

### OVERVIEW

Set forth below are summaries of certain PRC laws and regulations applicable to paper products manufacturers and waste paper importers in the PRC.

### Government Policies and Regulations Affecting the Paper Manufacturing Industry in the PRC

Historically, the paper manufacturing industry in the PRC was characterized by a large number of small-scale, highly pollutive, low technology producers with minimal capacity for producing high-grade paper. To address concerns over environmental protection, the State Council issued a Decision on Several Issues Concerning Environmental Protection (國務院關於環境保護若干問題的決定) in August 1996 announcing clear and stringent rules and requirements to reduce industrial pollution. The paper manufacturing industry in the PRC underwent consolidation in the past decade as a result of such notice requiring the shutdown of small scale papermaking factories with an annual production of less than 50,000 tonnes by September 30, 1996. In the few years following the issuance of such notice, a few thousand factories were estimated to have been ordered to close. In addition, other small scale papermaking factories closed because (i) they were unable to compete with large scale paper manufacturers who were able to achieve economies of scale from mass production and procurement of raw materials at low cost, (ii) they were unable to meet the applicable environmental standards and still remain competitive, or because (iii) they were uncompetitive for other reasons such as ability to produce high quality products. Furthermore, the expansion of urban areas made it more profitable for the papermaking factories to abandon their paper production operations and use their land for development of commercial or residential properties. The consolidation of the paper manufacturing industry in the PRC as well as the increasing demand of high quality paper products attracted many foreign paper manufacturers to enter the PRC paper manufacturing market to operate large scale, technologically advanced and modern production facilities. Notwithstanding this consolidation, the paper manufacturing industry in the PRC currently remains relatively fragmented.

For the past few years, the PRC's paper manufacturing industry has relied heavily on imports to meet its growing domestic and export demand. The PRC government has implemented a series of policies to deal with the short supply and promote capacity expansions in the PRC's pulp and paper industry. As part of the PRC's tenth Five-Year Plan implemented from 2001 to 2005, the PRC government aimed to increase domestic production of paper and paperboard by 40 million tonnes and pulp by 2.2 million tonnes according to the guidelines set by the China National Light Industry Council, an organization approved by the State Council and responsible for the development and promotion of the paper and pulp industry in the PRC. A summary of the PRC government policies affecting the PRC's paper manufacturing industry is set out below.

The PRC government promulgates the Catalog of Industry Guidelines for foreign investment industries from time to time to regulate foreign investment in certain industries in the PRC. In the past years, there have been several changes in the policies and regulations on foreign investment in the paper manufacturing industry in the PRC.

On June 28, 1995, the former State Planning Commission, the former State Economic and Trade Commission and the former Ministry of Foreign Trade and Economic Cooperation (the *Three Authorities*) promulgated the Catalog of Industry Guidelines for Foreign Investment, under which foreign investment in manufacture of commercial-grade paper pulp was encouraged, foreign investment in manufacture of rice paper was prohibited and foreign investment in other paper manufacturing projects was permitted.

On December 31, 1997, the Three Authorities promulgated a revised Catalog of Industry Guidelines for Foreign Investment, which took effect and superseded the previous Catalog for the Guidance of Foreign Investment Industries on January 1, 1998. Pursuant to the revised Catalog of Industry Guidelines, foreign investment in manufacture of paper pulp with an annual production capacity of 170,000 tonnes or more of wood pulp and a related raw material base tonnes was encouraged, foreign investment in manufacture of paper and paper plate was restricted, foreign investment in manufacture of rice paper was prohibited and foreign investment in the other paper manufacturing projects was permitted.

On March 11, 2002, the Three Authorities promulgated a revised Catalog of Industry Guidelines for Foreign Investment, which took effect and superseded the previous Catalog of Industry Guidelines on April 1, 2002. Under this revised Catalog of Industry Guidelines, foreign investment in (1) construction and operation of forest-wood pulp integration projects with annual chemical wood pulp production capacity of 300,000 tonnes or more, annual chemical mechanic wood pulp (CTMP, BCTMP, APMP) production capacity of 100,000 tonnes or more, and raw materials forest bases (limited to joint ventures and co-operative ventures), or (2) production of high-grade papers and paperboards (excluding newsprint) was encouraged, foreign investment in manufacture of rice paper was prohibited and foreign investment in other paper manufacturing projects was permitted.

On November 30, 2004, MOFCOM and NDRC promulgated a revised Catalog of Industry Guidelines for Foreign Investment, which took effect and superseded the previous Catalog of Industry Guidelines on January 1, 2005. Pursuant to this revised Catalog of Industry Guidelines, foreign investment in (1) construction and operation of forest-wood pulp integration projects with annual chemical wood pulp production capacity of 300,000 tonnes or more, annual chemical mechanical wood pulp production capacity of 100,000 tonnes or more (only in the form of equity joint ventures and co-operative ventures), or (2) manufacture of high-grade papers and paperboards (only in the form of equity joint ventures and co-operative ventures) was encouraged, foreign investment in manufacture of rice paper was prohibited and foreign investment in other paper manufacturing projects was permitted.

On October 15, 2007, NDRC promulgated the Policy for the Development of Paper Making Industry (造紙產業發展政策), which took effect on the same day. Pursuant to this Policy, the industry is encouraged to place emphasis on utilization of pulp and waste paper as raw materials in paper manufacturing and to standardize categorization criteria for waste paper. Pulp and paper making enterprises are encouraged to cooperate to initiate research and development activities and to jointly invest in the upgrading of production facilities. In particular, it is suggested that the proportion of waste paper pulp used in paper pulp production in the PRC, the local waste paper recovery rate and waste paper utilization rate should be increased to 56%, 34% and 38%, respectively, by 2010. In compliance with the Policy for the Development of Paper Making Industry, we use waste paper in our production of our recovered paper, recycled tissue paper products and recycled greyboard.

On May 23, 2007, the State Council issued a Notice regarding a Comprehensive Energy-Saving and Pollution Reduction Working Plan (國務院關於印發節能減排綜合性工作方案的通知) that sets a stricter policy by placing tougher controls on energy consumption and pollution and encourages the retirement of older production lines that pollute more and are less energy-efficient.

On October 22, 2007, the NDRC and former SEPA jointly issued the Notice Regarding the Retirement of Obsolete Production Lines for the Production of Paper, Alcohol, Monosodium Glutamate and Citrate (關於做好淘汰落後造紙、酒精、味精、檸檬酸生產能力工作的通知), encouraging the retirement of obsolete production lines that do not comply with the relevant environmental laws and regulations, but more specifically (i) straw pulp production equipment with an annual capacity of less than 34,000 tonnes, (ii) chemical pulp production equipment with an annual capacity of less than 17,000 tonnes and (iii) production lines that use waste paper as a raw material whose annual production capacity is under 10,000 tonnes and whose emissions do not meet relevant laws and regulations.

On October 31, 2007, MOFCOM and NDRC promulgated a new Catalog of Industry Guidelines for Foreign Investment, which took effect and superseded the previous Catalog of Industry Guidelines on December 1, 2007. As of the Latest Practicable Date, this new Catalog of Industry Guidelines is still in effect. Pursuant to this Catalog of Industry Guidelines, foreign investment in project based on the mode of integration of forest and paper with an annual production capacity of 300,000 tonnes or more of chemical wood pulp and an annual production capacity of 100,000 tonnes or more of chemical mechanical wood pulp in a single production line and simultaneously constructed manufacture of high-grade papers and paperboards (limited to equity joint ventures or contractual joint ventures) is encouraged, foreign investment in manufacture of rice paper is prohibited and foreign investment in other paper manufacturing projects is permitted. FWHZ is a wholly foreign owned enterprise under the PRC law with the business scope of “processing and manufacturing paper, tissue paper and pulp raw materials (excluding items which require export permits) for domestic and overseas sales.” Such business falls into the “permitted category” of industry for foreign investment under the new Catalog of Industry Guidelines for Foreign Investment (2007) and therefore our capital investment in FWHZ is permitted and legal.)

### **Environmental Protection Regulations Applicable to Paper Manufacturing Industry**

In the PRC, there are strict environmental protection regulations applicable to the paper manufacturing industry. Each of the various paper manufacturing phases, including without limitation the construction of paper manufacturing projects, completion of the construction, daily operation and manufacture of paper, is governed by the relevant environmental protection regulations.

### ***Environmental Impact Appraisal***

On November 29, 1998, the State Council promulgated the Regulations on the Administration of Construction Project Environmental Protection (建設項目環境保護管理條例). On October 28, 2002 the Standing Committee approved the Law of the PRC on Appraising of Environment Impacts (中華人民共和國環境影響評價法) which became effective on September 1, 2003. According to the aforesaid laws, the PRC government has set up a system to evaluate the environmental impact from construction projects, and classify and administer the environmental impact appraisals in accordance with the degree of the environmental impact. If the construction project may result in a material impact on the environment, a thorough environmental impact report on the potential environmental impact is required; if the construction project may result in a slight impact on the environment, an environmental impact statement of analyze or special evaluation will be required; and if the construction project may only result in very little impact on the environment, an environmental impact appraisal is not required but an registration form of environmental impact must be filed. The construction units responsible for the

construction projects must submit the aforesaid environmental impact appraisal documents to the relevant administrative departments of environmental protection for examination and approval. If the construction units fail to submit the aforesaid environmental impact appraisal documents according to the applicable PRC laws and regulations or if the documents are not approved after examination by the relevant administrative departments, the departments responsible for examination and approving the relevant construction projects shall not approve such projects and the construction units shall not commence construction.

According to the Classified Directory for Administration of Construction Projects Environmental Impact Appraisal (建設項目環境影響評價分類管理名錄) amended on August 15, 2008 and which came into force on October 1, 2008 and the Provisions on the Classificatory Examination and Approval of Environmental Impact Appraisal Documents of Construction Projects (建設項目環境影響評價文件分級審批規定) amended on December 11, 2008 and which came into force on March 1, 2009, an environmental impact report is required for all paper manufacturing projects (including manufacture of recycled paper).

In order to further regulate examination and approval of environmental impact appraisals of construction projects at various levels, the former SEPA has promulgated the Notice of Strengthening Examination and Approval of Environmental Impact Appraisals of Construction Projects at Various Levels (關於加強建設項目環境影響評價分級審批通知) on December 2, 2004, according to the State Council's Decision on the Reform Investment System (國務院關於投資體制改革的決定). Pursuant to the aforesaid notice, the environmental impact appraisals of paper pulp projects with annual production capacity of 100,000 tonnes or more shall be examined and approved by the former SEPA.

In compliance with these applicable laws and regulations, we have prepared environmental impact statements and designed environmental protection facilities as an integral part of all of our construction and expansion projects, and submitted such plans at the project proposal, feasibility study, design and commissioning stages to the relevant environmental protection authorities. All of these projects were approved by the Huizhou Environmental Protection Bureau (惠州市環保局) or the Buluo Environmental Protection Bureau (博羅縣環保局).

### ***Inspection and Acceptance of Environmental Protection Facilities***

According to the Measures on Pollution Sources Monitoring (污染源監測管理辦法) promulgated by the former SEPA on November 1, 1999, the enterprises carrying on construction projects with pollution sources must apply to the relevant environmental protection authorities which are responsible for approving such construction projects for inspection and acceptance of the completed construction projects or the completed environmental protection facilities. The aforesaid application shall be made before the construction projects or the environmental protection facilities are put into operation. The results of supervision done by the supervising institutions of environmental protection will form the basis of the aforesaid inspection and acceptance. Since paper manufacturing projects are regarded as construction projects with pollution sources, the aforesaid inspection and acceptance of environmental protection facilities are required upon completion of paper manufacturing projects. Our facilities in Huizhou were inspected and accepted for operation on December 19, 2007 by the Huizhou Environmental Protection Bureau.

### ***Discharge of Sewage***

As required in the Environmental Protection Law of the PRC (中華人民共和國環境保護法) promulgated on December 26, 1989 by the Standing Committee of the Seventh National People's Congress, enterprises discharging any pollutants in their daily operation and manufacture shall observe the national discharge standards which are regulated by the former SEPA. In accordance with the aforesaid law, the PRC Ministry of Environmental Protection has established various discharge standards, as amended and revised from time to time, with regards to each of the discharge of water pollutants, solid pollutants, gas exhaust and noises. Since paper manufacturing enterprises discharge pollutants in their daily operations, they are required to observe the pollutants discharge standards as promulgated and amended by MOE from time to time.

According to the Law on the Prevention and Control of Water Pollution (水污染防治法) as amended by the Standing Committee on February 28, 2008, and the Regulations on the Implementation of the Law on the Prevention and Control of Water Pollution (水污染防治法實施細則) as promulgated by the State Council on March 20, 2000, units which directly or indirectly discharge industrial waste water or medical sewage into water are required to obtain a Pollutants Discharge Permit. The Pollutants Discharge Permit is issued to units which discharge pollutants within the regulated discharge amount, and the Provisional Pollutants Discharge Permit is issued to units which discharge pollutants in excess of the regulated discharge amount but will decrease the discharge amount within a certain time limit. Since paper manufacturing enterprises discharge pollutants to the water in the course of production, they are required to apply for the Pollutants Discharge Permit or the Provisional Pollutants Discharge Permit as required by the aforesaid regulations.

Under the Measures on Pollution Sources Monitoring (污染源監測管理辦法), enterprises discharging pollutants are subject to supervision of the pollution sources in their daily operation. According to the business nature of such enterprises, the requirements of the environmental management, the class of the discharged pollutants and the national pollutants discharge standards, the local environmental protection authorities will supervise the enterprises on their discharge outlets of pollutants and pollutants treatment facilities regularly. Since paper manufacturing enterprises discharge sewage in the course of production, they are subject to the aforesaid supervision of pollution sources.

On June 25, 2008, the former SEPA issued the Standards for the Release of Contaminated Water for the Pulp and Paper Making Industry (制漿造紙工業水污染物排放標準) which sets stricter standards for the release of contaminated water for the paper-making industry.

In compliance with these applicable laws and regulations, we have obtained the Pollutant Discharge Permit (廣東省排放污染物許可證) for wastewater, sludge and gaseous emissions and Environmental Protection Certificate of Compliance (惠州福和紙業有限公司環境保護守法證明) issued by the Hui Zhou Environmental Protection Bureau.

### **Regulations in Relation to Water-Drawing During the Course of Paper Manufacturing**

According to the Water Law of the PRC (中華人民共和國水法) which was promulgated by the Standing Committee of the Ninth National People's Congress on August 29, 2002, and took effect on October 1, 2002 and was subsequently amended on August 27, 2009, and the Regulation on the Administration of

the Water Drawing Permit and the Levy of Water Resource Fees (取水許可和水資源費徵收管理條例) which was promulgated by the State Council on February 21, 2006 and took effect on April 15, 2006, any units and persons drawing water from rivers, lakes or underground shall apply to the water administrative departments or the drainage management departments for the Water-drawing Permit (取水許可證) and pay the water resource fees in order to obtain the water-drawing right in accordance with the national waterdrawing permit system and the water resource fee system. The water administrative departments at the county level or above are responsible for organizing, implementing, supervising and administering the water-drawing permit system and the water resource fees system. Since paper manufacturing enterprises use a large amount of water in the course of production, such enterprises are required to apply for the Water-drawing Permit and pay the water resource fees in accordance with the aforesaid laws. We have accordingly obtained the Water-drawing Permit and have paid the corresponding water resources fees.

### **Regulations in Relation to the Import of Recovered Paper**

The General Administration of the Customs of the PRC (the *Customs*) is the highest authority for supervising and administering the customs points for entering into and departing from the PRC and is responsible for the customs administration throughout the nation.

The Customs Law (中華人民共和國海關法) of the PRC is intended to protect PRC sovereignty and interests and to strengthen the administration of customs supervision. In accordance with the Customs Law of the PRC, the Customs has primary responsibility for:

- supervising the entering into and departing from the PRC of transportation tools, goods, luggage, postal items and other articles;
- collecting customs duties and other taxes and fees;
- investigating and suppressing smuggling; and
- preparing customs statistics and conducting other customs affairs.

On October 30, 1995, the Standing Committee of the Tenth National People's Congress passed the Law of the PRC on the Prevention and Control of Environmental Pollution Caused by Solid Wastes (中華人民共和國固體廢物污染環境防治法) which was later amended on December 29, 2004 and the amendments took effect on April 1, 2005. It stipulates that the units and individuals that collect, store, utilize, or dispose of solid wastes shall take precautions against the spread, loss, and leakage of the solid wastes as well as other measures for preventing the solid wastes from polluting the environment and are forbidden to dump, pile, abandon or scatter solid wastes without permission. The import of solid wastes as raw materials is administered under two systems: restricted import and automatic import licence. Units and individuals that import solid wastes as raw materials under the automatic import licence category shall obtain the automatic import license according to the relevant regulations. The solid wastes imported shall be in compliance with the national environmental protection standards and be examined and approved by the quality supervision, inspection and quarantine departments. FWHZ has obtained the Import License for Automatic-licensed Import of Solid Wastes Being Used As Raw Materials (自動許可進口類可用作原料的固體廢物進口許可證) issued by the PRC Ministry of Environmental Protection.

On March 1, 1996 and July 26, 1996, the former SEPA, the former Ministry of Foreign Trade and Economic Cooperation, the Customs, the State Administration for Industry and Commerce and the



former State Bureau of Import and Export Commodities Inspection promulgated the Interim Provisions on Administration of Environmental Protection regarding the Waste Import (廢物進口環境保護管理暫行規定) and its supplementary provisions, which took effect on April 1, 1996 and August 1, 1996, respectively. The aforesaid provisions provide that any units or individuals that import wastes, including waste paper, into the PRC shall obtain the Waste Import Licence (進口廢物批准證書) from the former SEPA and provide the Certificate of Approved Preshipping Inspection on Imported Waste Materials (進口廢物裝運前檢驗合格證明) issued by the commodities inspection institutions of the PRC or other commodities inspection institutions as appointed or recognized by the State Bureau of Commodities Inspection. On January 18, 2002, the former SEPA, the former Ministry of Foreign Trade and Economic Cooperation, the Customs, and the State Administration of Quality Supervision, Inspection and Quarantine of the PRC (AQSIQ) issued the Notice of Issues on the Adjustment of the Administration of Environmental Protection regarding the Waste Import (關於調整廢物進口環境保護管理有關問題的通知), under which the import of waste paper used as raw materials is administered under the automatic registration system. The customs examine and approve the import of waste paper based on the Waste Import Permit with such wording as “automatic import licence” issued by the former SEPA and the Customs Pass for Imported Goods (入境貨物通關單) issued by the inspection and quarantine institutions. Therefore, the paper manufacturing enterprises shall apply for the Waste Import Permit according to the aforesaid regulations when they import waste paper as raw materials.

Subject to the Law of the PRC on Import and Export Commodity Inspection (中華人民共和國進出口商品檢驗法) passed on February 21, 1989 and revised on April 28, 2002 by the Standing Committee, imported wastes shall be inspected by the commodities inspection institutions. Further, in accordance with the Measures Governing the Management of Pre-shipment Inspection on Imported Waste Materials (Tentative) (進口廢物裝運前檢驗管理辦法(試行)) promulgated by the former State Bureau of Commodities Inspection on October 3, 1996, the wastes permitted to be imported into the PRC as raw materials shall be inspected before shipping. Such pre-shipment inspection shall be undertaken by the inspection institutions which are legally established in the exporting countries or areas and are accepted by the State Bureau of Commodities Inspection. The Administrative Measures on Imported Wastes Materials Pre-shipment Certification of Inspection Institutions (Tentative) (進口廢物原料裝運前檢驗機構認可管理辦法(試行)), which was promulgated by the State Entry-Exit Inspection and Quarantine Bureau on November 22, 1999 and took effect on January 1, 2000, regulates the recognition of the inspection institutions in the exporting countries. Since waste paper imported as raw materials by the paper manufacturing enterprises is categorized as permitted import wastes of the PRC, such import of waste paper shall be subject to the aforesaid regulations on inspection and quarantine. We have obtained both the Pre-shipment Inspection Certification (裝運前檢驗合格證書) and the Imported Wastes Materials Pre-shipment Certification (進口廢物裝運前檢驗合格證明).

To further strengthen the administration of the import of wastes, on October 30, 2009, AQSIQ issued the No. 98 Announcement of 2009. According to the Announcement, since November 1, 2009, all overseas supplier enterprises importing waste as raw materials to the PRC are required to register and comply with the post-registration continuing obligations under the Detailed Implementation Rules on the Registration of Overseas Supplier Enterprises Importing Wastes as Raw Materials to the PRC (進口可用作原料的固體廢物國外供貨商註冊登記管理實施細則). Each of Fook Woo Waste Paper, Golddoor, Fook Woo Environmental and CMDS has also obtained the Registration Certificate for Overseas

Supplier Enterprise of Imported Scrap Materials (進口廢物原料境外供貨企業註冊證書) issued by the PRC General Administration of Quality Supervision, Inspection and Quarantine.

According to the Notice on Implementing the System of Registration of the Domestic Consignees Importing Wastes (關於執行進口廢物原料國內收貨人登記制度有關問題的通知) promulgated by AQSIQ on August 31, 2007, as of September 1, 2007, the importing enterprises of waste as raw materials to the PRC are also required to register with AQSIQ before they can apply for the inspection of the imported wastes. FWHZ has obtained the Registration Certification for Domestic Consignee of Imported Scrap Materials (進口廢物原料國內收貨人登記證書) issued by the PRC General Administration of Quality Supervision, Inspection and Quarantine.

### **Regulations in Relation to the Operation of Power Plants**

According to the Provisions on the Administration of Electric Power Business Permits (電力業務許可證管理規定) issued by the State Electricity Regulatory Commission (the *SERC*) on October 13, 2005, public power plants and self-prepared power plants which are connected to the electricity grid and other enterprises as prescribed by the SERC are required to apply for electric power business permits for power generation.

FWHZ owns a power plant at our Huizhou base and has obtained a confirmation letter issued by Boluo Power Supply Bureau on September 15, 2009 confirming that the power plant is not connected to the electricity grid, that it is not required to obtain an electric power permit, and that the construction and operation of such power plant has not violated any laws or regulations regarding electric power administration. On this basis, our PRC legal adviser has advised that no permit is required by FWHZ for the operation of its power plant.

### **Taxes and Duties Applicable to Paper Manufacturing Industry**

#### ***Elimination of Value-Added Tax Rebates for Paper and Paperboard Exports***

In accordance with the Notice on Adjustment of the Tax Refund Rate for Exported Goods (關於調整出口貨物退稅率的通知) jointly issued by the Ministry of Finance and the State Administration of Taxation on October 13, 2003, effective from January 1, 2004, the tax refund on the export of kraft pulp and paperboard was eliminated. The elimination of the tax refund is intended to discourage the export of paper and paperboard due to increased domestic demand for such products. The elimination of the tax refund also encouraged manufacturers of such products to make domestic sales. The increase in domestic supply may result in a reduction of imports of such products.

According to the Notice on Lowering Certain Product Export Tax Rebates (財政部、國家稅務總局關於調低部份商品出口退稅率的通知) issued jointly by the Ministry of Finance and the State Administration of Taxation on June 19, 2007, effective as of July 1, 2007, the tax refund rate on paper products will be reduced to 5% from 13%.

#### ***Reduction of Tariffs on Imported High-Grade Paper Production Equipment***

Tariffs on imported high-grade paper production equipment have been reduced in recent years to facilitate the introduction of new technology to expand capacity and increase efficiency. Foreign-invested



enterprises meeting certain qualifications and regulatory requirements are entitled to tariff-free treatment on production equipment imported for self-use.

### ***Reduction of Import Tariffs on Paper Products and Raw Materials***

As part of the PRC's obligations subsequent to its accession to the World Trade Organization, the PRC has reduced the import tariff on certain paper products. Effective from January 1, 2005, the import tariff for imported kraftlinerboard is 5.0% and the import tariff for corrugating medium is 7.5%. The reduction of import tariff on imported kraftlinerboard and corrugating medium may encourage import of such products which may increase competition in the domestic market but also ease the supply shortage.

Since 1999, import tariffs for recovered paper and kraft pulp have been eliminated.

### ***Anti-Dumping Duties***

In recent years, the PRC has initiated anti-dumping investigations and imposed antidumping duties on a broad range of imported paper products, including linerboard, newsprint and coated wood-free paper in an effort to protect domestic manufacturers and further attract foreign investment to expand their capacities in the PRC. Upon receipt of complaints from a group of domestic producers (including state-owned enterprises, Sino-foreign joint ventures and wholly foreign-owned enterprises) which represent at least 50% of the total production of a specific category of product in the PRC, MOFCOM has the authority to initiate the investigating and assess antidumping duties against imported products from a certain country or countries.

In March 2004, the PRC initiated an antidumping investigation against imports of linerboard from the United States, South Korea, Taiwan and Thailand upon receipt of a petition jointly filed by a number of domestic paper manufacturers, in January 2004. MOFCOM imposed provisional anti-dumping duties against linerboard imported from the United States, Korea, Taiwan and Thailand on May 31, 2005 and issued its definitive ruling on September 30, 2005 to impose final anti-dumping duties. The amounts of anti-dumping duties payable range from 7.0% to 65.2% of the value of the imported products. Effective from January 9, 2006, however, the PRC withdrew its anti-dumping measures against these countries.