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*BRIGHTURE, 20 Years in financial and tax services*

**Mission Statement :**

*Add value to clients by professionalism, be a respected financial consultant*

**Vision :**

*Be a leader in financial service sector and a century business*

**Values :**

*Always focus on the clients and serve them with professionalism, integrity and efficiency*



*Shanghai*



*Qingdao*

1. In order to prepare the list of industrial mother-machine enterprises that will enjoy the policy of mark-up deduction of Research and Development expenses in 2023, **the Ministry of Industry and Information Technology, the National Development and Reform Commission, the Ministry of Finance and the State Administration of Taxation jointly issued the Notice on the Preparation of the List of Industrial Mother Machine Enterprises for Mark-up Deduction Policy of Research and Development Expenses in 2023(CAISHUIGUOXIN 【2024】 No. 60)**, which provides the following:

(1) Industrial machine tool enterprises that apply the additional deduction policy stipulated herein shall meet ALL the following conditions:

(a) Enterprises that produce and sell advanced industrial machine tool host, key functional components, numerical control system (hereinafter referred to as advanced industrial machine tool products (refer to Annex "Basic Standards for Advanced industrial machine tool Products" of the Announcement No. 44 of 2023 of Ministry of Finance, State Administration of Taxation, National Development and Reform Commission, Ministry of Industry and Information Technology);

(b) The average monthly number of advanced industrial machine tool product **research and development personnel** with labor contract or labor dispatch relations and employment relations of the enterprises applying for preferential policies in 2023 **shall be no less than 15% of the average monthly total number of employees;**

(c) **The total research and development expenses of the enterprises applying for preferential policies in 2023 shall be no less than 5% of the total sales (operating) income (the sum of main business income and other business income, the same below);**

(d) **The production and sales of advanced industrial machine tool products stipulated herein by the enterprises applying for preferential policies in 2023 shall account for no less than 60% of the total sales (operating) income of the enterprise, and the total income of the enterprise shall not be less than 30 million Yuan (inclusive).**

(2) Enterprises desiring to be included in the list should log in to the website [www.gymjtax.com](http://www.gymjtax.com) **before March 31, 2024**, submit the application through the "Industrial Machine Tool Enterprise R&D Expenses Mark-up Deduction Policy Entry", generate paper documents bearing the official seal of the enterprise, which, together with the necessary supporting materials (electronic version and paper version, shall be sent to the industry and information technology authorities (hereinafter referred to as local industry and information technology authorities) of the provinces, autonomous regions, municipalities directly under the Central Government and cities with independent planning status, as well as Xinjiang Production and Construction Corps).

(3) Local industry and information technology authorities shall, according to the conditions of enterprises (see Article 1 of this Notice), log on the website [www.gymjtax.com:8888/](http://www.gymjtax.com:8888/) for preliminary verification, and submit the list of enterprises that have passed the preliminary verification to the Ministry of Industry and Information Technology **before April 15**. For enterprises that fail to pass the preliminary verification, the reason for the failure shall be noted in the system.

2. In order to implement the Overall Plan for Construction of Guangdong-Macao In-depth Cooperation Zone in Hengqin, and with the consent of The State Council, **the "Notice on Tax Policy of Personal Luggage and Postal Items in Guangdong-Macao In-depth Cooperation Zone in Hengqin" (CAISHUIGUAN 【2024】 No. 2)** has been released, which includes the following:

(1) The "Front Line" shall be established between Hengqin and Macao Special Administrative Region (hereinafter referred to as Macao). **The Customs shall grant duty-free release to the personal baggage and postal articles of reasonable quantity for self-use and in compliance with the relevant administrative regulations that enter the cooperation zone through the "Front Line"**, except those that are not exempted from duty as expressly stipulated by national laws and administrative regulations.

(2) The "Secondary line" is established between Hengqin and other areas within the customs territory of the People's Republic of China (hereinafter referred to as the Mainland). The personal baggage and postal articles of reasonable quantity for self-use that enter the Mainland from the Cooperation Zone through the "Secondary line" shall be supervised and taxed subject to the provisions applicable to articles entering the Mainland from Macao; while those in excess of reasonable quantity for self-use shall be supervised and taxed as imported goods, provided that, **where domestic value-added tax and consumption tax have been collected in accordance with regulations, or where import duties, value-added tax and consumption tax have been paid in the Cooperation Zone, no tax on imported goods will be collected. When entering the mainland through the "Secondary Line" from the Cooperation Zone, passengers (excluding non-resident passengers) carrying articles not exceeding 8,000 Yuan (inclusive) will be released duty-free by the customs. Non-resident passengers shall continue to be subject to the existing provisions on entry articles.**

(3) For passengers who travel between Macao and the Cooperation Zone via the "Front Line" and between the Cooperation Zone and the Mainland via the "Secondary Line" for several times in a short period of time, the Customs will only release items necessary for their journey.





## Case of Financial and Taxation Services

**Background:** A Chinese technology company, Company X, which was jointly funded by mainland natural persons Mr. M and Ms. N., enjoys a very good reputation in the industry after more than ten years of development, and has close cooperation with Company Y in Germany, which plans to develop the Chinese market in the belief that the acquisition of Company X will help to rapidly enhance its brand awareness in China and expand its customer base. It therefore hopes to conduct a due diligence of Company X to find the most appropriate way for acquisition. Upon the recommendation of friends, it came to Brighture for help.

**Services provided:** Upon the request of the client, we first had an in-depth communication with the management of the company, and fully understood the development strategy, business model and organizational structure of X and Y.

Due diligence was conducted on X, Financial Due Diligence Report and Legal Due Diligence Report were issued, which comprehensively and systematically analyzed the risks of X Company, as well as the impact of different acquisition methods on Y.

## Friendly Reminder

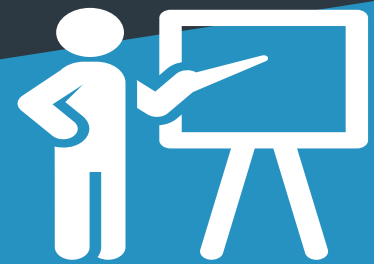
In the process of merger and acquisition, the acquirer should first conduct due diligence on the target company, fully understand its assets, liabilities, personnel, business, qualifications, customers, suppliers and so on, evaluate the benefits and costs that will bring to the company by the acquisition, and consider the advantages and disadvantages before making a decision. Being a comprehensive and systematic project, merger and reorganization needs the participation of a professional third party.

Brighture provides clients with one-stop services such as due diligence, consulting and transaction model design. We are committed to being the think tank of enterprise management and decision-making level.

## *Recent Events of Kreston*

*In order to promote the communication and cooperation among Kreston members, Kreston recently held the following activities:*

1. The first Kreston APAC regional committee meeting was held on March, 6th, 2024. Being the member of the Committee, Ms Susan Li from Kreston Brighture was invited to attend this meeting. The APAC Regional Committee is to help the effectiveness of collaboration, capabilities and marketability of Kreston services in the region.



2. On this International Women's Day, Kreston Global emphasized their customized training program, the Kreston Connected Leadership, which is a "fast track" opportunity to cultivate more outstanding women in senior positions on the network.

This program aims to cultivate resilient, resourceful, and confident leaders who can motivate teams, achieve sustainable company development, and establish their own international colleagues network.



**Jade Zang**  
Customer Development Dept. Intermediate Accountant - 15 Years

Motto: Strive to be qualified, exert to be excellent.



**Elina Yang**  
ViP Customer Dept. Intermediate Accountant - 12 Years

Motto: Choice is more important than effort, preparation is more important than performance.



**Julie Cui**  
ViP Customer Dept. - 12 Years

Motto: Great undertakings are achieved in a minute way, hard works are done in a easy manner.



**Martina Zhang**  
ViP Customer Dept. Intermediate Accountant - 12 Years

Motto: A smile is a language with multiple meanings.



**Eileen Song**  
Shanghai Dept. - 10 Years

Motto: Strong will and joyful spirit.

*Brighture was incorporated at the beginning of 2003 and has been committed to provide domestic and foreign enterprises with financial outsourcing, legal, audit and business services. Our mission is to provide clients with high quality tax services and tailored solutions to meet their different needs, while building trust and long-term partnership with them.*

*In 2015, Brighture became a member of Kreston Global, the 13<sup>th</sup> largest accounting network in the world. We not only provide services for domestic clients, but also provide resource docking and service assistance for other clients from all over the world based on our international vision and local resources.*

**Scope of services**

**Financial and taxation services:** Perennial fiscal and tax consultation, fiscal and tax outsourcing, tax planning, export duty rebate, merger and reorganization, transfer pricing, tax training

**Legal services:** Daily legal consultation, legal due diligence, contract review, compliance review, intellectual property protection, labor relations

**Audit services:** internal control audit, financial statement audit, fiscal and tax due diligence, asset evaluation, capital verification

**Business services:** registration of domestic and foreign-funded enterprises, change of registration items, enterprise liquidation and cancellation, personnel outsourcing

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**Disclaimer: The information contained herein is for reference only, please refer to the relevant laws, bylaws and judgment made by local administrative authorities.**

We provide domestic and foreign enterprises with financial, tax, legal, audit and business services leveraging our 20 year's experience. It is a prudent decision to cooperate with a time-honored consultant with international vision, local resources, one-stop solutions, a member of Kreston Global which is the 13<sup>th</sup> largest accounting network in the world.