

# HUSCH BLACKWELL

## ATTACHMENT III

### GOVERNMENT OF CHINA SUBSIDIES

#### A. Preferential Loans and Interest Rates

1. Policy Loans to the Ceramics Industry
2. Regional Policy Loans in the Guangdong Province
3. Preferential Lending in the Shandong Province
4. Preferential Lending in the Hubei Province
5. Preferential Lending in the Henan Province
6. Export Loans from Chinese State-Owned Banks (Government Directed Lending)
7. Export Seller's Credits

#### B. Government Provisions of Goods and Services for Less Than Adequate Remuneration (LTAR)

1. Land
2. Provision of Electricity for LTAR
3. Provision of Water for LTAR

#### C. Income Tax Programs

1. Income Tax Reductions for High and New Technology Enterprises
2. Tax Offsets for Research and Development Expenditures
3. Preferential Income Tax Subsidies for Foreign Invested Enterprises – “Two Free, Three Half Program”
4. Preferential Income Tax Subsidies for Foreign Invested Enterprises – “Productive” FIEs
5. Preferential Income Tax Subsidies for High Or New Technology FIEs
6. Preferential Income Tax Subsidies for Export-Oriented FIEs
7. Income Tax Benefits for Enterprises Engaging In R&D
8. Reduction In or Exemption From Fixed Assets Investment Orientation Regulatory Tax
9. Qingdao Municipal Government Tax Offset for R&D
10. Provincial Government of Guangdong Tax Offset for R&D

#### D. Indirect Tax Programs

1. Import Tariff And VAT Exemptions For FIEs And Certain Domestic Enterprises Using Imported Equipment In Encouraged Industries

#### E. Special Economic Zones

1. Zibo High-Tech Zone  
Enterprise Growth Support
2. Wufeng National Industrial Park  
Preferential Loans and Interest Rates
3. Jiazhou Bay Industrial Park

Provision of Land for LTAR

F. Grant Programs

1. Subsidies for the Development of “Brands”
2. Foreign Trade Development Fund
3. Grants for Antidumping Investigations
4. Guangdong Province HNTE Incubation Program