

HUSCH BLACKWELL

ATTACHMENT III

China

IX. Subsidy Programs

A. Preferential Lending

1. Policy Loans to the Chemicals Industry

a. Financial Contribution

b. Benefit

c. Specificity

2. Export Loans from Chinese State-Owned Banks

a. Financial Contribution

b. Benefit

c. Specificity

3. Treasury Bond Loans

a. Financial Contribution

b. Benefit

c. Specificity

4. Export Credit Guarantees

a. Financial Contribution

b. Benefit

c. Specificity

5. Preferential Loans to CBS Producers and Exporters Classified as "Honorable Enterprises"

a. Financial Contribution

b. Benefit

c. Specificity

6. Export Sellers' Credit from Export-Import Bank of China

a. Financial Contribution

b. Benefit

c. Specificity

7. Export Buyers' Credit

a. Financial Contribution

b. Benefit

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c. Specificity

B. Tax Programs

1. Income Tax Reductions for High and New Technology Enterprises

a. Financial Contribution

b. Benefit

c. Specificity

2. Income Tax Deductions for Research and Development Expenses Under the Enterprise Income Tax Law (or "EITL")

a. Financial Contribution

b. Benefit

c. Specificity

3. Income Tax Concessions for Enterprises Engaged in Comprehensive Resource Utilization

a. Financial Contribution

b. Benefit

c. Specificity

4. Income Tax Deductions/Credits for Purchase of Special Equipment

a. Financial Contribution

b. Benefit

c. Specificity

5. Income Tax Benefits for Domestically-Owned Enterprises Engaging in R&D

a. Financial Contribution

b. Benefit

c. Specificity

6. Reduction in or Exemption from Fixed Assets Investments Orientation Regulatory Tax

a. Financial Contribution

b. Benefit

c. Specificity

C. Indirect Tax Programs

1. Import Tariff and VAT Exemptions on Imported Equipment for Encouraged Industries

a. Financial Contribution

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b. Benefit

c. Specificity

2. VAT Rebates on Domestically Produced Equipment

a. Financial Contribution

b. Benefit

c. Specificity

D. Grant Programs

1. The State Key Technology Fund Grant

a. Financial Contribution

b. Benefit

c. Specificity

2. Foreign Trade Development Fund Grants

a. Financial Contribution

b. Benefit

c. Specificity

3. Export Assistance Grants

a. Financial Contribution

b. Benefit

c. Specificity

4. Export Interest Payment Subsidies

a. Financial Contribution

b. Benefit

c. Specificity

5. Technology Innovation Fund Grants

a. Financial Contribution

b. Benefit

c. Specificity

6. Grants for Retiring Outdated Capacity/Industrial Restructuring

a. Financial Contribution

b. Benefit

c. Specificity

7. Special Fund for Energy Savings Technology Reform Grants

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

8. Grants for Energy Conservation and Emission Reduction

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

9. Environmental Protection Special Fund

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

10. Clean Production Technology Fund

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

11. Shandong Province's Environmental Protection Industry Research and Development Grants

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

12. Shandong Technology and Innovation Grants

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

13. National Science and Technology Fund

i. Grants for the Department of Engineering and Material Sciences ("DEMS")

- a. Financial Contribution**
- b. Benefit**
- c. Specificity**

ii. Grants for the Department of Chemical Sciences

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a. Financial Contribution

b. Benefit

c. Specificity

E. Provision of Goods and Services for Less Than Adequate Remuneration ("LTAR")

1. Provision of Land Use Rights for LTAR

a. Financial Contribution

b. Benefit

c. Specificity

2. Provision of Electricity for LTAR

a. Financial Contribution

b. Benefit

c. Specificity

3. Provision of Natural Gas for LTAR

a. Financial Contribution

b. Benefit

c. Specificity

4. Provision of International Ocean Shipping Services for LTAR

a. Financial Contribution

b. Benefit

c. Specificity