

HUSCH BLACKWELL

ATTACHMENT III

Subsidy Programs

A. Preferential Lending

1. Policy Loans
2. Preferential Export Loans From Chinese State-Owned Banks
3. Export Seller's Credit
4. Export Buyer's Credit
5. Export Credit Guarantees

B. Preferential Tax Programs

1. Income Tax Reductions for High and New Technology Enterprises
2. Tax Offsets for Research and Development Under the EITL
3. Reduction in or Exemption From Fixed Asset Investments Orientation Regulatory Tax
4. Income Tax Credits for Domestically Owned Companies Engaging in Research and Development

C. Provisions of Inputs, Services and Land for Less than Adequate Remuneration (LTAR)

1. Provision of Electricity for LTAR
2. Natural Gas for LTAR
3. Provision of Land Use Rights for LTAR

D. Grant Programs

1. The State Key Technology Project Fund
2. Grants Promoting Rationalization
3. Foreign Trade Development Grants
4. Small and Medium Sized Enterprise ("SME") Technology Innovation Fund Grants
5. Export Assistance Grants
6. Grants for Retiring Outdated Capacity/Industrial Restructuring

E. Special Economic Zones

1. Changshou Economic and Technological Development Zone: Provision of Goods and Services for LTAR, Tax Reductions, Value-Added Tax Deductions, Import Tariff Reductions, and Grants