HUSCH BLACKWELL

ATTACHMENT III

SUBSIDY PROGRAMS

A. Subsidized Financing to the Wooden Fence Pickets Industry

1. Policy Loans to the Wooden Fence Pickets Industry
2. The GOC's Supply Chain Financing for Accounts Payable
3. Treasury Bond Loans
4. Export Credit Guarantees
5. Preferential Loans to Wooden Fence Pickets Producers and Exporters Classified as "Honorable Enterprises"
6. Export Loans from Chinese State-Owned Banks
7. Export Seller's and Buyer's Credit
8. Interest Loan Subsidies For the Forestry Industry
9. Loan and Interest Subsidies Provided Pursuant to the Northeast Revitalization Program

B. Provision of Inputs for LTAR

1. Provision of Electricity for LTAR
2. The Provision of Water for LTAR
3. The Provision of Timber for LTAR
4. Provision of Land-Use Rights by the GOC for LTAR

C. Grant Programs

1. Export Assistance Grants
2. Export Interest Subsidies
3. Subsidies for Development of "Famous Brands" and China World Top Brands
4. Sub-Central Government Subsidies for Development of Famous Brands and China World Top Brands
5. State Key Technology Renovation Fund
6. Shandong Province's Special Fund for the Establishment of Key Enterprise Technology Centers
7. Shandong Province's Environmental Protection Industry Research and Development Funds

8. Waste Water Treatment Subsidies

D. Tax Benefit Programs

1. Income Tax Reductions under Article 28 of the Enterprise Income Tax
2. Tax Offsets for Research and Development under the EIT
3. Preferential Income Tax Policy for Enterprises in the Northeast Region
4. Forgiveness of Tax Arrears For Enterprises Located in the Old Industrial Bases of Northeast China
5. Income Tax Credits for Domestically-Owned Companies Purchasing Domestically-Produced Equipment

E. Support for FIEs

1. Income Tax Benefits for FIEs Based on Geographic Locations
2. Local Income Tax Exemption and Reduction Programs for "Productive" FIEs
3. Tax Offsets for Research and Development by FIEs
4. Income Tax Reductions for Export-Oriented FIEs

F. VAT Programs

1. VAT and Import Duty Exemptions for Use of Imported Equipment
2. VAT Rebate Exemptions on FIE Purchases of Chinese-Made Equipment