocation of Resettlement**

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7.	Other	<p>A. The cadres of village groups take overall charge of the land acquisition and resident relocation work, with specific responsibilities assigned to individuals, and appropriate awards and penalties are adopted;</p> <p>B. The agreement on land acquisition and resident relocation must be signed with each household and be strictly implemented</p> <p>C. When demolishing the house, both parties must sign a demolition agreement with specified responsibility for safety incidents.</p>
8.	Resettlement compensation and rewards	<p>A. Compensation: Compensation is subject to the above documents;</p> <p>B. Reward: Each household that signs the agreement within the specified time will be rewarded;</p> <p>C. Moving fees and transition fees are given out in accordance with the above documents;</p> <p>D. Moving and resettlement: Detailed regulations are included in the ZJGZ [2013] No. 26 document;</p> <p>E. Employment housing: It is implemented in accordance with the above documents.</p>

### 3.2 Main implementation process

In accordance with the requirements in the *Measures of the Zhengzhou Economic and Technological Development Zone for Compensation for Village Demolition and Resettlement (ZJGZ [2009] No. 46)* (see the appendix for details), the Resettlement Office of the Administrative Committee of the Zhengzhou Economic and Technological Development Zone issued the demolition plan according to development needs, and the Chaohe Sub-district Office was responsible for the implementation.

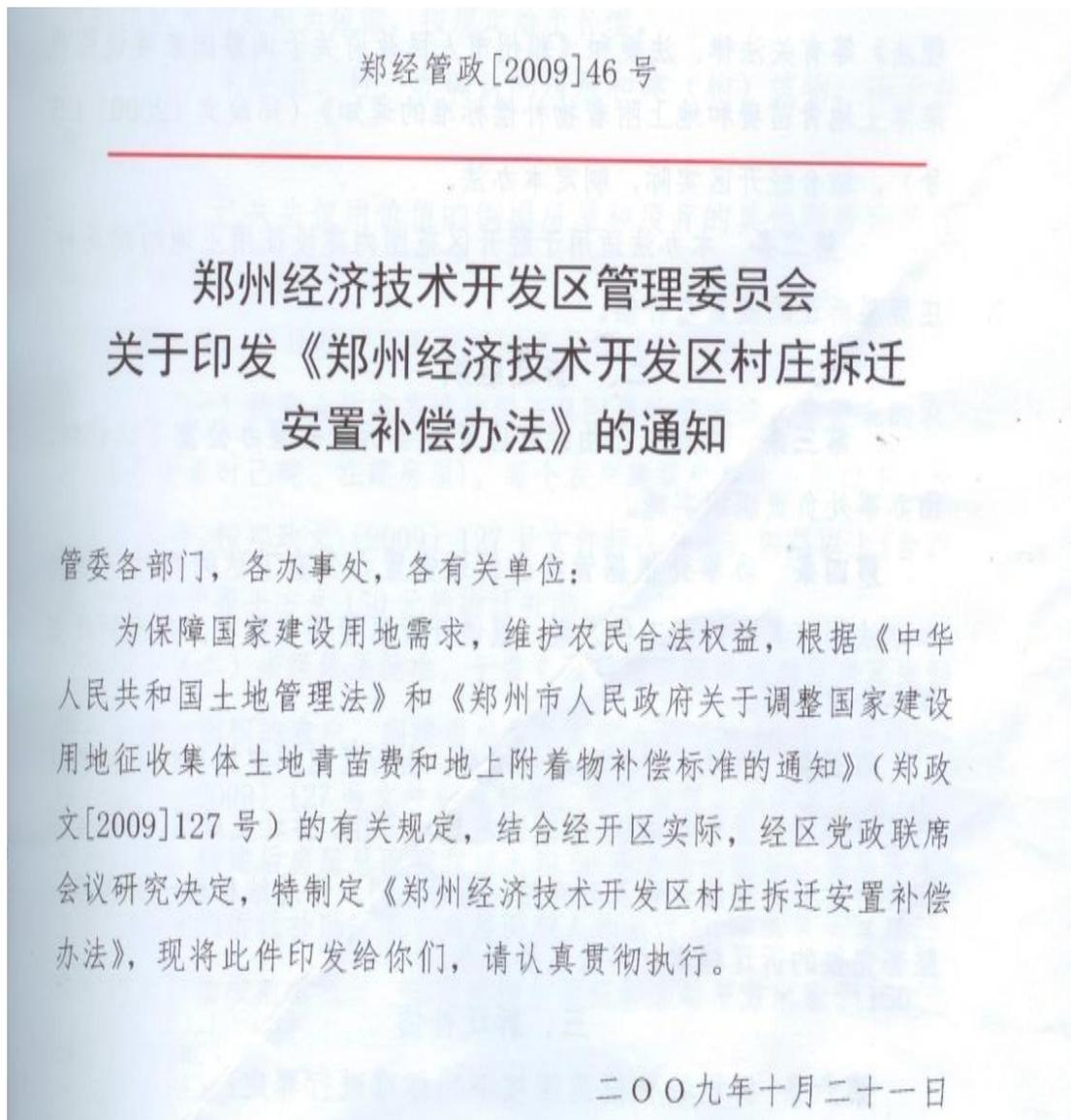


Fig. 3-1-4 ZJG [2009] No. 46 Document

The Chaohe Sub-district Office formulated a specific demolition plan and then submitted it to the Administrative Committee of the Zhengzhou Economic and Technological Development Zone for approval. Upon approval, the Chaohe Sub-district Office organized the propaganda, mobilization, real estate registration and measurement, announcement of measurement results, signing of resettlement compensation agreements, as well as specific resettlement and demolition work. The implementation process is shown in Table 3-2.

**Due Diligence Report on the Relocation of Resettlement**

**Table 3-2 Land Acquisition, Resident Relocation and Resettlement Events**

Time	Contents	Implementer	Main Forms
June 2013	Issuing the demolition plan to the Chaohe Sub-district Office	The Resettlement Office of the Administrative Committee of the Zhengzhou Economic and Technological Development Zone	Issuing documents
June to July 2013	Promoting demolition policies, soliciting opinions from the villagers, and formulating work plans	The Chaohe Sub-district Office	Holding villagers' meetings and villagers' representative meetings, posting announcements
July to August 2013	Real estate registration and measurement	The Chaohe Sub-district Office	Door-to-door registration and measurement, three announcements of the measurement results
August to September 2013	Signing a resettlement compensation agreement with villagers	The Chaohe Sub-district Office	
October 2013	Paying the compensation to the resettlements in the form of bank cards	The Chaohe Sub-district Office	
October to November 2013	Villagers moving to temporary resettlement sites	The Chaohe Sub-district Office and the Villagers' committee	
December 2013 to June 2014	Demolishing Yinggang Village	The Chaohe Sub-district Office and the Villagers' committee	Demolition by the demolition company
November 2013	Construction of resettlement buildings started	The Chaohe Sub-district Office	
December 2015	The first batch of resettlement building (business premises, 30 m <sup>2</sup> /person) delivered to the resettlements	The Chaohe Sub-district Office and the Villagers' committee	
December 2020	The second batch of resettlement building (residential housing, 60 m <sup>2</sup> /person) will be allocated in place	The Chaohe Sub-district Office and the Villagers' committee	

### **3.3 The formulation of the demolition plan**

The demolition plan was produced by the Chaohe Sub-district Office, and the formulating process is as follows:

First, the Chaohe Sub-district Office drafted out the plan according to relevant laws and policies and the actual conditions of Yinggang Village;

Second, the Yinggang Villagers' committee discussed on the first draft version and generated the first exposure draft;

Third, the exposure draft was published for villagers' opinions;

Fourth, the revised demolition plan based on villagers' opinions was reviewed by the Villagers' Representative Meeting. The approved plan, based on votes, was signed as the final plan;

Fifth, the plan adopted by the Villagers' Meeting was submitted to the Administrative Committee of the Zhengzhou Economic and Technological Development Zone for approval; the approved plan was the final plan to be implemented.

The demolition plan was made with engagement of villagers, which ensured fairness, justice and openness. The villagers were satisfied with the demolition work (see the villager satisfaction survey table for details).

### **3.4 Determination of homestead and housing area**

According to ZJGZ [2009] No. 46 document, the compensation scope was defined according to the following standards:

(I) For residential houses in the village that have a legal homestead use certificate or those have no legal homestead use certificate but are approved by the villager group, community (the village party branch and the villagers' committee), and the sub-district office (hereinafter referred to as the Group, Village, Office), if it is within the scope of the Chaohe Sub-district Office, the compensation shall be made based on the area signed and approved by each household during the 2004 housing

Due Diligence Report on the Relocation of Resettlement

census in accordance with regulations (for the homestead allocated by 0.4 mu (about 266.7 m<sup>2</sup>) per household that year, every 1-3 persons count as one household).

(II) For legal non-residential houses and other attachments on the homestead, the compensation shall be made based on the area measured, and signed and approved by each household in accordance with regulations.

(III) Houses and buildings (structures) that have not been confirmed by the Group, Village, or Office will not be compensated.

(IV) Collapsed houses and other abandoned attachments that are useless will not be compensated.

The housing measurement was carried out by a third-party company hired by the Chaohe Sub-district Office. The measurement results were announced three times for villagers to confirm. After confirmation, the villagers signed their names on the demolition agreement. The demolition agreement is shown in Fig. 3-4.

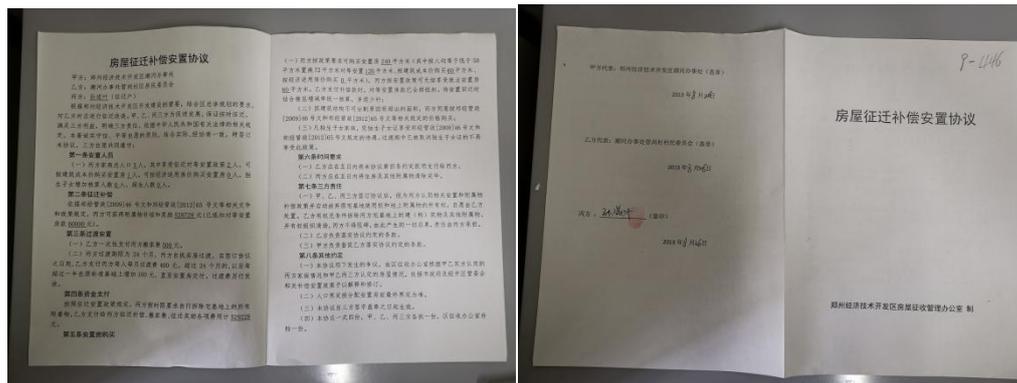


Fig. 3-4 An Example of the Demolition Agreement

### 3.5 Implementation of relocation and resettlement

#### A. Disposal plan for the building scrap

The scrap of the demolished house belongs to the owner of the house. During the implementation process, for the sake of safety, the government purchased the scrap at a price of 15,000 yuan per house. Villagers were also allowed to demolish and sell the valuable part that was easy to disassemble by themselves. Other construction waste deemed worthless by the resettlements was disposed of by the sub-district office.

#### B. Resettlements relocated

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**Due Diligence Report on the Relocation of Resettlement**

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The Planning and Land Resources Sub-Bureau was responsible for the planning of the resettlement site (Yinggang Community) in accordance with the overall planning policy of the Zhengzhou Economic and Technological Development Zone. The resettlement of demolished villages were subject to the benchmark standard: for houses within 50 square meters (including 50 square meters) per capita at the time of demolition (for those who have no registered residence in the village, they are subject to the house purchase regulations only, and will not receive the compensation on a per capita basis), only the frame structure houses will be compensated by money (300 yuan per square meter), and for houses of other structure, the resettlement housing is 60 square meters per capita, and the benchmark price will be 600 yuan per square meter. Due to the inseparability of the building structure and other reasons, the per capita area that exceeds the basic housing area shall be purchased at the price of economically affordable housing. **Actually, the resettlement housing was allocated on a per capita basis of 60 square meters, and the benchmark price was 500 yuan per square meter, which was lower than that stipulated in the district policy. Each person can get a house of 60 square meters at a resettlement price of 30,000 yuan (The average housing price in the Zhengzhou Economic and Technological Development Zone in 2015 was 6,000 yuan/m<sup>2</sup>, and the market value was 360,000 yuan; the current price is more than 20,000-30,000 yuan per square meter. The houses will be completed at the end of this year and then allocated). The amount for purchasing the resettlement housing was directly deducted from the compensation. As mentioned above, the per capita compensation for houses and attachments is 146,800 yuan.**

**C. Employment of the resettlements**

During house demolition, measures were taken to ensure the resettlements' basic livelihood security and provide them with employment guidance simultaneously. The basic livelihood security and employment guidance procedures were handled from the second month after the completion of the demolition. The land for employment was set in the vicinity of the resettlement site and divided into villages on a per capita basis of 30 square meters. The project will be commenced after the plan is formulated

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**Due Diligence Report on the Relocation of Resettlement**

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by the village party branch and the villagers' committee and approved by the Administrative Committee of the Zhengzhou Economic and Technological Development Zone; Or, the Administrative Committee shall be responsible for the overall project implementation and then provide the resettlements with the house (30 square meters per person) free of charge, and for such reasons as that the building structure cannot be separated, the excess area shall be purchased at the market price. **The policy was implemented in December 2015 and the resettlements have received the house keys and moved in.**

**D. Subsidies for temporary resettlement**

Each resettlement receives a transition fee of 400 yuan per month. After 24 months, the transition fee will increase by 100 yuan for every extra year, until the resettlement housing is delivered. The money is issued by the bank and remitted directly to their accounts. During the transition period, temporary housing was provided for the resettlements with a per capita of no less than 30 square meters. The living facilities were complete, including primary schools, kindergartens and community medical facilities.

**E. Subsidy for moving**

**During the implementation**, a one-time subsidy for moving was given out to each household: 500 yuan per household for those with less than 4 people, and 100 yuan more for each additional person for those with more than 4 people. **The amount was recorded in the demolition contract and incorporated into the compensation payment, which was directly given out by the bank.**

**F. Family planning related rewards**

In implementing the family planning benefit mechanism, if both husband and wife are the only child of farmers, their resettlement housing shall be allocated based on one person more; if either husband or wife is the only child of farmers, their resettlement housing shall be allocated based on 0.5-person more; the family with one child (family that has not given birth to a second child) does not enjoy the related favorable policy for employment land (house) allocation.

**G. Reward for performance**

Due Diligence Report on the Relocation of Resettlement

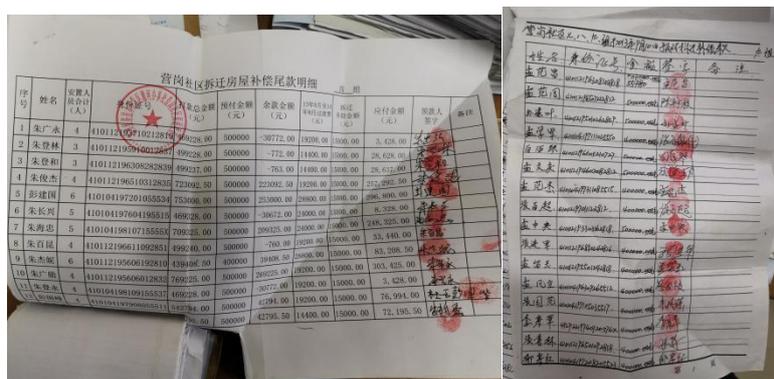
The resettlements signing and performing the demolition agreement within the specified time will be rewarded, and each household will be rewarded 3,000 yuan. No reward will be given for those sign after the deadline. **The reward was 20,000 yuan per household actually. The amount was written in the demolition contract and incorporated into the compensation payment, which was directly given out by the bank.**

**H. Issuance of resettlement funds**

For this project, the reward for moving was 10.86 million yuan, the moving subsidy was 345,000 yuan, the building scrap acquisition fee was 8.145 million yuan, and the first year's transition fee was 12.0336 million yuan, totaling 21.6096 million yuan. See Table 3-5 for details. **The above amount has been written in the demolition contract and remitted to the resettlement's account. All payments due to the resettlement contract have been given out to the resettlements and signed and confirmed by them. See Fig. 3-5.**

Table 3-5 Accounting Table of Moving Fees and Transition Fees

Moving reward	Moving cost	Building scrap	First year's transition fee	Total/yuan
10,860,000	345,000	8,145,000	12,033,600	31,383,600



**Fig. 3-5 Signature Form for Compensation for Demolished Houses (left) and Signature Form for Prepaid Compensation for Demolition (right)**

## Chapter IV Resettlement Project Construction

### 4.1 Basic information about the resettlement housing

#### 4.1.1 Need for resettlement housing

In 2013, 543 households with 2,507 persons were demolished and relocated. However, 9 households with 4.5 persons could enjoy additional 0.5-person compensation for one parent being the only child in his/her family, and 7 households with 7 persons could enjoy additional 1-person compensation for parents both being the only child in their families. Therefore, a total of 2,518.5 persons should be provided with a 60m<sup>2</sup> resettlement housing, respectively, totaling 151,110 square meters construction area. See Table 4-1 for details.

Table 4-1 Basic Needs for Resettlement Housing

TOTAL HOUSEHOLD S RESETTLED	BASIC NUMBER OF PERSONS RESETTLE D	NUMBER OF FAMILIE S WITH ONE PARENT AS THE ONLY CHILD	NUMBER OF FAMILIE S WHERE BOTH PARENTS ARE THE ONLY CHILD	TOTAL NUMBER OF PERSONS RESETTLE D	TOTAL AREA (SQUAR E METERS )
543	2,507	9 (equivalen t to 4.5 persons)	7	2,518.5	151,110

#### 4.1.2 Construction of resettlement housing

Due Diligence Report on the Relocation of Resettlement

The resettlement housing of Yinggang Village is currently under construction, with the main project completed and the public facilities underway. The project is briefly described as follows.

Project Name: Yinggang Urban Village Reconstruction Project (Yinggang Community 5# plot), Zhengzhou Economic and Technological Development Zone

Construction Unit: Zhengzhou Economic Development Investment Development Co. Ltd.

Construction Permit Number: 410171201810160401

Person in Charge of Construction Unit: Xu Yuansheng

Construction Site: East of Jingkai 13th Street, south of Jingnan 5th Road, north of Jingnan 6th Road and west of 14th Street.

There are 10 residential buildings in the Yinggang 5# plot, including four 34-story buildings and six 27-story buildings, with three house types – 60 m², 90 m² and 120 m². The total building area is 244,751.57 m², housing a total of 2,112 households. The final funding of the project comes from the government allocation. The main construction documents are shown in Fig. 4-1, 4-2, 4-3.



Fig. 4-1 Construction Permits and Quality Acceptance Documents for Construction Works of the Resettlement Community (Partial)

Due Diligence Report on the Relocation of Resettlement

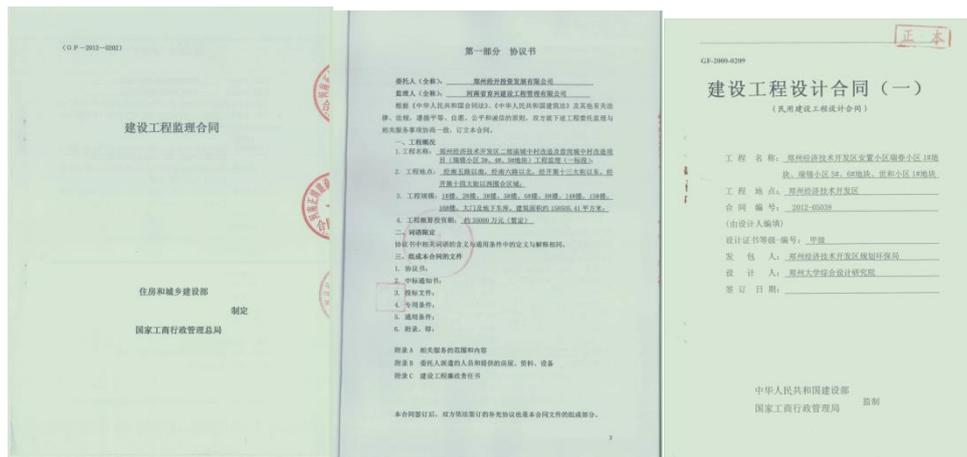


Fig. 4-2 Design and Engineering Quality Supervision Contract for Resettlement Community Housing Project (Partial)



Fig. 4-3 Construction Site Plan of the Resettlement Community

Analysis of the resettlement situation: the resettlement community has three house types - 60 m<sup>2</sup>, 90 m<sup>2</sup> and 120 m<sup>2</sup>, which are built in line with the compensation demand. The compensation floor area is 60 m<sup>2</sup> per person, which means a one-person family can choose one set of 60 m<sup>2</sup> house, a two-person family can choose one set of 120 m<sup>2</sup> house, and a three-person family can choose two sets of 90 m<sup>2</sup> house or a combination of 120 m<sup>2</sup> house + 60 m<sup>2</sup> house. Regardless of the number of people, each family can select a suitable house or a combination of houses. There is no waste of building area caused by the mismatch between the building area and the compensation area. The building area is 244,751.57 m<sup>2</sup>, much larger than the compensation area of 15,110 m<sup>2</sup>, so after the completion of the Yinggang Community 5# project, 2,507 resettlements from 543 households in Yinggang village can be accommodated completely.

## 4.2 Basic information on job placement housing

### 4.2.1 Basic needs

According to ZZGZ [2009] No. 46 document, the basic livelihood security and employment guidance for the relocated farmers is carried out simultaneously with the demolition and relocation. The basic livelihood security and employment guidance will be implemented in the second month after the demolition and relocation is completed. The land near the resettlement site will be divided by 30 m<sup>2</sup> per capita with the village as the unit. After being studied and decided by two committees of the village and approved by the management committee, project will be developed on this land. Or the management committee will organize the development and provide the resettled people with free 30 m<sup>2</sup> of housing per capita. The excess area will be sold at market price because buildings are indivisible. There are 2,507 villagers needing 75,210 m<sup>2</sup> in total to be resettled.

The project is named as Yinggang 1# project. It was constructed by China Construction Seventh Engineering Bureau. Its final funding came from government grant. It was fully paid back on August 18, 2017, with no interest-bearing liabilities. The project is located at the south area of Jingnan 3rd Road and the west area of Jingkai 14th Street, covering an area of 58,676.05 m<sup>2</sup>. The total construction area is 245,553 m<sup>2</sup>, of which 205,195.29 m<sup>2</sup> is above the ground and 40,357.71 m<sup>2</sup> is underground. There are 8 residential buildings, and 3 supporting houses and basements. The main household types are 4 bedrooms with 2 living rooms and 2 bathrooms, 3 bedrooms with 2 living rooms and 2 bathrooms, and 2 bedrooms with 2 living room and 1 bathroom. A total of 2,064 residents were relocated. The actual construction area is larger than the area required for resettlement. The actual per capita living area is 35.2 m<sup>2</sup>, which is larger than the per capita demand of 30 m<sup>2</sup>. The excess area is sold at 3,000 yuan/m<sup>2</sup>, which is much lower than the average market price of 6,000 yuan/m<sup>2</sup>. The residents have no opinion on that. The basic house type is shown in Fig. 4-4.

Housing allocation. The housing allocation plan of 2 lots was studied and formulated by the Community Committee. The first lot will be drawn to get the order

Due Diligence Report on the Relocation of Resettlement

for the second lot whose result will be the order of selecting houses. The lots follow the principles of fairness, justice and openness.



Fig. 4-4 Yinggang 1# Project Architectural Plan (Partial)

4.2.2 Construction project management

The owner sent a bid-winning notification to China Construction Seventh Engineering Bureau, and signed the Engineering Construction Contract in 2013. See Fig. 4-5.

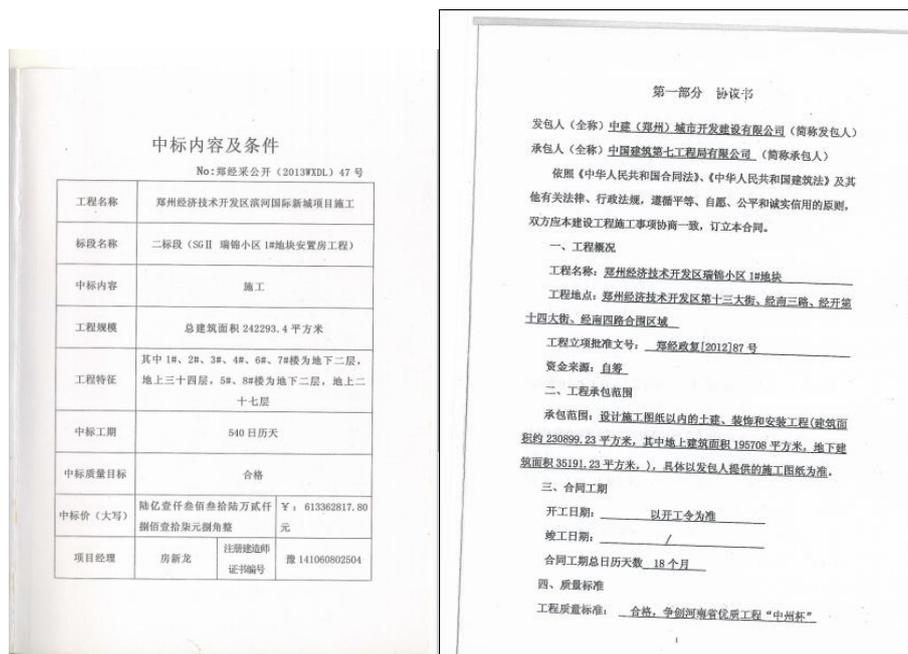


Fig. 4-5 Engineering Construction Contract

In 2013, the owner sent a bid-winning notification to Intertek Engineering Service Shanghai Limited, and signed the Project Quality Supervision Contract with the company. See Fig. 4-6.

## Due Diligence Report on the Relocation of Resettlement

中标内容及条件		
No:郑经采公开(2013WXDL)47号		
工程名称	郑州经济技术开发区滨河国际新城项目监理	
标段名称	二标段(SG II 瑞锦小区1#地块安置房工程监理)	
中标内容	监理	
工程规模	总建筑面积 242293.4 平方米	
工程特征	其中1#、2#、3#、4#、6#、7#楼为地下二层，地上三十四层，5#、8#楼为地下二层，地上二十七层	
监理服务周期	工程施工工期及保修期	
质量监控目标	合格	
中标单价	9.30 元/平方米建筑面积	¥:
项目总监	汪益荣	执业资格证书编号 31005501

## 第一部分 协议书

委托人(全称): 中建(郑州)城市开发建设有限公司  
 监理人(全称): 英维克工程顾问(上海)有限公司

根据《中华人民共和国合同法》、《中华人民共和国建筑法》及其他有关法律、法规，遵循平等、自愿、公平和诚信的原则，双方就下述工程委托监理与相关服务事项协商一致，订立本合同。

## 一、工程概况

1. 工程名称: 郑州经济技术开发区瑞锦小区1#地块;
2. 工程地点: 郑州经济技术开发区第十三大街、经开三街、经开第十四大街、经开四路合围区域;
3. 工程规模: 建筑面积 230899.23 m<sup>2</sup> (暂定);
4. 建安安装工程费: 暂定 5 亿元(¥500,000,000.00 元)。

## 二、词语限定

协议书中相关词语的含义与通用条件中的定义与解释相同。

## 三、组成本合同的文件

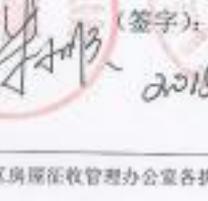
1. 协议书:

Fig. 4-6 Project Quality Supervision Contract

The main structure was completed in October 2014 and the construction was completed in June 2015. The Yinggang 1# Community was handed over to the Yinggang Community in September 2015 for housing allocation. See Fig. 4-7.

Due Diligence Report on the Relocation of Resettlement

**工程实体移交单表 2-1**

工程名称	郑州经济技术开发区瑞锦小区 1#地块		楼栋号	1
序号	交验内容		接收人	备注
1	整套住房 216 套, 包括全部土建及安装工程。			户内及公共部分已按图纸及《经开区安置房建设标准》实施完成。
2	单元门钥匙 把, 入户门钥匙 1512 把, 户内门钥匙 1620 把。			
3	电梯 4 部, 钥匙 4 把。			
4	公共部分, 含屋面、外墙、地下二层、地下一层、公共楼梯间、电梯前室、室外景观绿化、管网、配套等。			
移交单位	 (盖章) (签字): 年 月 日		接收单位	 (盖章) (签字): 张利  (签字): 王锦 2015年9月14日

注: 本表一式四份, 由建设单位、物业、办事处、经开区房屋征收管理办公室各执一份。

Fig. 4-7 Project Completion Transfer Certificate

# Chapter V Relocation Implement of Resettlement

## 5.1 Resettlement measures

### 5.1.1 Basic information of resettlement

The villagers have received about 35.2 m<sup>2</sup> of resettlement housing in December 2015 (30 m<sup>2</sup> of which is free of charge, as the excess part is sold at 3,000 RMB/m<sup>2</sup>). 60 m<sup>2</sup> of resettlement housing for each person. All the plans will be completed in December 2020.

The settlement community is located on the south area of Jingnan 3rd Road and the west area of Jingkai 14th Street, Zhengzhou Economic and Technological Development Zone. There are well-equipped elementary school, middle schools, kindergartens, hospitals, supermarkets and other facilities within 500 meters. See Fig. 5-1, Fig. 5-2, Fig. 5-3.

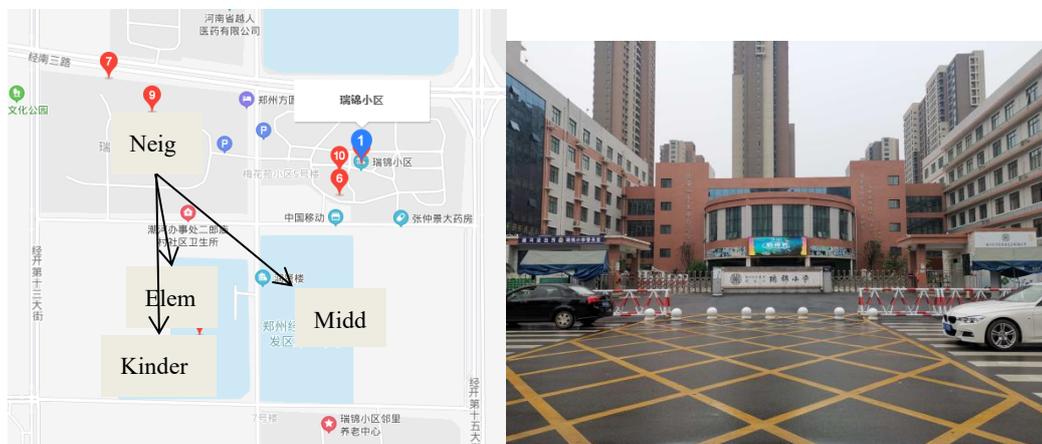


Fig. 5-1 Distribution of Schools around the Resettlement Community (Left) Ruijin Elementary School (Right)

## Due Diligence Report on the Relocation of Resettlement



**Fig. 5-2 High School (Left) and Kindergarten (Right) around the Settlement Community**



**Fig. 5-3 Pictures of Yinggang Community**

### **5.1.2 Property rights of resettlement housing in the Yinggang Community and other housing rights**

According to the ZJGZ [2009] No. 46 document, the property rights of the house where the residents resettled belong to themselves. There is no business housing in this community, so it is not explained.

#### **1. Allocation and management of office space**

Yinggang Community Office Building belongs to PRC. Its use, management and maintenance are managed by the community government. Maintenance cost is paid with the community management fee and the profits go to the town government.

#### **2. Management of Business Premises and Underground Garage**

The underground garage in the Yinggang Community is allocated by the two village committees. Affected households have the priority to purchase.

#### **3. Management of the Civil Air Defense Project**

Civil Air Defense Projects in Yinggang Community belong to PRC. The District Civil Air Defense Office performs management functions, with maintenance fees paid with its special funds.

### **5.1.3 Resettlement objectives and tasks, and protection of rights and interests**

As residents are relocated at the same urban area which is about 2 kilometers away from their original residence, the project has no impact on the social structure, social ideology, social customs and religious beliefs of the affected communities, and has no negative effect on their socio-economic development. The main source of their income will not be affected.

#### **I. The goals of resettlement:**

Under the correct leadership of the district government, the relocated resettlements involved in this project will be properly resettled. Their legitimate rights and interests will be protected. Their standard of living will not be lower than that before the relocation and land acquisition.

#### **II. The tasks of resettlement:**

- (1) Establish a temporary command organization for the relocation project to coordinate, organize, and assist residents in the eviction process;
- (2) Properly relocate the resettlements in accordance with our plans, relevant national laws, regulations and resettlement policies;
- (3) Take resettlements' opinion into full consideration, and develop a scientific relocation plan that can give vulnerable groups adequate care and enable them to be properly relocated;
- (4) Establish a scientific and sound property management system, select a suitable physical management model and property management company so that relocated residents can enjoy good property management services;
- (5) Strengthen publicity and education of moral civilization in the Yinggang Community and improve resident quality to ensure that the community is stable,

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**Due Diligence Report on the Relocation of Resettlement**

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civilized, hygienic, and harmonious, and that residents live in peace and work happily, and that their lives are improved;

(6) Timely distribute various compensation expenses;

(7) Increase resettlements' economic income and enhance their employment skills. During the construction, priority is given to resettlements' participation. After the project is completed, priority is given to resettlements' employment in real estate companies. Employment skills training for resettlements will be carried out. Active measures will be taken to ensure that the annual per capita disposable income of affected families is restored to the pre-settlement level and increased, and that the living standards of resettlements are maintained at the pre-settlement level and gradually improved;

(8) Ensure that the interests of resettlements are not violated during the relocation.

According to field survey, owner units in the project have employed 15 resettlements, mainly in property and security positions.

## **5.2 Management in the Yinggang Community**

### **5.2.1 Yinggang Community organization and its responsibilities**

To accelerate the social adaptation of resettlements, the management structure remains unchanged. That is, after moving into the Yinggang Community, two Yinggang Committees will set up a Yinggang Community Council. The former village branch secretary will be elected as community branch secretary which will be changed every three years as before. Yinggang Village and Yinggang Community will be administrated by the Zhengzhou Economic and Technological Development Zone Chaohe Sub-district Office. Resettlements' status will be changed from the previous rural residents to urban residents. They can enjoy all the treatment of Zhengzhou urban residents.

#### **I. Responsibilities of the Yinggang Community Council:**

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**Due Diligence Report on the Relocation of Resettlement**

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1. Implement national laws, regulations, policies, and decisions, orders, and instructions of Municipal and District People's Governments, and complete the tasks deployed by County and Township People's Governments.
2. Responsible for the community's environmental health and landscaping management. Organization units and residents will carry out patriotic health campaigns. Front door "3 Rules of Serving" responsibility system will be implemented.
3. Assist relevant departments in organizing and supervising the investigation and handling of illegal construction, illegal occupation of roads, unlicensed operation and violation of urban sanitation and greening management regulations.
4. Cooperate with city and district environmental protection departments to supervise the management of environmental pollution projects.
5. Cooperate with construction authorities to supervise construction in accordance with the law, prevent construction dust and disturbance to the public; cooperate with construction and construction units to do a good job for residents and maintain construction order.
6. Provide guidance, supervision and inspection of homeowners' associations and property management in residential communities.
7. Organize units and residents to carry out various forms of civilized community creation activities.
8. Under the guidance of relevant departments, support the military and families, ensure regional traffic safety, and conduct people's air defense.
9. Coordinate with relevant departments for labor and employment, statistics, Red Cross, etc., and assist judicial office in accordance with the relevant documents of the district government.
10. Safeguard the legitimate rights and interests of the elderly, women, minors and the disabled.

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**Due Diligence Report on the Relocation of Resettlement**

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11. Develop community building and community service development plans, develop community service facilities, and rationally allocate community service resources.
12. Organize community service volunteer teams and mobilize organizations and residents to establish community service businesses.
13. Perform social welfare careers, social assistance, social insurance and other social security work.
14. Reflect residents' opinions and requests to higher authorities in a timely manner.
15. Educate residents about the legal system and social morality, and organize them to participate in community environmental improvement and other social welfare activities.
16. Organize mass cultural and sports activities, community education and health work, and popularize scientific knowledge.
17. Safety supervision (management) responsibilities: First, responsible for the overall coordination and supervision of safety work in the region, the development of the region's safety accident emergency response plan; combined with the characteristics of the region, the organization of safety-related publicity and education work; coordination and organization of the relevant departments of the region's accident-prone units, places, equipment and facilities to carry out strict management and focused inspection, timely detection and report the region's significant Safety hazards and problems, coordinate and supervise the relevant government departments to eliminate potential hazards, deal with accidents, and assume the corresponding responsibility. Secondly, it is responsible for the organization and coordination of activities held in the name of the community, and bears the main responsibility. Thirdly, it is responsible for the safety work of the organization and its affiliated units, and assumes the corresponding leadership responsibility.
18. Undertake other matters assigned by the district government.

## **II. Establishment and responsibilities of the Owners' Committee**

According to Article 10 of the *Regulations of State Council on Property Management* (hereinafter referred to as *the Regulations*) (March 19, 2018), property owners in the same property management area shall establish a general meeting of property owners under the guidance of the real estate administrative department of the district or county people's government where the property is located, or the street office or township people's government, and elect a property owners' committee. The owners' committee of the Yinggang Community is established by the neighborhood committee of the Yinggang Community, and is recommended to elect the owners' committee members. The owners' committee and the property management company are jointly responsible for the management of public affairs in the community.

Article 15 of *the Regulations* also stipulates that the owners' committee implements the decisions of the general meeting of owners and performs the following duties.

1. Hold the General Meeting of Owners and report on the implementation of property management.
2. Enter into a property service contract with a property service company selected by the General Meeting of Owners on behalf of the owner.
3. Understand the opinions and suggestions of property owners and property users in a timely manner, and to supervise and assist property service enterprises in implementing property service contracts.
4. Oversee the implementation of the statute.
5. Other duties as assigned by the General Meeting of Owners.

Meanwhile, Article 16 states that: the owners' committee shall put on records to the district or county where the property is located in the real estate administrative departments of the people's government and the street offices, township people's government for the record, within 30 days from the date of election.

## **III. Rights of owners**

Article 6 of *the Regulations* also states that the owner of the property is the owner.

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**Due Diligence Report on the Relocation of Resettlement**

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Owners have the following rights in property management activities:

1. Accept the services provided by the property service enterprise in accordance with the property service contract;
2. Propose to hold the General Meeting of Owners and make recommendations on matters related to property management;
3. Propose the development and amendment of the Management Statute and the Rules of Procedure of the General Meeting of Owners;
4. Attend the General Meeting of Owners and exercise the right to vote;
5. Elect the members of the Owners' Committee and have the right to be elected;
6. Oversee the work of the Owners' Committee;
7. Supervise property service enterprises in the implementation of property service contracts;
8. The right to know and supervise the use of common parts of the property, common facilities and equipment, and related space;
9. Supervise the management and use of special maintenance funds for common property parts and common facilities and equipment (hereinafter referred to as special maintenance funds).

### **5.2.2 Yinggang Community management**

The property management of the Yinggang Community is directly managed by the Yinggang Community Council. To facilitate the employment of resettlements, especially the elderly, the community management committee formed the Yinggang Community Property Department and personally managed it. As a result, the property management has absorbed 86 elderly resettlements with a monthly salary of 2,000 yuan.

#### **II. Collection Standards and Supervision of Property Fees**

The property service charges are in accordance with *the Measures for the Administration of Property Management Charges for Urban Residential Communities in Zhengzhou*. The composition of property fees includes the following:

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**Due Diligence Report on the Relocation of Resettlement**

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1. Salaries, social insurance, and required withdrawal of benefits for management service personnel; i.e., personnel costs, including basic salaries, required withdrawal of benefits, overtime, and clothing costs.
2. Routine operation and maintenance costs for common parts of the property, common facilities and equipment; including: various civil engineering maintenance costs in public buildings (such as hallways, foyers, staircases and road environments); routine operation, maintenance and repair of water supply and drainage; maintenance and repair of electrical, gas, and fire protection systems; public lighting; and replacement of wearing parts, etc..
3. Cleaning and sanitation costs for property management areas: including: cleaning tools, labor supplies, sanitation, garbage hauling, septic emptying.
4. The cost of greening maintenance in the property management area: including: greening tools, water for greening, pesticide and fertilizer fees, weed removal fees, landscape maintenance fees, etc..
5. Costs of maintaining order in the property management area: i.e., costs of safety management personnel, safety equipment, etc..
6. Office expenses: including transportation, communication, low-value consumable office supplies, and office utilities.
7. Depreciation of fixed assets of property management companies.
8. The cost of insurance for common parts of the property, common facilities and equipment, and public liability.
9. Statutory taxes: including sales tax, city construction and maintenance tax, education surcharge, etc.

To alleviate the burden of property fees on resettlements, property fees in affected communities are reduced by half, **at 0.5 yuan per square meter per month, with the remainder paid by the community committee using its collective house rental income** (the community committee has the original village committee collective houses for rent in the downtown area, not in the demolition area), so it is lower than the monthly fee of more than 1 yuan per square meter in Zhengzhou City.

### **III. Use and maintenance of the property**

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**Due Diligence Report on the Relocation of Resettlement**

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Public buildings and common facilities built according to the plan in the property management area shall not be changed in use. Owners and property services shall not occupy or excavate the roads and sites within the property management area without authorization to the detriment of the common interests of the owners. If the owner really needs to temporarily occupy or excavate the road or site for maintenance of the property or public interest, or if the property service really needs to temporarily occupy or excavate the road or site, the consent of the Yinggang Community Council must be obtained. The owner and property service shall restore the temporarily occupied or excavated road or site to its original condition within an agreed period of time.

Water supply, power supply, gas supply, heating, communications, cable television and other units, in accordance with the law to assume responsibility for the maintenance of relevant pipelines and facilities and equipment within the property management area. If the roads and sites are temporarily occupied or excavated due to maintenance and repair needs, they shall be restored to their original state in a timely manner.

Owners who need to decorate their houses should inform the Yinggang Community Council in advance. The Yinggang Community Council will inform the owner of the prohibited acts and precautions in the decoration of the house.

The management of public places and places of business within the community belong to the Yinggang Community Council. The income from their operation belong to the community.

## **Chapter VI Resettlement Recovery Plan**

### **6.1 Overview of resettlement community**

#### **6.1.1 Post-resettlement environment**

Compared with the previous dirty, messy and unsafe urban villages, the social, production and living environment of the resettlements in Yinggang Community is sound. The social system has not been changed, and the original social structure and social system have been maintained. In addition, the water supply, electricity supply, transportation and other infrastructure conditions, hygienic environment as well as cultural and educational facilities in the new community are better. Therefore, the project has no negative affection on the social structure of the community. On the contrary, the living, production, educational and health conditions have been greatly improved; the people-oriented management concept of AIIB will be further implemented in the community management, so that the social environment of the community will be further improved.

### **6.2 Life and production recovery plan for the resettlements**

After the relocation, the production conditions of the resettlements are greatly improved, mainly reflecting in the following aspects: first, before the relocation, the villagers have already no land to cultivate and working is the major source of income, and the relocation and resettlement activities have no negative impact on the work of the villagers; second, after the relocation, some villagers make use of the compensation (an average compensation of about 600,000 yuan for each household) funds to carry out small-sized business activities, promoting the transfer of labor force and creating employment opportunities; third, the resettlements can rent the resettlement housing, which can gain stable and considerable income, especially after the full delivery of the resettlement housing since 2020. The monthly rental fee for a

house of a family of 4 members is around 6,000 yuan. At present, a relocation household is synonymous with a wealthy family.

### **6.2.1 Life and production recovery plan for the resettlements**

The relocation and resettlement of the project is carried out in the same district of Zhengzhou, which has no impact on the employment and production activities of the resettlements. For the temporary relocation, temporary relocation allowances are distributed by the government as compensation for lost income. Therefore, the economic income of resettlements will not be affected. Relevant life and production recovery measures are taken as follows:

- Timely allocate the resettlement housing;
- Pay the compensation and incentive fees on time and in full;
- Implement the favorable policies for low-income family and family with disabilities of the principal family member;
- The real estate and land management departments implement the formalities for property right registration of the resettlements;
- The education and health departments implement the relevant procedures for school enrollment of children of the resettlements and provide medical services.
- All functional departments at different levels help the resettlements to solve problems encountered in the relocation and resettlement project.

## **6.3 Women and their rights and interests**

The proportion of men and women in the affected area is relatively balanced. In the resettlement community, women enjoy the same legal rights as men, including reception of education, participation in community elections. Among the female laborers interviewed, most believe that they have the same autonomy in production and management as males, and they can choose to do work for others or do business. Of course, in the affected communities, men and women play different roles in the

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**Due Diligence Report on the Relocation of Resettlement**

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family due to their different physiological conditions; the division of labor between men and women in family and production is also different.

Main objectives of the protection of women's rights and interests are: ensure the equal rights of women to work, and eliminate gender discrimination in employment; keep a proportion of women in the total workforce for more than 40%, and ensure the gradually increasing of female employees in urban units; narrow the gap of non-agricultural employment rate and income between men and women; raise the proportion of women in the skilled workers; ensure that the proportion of women in senior professional and technical personnel reaches 35%; guarantee labor safety of female workers, and reduce the incidence of occupational diseases among female workers; ensure that rural women equally enjoy the right of land contractual management and related rights and interests; significantly reduce the degree of poverty of women, and continuously improve the self-development ability of poor women. The relevant measures taken in the project area are:

First, strengthen the legal protection of women's economic rights, eliminate gender discrimination in employment, expand employment channels for women, and take effective measures to strengthen employment assistance to women who have difficulties in finding jobs.

Second, perfect the support policies for entrepreneurship, and take measures such as skill training, tax reductions and exemptions, subsidized loans, tracking guidance to support women in starting businesses; promote the employment of female college students, and help them start businesses through perfecting the support policies and carrying out relevant training, creating favorable employment conditions for women with employment difficulties. Implement the public welfare post policies to support older or disabled women to obtain employment; implement employment support policies such as social insurance subsidies, training subsidies, and job secured loans with discounted interest to help unemployed women to start businesses and re-employ.

Third, optimize the employment structure of women. Speed up the urban-rural integration, and guide rural women to seek jobs in non-agricultural industries through

multiple channels. Comprehensively implement the policy of equal pay for equal work irrespective of sex, and establish a scientific wage income distribution system.

Fourth, guarantee the occupational health and safety of female workers. Conduct extensive publicity and education on prevention and treatment of occupational diseases to improve the self-protection awareness of female workers, especially those employed in flexible ways. Strengthen the labor protection of female workers, prohibit arranging them to do work beyond the allowed labor range, and avoid the occupational diseases among female employees.

Fifth, protect the labor rights and interests of female workers. Continuously improve the labor protection laws and policies for female workers, enhance the education and training of laws, regulations, safety and health knowledge, and raise the self-protection awareness of female workers. Standardize the employment behavior of enterprises, increase the signing rate of labor contracts, and encourage enterprises that have established labor unions to sign the special collective agreement on special rights and interests for women workers.

Sixth, handle cases of infringement of female workers' rights and interests in accordance with the law. Guarantee the land rights and interests of rural women. Conscientiously implement relevant policies on the distribution and use of compensation for land acquisition of rural collective economic organizations, and ensure that women enjoy equal rights with men in terms of land contractual management, homestead use, income distribution of collective economic organization and use of compensation for land acquisition. Increase the economic income of rural women, and support financial institutions, enterprises and other organizations to provide financial services and related training for rural women.

Seventh, intensify the support for poor women. Formulate poverty alleviation measures that are beneficial to poor women and carry out the poverty alleviation projects to increase their income. Strengthen the support of job secured loans and other project funds for the poor women in urban and rural areas.

## **6.4 Rights and interests of the aged**

Due Diligence Report on the Relocation of Resettlement

The caring activities for the aged have been ameliorated after relocation. The community organizes caring activities and grants subsidies every Spring Festival, Double Ninth Festival and other festivals. The subsidy funds come from the rental fee income of houses of original village collective in the urban area. See Fig. 7-1.

姓名	每人	份数	金额	签字	姓名	每人	份数	金额	签字
陈小立	4	5000元	20000元	陈立	陈发玉	1	5000元	5000元	陈发玉
陈培培	4	5000元	20000元	陈培培	陈发玉	7	5000元	35000元	陈培培
陈国军	7	5000元	35000元	陈国军	陈国全	3	5000元	15000元	陈国全
朱培培	2	5000元	10000元	朱培培	陈留缺	4	5000元	20000元	陈留缺
陈留缺	2	5000元	10000元	陈留缺	陈留缺	6	5000元	30000元	陈留缺
陈志远	4	5000元	20000元	陈志远	陈保平	6	5000元	30000元	陈保平
陈志远	4	5000元	20000元	陈志远	陈进妮	2	5000元	10000元	陈进妮
陈保平	4	5000元	20000元	陈保平	陈保平	4	5000元	20000元	陈保平
陈保平	5	5000元	25000元	陈保平	陈保平	4	5000元	20000元	陈保平
陈保平	4	5000元	20000元	陈保平	王春亮	4	5000元	20000元	王春亮
陈保平	4	5000元	20000元	陈保平	陈国全	5	5000元	25000元	陈国全
陈保平	2	5000元	10000元	陈保平	陈国全	8	5000元	40000元	陈国全
陈保平	4	5000元	20000元	陈保平	陈国全	8	5000元	40000元	陈国全
陈保平	2	5000元	10000元	陈保平	刘凤心	2	5000元	10000元	刘凤心
陈保平	4	5000元	20000元	陈保平	朱登川	3	5000元	15000元	朱登川
陈保平	6	5000元	30000元	陈保平	陈保平	2	5000元	10000元	陈保平
陈保平	5	5000元	25000元	陈保平	陈保平	4	5000元	20000元	陈保平

Fig. 7-1 Signature Form for Distribution of Spring Festival Welfare

### 6.5 Identity change and basic social security of the resettlements

The rural household registration of the resettlements has been changed to urban household registration, thus the resettlements enjoy the same treatment as urban residents, and participate in the basic endowment insurance and medical insurance. The basic endowment insurance premiums are paid by the village committee, and the residents can draw their pension when they reach the retirement age. The relevant funds come from the housing rent fee of the original village collective.

### 6.6 Poverty relief for the resettlements

There are no needy families or most needy families in the affected villages.

# Chapter VII Social and Economic Situation of the Affected Villages

## 7.1 General situation of Yinggang Village

Yinggang Village, originally a suburb of Zhengzhou, belonged to Putian Township, Guancheng District. In 2008, it was assigned to Chaohe Sub-district Office of Zhengzhou Economic and Technological Development Zone, Zhengzhou City, Henan Province. In 2015, it was changed to Yinggang Community. The Yinggang administrative village originally had three natural villages: Putianying Village, Dongyinggang Village and Xiyinggang Village. There were totally 931 households with 4,181 people in 2013. When the whole Yinggang Community was relocated in 2013, there were only collective construction land, roads and living land, and no land for agricultural production.

The general situation of affected villages: there were 543 households with 2,507 people in Putianying Village and Dongyinggang Village in 2013, of which 1,265 were male (50.46%) and 1,242 were female (49.54%). **The education of villagers:** 22 (0.88%) were illiterate, all being over 80 years old, 740 (29.52%) received primary school education, 865 (34.50%) received junior high school education, 638 (25.45%) received senior high school education, and 242 (9.65%) received college education or above. **The age structure of villagers:** among the resettlements, there were 381 (15.20%) children under the age of 16, 1,602 (63.90%) young adults aged between 17-60, and 524 (20.90%) old people aged over 60. See Table 7-1-1 for details.

Table 7-1-1 Statistics on the general situation of the affected Putianying Village and Dongyinggang Village

Natural villages	1. Population composition				2. Education degree					3. Age distribution		
	Number of household	Number of people	Male	Female	Illiterate	Primary school	Junior high school	Senior high school	University or above	1-16 Children	17-60 Adults	≥61 Old
Putianying village	241	1,122	562	560	6	332	388	286	110	160	726	236
Dongyinggang village	302	1,385	703	682	16	408	477	352	132	221	876	288
Total	543	2,507	1,265	1,242	22	740	865	638	242	381	1,602	524
Proportion (%)			50.46	49.54	0.88	29.52	34.5	25.45	9.65	15.2	63.9	20.9

## 7.2 Social-economic situation of the project area

Economic overview of Zhengzhou in 2013: according to the 2013 statistical bulletin on the social and economic development of Zhengzhou, the annual per capita disposable income of urban residents was 26,615 yuan, an increase of 9.8% over the previous year. After deducting price factors, the actual increase was 6.8% over the previous year. The per capita consumption expenditure was 18,672 yuan, an increase of 12.4% over the previous year and 9.3% in real terms. The per capita net income of rural residents was 14,009 yuan, an increase of 11.8% over the previous year and 9.5% in real terms. The per capita living expenditure was 10,242 yuan, an increase of 14.2% over the previous year and 11.9% in real terms.

## 7.3 Social-economic survey of affected villages

### 7.3.1 Implementation of due diligence

The purpose of this due diligence is to safeguard the legitimate rights and interests of the people affected by the project, to trace whether their legitimate interests in the process of relocation and resettlement are effectively protected by laws and policies, and whether relevant local government agencies at all levels have dutifully implemented the relevant laws and policies, to ensure the same or enhanced living standards and to benefit them from the project as far as possible.

(1) Develop a comprehensive, systematic and complete due diligence plan, and a questionnaire that is easy to understand and accepted by respondents from all walks of life and at all kinds of cultural levels.

(2) Investigation methods: Hold training meetings and discussions with district and residents'/villagers' committee to explain the investigation objectives, contents, methods and requirements to the investigation staff and respondents; adopt the questionnaire survey, door-to-door household survey, and literature survey.

#### (3) Analysis methods

① Qualitative and quantitative analysis method. The former mainly uses text description to evaluate the impact of the project and its consequences through the analysis of causality and logical relationship.

② Comparative analysis method. It includes before-and-after comparative analysis and with-or-without comparative analysis.

③ Stakeholder analysis method. It evaluates the status and role of different interest groups in the process of project construction by analyzing and judging the impact of groups with

direct and indirect interests in the project, their responses to the project and their impact on the project, and based on this, judges the interrelationship and adaptability between the project and the affected interest groups.

- ④ Participatory method. It is about the direct or indirect participation of the affected interest groups in project-related work, including participatory evaluation and participatory action.

(4) After the first draft of the due diligence plan was prepared, a symposium with relevant experts and parties would be held to fully study the contents of the plan and to make it more reasonable and feasible.

### 7.3.2 Survey contents

The survey on the areas affected by the project covers:

- Population: investigate the population structure and education level of residents in the affected areas;
- Social-economy: investigate the level of social-economic development in the areas affected by the project;
- House: according to the use, it is divided into housing, outbuilding and annex. According to the structure, it is divided into 8 types: frame structure, brick-concrete structure, brick-wood structure, civil structure, makeshift house, simple shed, composite color plate house and color board house. The building area is recorded in m<sup>2</sup>;
- Merchants: business scope, scale, profitability;
- Land: according to ownership, it is divided into state-owned land and collectively-owned land. According to the present situation of land use, it is divided into cultivated land, garden land, woodland, traffic land, water areas (rivers, ponds), etc.;
- Water conservancy and hydropower facilities: including agricultural pumping stations, agricultural wells, channels, etc.;
- Traffic engineering facilities: including highways, sidewalks, etc.;
- Power facilities: including transformers, 10kV power lines, 380V outdoor overhead lines, etc.

### 7.3.3 Survey of main economic indicators

#### 1. Household - social-economic indicators

- Population characteristics - family type, family structure, male-to-female ratio, adult-to-child ratio, educational level, and health status;

- Economic situation - source and level of income, property status, occupation, employment opportunities, and income;
- Living environment - housing, sanitation, water, electricity, and utilization and conditions of infrastructure and public facilities;
- Social environment - social role of formal organizations, non-governmental organizations and informal groups, their care for the elderly and the disabled, social functions, recreational facilities, status of women, etc.

## **2. Resettlement community - social-economic indicators**

- Population: male-to-female ratio, adult-to-child ratio, occupational groups, agricultural and non-agricultural production activities, residents' migration;
- Economic and natural resources: the development status of industrial and sideline production, agricultural production, agricultural output, planting and breeding;
- Infrastructure and environment - current status of infrastructure and public facilities, agricultural infrastructure, water, power, and environmental conditions;
- Social organizations - social governmental organizations, non-governmental organizations, civil society organizations, women's organizations, and social-economic network systems in the community/village.

### **7.3.4 Sample selection and survey method**

#### **(1) Sample selection**

All the 543 households involved in the project were listed as the investigated objects, 55 households (10.1% of the total number of households) of which were selected as the survey sample households. Their housing relocation, compensation, resettlement and economic recovery were investigated in detail. Other authorities related to relocation and resettlement were also investigated. The selection of the respondents is as follows:

- a. All competent authorities related to the relocation and resettlement were taken as the samples of the survey.
- b. All relocated households were selected as investigated households.
- c. 55 households were randomly selected as the samples of the survey.
- d. Sampling survey on data deviation.

#### **(2) Survey methods**

Generally speaking, the survey methods of resettlement action plan refer to the method of "from the government at all levels to the resettlements involved" and "from macro to micro" for discussion and interview.

1) Discussions with the functional departments of local government were held, including district governments, sub-district offices and communities. The functional departments of the district government participating in the discussion were as follows: Finance Bureau, Planning Bureau, Construction Bureau, Land Bureau, Civil Affairs Bureau, Bureau of Human Resources and Social Security, Bureau of Community Services, Education and Sports Bureau, Town Office and Chaohe Sub-district Office. Through the outlining discussion with the main officials and technical personnel of each bureau, the process of relocation and resettlement were mastered from a macro perspective, together with the basic situation of relocation and resettlement, the social and economic development, environmental conditions, production and living standards of the population affected by the project, as well as the implementation of the project construction and resettlement policies of governments at all levels. See Fig. 2-1.

2) Discussions with community cadres, village cadres and resettlements' representatives were held. According to the investigation plan and outline of due diligence, we conducted investigation, interview, discussion and questionnaire survey on the affected communities, and discussed in detail the indicators of industry and sideline industry, agricultural production and income of the whole community, so as to master the basic situation and socio-economic development of the affected communities, grasp the information related to gender such as the division of labor within the family and income transfer for each affected household, as well as the basic understanding, opinions and suggestions of stakeholders on the construction project. See Fig. 7-1.

3) Household surveys and interviews of resettlements were conducted. The production and living conditions of the resettlements, their relocation and resettlement situation, and the evaluation of the relocation and the problems encountered in the relocation should be mastered.

4) Data sampling. The signing of demolition agreements and receipt of subsidy funds for sample households were randomly checked, as mentioned above.



**Fig. 7-1 Discussion with resettlement experts (left) and Yinggang (Yinggang) community staff (right)**

## Due Diligence Report on the Relocation of Resettlement

**(3) The important process of social investigation.**

See table 7-3-4-1 for details.

Table 7-3-4-1 Statistics of due diligence

Time	Place	Content	Participants	Notes
6.8	ZIH	Conduct preliminary discussion on due diligence on resettlement	ZIH; National Development and Reform Commission; AIIB; resettlement experts	Discuss the time nodes of various tasks
8.3		Determine the due diligence on work outline basically	Resettlement experts from AIIB; Resettlement experts	
9.6	ZIH	Hold training meeting and mobilization meeting for due diligence	Land and resources Bureau, Finance Bureau, Demolition office, Chaohe Community and other functional departments at Zhengzhou Economic and Technological Development Zone; resettlement experts	Deploy due diligence arrangements and issuing survey outline and material list to relevant authorities
9.7	Chaohe Sub-district Office at Zhengzhou Economic and Technological Development Zone	Investigate the situation and the process of relocation and resettlement, policies and responsible authorities; consult the archives and materials; Survey on relocation contract and fund distribution.	Demolition office; Land and resources Bureau; Civil Affairs Bureau; resettlement experts	Investigate the demolition procedure and legalization of demolition
9.8	ZIH	Sign the preparation agreement of due diligence report on relocation and resettlement of the project	ZIH; Henan Jiasen Engineering Management Consulting Co., Ltd.	
9.8	Yinggang Community	Hold discussions with community cadres to understand the process of requisition and resettlement; The process of villagers' consultation and participation; Survey on the basic information of villagers	Staff of Chaohe Sub-district Office, community cadres in charge; Staff of ZIH; Resettlement experts	
9.9	Yinggang Community	Conduct a survey on households and hold discussions with villagers' representative to investigate the demolition and resettlement of villagers,	Principal of community, representatives of villagers and sample households and resettlement experts	Conduct a comprehensive survey on economic and social conditions and land demolition

## Due Diligence Report on the Relocation of Resettlement

Time	Place	Content	Participants	Notes
		production and living conditions, the basic situation of families, their views on the problems of relocation and their satisfaction with the new community		and resettlement.
9.10	Zhengzhou Economic Development Investment Development Co., LTD.	Investigate and research the construction of the second-phase resettlement community	Zhengzhou Economic Development Investment Development Co., LTD.; ZIH; authorities of Report preparation	
9.11	China Construction Seventh Engineering Division Corp. LTD.	Investigate and research the construction of the first-phase resettlement community	China Construction Seventh Engineering Division Corp. LTD.; ZIH; Resettlement experts	
10.8-15	Zhengzhou Economic and Technological Development Zone, Chaohe Sub-district Office, Department of Natural Resources of Henan Province	Search for land acquisition and demolition documents	Resettlement experts; Owner staff; Zhengzhou Economic and Technological Development Zone; Chaohe Sub-district Office Cadres; Provincial Cadres	

(4) Here are the photos of the survey team activities



Members of the survey team consult the archives of resettlement and compensation



Members of the survey team go to the community for household survey



Members of the survey team visit the construction units of the first and second phase resettlement communities

### **7.3.5 Age structure, employment, income and expenditure of sample households**

#### **7.3.5.1 Population composition, age distribution and education degree of sample households**

55 households were randomly selected with the total population of 278 and the average population of 5.05 per household, of which 142 are men and 136 are women, accounting for 51.08% and 48.92% respectively. There were 62 children under 16, accounting for 22.30%, 173 young adults, accounting for 62.23%, and 43 elderly people over 60, accounting for 15.47%. Among the total, 3 people were illiterate, accounting for 1.08%, 79 received primary school education, accounting for 28.42%, 101 junior high school education, accounting for 36.33%, 75 senior high school education, accounting for 26.98%, and 20 junior college education or above,

## Due Diligence Report on the Relocation of Resettlement

accounting for 7.19%. According to the sample condition, the population structure and education level of sample households are similar with those of Yinggang village. Except for the difference (about 5%) in the proportion of children and the elderly over 60, the differences in the proportion of men and women and that of young and middle-aged people are less than 2%, so the sample is highly representative. See table 7-3-5-1 for details.

Table 7-3-5-1 Basic information statistics of sample households

Natural village	1. Population composition				2. Education degree					3. Age distribution		
	Number of household	Number of people	Male	Female	Illiterate	Primary school	Junior high school	Senior high school	Junior college or above	1-16	17-60	>60
Putianying	24	126	60	66	1	37	45	34	9	27	83	16
Dongyinninggang	31	152	82	70	2	42	56	41	11	35	90	27
Total	55	278	142	136	3	79	101	75	20	62	173	43
Proportion of sample households (%)			51.08	48.92	1.08	28.42	36.33	26.98	7.19	22.3	62.23	15.47
Proportion of all affected households (%)			50.46	49.54	0.88	29.52	34.5	25.45	9.65	15.2	63.9	20.9

### 7.3.5.2 Income of sample households in 2013

In 2013, there were 173 labors in the sample households, and their main source of income was from working. Only three sample households were engaged in production and operation, and the business location was not in Yinggang village. Most of them chose to work nearby, and the main jobs were factories (such as Foxconn), service industry (including domestic service, property service, hotel, restaurant, community garbage classification.), transportation industry, construction industry and sales industry. According to the relevant documents in Zhengzhou, their monthly salary was around 1,600-3,000 yuan. The total income of 55 sample households in the whole year was 4,110,220 yuan, and the per capita net income was 14,784.96 yuan, which was higher than per capita net income of rural residents (14,009 yuan) in Zhengzhou city. The service industry and the construction industry accounted for the largest proportion of income, and the sum of the two accounted for more than 50% of the total income. See table 2-3-5-2 for details. It should be noted that there is about one month's free time for the rural residents during the Spring Festival, so the working time is about 11 months.

## Due Diligence Report on the Relocation of Resettlement

Table 7-3-5-2 income of sample households in affected villages in 2013 (unit: yuan)

Village	Factory	Service	Transportation	Sales	Construction	Operation	Government subsidy	Pension
Putianying	410,300	572,000	293,700	239,800	493,900	132,000	5,160	11,520
Dongyinggang	297,000	426,800	272,800	184,800	587,400	154,000	10,320	18,720
Total	707,300	998,800	566,500	424,600	1,081,300	286,000	15,480	30,240
Sum	4,110,220							
Average	14,784.96							
Proportion	17.21%	24.30%	13.78%	10.33%	26.31%	6.96%	0.38%	0.74%

### 7.3.5.3 Income of sample households in 2019

Among the 55 sample households, 8 people were born from 2013 to 2019, and 8 people moved out of their registered permanent residences for employment and marriage. The population structure was the same as that in 2013, which was still 278 people. In 2019, the total income of the 55 sample households was 9,381,422 yuan, and the per capita income was 33,746.12 yuan, which was higher than the statistics of 23,536 yuan per capita net income of rural residents in Zhengzhou. It should be noted that in 2019, the sample households could receive 800 yuan per month as a transition fee, which contributed 9,600 yuan to the per capita annual income. If this subsidy was removed, there was still 24,146.12 yuan, which was still higher than the government's per capita income. From 2013 (the base year of relocation) to 2019, the economic income of the sample households continued to grow, and the economic income per capita of resettlements doubled in the six years, which was always higher than per capita income level of rural residents in Zhengzhou. (According to the 2019 Zhengzhou Social and Economic Statistics Bulletin, the annual per capita disposable income of residents was 35,942 yuan, an increase of 8.6% over the previous year. Among these, the per capita disposable income of urban residents was 42,087 yuan, an increase of 7.8% and that of rural residents was 23,536 yuan, an increase of 8.7%.) The main reason is that the affected villages were actually located in a developed urban area of Zhengzhou, but what they had was a rural household registration. The other is that they had temporary resettlement subsidies during this period. After the resettlement housing was allocated to households, each household with 4 members can rent out three houses. The rental price of each 90-square-meter house was above 2,000 yuan per month, and the monthly rent was above 6,000 yuan, which was higher than the current transitional resettlement fee. See table 2-3-5-3 for details. The comparison chart of per capita income is shown in Fig. 7-3-5-1 and 7-3-5-2.

Due Diligence Report on the Relocation of Resettlement

Table 7-3-5-3 income of sample households in affected villages in 2019 (unit: yuan)

Village	Factory	Service	Transportation	Sales	Construction	Operation	Government subsidy	Pension	Transitional resettlement subsidy
Putianying	495,000	740,850	159,500	437,250	716,100	330,000	311,400	57,120	1,209,600
Dongyinggang	532,400	660,000	572,000	269,500	849,750	467,500	16,800	97,452	1,459,200
Total	1,027,400	1,400,850	731,500	706,750	1,565,850	797,500	328,200	154,572	2,668,800
Sum	9,381,422								
Average	33,746.12								
Proportion	10.95%	14.93%	7.80%	7.53%	16.69%	8.50%	3.50%	1.65%	28.45%

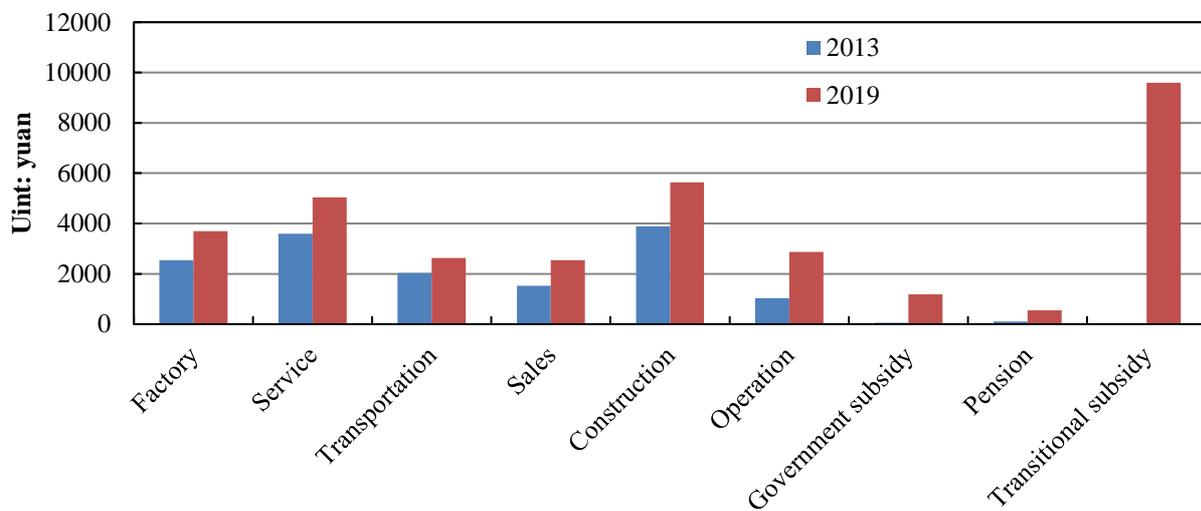


Fig. 7-3-5-1 Comparison of main income of residents in 2013 and 2019

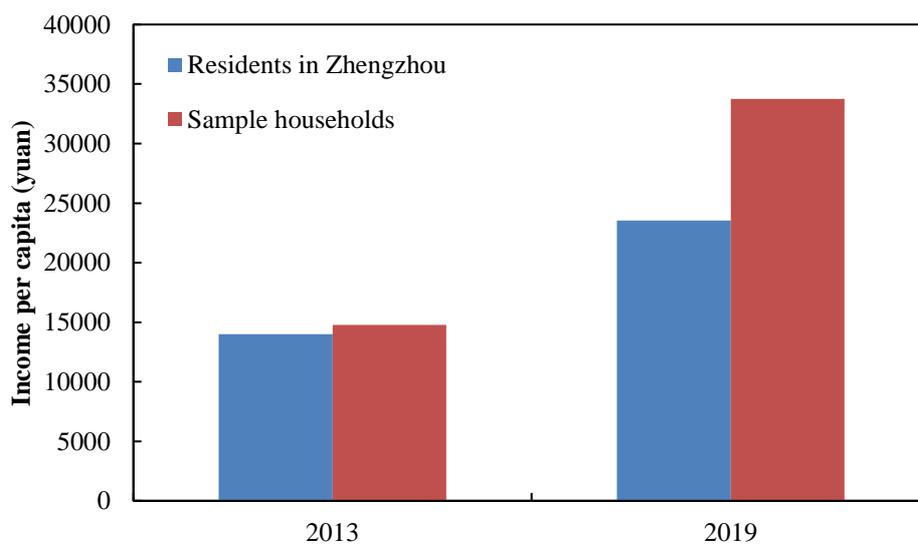


Fig. 7-3-5-2 Comparison between per capita income of sample households and per capita disposable income of rural residents in Zhengzhou

#### 7.3.5.4 Expenditure on living of sample households

In 2013, the per capita consumption of sample households was 11,631.67 yuan, of which tuition accounted for 30.50% of the family's main expenditure, cause there were a 1-2 students on average in each household. Now, Chinese parents are most willing to spend money on education. From kindergarten to primary school, junior high school and high school, parents choose one or two interest classes or tutorial classes for their children in addition to normal courses, and the average cost of off-campus training is about 2,000 yuan per month. Some parents even spend tens of thousands of yuan on interest classes. In 2013, the average Engel coefficient of sample households was 0.31. In 2013, the villagers did not pay property fees. See table 7-3-5-4a and Fig. 2-3 for details.

In 2019, 55 sample households spent a total of 5,439,030 yuan, and the per capita consumption was 19,564.86 yuan. The main consumption was in education and furniture, accounting for 21.51% and 20.84% respectively. The purchase of furniture was mainly used for the decoration of new houses. Although the proportion of education consumption decreased, the actual expenditure on education increased from 3,548.20 yuan in 2013 to 4,208.63 yuan in 2019, an increase of nearly 18.61% (660.43 yuan). In 2019, Engel coefficient per capita was 25.37%. The living conditions of residents have been significantly improved. See table 7-3-5-4b and Fig. 2-4 for details.

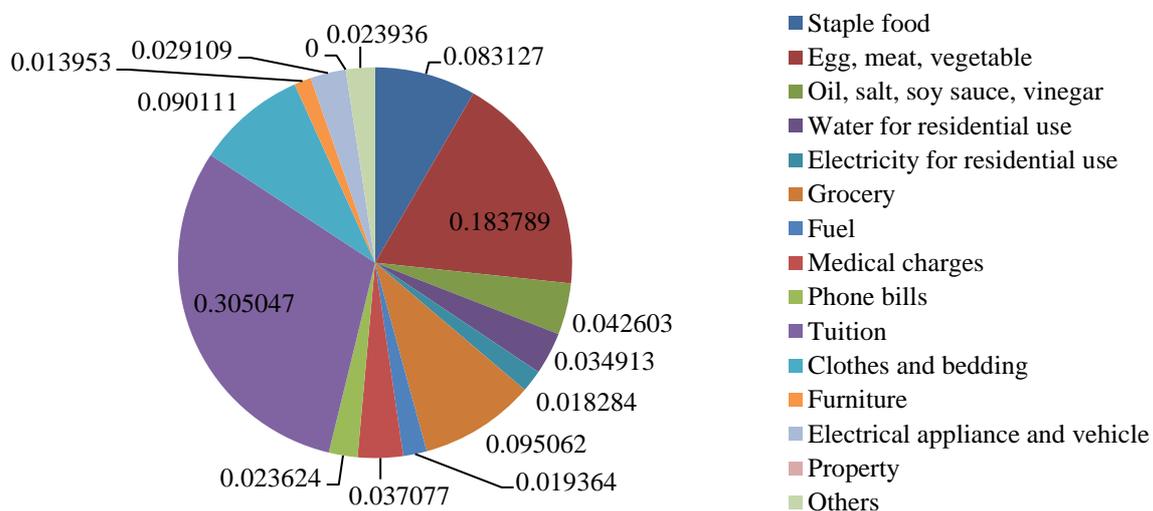


Fig. 7-3-5-4a Proportion of various consumptions of sample households in 2013

Due Diligence Report on the Relocation of Resettlement

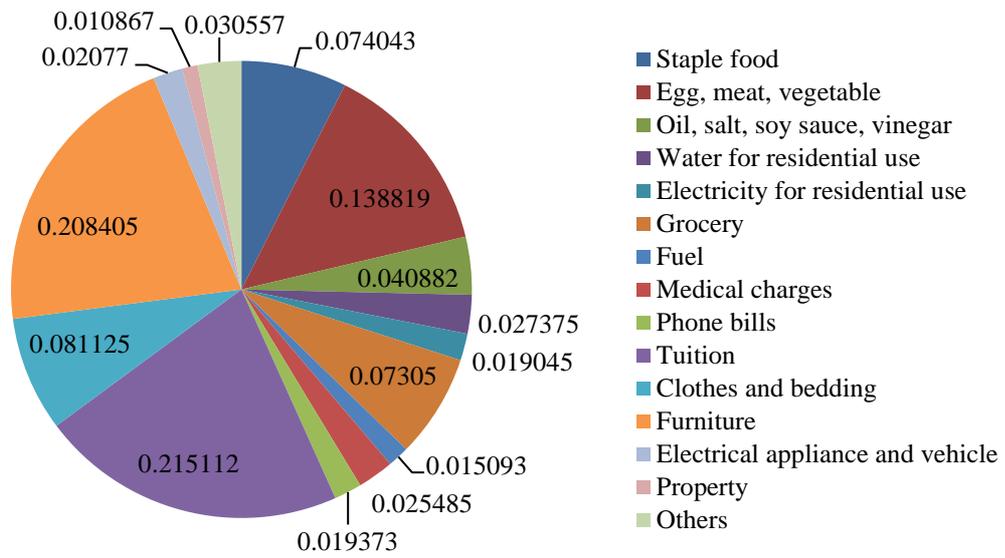


Fig. 7-3-5-4b Proportion of various consumptions of sample households in 2019

## Due Diligence Report on the Relocation of Resettlement

Table 7-3-5-4a Expenditure statistics of sample households in 2013

Community	Household living expenses (unit: Yuan)															
	Staple food	Egg, meat, vegetable	Oil, salt, soy sauce, vinegar	Water for residential use	Electricity for residential use	Grocery	Fuel	Medical charges	Phone bills	Tuition	Clothes and bedding	Furniture	Electrical appliance and vehicle	Property	Others	Total expenditure
Putianying Village	124,440	277,980	65,400	52,812	27,636	144,744	28,164	69,612	37,008	483,600	146,928	19,500	57,252	0	66,600	1,601,676
Dongyinggang Village	144,360	316,320	72,360	60,084	31,488	162,648	34,452	50,280	39,384	502,800	144,456	25,620	36,876	0	10,800	1,631,928
Total	268,800	594,300	137,760	112,896	59,124	307,392	62,616	119,892	76,392	986,400	291,384	45,120	94,128	0	77,400	3,233,604
Average	966.91	2,137.77	495.54	406.10	212.68	1,105.73	225.24	431.27	274.79	3,548.20	1,048.14	162.30	338.59	0.00	278.42	11,631.67
Proportion	8.31%	18.38%	4.26%	3.49%	1.83%	9.51%	1.94%	3.71%	2.36%	30.50%	9.01%	1.40%	2.91%	0.00%	2.39%	100%

## Due Diligence Report on the Relocation of Resettlement

Table 7-3-5-4b Expenditure statistics of sample households in 2019

Community	Household living expenses (unit: Yuan)															
	Staple food	Egg, meat, vegetable	Oil, salt, soy sauce, vinegar	Water for residential use	Electricity for residential use	Grocery	Fuel	Medical charges	Phone bills	Tuition	Clothes and bedding	Furniture	Electrical appliance and vehicle	Property	Others	Total expenditure
Putianying Village	187,080	354,840	104,280	68,868	46,752	187,800	37,272	76,092	50,328	546,000	214,560	675,600	57,252	24,258	113,400	2,744,382
Dongyinggang Village	215,640	400,200	118,080	80,028	56,832	209,520	44,820	62,520	55,044	624,000	226,680	457,920	55,716	34,848	52,800	2,694,648
Total	402,720	755,040	222,360	148,896	103,584	397,320	82,092	138,612	105,372	1,170,000	441,240	1,133,520	112,968	59,106	166,200	5,439,030
Average	1,448.63	2,715.97	799.86	535.60	372.60	1,429.21	295.29	498.60	379.04	4,208.63	1,587.19	4,077.41	406.36	212.61	597.84	19,564.86
Proportion	7.40%	13.88%	4.09%	2.74%	1.90%	7.30%	1.51%	2.55%	1.94%	21.51%	8.11%	20.84%	2.08%	1.09%	3.06%	100%

## 7.4 Survey of vulnerable groups

### 7.4.1 Investigation and statistical analysis of the households enjoying subsistence allowances, destitute households and poor households affected by the project

In Yinggang village, there were no destitute households and poor households in 2019. However, according to the survey, there are empty nesters who usually live alone and have children to support them. The villagers' committee will give some care to the elderly who do not live with their children. For instance, collective consolation activities will be organized on important festivals.

### 7.4.2 Survey of the population of women and children in affected villages

The total population of Putianying and Dongyinggang village was 2,507. Among the total, 1,242 were women, accounting for 49.54%, and 381 were children under 16, accounting for 15.2%. According to Zhengzhou's main data bulletin of the sixth national census in 2010, the proportion of women and children in Zhengzhou was 48.74% and 16.00% respectively. The proportion of women in affected villages is higher than that in the bulletin, and the proportion of children is slightly lower than that in the bulletin. See the table for details 7-4-2-1.

Table 7-4-2-1 Statistics of women and children in affected areas

VILLAGE	1. POPULATION COMPOSITION				AGE DISTRIBUTION		
	Number of households	Number of people	Male	Female	1-16	17-60	≥61
Putianying	241	1,122	562	560	160	726	236
Dongyinggang	302	1,385	703	682	221	876	288
Total	543	2,507	1,265	1,242	381	1,602	524
Proportion (%)			50.46	49.54	15.2	63.9	20.9

### 7.4.3 Survey of women's employment

**Due Diligence Report on the Relocation of Resettlement**

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The survey team conducted a survey on the employment situation of 54 women aged 18 to 60 from 55 sample households in the affected villages. Women were engaged in the same jobs with men and had more employment advantages than men in some industries, including the service industry, sales industry and other industries. 26 women were engaged in service industry, accounting for 48.15% of the female respondents, 13 in sales industry, accounting for 24.07%, and 15 with no job, accounting for 27.78%. In other words, more than a quarter of women were housewives. The monthly salary of women was around 2,000 yuan to 3,000 yuan, and those with excellent sales performance could get up to 5,000 yuan per month. See table 2-4-3-1 for details.

The social status of women is clearly stipulated in China's constitution. They are equal to men before the law. However, due to their physiological and physical characteristics, the employment rate in real society is lower than that of men. The above discussion suggests that women's employment is generally based on their own physical characteristics. Generally speaking, they choose jobs with lower labor intensity, such as service industry, and their income is generally slightly lower than that of men.

Table 7-4-3-1 Statistics of female employment of social survey respondents

OCCUPATION	NUMBER	PROPORTION OF WOMEN
Service Industry	26	48.15%
Sales Industry	13	24.07%
Housewives	15	27.78%
Total	54	100.00%

In a word, women enjoy the same rights as men in the family and the same civil rights in society. Their intimate relationship with their children is often higher than that of men. Due to China's social behavior, except for single-parent families, the head of household is male.

# Chapter VIII Information Disclosure, Villager Satisfaction, Complaint and Appeal Mechanism

## 8.1 Complaint and appeal mechanism

The appeal here refers to that citizens, enterprises, and institutions who are dissatisfied with the administrative department's decision on their legal rights and interests request a new or corrected solution by the department or its superiors. In order to protect citizens' legitimate rights and interests from infringement, the Chinese government has established a complete legal protection system, which is specifically described in the *Constitution*, the *Civil Law*, and the *Regulations on Letters and Visits*. In terms of appeal mechanism, land management departments at all levels accept administrative arbitration for land acquisition and house demolition; Chaohe community accepts appeals in land acquisition, house demolition and resident resettlement; local agencies at all levels have petition service offices, procuratorates, courts, etc., and the agencies at the previous village and group levels also have a civil mediation committee and a civil mediation group. If residents are dissatisfied with the policies or implementation of land acquisition, house demolition and resident resettlement, they can file an appeal to seek solutions through certain administrative or legal procedures.

### 8.1.1 Appeal channels

The appeal agencies, channels and procedures of resettlement are as follows:

- (1) The government of the Economic and Technological Development Zone has a petition office for general complaints on resettlement within its jurisdiction.
- (2) The District Discipline Inspection Committee has the power to oversee the resettlement work by the project undertaker and handle the accompanying complaints.

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**Due Diligence Report on the Relocation of Resettlement**

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(3) According to the law, the district organs of People's Congress and the CPPCC shall have the power to oversee and inspect whether the functional departments at county level have made proper arrangements for resettlement, and shall have the power to handle accompanying complaints.

(4) There are administrative supervision, auditing, disciplinary inspection, and judicial organs set in governments from district level to state level, and they shall have the power to accept and handle the malfeasances in resident resettlement work.

(5) People can also file appeals through government hotline and online platform to satisfy their different demands.

### **8.1.2 Appeal procedures**

The resettlements may submit complaints against land acquisition, house demolition and resident resettlement with community management committees and the district government for preliminary investigation to better handle and resolve the problems. If the problems are unsettled or the resettlements are not satisfied with the solution, they may continue to appeal to the superiors, or request administrative arbitration or legal proceedings.

According to China's resettlement relocation regulations, "the approved resettlement plan shall be implemented by the people's government at or above the county level". Where a complaint concerning the legal rights of the resettlements involves local governments and departments, the complaint should be heard in accordance with the Administrative Procedure Law. It is stipulated in the Article 37 of the law that, "In terms of administrative cases within the jurisdiction of the people's court, citizens, legal persons, or any other unit may first submit an appeal to the superior or the administrative department prescribed by laws and regulations. People who are still not satisfied with the new solution may then appeal to the people's court, or straight to the superior court."

In response to the concentrated complaints of the resettlements in the land acquisition and house demolition, the Administrative Committee of Zhengzhou Economic and Technological Development Zone has established a petition leading

## Due Diligence Report on the Relocation of Resettlement

group to maintain social harmony and stability, with group leaders and members comprising leaders and staff from the discipline inspection committee, petition, supervision and land organs. The petition leading group holds meetings on regular basis to study and solve common problems reflected by the resettlements, and issues and communicates the implementation plans in the form of meeting minutes, which has achieved positive social impact, as shown in Fig. 8-1. As the villages involved in the project are included in the whole land acquisition work, and all the problems reflected by the resettlements are solved in deed, so there is no appeal against common problems. Therefore, there is no special meeting minutes for the resettlement of the project.

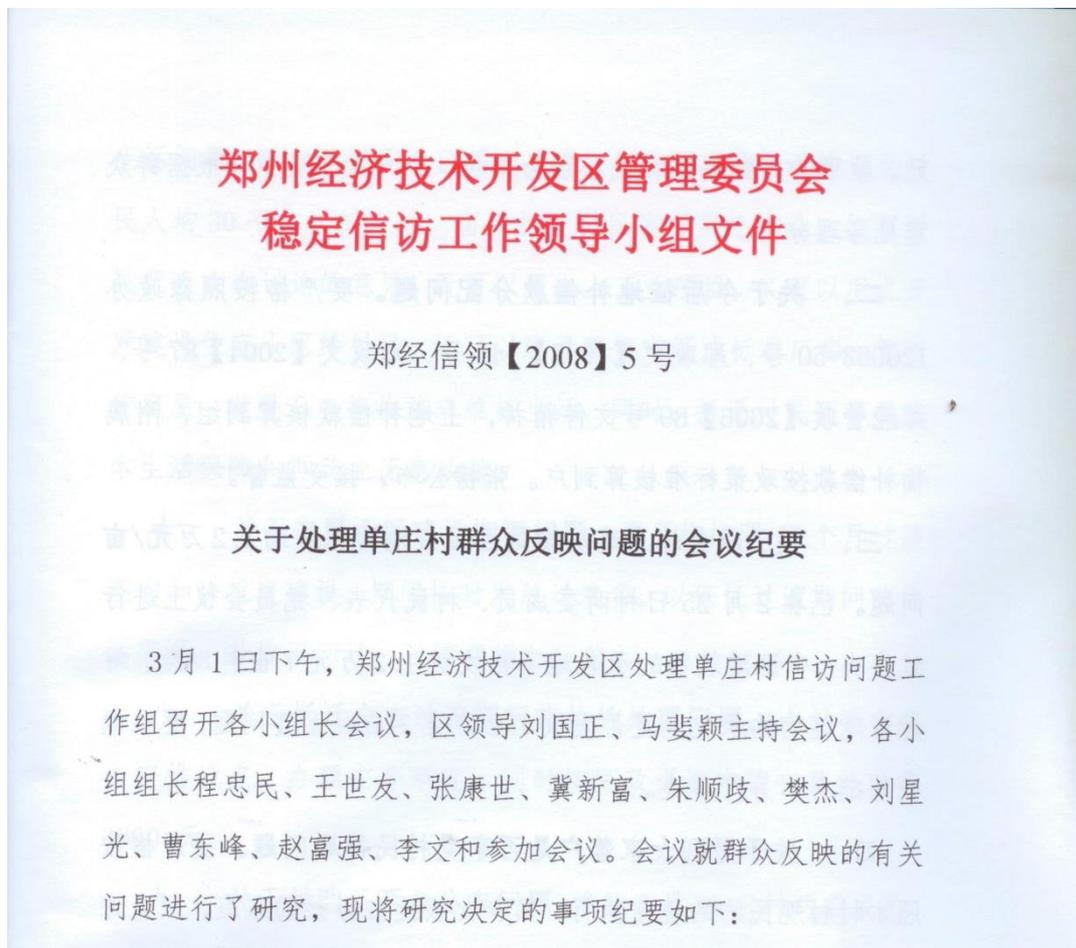


Figure 8-1 Minutes of resettlement petition meeting

### **8.1.3 Appeal steps**

In order to protect the interests and properties of legal persons and residents affected from infringement, they all have the right to submit suggestions or appeals by taking the following steps:

Step one: Any individual or legal person who is not satisfied with land acquisition or resident resettlement activities submits complaints to the community committee in oral or written form. If the problem is still not properly resolved, they can straight submit oral or written appeals to the district government.

Step two: The district department in charge of the project must resolve the complaints within four weeks after receiving the appeal. If the complainants are still not satisfied with the resolution, they may file administrative appeals to the municipal or provincial petition department or district people's court.

Step three: The complainant (natural or legal person) who is still not satisfied with the decision of the district people's court may appeal to the municipal intermediate people's court. The decision by the municipal intermediate people's court shall be regarded as the final decision and must be implemented.

Step four: The complainant who is still not satisfied with the final decision by the municipal intermediate people's court may appeal to the provincial higher people's court. But the decision by the intermediate people's court must be enforced during the appeal process.

These appeal procedures are accessible over the entire project construction period. the Resettlements whoever have complaints against the compensation methods for land acquisition or resident resettlement, infrastructure restoration, as well as local resettlement policies (including opinions on resettlement officials) may file appeals or complaints through legal procedures to protect their legal rights and properties.

### **8.1.4 Complaint resolution satisfaction survey**

According to the survey of 50 resettlements in response to the appeal, the result showed that, 44 resettlements had no problems, accounting for 88.00%; 4 resettlements believed that it was easy to file an appeal, accounting for 8.00%, and 2

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**Due Diligence Report on the Relocation of Resettlement**


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resettlements did not know how to file an appeal, accounting for 4.00%. See Table 8-1 for details. We found that, people who did not know how to file an appeal actually had no case to appeal, and they were just unfamiliar with appeal in itself. As the resettlement policy was lenient and preferential for the resettlements, there were no complaints from the Resettlements during the entire due diligence process, and they were very satisfied or satisfied with the resettlement work.

**Table 8-1 Resettlement complaint resolution survey form**

COMPLAINTS AGAINST HOUSE DEMOLITION			
No case to appeal	Easy to appeal	Don't know how to appeal	No way to appeal
44	4	2	0
88.00%	8.00%	4.00%	0.00%

## 8.2 Information disclosure survey

According to the anonymous questionnaire of 50 Resettlements in response to "do you know the government's resettlement compensation policy and where do you know it?", the result showed that, 39 resettlements knew about the policy, accounting for 78%, 10 resettlements knew a part of the policy, accounting for 20%, and 1 resettlement did not know about the policy, accounting for 2%; 2 resettlements knew about the policy from TV, accounting for 4%, 9 resettlements from the bulletin, accounting for 18%, 23 resettlements from the village cadres, accounting for 46%, and 16 resettlements from their friends and neighbors, accounting for 32%. See Table 8-2 for details.

The survey results showed that, as the resettlement compensation policy was in deed connected to the immediate interests of all the resettlements, they and village cadres were very proactive in policy consultation and explanation activities. resettlements who did not know the resettlement policy were indifferent to the policy because they did not participate in decision-making in their house. The policy for house demolition was transparent on the whole.

Due Diligence Report on the Relocation of Resettlement

Table 8-2 Resettlement policy transparency survey

DO YOU KNOW THE GOVERNMENT'S RESETTLEMENT COMPENSATION POLICY?			WHERE DO YOU KNOW IT?				
Yes, I know	No, I do not know	Yes, but not all	TV	Newspaper	Bulletin	Village cadres	Friends and neighbors
39	1	10	2	0	9	23	16
78.00%	2.00%	20.00%	4.00%	0.00%	18.00%	46.00%	32.00%

### 8.3 House demolition satisfaction survey

According to the anonymous questionnaire of 50 resettlements in response to "Are you willing to accept house demolition?", the result showed that, 47 resettlements were willing to accept, accounting for 94%, and 3 resettlements were not willing to accept, accounting for 6%; resettlements were willing to accept house demolition mainly because they thought they might have a chance to improve their living conditions and get good compensation for demolition, even enjoy a well-off life, while those who were not willing to accept are mainly the elderly, and they were used to the previous living environment and yearned for the past. 49 resettlements were satisfied with the arrangement for house demolition and resettlement, accounting for 98%. 4 resettlements believed that the job opportunities had been markedly increased, accounting for 8%, 17 resettlements believed that the job opportunities had been slightly increased, accounting for 34%, and 27 resettlements believed that the job opportunities remained the same as before, accounting for 54%. All in all, all resettlements were satisfied with the house demolition and resettlement arrangement, and it had no significant influence on their job opportunities. See Table 8-3 House demolition willingness survey for details.

Table 8-3 House demolition willingness survey

ARE YOU WILLING TO ACCEPT HOUSE DEMOLITION?	IN YOUR OPINION, WHAT WILL HAPPEN TO YOUR JOB OPPORTUNITIES AFTER RESETTLEMENT?	ARE YOU SATISFIED WITH THE HOUSE DEMOLITION AND RESETTLEMENT ARRANGEMENT?

**Due Diligence Report on the Relocation of Resettlement**

Yes	No	Markedly increased	Slightly increased	Basically remain the same	Slightly reduced	Markedly reduced	Yes	No
47	3	4	17	27	2	0	49	1
94.00%	6.00%	8.00%	34.00%	54.00%	4.00%	0.00%	98.00%	2.00%

**8.4 House demolition satisfaction reason survey**

According to the anonymous questionnaire of 50 resettlements in response to "living conditions", the result showed that, all resettlements believed that their living conditions had been significantly improved, 37 resettlements believed that their external living environment had been significantly improved, and 34 resettlements believed that it was more convenient to go to school, hospital or mall, accounting for 68%. See Table 8-4 for details. The survey results showed that, resettlements were basically satisfied with the living conditions, external living environment and living facilities after resettlement.

Table 8-4 House demolition willingness survey

LIVING CONDITIONS			EXTERNAL LIVING ENVIRONMENT			LIVING FACILITIES		
Significantly improved	Remain the same	Not as good as before	Significantly improved	Remain the same	Not as good as before	More convenient	Remain the same	Not as good as before
50	0	0	37	22	1	34	16	0
100.00%	0.00%	0.00%	74.00%	44.00%	2.00%	68.00%	32.00%	0.00%

## Chapter IX Resettlements' Power Matrix

Each resettlement obtains a resettlement housing for production and operation with the area of 30m<sup>2</sup> free of charge in accordance with resettlement policies of Zhengzhou City and the Zhengzhou Economic and Technological Development Zone. This house is used for compensation of the economic loss to production and operation during the relocation and resettlement process. Resettlements have the ownership of this house, which possesses the same property ownership certificate as other houses and all rights as commodity houses, and can be rented out or lived in. In addition, each resettlement obtain the resettlement housing with the area of 60m<sup>2</sup> (bought at the price of 500 Yuan/m<sup>2</sup>, that is, 30,000 Yuan will be deducted from each resettlement's compensation fee.). This housing possesses the ownership, the property ownership certificate and all rights as commodity houses (excerpt of ZJGZ [2009] No. 46). See details in Table 9-1-1.

Table 9-1-1 Resettlement rights and interests for resettlements

NAME OF RIGHTS AND INTERESTS	TYPE	COMPENSATION STANDARD (YUAN)	EXECUTABLE FILE	IDENTIFICATION STANDARD
Compensation for house demolition	Framework within the property ownership certificate	900	ZZW [2009] No.127/2. Compensation Standard of Buildings/Storied House	The compensation range covers below three floors (including three floors) of buildings of each farmer household on the land that they possess the legal residential land use certificate. The compensation area of land acquisition and house demolition is 3 times as large as the recognized residential land area. If the actual residential area is less than the compensation area, the insufficient part will be compensated according to the compensation standard for brick-concrete structure. If the actual residential area is bigger than the compensation area, the extra part will not be compensated and the demolition fee will be granted at the price of 150 Yuan/m <sup>2</sup> .
	Brick-concrete-structure within the property ownership certificate	600		
	Brick-wood-structure within the property ownership certificate	460		
	Not within the property ownership certificate	150	ZJGZ [2009] No. 46	Unauthorized buildings in the residential land
	Storied house	150		Other unauthorized buildings Without

## Due Diligence Report on the Relocation of Resettlement

	Brick-concrete-structure	80		land use permit
	brick-wood-structure	50		
	Simple	0		
Compensation for attachment on the ground	All attachments	12,000 Yuan/67m <sup>2</sup> (12,000 Yuan/666.7 m <sup>2</sup> )	ZJHJ [2010] No. 13	The lump-sum compensation will be granted to the attachments other than residential buildings on the residential land registered in the property ownership certificate, including simple houses, simple sheds, livestock and poultry houses, floors, water wells, trees, fences, power facilities, toilets, biogas digester, septic tanks, reservoirs, the arch over the gateway, etc. Compensation will not be granted to attachment on vacant lands which are not residential lands.
Resettlement reward	Bonus	20,000 Yuan/house hold	ZJGZ [2012] No. 65	Rewards will be granted if resettlements sign and perform the demolition agreement within the specified period. Each residential land will be awarded 20,000 Yuan, and no reward will be given after the deadline.
Interim expense for land acquisition and house demolition	Interim expense	400 Yuan/Month	ZJGZ [2012] No. 65	Each resettlement will receive 400 Yuan/month as the interim expense. If the interim period is more than 24 months, 100 Yuan will be added per month based on the original standard for every additional one year until the resettlement housing is delivered.
Moving subsidy	Subsidy	500 Yuan/house hold	ZJGZ [2009] No. 46	Moving subsidies will be granted in lump sum during the demolition process. Each house with persons not more than 4 will receive 500 Yuan. 100 Yuan will be added for every additional 1 person.
Reward for the household with only one child	Reward rights and interests	Resettlement housing for 0.5 person will be added/one spouse is the only child	ZJGZ [2009] No. 46	In order to implement the benefit-oriented mechanism of family planning, when the resettlement housing is calculated, one person plus policy will be enjoyed if both husband and wife are farmers' children, and 0.5 person plus policy will be enjoyed if one spouse is farmers' children. The policy for employment land (house) will not be changed for the only child in one family.
Land acquisition	Compensation standard for land acquisition (10,000 Yuan/ha.)			
	Resettlement compensation (10,000 Yuan/ha.)		Social insurance expense (10,000 Yuan/ha.)	
	84.00		18.00	
Resettlement measures	30m <sup>2</sup> resettlement housing for production and operation/resettlement		60m <sup>2</sup> resettlement housing/resettlement (bought at the price of 500 Yuan/m <sup>2</sup> )	
Other rights and interests	Participate in skill training for poverty alleviation and employment, and enjoy priority in terms of worker recruitment;			

**Due Diligence Report on the Relocation of Resettlement**

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	Enjoy the right of obtaining petty loans; Enjoy the right of obtaining poverty relief; Enjoy the right of obtaining serious disease rescue; Enjoy the endowment insurance free of charge; Enjoy the right of obtaining guarantee of education.
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**Note: Each household (1 household contains 1-3 resettlements, and 4-6 resettlements are 2 households) of Yinggang Village has the same area of original residential land, 0.4 mu (267m<sup>2</sup>), which is allocated by the government many years ago.**

## Conclusion of Due Diligence on House Demolition and Resettlement

The compensation standard for land acquisition, house demolition and resettlement relocation of the Project is implement in strict accordance with the *Land Administration Law of the People's Republic of China* and relevant implementing regulations and methods, *Zhengzhou Municipal People's Government on the Adjustment of the Compensation Standards for Young Crops and Ground Attachments on Collective Land Expropriated for National Construction* (ZZW [2009] No. 127), *Measures of the Zhengzhou Economic and Technological Development Zone for Compensation for Village Demolition and Resettlement* (ZJGZ [2009] No. 46), *Summary of the Special Meeting on the Implementation of Lump-sum Compensation for the Attachments other than Residential Buildings and Farmland Attachments in Our District* (ZJHJ [2010] No. 13) and *Notice of the Administrative Committee of Zhengzhou Economic and Technological Development Zone on the Adjustment of Compensation for Village Relocation and Social Security Measures for Land-requisitioned Farmers* (ZJGZ [2012] No. 65). The office implemented the land acquisition, house demolition and resettlement relocation in strict accordance with the document requirements and rules and regulations to ensure that resettlements sign legal demolition agreements on a voluntary and fair basis.

- Land acquisition and house demolition of the Project was carried out in accordance with the law.
- Resettlements were properly compensated and resettled in accordance with the requirements of laws, regulations and policies, which effectively protected their legal rights and interests.
- Resettlements were satisfied with the resettlement process.
- The livelihoods of resettlements were guaranteed and their living standards were further improved.
- The legal rights and interests of vulnerable groups such as women, children and the elderly were protected during the relocation process.