

China

- A. Preferential Loans and Interest Rates
 - 1. Policy Loans
 - 2. Regional Policy Loans
 - 3. Preferential Loans provided by the Export-Import Bank “Going-out” for Outbound Investments
 - 4. Export Credits
 - 5. Export Seller’s Credit and Guarantees
 - 6. Export Buyer’s Credit
 - 7. Export Credit Insurance Subsidies
- B. Preferential Tax Programs
 - 1. Preferential Income Tax Reductions for High and New Technology Enterprises (“HNTEs”)
 - 2. Preferential Deduction of R&D Expenses for HNTEs
 - 3. Provincial Government of Guangdong Tax Offset for R&D
 - 4. Guangdong Province Tax Programs
 - 5. Income Tax Benefits for Domestically-Owned Enterprises Engaging in R&D
- C. Preferential Indirect Tax Programs: Value Added Tax (VAT) Reductions, Export Tax Rebates, and Import Tariff Eliminations
 - 1. VAT and Tariff Exemptions for Purchases of Fixed Assets Under the Foreign Trade Development Fund Program
 - 2. Corporate Income Tax Law Article 33: Reduction of Taxable Income for Revenue Derived from the Manufacture of Products that Are in Line with State Industrial Policy and Involve Synergistic Utilization of Resources
 - 3. VAT and Tariff Exemptions on Imported Equipment for Favored Industries
- D. Provision of Inputs, Services, and Land for Less Than Adequate Remuneration
 - 1. Provision of Electricity for LTAR
 - 2. Provision of Land for LTAR
 - 3. Provision of Water for LTAR
 - 4. Provision of Inputs for LTAR
 - 5. Provision of Clay for LTAR
 - 6. Provision of Feldspar for LTAR
 - 7. Provision of Sand for LTAR
- E. Grant Programs
 - 1. Subsidies for Development of “Brands”
 - 2. SME International Market Exportation/Development Fund
 - 3. Grants for Listing Shares or “Going Public”
 - 4. Foreign Trade Development Fund
 - 5. Grants for Antidumping Investigations
 - 6. Clean Production Technology Fund
 - 7. Environmental Protection Special Fund
 - 8. Huangdong Supporting Fund
 - 9. Guangdong Province HNTE Incubation Program
 - 10. Export Interest Subsidies
 - 11. Funds for Outward Expansion of Industries in Guangdong Province
 - 12. Guangdong Provincial Fund for Fiscal and Technological Innovation
 - 13. Funds of Guangdong Province to Support the Adoption of E-Commerce by Foreign Trade Enterprises
- F. Special Economic Zones
 - 1. Foshan High-Tech Industrial Development Zone

2. Income Tax Subsidies
 3. Duty Exemption
 4. City Maintenance Fee Exemptions
 5. Land Use Reductions
 6. Provision of Land for LTAR to Enterprises in Certain Industrial/Development Zones
 7. Provision of Electricity for LTAR in Certain Industrial/Development Zones
- G. Subsidies for Foreign Invested Enterprises (“FIEs”)
1. Reduced Income Tax Rates for FIEs Based on Location
 2. Preferential Direct and Indirect Tax Rates for FIEs
 3. Reduced Tax Rates for FIEs Recognized as High or New Technology Enterprises
 4. Tax Offsets for Research and Development by FIEs
 5. Local Income Tax Exemption and Reduction Programs for “Productive” FIEs