Jiangsu Rudong
Straw-Fired Power Project
Report of Site Change
(Resettlement Part)

August 2006
Approved by:  Xu Chunhai

Reviewed by:  Bian Bingqian

Main designer:  Yu Xiaosong

Checked by:  Chen Sen

Designed by:  Yu Xiaosong
# List of Contents

**PREFACE** .......................................................................................................................... 1

**1 GENERAL** .......................................................................................................................... 2

1.1 PROJECT BRIEFING ............................................................................................................. 2
1.2 PROJECT SERVICE SCOPE .................................................................................................... 2
1.3 PROJECT CONSTRUCTION PROGRESS .................................................................................. 2

**2 SITE SELECTION** ................................................................................................................ 2

2.1 SITE CHANGE CONDITION ................................................................................................... 2
2.2 REASON OF SITE CHANGE ................................................................................................... 3

**3. LAND ACQUISITION AND RESETTLEMENT CONDITION** ................................................. 4

3.1 PROJECT IMPACT SCOPE ...................................................................................................... 4
3.2 INVENTORY INDEX FOR LAND ACQUISITION AND RELOCATION ........................................ 4
3.3 LAND ACQUISITION COMPENSATION STANDARD .............................................................. 4
3.3.1 Use right of state-owned land .......................................................................................... 4
3.3.2 Standard for tentative rent land ...................................................................................... 5
3.4 PAYMENT OF LAND ACQUISITION FEE ............................................................................. 6
3.5 SURVEY OF SATISFACTION FOR RESETTLEMENT .............................................................. 6
3.5.1 Land Acquired for Center Purchase Station ...................................................................... 8

**4. POLICY BASIS** ................................................................................................................... 10

4.1 RELATIVE LAW AND LEGISLATIONS .................................................................................. 10
4.2 RELEVANT PROVISIONS OF THE LAWS AND REGULATIONS ........................................... 11
4.2.1 The Land Administration Law of PRC .............................................................................. 11
4.2.2 The Regulations of Land Administration in Jiangsu Province ......................................... 12
4.2.4 The Rules in Document [2002] No. 42 of Jiangsu Province People’s Government ............ 15
4.2.5 The Rules in Document [2002] No.83 of Rudong County Government and
4.2.6 No. 15 of Rudong County Government .......................................................................... 17
Preface

Rudong Straw-fired Power Project is a new energy project financed by the World Bank with total installation capacity of 25MW, annual power output 180 x 10^6 kWh (including 162 x 10^6 kWh to the network). It can offer clean and revived energy for economic development of Rudong area, as beneficial supplement for large power grid, to supply power to coastal and reclamation area that locates at the end of power grid, the power load scattered and the development is rapid.

In 2004, the project was located at Mabei Village in Matang Town of Rudong County, totally 104mu land was requisitioned (including paddy field 76mu, mulberry garden 27mu, construction land 1mu). Entrusted by Rudong County New Energy Project Office, East China Investigation and Design Institute (ECIDI) compiled the “Resettlement Acting Plan” (RAP). In Dec. 2004, ECIDI completed the RAP and passed the assessment of the WB. Hereon, Jiangsu Provincial Guoxin Investment Management Group Ltd. was the project owner, and set Jiangsu Guoxin New Energy Development Company Ltd. (GXNE) to undertake specific work of this project.

Because the national land protective policy is compelled for implementation, and more land is occupied by the original scheme, if submit original Mabei site scheme, the project may not be approved and the project progress will certainly be affected. As the project can hardly be progressed forward on the original site, the project owner, with the support of the Rudong County Government, sought new site which is suitable for project construction away from the cultivated land. At the same time, Juegang Town People’s Government invited the project owner and offered the idle land in Mingxing Construction Material Company Ltd. for the construction land. In view of the reasons above (See the follows for details), the final location is changed inside the plant area of Mingxing Construction Material Company Ltd., there is 92mu land inside the plant area, and rent tentatively 20mu from No.42 Team in Yinxing village as the straw procurement station.

In order to report in detail the site change to the WB, the GXNE entrusted ECIDI to compile the “Special Report for Site Change” to explain the reason, and relevant matter of land acquisition and relocation. After the external survey and internal preparation, ECIDI completed this report and express the wholehearted thanks to local government at different levels and related function department as well as the resettlement expert Mr. Zhu Youxuan from the WB that offered us a lot of valuable opinion and suggestion.
1 General

1.1 Project briefing

Rudong Straw-fired Power Project is at Yinxing village in Juegang Town of Rudong County. The project site is inside the idle land of Mingxing Construction Material Company Ltd., which was stopped for the operation. The project has a total installed capacity of 25MW, annual power yield of \(174 \times 10^6\) kWh (including \(157 \times 10^6\) kWh to the network).

Development of straw-fired power is in compliance to the national target of development and utilization of renewable energies. By absorbing matured techniques of foreign companies in straw-fired power generation and importing equipment through international cooperation, the aim is to make the straw-fired power generation commercialized and in scale development. For this project, the pre-stage work in the past 4 years covered the technical study, site selection, introduction of technologies and investment, etc. This project is also one of the candidate projects for key scientific and technical research in the "Eleventh Five-Year Plan" of Jiangsu Province.

1.2 Project service scope

Upon completion of Rudong Straw-fired power project, it will provide clean and reliable energy to Rudong power system, which will play a remarkable role in increasing power supply capability and reliability of the system, and will be, as a supplementary power source, beneficial to Jiangsu power grid.

1.3 Project construction progress

The ground leveling for main structure (inside the plant area of Mingxing Construction Material Company Ltd.) was started in March 2005, up to present, the ground levelling is basically ended. In Jan. 2006, the construction of straw procurement station near the main structure was started and the surface building is under construction. This straw procurement station is the center station of power plant; in addition, there are 4 straw collection stations under planning. The whole project is planned to put into operation in October 2007.

2 Site Selection

2.1 Site change condition

The original site is located at Mabei village of Juegang town, the most land is of farmland and garden (mulberry garden), and few of construction land.

At present, due to different reasons (See the follows for details), the final location is changed inside the plant area of Mingxing Construction Material Company Ltd. The project site is at Yinxing village of Juegang town, about 200m apart to No.223 provincial road, occupying land of 92mu. In addition, rent tentatively 20mu from No.42 Team in Yinxing village as the straw procurement station.

The ground attachment abandoned was cleared away by the town government.
2.2 Reason of site change

The originally selected project site was at Mabei Village, Matong Township, Rudong County; now, it is shifted to the area of Mingxing Construction Material Co. Ltd. that was stopped for operation. The major reasons are as follows:

(I) To keep away from the agricultural land, especially farmland as far as possible, and not affect the project construction progress;

(1) After Jiangsu "Tieben-iron mill" event, the state stopped the approval of construction land for Jiangsu province, if submit original Mabei site scheme, it will certainly affected.

(2) Because the Mingxing Construction Material Co. Ltd. is a clay brick mill, by the relative rules of document (No.2002-42) of Jiangsu Province People’s Government, it stipulates that simple kiln under 18 portals for illegally earth excavation existing safety risk with lagged technology shall be closed. Juegang Town People’s Government closed the mill in Nov. 2004, so that 92mu land inside the mill become as idle land. At the same time, Juegang Town People’s Government invited the project owner - Jiangsu Provincial Guoxin Asset Management Group ltd. to submit to Jiangsu Province National Land Recourse Department to transfer 92mu land for the project use.

(3) During the period of the national land protective policy, the land policy is compelled for implementation, and more land be occupied by the original scheme, it is hard to get the approval from the state. But the new site is on the idle land in Mingxing brick mill, not use farmland and easy for land use application.

(II) To reduce resettlement impact

There is no resident living in the idle land, therefore there is no house relocation problem; At the same time, the project uses idle land without land acquisition for farmland, so that it will not be concerned with resettlement problem.

(III) Other favorable factors

(1) Located near No.223 provincial road, the new site has convenient transportation;

(2) It is surrounded by waters on three sides. This can guarantee the water supply for the power station operation;

(3) The project site is close to the fire department, only 3km away, so that the safe operation of the power station can be rather highly guaranteed;

(4) The project constructed in the new site could save the costs of house rehabilitation, resettlement and compensation, therefore to reduce the project investment.

As the reason above, the site is changed to the existing Mingxing Construction Material Co. Ltd.
3. Land acquisition and resettlement condition

3.1 Project Impact Scope

The land acquisition area includes main project structures (storehouse, boiler room and steam turbine room, etc.), straw purchase station, ash deposit area, access to station, transformation/transmission facilities, etc., in which:

1. Main project structures (including storehouse, boiler room and steam turbine room, etc.) is planned on 92mu reserved state-owned land of the closed Mingxing Construction Material Ltd.;

2. Access roads to station: By the existing road connecting No.233 provincial highway. No additional land acquisition is required.

3. Ash deposit area is arranged within the scope of land requisitioned for main project structures.

4. The straw purchase stations: There is one central straw purchase station and four other straw purchase stations, the central straw purchase station near the main building, which uses 20mu leased from Yinxing village by GXNE. Four other straw purchase stations are scheduled to be located in the following towns: Bencha, Xindian, Yangkou and Chahe. Each station has an area of about 16 mu, totally 64 mu for four stations. GXNE propose to select the sites which involve no rehabilitation and less farmland. Once the site is settled down, GXNE will perform the land acquisition procedures according to relevant national laws and local regulations.

5. Transformation/transmission facilities: The power station is planned to connect with Chengnan substation at Juegang town, about 5 km away from the station. Now, the preliminary design of transformation/transmission facilities is completed, total line length 4.4km, 16 new tower bases, and partial line be set on existing tower, and the land for new tower base about 230m2.

3.2 Inventory index for land acquisition and relocation

At present, the construction of main structure and central straw purchase station is started, 92mu state-owned land for main structure and 20mu land rent tentatively from No.42 Team in Yinxing village for central straw procurement station, in which 19.74mu is farmland and rest is water pond. There is no resident living in the project area, therefore there is no house relocation problem.

3.3 Land acquisition compensation standard

3.3.1 Use right of state-owned land

3.3.2 Standard for tentative rent land

At present, the concrete land rent rates are not available for the rural collective-owned land. The rent price of land is usually determined through negotiation between the lessor and the lessee, and the land renting agreement will be signed after the rent rate and time length of land renting are agreed by the two sides. Based on consultation with Yinxing Village Comittee, the rent price of 1100 Yuan/mu is determined. According to the land renting agreement signed by GXNE and Juegang Town People's Government, GXNE pays 1100 Yuan/mu for land rent each year to Yinxing village.

By the survey, in order to protect the benefit of peasant and considering the policy balance for land acquisition by other projects, Yinxing Villagers Commission will pay the compensation for land acquisition standard to members in No.42 Team for land rent for straw purchase station, the cost gap will be filled by the village. This land compensation cost is formed by land compensation, resettlement subsidy, young crops compensation and other compensation cost as following:

(1) Land compensation fee


The land compensation fee is determined in accordance with the calculation basis and standard stated in the original RAP.

(2) Resettlement subsidy

Based on relative rules of "Regulation on Land Administration for Jiangsu Province", Document No. [2003]131 of Jiangsu Provincial People's Government and Document No. [2004]15 of Rudong County People's Government, the resettlement subsidy is computed by the population affected for resettlement, the population affected for resettlement is calculated by mean land per capita before the land acquisition, i.e. the resettlement subsidy is 13000 Yuan/person. The resettlement compensation fee is determined in accordance with the calculation basis and standard stated in the original RAP.

No.42 Team has 98 persons with farmland area 68.6mu, 0.7mu per capita, the resettlement subsidy per mu is: 13000÷0.7=18571Yuan/mu. The resettlement subsidy is computed by the farmland affected, totally: 18571×19.74=366600Yuan

(3) Young crops compensation

Based on relative rules of "Regulation on Land Administration for Jiangsu Province", Document No. [2003]131 of Jiangsu Provincial People's Government and Document No. [2004]15 of Rudong County People's Government, young crops compensation is taken 1050 Yuan/mu for output of one season, the young crops compensation is computed by the land affected area, totally: 1050×19.74=20727 Yuan. The young crop compensation fee is
beyond the standard (750 Yuan/mu as the season output) specified in the original RAP.

(4) Other compensation

Totally, 15369 Yuan is for other compensation.

The total land compensation of Yinxing village is: 296100+366600+20727+15369 = 698796 Yuan

3.4 Payment of land acquisition fee

GXNE paid 6440000 Yuan to the special bank account of National Land Resource Bureau of Rudong County and prepaid 66000 Yuan for land rent for 3 years to Yinxing village based on the agreement for renting the land for straw purchase station.

Yinxing village completed the distribution of land compensation. Based on the relative rules of "Regulation on Land Administration for Jiangsu Province", not less than 70% of land compensation fee shall be paid to peasant, so that 70% of land compensation fee had been paid to villagers of No.42 Team, other type of compensation was fully distributed to villagers of No.42 Team. Total land compensation fee to villagers of No.42 Team is 609966 Yuan, and Yinxing village commission paid 610000 Yuan in total.

After the land renting for straw purchase station, No.42 Team adjusted the land for whole team, the land per capita is about 0.5mu after the land adjustment. The land compensation fee was distributed meanly, 6122 Yuan per person, 599956 Yuan in total, the rest 10044 Yuan was given to family members that someone pass away in recent two years to express solicitude.

All compensation fee has been paid to the villagers in No.42 Team.

3.5 Survey of satisfaction for resettlement

3.5.1 About the land for main project structures

For the land for main building, the land of Mingxing Construction Material Co. Ltd. Is state-owned land and the ground structures and attachment were cleared away by Juegang Town People's Government, so that no resettlement will be done by the project owner. To explain that there will be no remained problem after closing of Mingxing Construction Material Co. Ltd. and no bad influence for the construction of project, the further information is collected as the following:

The Mingxing Construction Material Co. Ltd. mainly produced bricks made from clay. According to the Notice on Re-structuring Trade Relating Kilns and Speeding up Development of New Wall Materials issued by the Jiangsu Provincial Government Administrative Office (document numbered Su Zheng Ban Fa [2002] No. 42), all the simple kilns which have gates less than 18 in number, take the soil/clay illegally, adopt obsolete techniques and have serious hidden trouble against safety, should be closed. Therefore, the Juegang Town People's Government issued the order to the company in Nov. 2004 requesting the brick production to be stopped. According to the agreement between Mingxing Construction Material Co. Ltd. and Juegang Town People's Government, the mechanical equipment, stock-in-trade, low value fugitive resources are
owned by Brick Mill and handled it independently, other ground buildings, water and power facilities are owned by Juegang Town People's Government. Juegang Town People's Government paid once 2980000 Yuan to the Brick Mill, original staff of company shall be settled by the company. Original debt and creditor's rights shall be solved independently by the company and not concerned with Juegang Town People's Government.

After the company closed its brick mill, the Juegang Town Government invited the project owner to arrange the project site at Juegang Town within the 92 mu land of the company. In Jan. 2005, invited by the town government, the project owner came and signed agreement with the Rudong County and Juegang Town governments. It was agreed that the Rudong County and Juegang Town governments should go through all legal formalities for transfer of the use right of the land according to the state laws, the project owner should pay to the special state land use account for the land transferred at the rate of 70000 Yuan/mu. The company should be responsible for removal of buildings and structures and clearing of the 92 mu land, and complete all legal formalities before the end of February 2005. After that the Rudong County government submitted application for land transfer to the relevant government departments; approved by Jiangsu Provincial State Land Administration in Jun. 2005, the 92mu land was officially taken as the state-owned land (by document numbered Su Guo Tu Zi Di Han【2005】No.27). The project owner also paid 6.44 million Yuan to the special state land use account for land transfer. By then, the land acquisition for project main structures was completed.

In addition, according to the agreement signed between the company and Juegang Town government, the company was responsible for the resettlement of its staff. ECIDI survey team tried to understand the process and conditions of the resettlement through interview with the staff and with the responsible cadre of the town. As the company's responsible person for resettlement was not available, it was difficult to have better understanding of the resettlement.

According to interview with Gao Guolan and other 7 original employees of the company, the employees of the company, except few managerial staff, earned their wages based on the quantity of products they produced. And most of the employees were the local farmers in the nearby villages and there were some labors from Anhui Province. The company had no employment contract with the employees, therefore, only those few managerial staff was stable with the company, and most of the employees were running in and running out of the company.

Gao Guolan had her wage generally varying between 400~1000 Yuan per month, and most of the employees of the company had the similar wage range. After the company was closed, the company paid the employees 1200~1800 Yuan for transition. The amount of transition fee for resettlement was based on the position and monthly income of each employee, and no further contract was signed between the company and the employees. For Gao Guolan and other 7 employees, it seemed that they were satisfied at the amount of the transition fee for resettlement, because they thought this amount of the fee was much more than what they could expected. They also mentioned that other employees were comparatively satisfied. They are now working for other factories, and most of the employees have found their new job. The detail information obtained about the employees
interviewed is as listed in Table 3-1 below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Birth place</th>
<th>Job</th>
<th>Mon. income</th>
<th>Transition fee for resettlement</th>
<th>Present job</th>
<th>Level of satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gao Guolan</td>
<td>F</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>400~600</td>
<td>1200</td>
<td>Worker in textile mill</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Gu Zhuhua</td>
<td>M</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>600~800</td>
<td>1600</td>
<td>Worker in furnishing factory</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Zhang Haoyin</td>
<td>M</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>600~800</td>
<td>1600</td>
<td>Worker in furnishing factory</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Gu Huailin</td>
<td>M</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>800~1000</td>
<td>1800</td>
<td>Cargador</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Xu Guiying</td>
<td>F</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>400~600</td>
<td>1200</td>
<td>Worker in textile mill</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Gu Xiulan</td>
<td>F</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>400~600</td>
<td>1200</td>
<td>Worker in textile mill</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Gu Xigui</td>
<td>M</td>
<td>Ru-dong</td>
<td>Kiln operator</td>
<td>800~1000</td>
<td>1800</td>
<td>Cargador</td>
<td>Satisfied</td>
</tr>
<tr>
<td>Wang Zhixue</td>
<td>M</td>
<td>Ru-dong</td>
<td>Brick making</td>
<td>600~800</td>
<td>1600</td>
<td>Worker in printing mill</td>
<td>Satisfied</td>
</tr>
</tbody>
</table>

3.5.2 Land Acquired for Center Purchase Station

As constrained by the county’s land use plan and land-use index, the procedures for land requisition for the Center Purchase Station could not be performed at present. Since straw collection is the precondition of the power plant’s operation, in order to create an atmosphere of straw purchase in local area, it is necessary to build the center straw purchase station closed to the plant first. Since the piece of land belongs to collective land which is under the administration of Juegang Town. After consultation with the government of Juegang Town and relevant village, GXNE obtained the land for the center station by the method of renting for the time being. See Attachment 1: Certificate issued by the People’s Government of Juegang Town and Attachment 23: Certificate issued by Rudong Land Source Bureau. The Red Line Drawing (confining the station area) and the Proposal for Station Site Selection (See Attachment 34) have been approved by the Construction Bureau and the application materials have been submitted to the state land
administration. Rudong County has planned to list this piece of land into the scope of the construction land for 2007 in March 2007. It is expected that it can be approved in July 2007 by the land administrative authorities of Natong City and Jiangsu Province. In Jul. ~ Aug. 2007, the project owner can file to the county land administration and county development and reform committee for the pre-approval. It is expected that the land use index will be issued in Nov. 2007. After issuing the index, the project owner will set out the boundary of the land to be used and go through the formality for land requisition and land supply scheme, and submit to the provincial and city land administrations for approval. It is expected that the approval procedures can be completed in March 2008. After that, the project owner plans to complete the formality for application of the land use certificate and land compensation in March ~ April. By then the land requisition formality is finished, and before the time, the land used for the center purchase station is by renting agreement.

The expenses of land requisition includes two parts, i.e., (A) the expenses of land requisition paid by the project owner to the Yinxing Village and (B) the land transfer expense paid by the project owner to the special account of state land of the county financial department.

For Part (A), the official document issued by the Rudong County People’s Government【Dong Zheng Fa [2004] No.15】should be followed, and it is composed of the land compensation, resettlement subsidy and standing crop compensation. The details are as follows, (and the actual criteria are same as that the Yinxing Village has paid to the villagers).

(1) Land compensation

According to the official document issued by the Rudong County People’s Government【Dong Zheng Fa [2004] No.15】, the land compensation is based on ten times of the yearly output of land 1500 Yuan/mu, i.e., 1500×10=15000 Yuan/mu. The cultivated land to be affected is 19.74 mu, the compensation to the affected cultivated land is 15000×19.74 = 296100 Yuan; the other farmland is 0.26 mu, the compensation is 15000×0.26=3900 Yuan. Therefore, the total land compensation is 296100+3900=300000 Yuan.

(2) Resettlement subside

According to the official document issued by the Rudong County People’s Government【Dong Zheng Fa [2004] No.15】 , the resettlement subside should be calculated based on the number of farmers affected by land requisition, and the number of farmers affected by land requisition should be computed by the quantity of cultivated land to be requisitioned divided by the per capita cultivated land holding of the rural collective economic unit before land requisition, and the resettlement subside criteria is 13000 Yuan per capita.

There are totally 98 persons in No.42 Village Group of Yinxing Village; the total cultivated land is 68.6 mu, i.e., 0.7 mu per capita. Therefore, the resettlement subside criteria, converted by mu, is 13000÷0.7=18571 Yuan/mu; and based on the area of affected land, the total resettlement subsidy is 18571×19.74=366600 Yuan.

(3) Compensation to standing crops

According to the official document issued by the Rudong County People’s Government【Dong Zheng Fa [2004] No.15】 , the compensation is generally based on the
crop output of one season, and the compensation criteria of standing crops is same as adopted at Yinxing Village, i.e., 1050 Yuan/mu; and based on the area of affected cultivated land, the total compensation to standing crops is $1050 \times 19.74 = 20727$ Yuan.

The total compensation of Part A is $300000 + 366600 + 20727 = 687327$ Yuan.

For Part B, the official document issued by Rudong County People’s Government 【Dong Zheng Fa [2002] No.83】 and the official document issued by Rudong State Land Administration【Dong Guo Tu Zi [2002] No.52】should be followed, in which the minimum standard is specified for the transfer price of state-owned land, and at present, the final price of the transferred land is usually determined through land assessment. Considering the strong support of the county government to the project and the uncertainty in assessment, this report tentatively takes the minimum land transfer price of 105 Yuan/m² that is specified in the above two official documents for the other state-owned land in Juegang Township. The total land transfer cost is $70000 \times 20 = 1400000$ Yuan. In paying this part of the expenses, a total of 687327 Yuan of land compensation calculated according to the official document issued by the Rudong County People’s Government 【Dong Zheng Fa [2002] No.15】 should be deducted, i.e., the project owner only need to pay the land transfer cost of 712673 Yuan now.

ECIDI survey team visited No.42 Village Group of Yinxing Village to get understanding about the opinions of local PAPs. The team interviewed with Bao Zhiqing of the village group. What he talked about indicated that not only he himself but also many other villagers as well as the village cadres were satisfied with the compensation criteria and the way of the paying the compensation. Bao’s family has six members. Previously, his family contracted 3.5 mu land, which is now all within the scope of the requisitioned land for purchase station. The village group has re-allocated the land for contracting, and now, his family has contracted a piece of land about 2.5 mu, and has received land compensation of 30000 Yuan.

4. Policy Basis

4.1 Relative law and legislations

The law basis for this project is including:

3. “Regulation on Land Administration for Jiangsu Province”


4.2 Relevant Provisions of the Laws and Regulations

4.2.1 The Land Administration Law of PRC

Land Ownership and Usage Rights

Article 8 The urban land belongs to the whole people, namely the state. Except those belonging to the state regulated by the law, the rural land and suburbs land are in possession of the collective ownership. The housing plot, and private plots and hills belong to the collective ownership.

Article 9 The State-owned land and all peasant collective lands can be used by units or individuals according to laws. The individuals and units, the land users, have duties to protect, manage and reasonably use the land.

Land to be Used for Construction

Article 43 All units and individuals that need land for construction purposes shall, in accordance with law, apply for the use of State-owned land, with the exception of the ones that have lawfully obtained approval of using the land owned by peasant collectives of their own collective economic organizations to build township or town enterprises or to build houses for villagers and the ones that have lawfully obtained approval of using the land owned by peasant collectives to build public utilities or public welfare undertakings of a township (town) or village.

“The State-owned land” mentioned in the preceding paragraph includes land owned by the State and land originally owned by peasant collectives but requisitioned by the State.

Article 55 A construction unit that obtains use right of state-owned land by assignment shall, in keeping with the standards and measures prescribed by the State Council, pays, among other charges, compensation for land-use right assignment, before it can use the land.

Article 56 A construction unit that uses state-owned land shall use the land in agreement with the stipulations in the land assignment contract or the provisions in the official approval documents of the land-use right assignment. In case that the construction purposes of this land is definitely be change, the matter shall be subject to agreement by the land administration department of the people’s government that originally approved the use of land. The land, of which the purposes of land use need changed, is located in the area under urban planning, the matter shall be subject to agreement by the relevant urban planning administration department before an application is submitted for approval.
4.2.2 The Regulations of Land Administration in Jiangsu Province

Chapter V Land for Construction

Article 26 The land acquired shall be compensated with the following standards:

(I) Compensative standard of land acquired

(1) For farmland (including vegetable field), 8-10 times of annual average productive value for last 3 years.

(2) For regraded fish ponds, 10-12 times of annual average productive value of nearby plowland for last 3 years; for other aquatic production water surfaces, 4-8 times of annual average productive value of nearby plowland for last 3 years.

(3) For orchards or other economic woodlands, 8-12 times of annual average productive value of nearby plowland for last 3 years.

(4) For other farmland, 6-10 times of annual average productive value of nearby plowland for last 3 years.

(5) For unused land, 3-5 times of annual average productive value of nearby plowland for last 3 years.

(6) For collective-owned non-agriculture constructive land, 6-10 times of annual average productive value of nearby plowland for last 3 years.

(II) Resettlement subsidy to the land acquired

(1) The resettlement subsidy of plowland shall be computed by the size of land acquired. The resettlement subsidy should be 5 times of annual average productive value of nearby plowland for last 3 years if the area per capita farmland of the agricultural population in the affected village is over 1/15 hectare. If the area per capita farmland of the agricultural population is less than 1/15 ha, the resettlement subsidy should be counted from 6 times of annual average productive value of nearby plowland for last 3 years, and should be increased by one time for each additionally acquired 1/150 hectare, but 15 times at the maximum.

(2) The resettlement subsidy of other farmland is 70% of the land compensation standard.

(3) No resettlement subsidy will be counted for collective-owned non-agriculture constructive land and unused land.

(III) Compensation for ground attachment and young crops

(1) The compensation for houses, other buildings and structures shall be based on the replacement price and age of structure.

(2) For irrigation facilities, breeding farms, and power, broadcast, communication facilities, etc., the moving allowance or compensation shall be paid on the principle of equivalent replacement.

(3) The compensation to young crops is calculated normally according to the productive value of one season, and no compensation should be paid if the harvest is on schedule. For seedlings, flowers and perennial economic woods that can be transplanted, the allowance of transplantation shall be paid; or otherwise, they should be reasonably compensated or purchased at proper prices.
If the annual average productive value of nearby plowland for last 3 years mentioned above is less than 18000 Yuan, 18000 Yuan is based for calculation.

The actual standard for land compensation fee, resettlement subsidy, compensation of ground attachment and young crops shall be determined by relevant municipal government and reported to provincial government.

Article 27 The Land compensation shall be paid to rural collective economic organization that exercises land ownership. If the land is contracted by peasant and the rural collective economic organization does not adjust other land with equivalent quantity and quality to peasant, not less than 70% land compensation fee shall be paid to peasant; If the rural collective economic organization has certain condition to develop production and solve living problem of peasant, the compensation fee could be used collectively after agreed by the resettlers.

If the resettler is arranged by rural collective economic organization, the resettlement subsidy shall be paid to rural collective economy organization; If the resettlement is not needed, the resettlement subsidy shall be paid to resettler or paid for insurance after agreed by the resettlers.

VI Assignment, transfer, rent and mortgage of land-use right

Article 36 The state-owned land used by construction units and individuals, besides land transfer according to legal stipulations, shall be obtained through assignment of land-use right, investment on evaluated price or buying a share as well as renting state-owned land. The assignment of the land ownership is should be uniformly organized by people's governments above county level and implemented by the responsible land administrative department, by ways of agreement, public bidding, auction, etc. The land used for businesses such as for trade, tourism, recreation and the real estate within the planning area of city must be assigned through bidding and auction.

The price for negotiated assignment of State-owned land use right shall not be less than lowest price decided by province people's government in accordance the base standards.

The specific procedures and methods for assignment of State-owned land use right through negotiation, bidding and auction shall be carried out according to stipulations of provincial people's government.

Article 43 In the course of land use right assignment, the assigner shall truthfully declare the bargain price to the department designated by county people's government or above. When the market price for land use right assignment is obviously excessively low, the people's government above the county level shall have the priority to purchase the land according to the declaring price; and when the market price for land use-right assignment rises unreasonably, the people's governments at city or county level can adopt necessary measures.

4.2.3 Relative Rules in Document [2003] No.131 of Jiangsu Provincial People’s Government

The relative rules in Notice of Jiangsu Provincial People’s Government on Adjustment of Land Acquisition Compensation Standard, Document [2003] No.131 issued by Jiangsu Provincial People’s Government, are as follows:

I. Increase of compensation standard for land acquired
Based on relative provisions of Land Administration Law of the People’s Republic of China, Law of Contracting Rural Land of the People’s Republic of China, and Land Management Regulations of Jiangsu Province, and in view of the current level of economic and social development and the land value at each area, it is decided to divided the land of the province into four categories and compensation standards shall be applied accordingly.

For plowland acquired, 10 times of annual average productive value of the plowland for last 3 years. The standard of annual average productive value of the plowland for last 3 years for Category I, II, III, IV should not be less than 1800, 1600, 1400 and 1200 Yuan/mu respectively.

The resettlement subsidy to plowland shall be computed by the number of resettlers. The number of resettlers is computed by the quantity of land to be requisitioned devided by the per capita land of rural collective organization before land acquisition. The resettlement subsidy of each resettler should not be lower than 20000, 17000, 13000 and 11000 Yuan respectively as per Category I, II, III and IV.

The compensation and resettlement subsidy to requisition of other lands and other agricultural lands shall be adjusted by the municipal peoples government at each level based on the Land Management Regulations of Jiangsu Province and the above mentioned provision, and reported to the Provincial People’s Government.

This new compensation standard takes effect on Jan. 1, 2004. The original compensation standard should be valid for the project approved before this date.
Compensation Standard Categories for Lands Requisition in Jiangsu Province

Table 4-1

<table>
<thead>
<tr>
<th>Category</th>
<th>Applicable to</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Nanjing city: Xuanwu district, Gulou district, Baixia district, Qinhuai district, Jianyou district, Xiaoguan district, Xixia district, Yuhuatai district, Jiangning district; Wuxi city: Chong-An district, Nanchang district, Baitang district, Binhu district, Xishan district, Huishan district; Jiangyin city; Changzhou city: Tianning district Zhonglou district, Wujin district, Xinbei district; Suzhou city: Pingjiang district, Changlang district, Jinan district, Huji district, Wuzhong district, Xiangcheng district; Changshu city, Zhangjiagang city, Taicang city, Kunshan city, Wujiang city</td>
</tr>
<tr>
<td>II</td>
<td>Nanjing city: Liuhe district, Pukou district; Yixing city, Changzhou city: Qisuyuan district, Jintan city, Liyang city, Nantong city: Chongchuan District, Gangzha district; Yangzhou city: Guangling district, Weiyang District, Zhenjiang city: Jingkou District, Runzhou district; Taizhous city: Hailing District, Gaogang district</td>
</tr>
<tr>
<td>III</td>
<td>Lishui county, Gaocun county, Xuzhou city: Yunlong district, Gulou district, Quanshan district; Haian county, Rugao city, Tongzhou city, Rudong county, Haimen city, Qidong city, Lianyungang city: xinpu district, Haizhou district; Huai-an city: Qinghe district, Qingpu district, Yancheng city, Yangzhou city: Hanjiang district; Baoying county, Gaoyou city, Yizhen city, Jiangdu city, Zhenjiang city: Dantu district; Yangzhou city, Jurong city, Danyang city, Xinhua city, Jiangyan city, Taixing city, Jingjiang city, Xuqian city: Xuncheng district</td>
</tr>
<tr>
<td>IV</td>
<td>Xuzhou city: Jiawang district, Jiuli district, Pizhou city, Xinyi city, Fengxian county, Peixian county, Tongshan county, Suining county, Lianyun gang city: Lianyun district; Ganyu county, Donghai county, Guanyun county, Guannan county; Huai-an city: Huaiying district, Chuzhou district, Lianshui county, Hongze county, Xuyi county, Jinhu county, Xiangshui county, Binhai county, Fuming county, Sheyang county, Jianhu county, Yandu county, Dafeng city, Dongtai city, Suyu county, Shuyang county, Siyang county, Sihong county</td>
</tr>
</tbody>
</table>

4.2.4 Relative Rules in Document [2002] No. 42 of Jiangsu Province People’s Government

The relative rules in "Notices of Jiangsu Province Government Office to Transmit Document of Further Renovating Tile/brickkiln Industry and Quickly Developing New Wall Material Issued by National Land Resource Department", Document [2002] No. 42 issued by Jiangsu Province People's Government Office, are as follows:

II. General requirements on further carrying out comprehensive renovating tile/brickkiln industry and renovated objects
General requirements on comprehensive renovating

Strictly implement a series of laws, regulations and stipulations issued by country and province, carry out the overall and thorough renovating on tile/brick kiln over the province. Uncompromisingly ban illegal factory and enterprise with serious safe hidden troubles and problems such as illegal earth excavation, destroying farmland and dyke, serious pollutive environment, lagged technology, and welshing tax. Strictly restrict the output and earth excavation quantity of clay solid-brick enterprise, and prohibit to use clay solid-brick in the stipulated area. Through renovating, bring brick/tile enterprises over the whole province into the orbit of normal management and legal production so as to promote the provincial economic society in continuous development.

Renovated objects

1. Close small-sized earth kilns and simple rotated kilns under 18 portals.
2. Close all brick/tile enterprises within scope of the urban planning area in provincially administeered municipality.
3. Close all brick/tile enterprises within scope of the district of wellknown scenic spot, the protective area of cultura and historic relic as well as the geological remains, basic farmland protective area, the area along a river, stream, lake and channel, and other special protective area.
4. Close all brick/tile enterprises without earth source or damage to the plowland must be closed immediately, and those with a less earth source or purchasing earth source from outside shall be closed within a definite time or be limited on its output.
5. Enterprise inconsistent with specifications in National "Guidence Catalogs for New Construction Material and Product Development" and innovation policy requirements for wall material, or with lagged technology and out-of-date equipment, product quality not meeting with related standard, and not meeting the environmental protective requirements should have the technical reforming immediately. The enterprise must be closed if it can not meet requirements after technical reforming or it can not complete the reforming in time.


The relative rules in "Notice on Requesting Instruction on Lowest Prices for Negotiated Assignment of State-owned Land Use Right in Rudong County by National Land Resource Bureau of Rudong County", Document [2002] No. 52 issued by National Land Resource Bureau of Rudong County, are as follows:

I. Scope of application

The lowest prices herein of negotiated assignment of state-owned land is applicable for the lands to be used for construction of new industrial, infrastructure and public welfare facilities and for use of the reserved lands for construction. The land used for business commercial purpose such as trade, tourism, entertainment and real estate development must be assigned through bidding, auction or listing.

II. Application of the lowest price in negotiated assignment

1. When the government takes the responsibility for uniform land requisition and paying the land compensation, the associated facilities of land development is not under the responsibility of the government, but under the responsibility of the land user. The negotiated
lowest price shall follow the announced prices.

(2) When the government takes the responsibility for uniform land requisition, paying the land compensation and the associated facilities of land development (such as access, water supply and electricity supply or access, water and electricity supply, and TV and telephone line), the land user will not pay for the associated facilities, but shall be responsible for paying the negotiated lowest price announced herein plus the cost of associated facilities and corresponding interest and profits.

The negotiated lowest price of state-owned land assignment in Rudong County is shown in Table below.

Negotiated Lowest Price of State-Owned Land Assignment in Rudong County

<table>
<thead>
<tr>
<th>Township</th>
<th>Scope of application</th>
<th>Minimum price for assignment through agreement (yuan/m²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juegang</td>
<td>Planning area</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>Economical developing area</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>Other areas</td>
<td>105</td>
</tr>
<tr>
<td>Others</td>
<td>Planning area</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>Other areas</td>
<td>105</td>
</tr>
</tbody>
</table>

In Oct. 2002, the Rudong County People's Government approved the Dongguotuzi [2002] No.52 document in its Dongzhenfa [2002] No. 83 Document, and rules in Dongguotuzi [2002] No.52 document should be implemented by the governments at all levels within the county as well as relative units.

4.2.6 Document [2004] No. 15 of Rudong County Government

The relative rules in "Notices on Management Method for Land Used for Construction in Rudong County (Tentative)", Document [2004] No. 15 issued by Rudong County People's Government, are as follows:

VI Compensation for Land Acquisition

The fee for the land acquisition covers the land compensation, the resettlement subsidy and the compensation for the ground attachment and young crops. The standards are as follows:

(1) Compensative standard of land acquired

(1) For farmland, 10 times of annual average productive value for last 3 years.

(2) For regraded fish ponds, 10-12 times of annual average productive value of nearby plowland for last 3 years; for other aquatic production water surfaces, 6-8 times of annual average productive value of nearby plowland for last 3 years.

(3) For orchards or other economic woodlands, 8-12 times of of annual average productive value of nearby plowland for last 3 years.
(4) For other farmland, 6-10 times of annual average productive value of nearby plowland for last 3 years.

(5) For unused land, 3-5 times of annual average productive value of nearby plowland for last 3 years.

(6) For collective-owned non-agriculture constructive land, 6-10 times of annual average productive value of nearby plowland for last 3 years.

(II) Resettlement subsidy to the land acquired

(1) The resettlement subsidy to plowland shall be computed by the number of resettlers. The number of resettlers is computed by the quantity of land to be requisitioned divided by the per capita land of rural collective organization before land acquisition. The resettlement subsidy of each resettler should be 13000 Yuan.

(2) The resettlement subsidy of other farmland is 70% of the land compensation standard.

(3) No resettlement subsidy will be counted for collective-owned non-agriculture constructive land and unused land.

(III) Compensation for ground attachment and young crops

(1) The compensation for houses, other buildings and structures shall be based on the replacement price and age of structure. For irrigation facilities, breeding farms, and power, broadcast, communication facilities, etc., the moving allowance or compensation shall be paid on the principle of equivalent replacement (The relocation and compensation method shall be implemented according to relevant documents of County Government).

(2) The compensation to young crops is calculated normally according to the productive value of one season, and no compensation should be paid if the harvest is on schedule. For seedlings, flowers and perennial economic woods that can be transplanted, the allowance of transplantation shall be paid; or otherwise, they should be reasonably compensated or purchased at proper prices.

For the above plowland acquired, the standard of annual average productive value for plowland for last 3 years should be 21000 Yuan-22500 Yuan/hectare (1400 - 1500 Yuan/mu).
Attachment 1: Certificate issued by the People’s Government of Juegang Town

(English version for reference)

August 1, 2006

Certificate

We hereby certify that the land (13864.6 m², equal to 20.8 mu) for the site of Juegang Straw Collection Station, associated project of Jiangsu Rudong 25MW Biomass Power Pilot Plant, is a piece of farmland. The land is planned to be list into the scope of construction land in 2007 and will be formally acquired once the list procedure is completed.

Since the piece of land belongs to the collective land, it is used by means of rent for the time being.

Sincerely yours,

The People’s Government of Juegang Town
Certificate

We hereby certify that the land (13864.6 m², equal to 20.8 mu) for the site of Juegang Straw Collection Station, associated project of Jiangsu Rudong 25MW Biomass Power Pilot Project, is a piece of farmland. The land is planned to be list into the scope of construction land in 2007 and will be formally acquired once the list procedure is completed.

Sincerely yours,

Rudong Land Resource Bureau
## Proposal for Site Selection of Construction Projects

No. Dongguizhi(2006)056

The Proposal for Site Selection is prepared according to Clause 30 of the Urban Planning Law of the People's Republic of China and the Management Rules on Site Selection Planning of Construction Project. It is a lawful supporting document for Design Prospectus (Feasibility Study Report) of the construction projects for approval.

<table>
<thead>
<tr>
<th>Project briefing</th>
<th>Project name</th>
<th>Straw Collection Station</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner's name</td>
<td>Jiangsu Guoxin New Energy Development Company</td>
<td></td>
</tr>
<tr>
<td>Project basis</td>
<td>/</td>
<td></td>
</tr>
<tr>
<td>Project size</td>
<td>Construction area / m²</td>
<td></td>
</tr>
<tr>
<td>Proposed site</td>
<td>No.42 Team, Yinxing Village, Juegang Town</td>
<td></td>
</tr>
</tbody>
</table>

April 30, 2006

Based on the application of proposal for site selection and associated documents and drawings submitted by the owner, we agree with the site selection. According to urban planning and Rules on Management Technology of Jiangsu Urban Planning, the design conditions of the construction work are as follows:

1. Land area: about 13864.6m²
2. Land type: Industrial land (M)
3. Land scope: East: farmland  
   West: the straw power plant
   South: farmland
   North: the access road of the straw power plant
4. Technical index:
   (1) Floor area ratio: not exceed 0.8
   (2) Building density: not exceed 40%
   (3) Green ratio: no less than 30%
5. Floor number: based on the functional requirement.
6. Building space: be in accordance with the relevant standards of fire proof and power plant.
7. Construction limit:
   (1) Distance between the construction work and boundary of site:
       10.0m to the river bank, more than 3m for others;
   (2) 1m for fence wall.

Entrance and exit, parking and transportation: main entrance and exit are set in the north side of the land; the parking and transportation are
arranged inside the land.

8. Drainage: the drainage system is connected to the city drainage network...

9. Environment management
   (1) It is an industrial land and should not be used to build the integrated building containing residential house.
   (2) It is appropriate to construct buildings with modern architectural style and fully reflect modern industry.

10. If there is any unstated requirement, please refer to Rules on Management Technology of Jiangsu Urban Planning.

The proposal for site selection is only the management basis of the application or approval of Feasibility Study Report of Construction Projects. If the Feasibility Study Report is not approved, the proposal become invalid; if approved, the general layout drawing and construction design scheme should be submitted to us.

Rudong Construction Bureau
证明

江苏如东 25MW 生物质发电示范项目附属工程

港港洋收购站用地 13864.6 平方米（20.8 亩），属一般农用地，该宗地准备列入明年启动的土利用总体

规划修编计划，待规划修编完成后实施征地。

鉴于该宗地属集体用地，目前暂以租赁形式使用。

特此证明。
证明

江苏如东 25MW 生物质发电示范项目附属工程掘港秸秆收购站用地 13864.6 平方米 (20.8 亩), 属一般农用地, 该宗地准备列入明年启动的土地利用总体规划修编计划, 待规划修编完成后再实施征地。

如东县国土资源局
二〇〇六年八月一日
建设项目选址意见书

编号：东规址（2006）056号

根据《中华人民共和国城市规划法》第三十条和《建设项目选址规划管理办法》的规定，特制定本建设项目选址意见书，作为审批建设项目设计任务书（可行性研究报告）的法定附件。

<table>
<thead>
<tr>
<th>建设项目名称</th>
<th>稻秆收购站</th>
</tr>
</thead>
<tbody>
<tr>
<td>建设单位名称</td>
<td>江苏国信新能源开发有限公司</td>
</tr>
<tr>
<td>建设单位</td>
<td>/</td>
</tr>
<tr>
<td>建设规模</td>
<td>建筑面积约 / 平方米</td>
</tr>
<tr>
<td>建设单位选定位置</td>
<td>搭镇银杏村四十二组</td>
</tr>
</tbody>
</table>

根据建设单位报送的《建设项目选址意见书申请表》及附送的有关文件、图纸等资料，同意选址。根据规划及《江苏省城市规划管理技术规定》，提出建设工程规划设计条件如下：

一、建设基地面积：约 13864.6 平方米
二、建设用地性质：工业用地（M）
三、建设用地范围：东至农田
   西至稻秆电厂用地界
   南至农田
   北至进厂道路

四、技术指标：
1. 基地容积率：≤0.8
2. 基地建筑密度：≤40%
3. 基地绿化率：≥30%

五、建筑层次：根据功能要求确定。
六、建筑间距：按消防及电厂相关规范执行。

七、建筑退让：
1. 建筑退用地界距离：退河岸 10.0 米以上，其余退用地界 3 米以上；
| 城市规划行政主管部门 | 选址意见书
---|---
| | 2. 围墙退用地界：1 米。
八. 基地出入口、停车及交通组织：主要出入口宜设置在用地北侧。
九. 排水：基地内排水系统接入城市排水系统。
十. 建筑环境管理
1. 基地为工业用地，不得新建含居住用房的综合楼。
2. 建筑宜采用现代建筑风格，充分体现现代工业特征。
十一. 以上规划要求如有未明确之处，以《江苏省城市规划管理技术规定》为准。
本选址意见书仅作为建设单位申报建设项目可行研究报告或立项的规划管理依据。如立项或可行性研究报告未获批准，本选址意见书自行失效；如获批准，按上述条件向我局申请总平及建筑设计方案。

| 附件名称 | 1. 选址意见书申请表；
|  | 2. 发改能源〔2004〕1940 号项目批文；
|  | 3. 选址位置图。