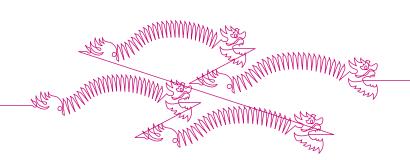
Guide to foreign investment in the PRC



Contents

Introduction

1 Foreign Investment

Investment Sectors

Investment Structures

Approval Authorities and Key Legislation

Foreign Exchange Control

2 Choosing Your Business Vehicle

Equity Joint Ventures

Cooperative Joint Ventures

Wholly Foreign Owned Enterprises

Foreign Invested Companies Limited by Shares

Holding Companies

Foreign Invested Domestic Companies

Representative Offices

Others: Branch Office and Contractual Cooperation Management Contracts

3 Setting Up a New Business Vehicle

Project Approval Report

Name Reservation

Business Scope, Joint Venture Contract and Articles of Association

Formal Establishment of an FIE

Financing

4 Buying a Business in the PRC – Mergers and Acquisitions

Governmental Approvals

Buying Shares in a Listed PRC Company

Structuring an Acquisition

Other Issues

5 Directors and Governance

Board of Directors

Directors' Duties

Board of Supervisors

Senior Management

Legal Representative

Director and Officer Liability

6 The Business

Exchange Controls and Remittance of Profits

Human Resources

Intellectual Property Rights, Technology and Trade Secrets

Real Estate

Taxes, Grants and Incentives

7 Other Legal Issues

Language and Governing Law

Dispute Resolution

Glossary

Appendix One

Foreign Investment by Industry

Appendix Two

Comparison of the Principal Forms of FIEs in the PRC

Appendix Three

Process for the Remittance of Profits