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China

Attorneys in Steptoe's China practice help clients invest and conduct business in China by advising on market entry and exit strategies, investments and the structuring of commercial agreements. We also assist clients to address regulatory barriers to market entry and advise on labor and employment matters, intellectual property protection, compliance with relevant Chinese regulations, and resolution of business disputes.

Leveraging the full resources of the firm, attorneys in our China practice work seamlessly across all offices with colleagues located throughout the US and in London and Brussels. Our Beijing-based team is fully bilingual and members have extensive and deep experience in China. In addition to our strong practice capability, our Beijing-based team has close working relationships with key PRC governmental authorities, which enables us to provide our clients with valuable insights into investment approval processes and on-going regulatory compliance requirements.

INTERNATIONAL BUSINESS TRANSACTIONS

Steptoe has an active international corporate and finance practice, focused in large part on emerging economies throughout Asia and Europe. Our attorneys are experienced in handling cross-border transactions that often present challenging legal and regulatory issues relating to strategic or financial investments, joint ventures and technology transfers.

In China, we have extensive experience of advising on foreign direct investment, private equity and venture capital financing, joint ventures, mergers and acquisitions, as well as transfer and protection of intellectual property rights. We advise clients on private investment fund formation both in China and offshore. Our clients regularly consult us regarding issues that arise in connection with the establishment, management, financing and operation of their business activities in China. We are active in the areas of insurance and reinsurance, energy, logistics and global supply chains, chemicals, software development, semiconductor, media, telecommunications and general manufacturing.

Market Entry and Foreign Direct Investments

We represent multinational companies of all sizes in all stages of direct investment in China, including greenfield investments, Sino-foreign joint ventures, and mergers and acquisitions. We understand the unique complexities involved in foreign direct investment in China, and have a solid understanding of PRC foreign exchange controls rules, labor and employment law, intellectual property regulations, anti-trust law, taxation laws and other issues that impact foreign businesses. We help clients to negotiate and document deals, and to navigate China's constantly evolving legal and regulatory environment.

China

We have extensive experience with China market entry and structuring for international financial institutions, including insurance companies, we also assist international financial institutional investors with their applications for Qualified Foreign Institutional Investors (QFII) licenses in China. We are regularly consulted by international financial investors with respect to their day-to-day compliance with Chinese financial laws and regulations, including banking, insurance and securities regulations.

Private Equity and Venture Capital

We represent private equity investors, venture capitalists, private equity fund sponsors, and limited partners in a wide variety of transactions. We regularly advise PE/VC funds in connection with all stage investment in and divestment of portfolio companies. Equipped with our strong knowledge of unique legal due diligence issues often presented in investments in Chinese emerging growth companies, we are able to identify hidden risks faced by PE/VC investors, help them discover the true valuation of the targets and ensure maximum protection of their interests in the transactional documentation. We also assist sponsors/general partners, as well as limited partners with fund formation and capital raising, including setting up RMB funds.

We represent Chinese portfolio companies in connection with equity financing transactions and counsel them on a variety of issues including restructuring, drafting and negotiating licensing agreements, complying with FDI and foreign exchange control regulations, and addressing employment law issues.

Mergers and Acquisitions

Our M&A practice combined with our deep PRC regulatory expertise underscores our deal execution capability. We assist foreign investors with acquiring PRC assets or equities, rationalizing their investment portfolio in China, and dealing with ongoing operational issues that arise from a merger or acquisition. We work proactively with clients to develop investment structures tailored for their business needs, and assist them with meeting challenging PRC regulatory requirements, in particular with respect to those applicable to sectors that are restricted to foreign investment, such as Internet, media and real estate. We also help clients navigate the complex process of obtaining regulatory approvals required in transactions involving PRC companies and assets, including acquisitions of state-owned assets.

INTERNATIONAL TRADE

Steptoe has one of the largest and most experienced international trade practices in the United States. Many of our attorneys have gained their experience and

China

insight from senior government service with the Department of Commerce and the Office of the US Trade Representative, as well as the Departments of State, Defense, Justice, and Treasury. In 2011, Chambers Asia named Steptoe's International Trade group the market leader of international firms practicing in Asia. We represent importers in US and EU trade proceedings and we have substantial experience advising companies facing trade remedy investigations in China.

SECURITIES LITIGATION, SEC INQUIRIES and INTERNAL INVESTIGATIONS

Attorneys in our China Practice have many years of experience working with US based securities litigators to defend Chinese companies in US securities litigation and equally extensive experience in conducting financial and other internal investigations for US publicly-listed companies and their audit and other board committees in connection with alleged violations of US securities laws. We are one of the few foreign law firms with bilingual specialists, including a partner, based in Mainland China. Our Beijing-based team works seamlessly with the firm's specialists in the US, who include partners that have served with the US Securities and Exchange Commission (SEC) and its Division of Enforcement before joining the firm. Members of the team have successfully advised and represented public companies, boards and their officers and directors in connection with China-focused and multinational investigations involving the SEC and US Department of Justice, among other regulators.

FCPA/UK BRIBERY ACT/ANTI-CORRUPTION

Steptoe counsels companies doing business in China on the scope, meaning, and application of the US Foreign Corrupt Practices Act (FCPA), related US statutes, and the UK Bribery Act dealing with fraud and corruption as it relates to their Chinese operations. Our practice includes compliance advice and counseling, investigations, and enforcement work. We have conducted numerous FCPA investigations for US and multinational companies doing business in China. We perform internal investigations for companies, boards of directors, audit committees, and special board committees, as well as design compliance policies and procedures for company personnel and affiliates working in China.

REGULATORY COMPLIANCE

Steptoe offers a full range of counseling, compliance, and advocacy services for companies involved in international transactions that implicate PRC regulatory requirements. Our attorneys advise many multinationals with extensive interests in China, including the largest foreign investors in China, on US, UK and

China

Chinese regulatory compliance issues. We assist clients on matters involving foreign exchange controls, taxation, national security review, international competition, customs, cyber security, data privacy and other regulatory issues associated with cross-border joint ventures, mergers and licensing agreements.

EMPLOYMENT and LABOR

The Chinese labor and employment environment is evolving rapidly and often poses significant challenges for foreign employers. A thorough understanding of the Chinese labor regulatory environment has become an essential aspect of doing business successfully in China for many multinational companies. From structuring cross-border employment arrangements to social security benefits, human resource management and unionization challenges, our attorneys have significant experience advising clients on a diverse range of labor and employment law issues.

INTERNATIONAL ARBITRATION

Attorneys in the China practice have significant experience assisting clients in mediating and resolving disputes in China. We have worked on disputes involving treaty-based rights and obligations, waiver of sovereign immunity, measurement of damages, discovery, enforcement of awards, and choice of law, among others. Our experience includes representing foreign and Chinese parties in the key fora for China-related dispute resolution, including CIETAC, the HKIAC, and the SIAC.

INTELLECTUAL PROPERTY

For most clients doing business in China a key element in their investment strategy is protection of their intellectual property from infringement and misappropriation. Steptoe attorneys are experienced in all phases of intellectual property representations, including the evaluation, acquisition, licensing, transfer and enforcement of intellectual property rights, including patent, copyright, trademark, and trade secret rights. Attorneys in the Steptoe China Practice have particular expertise in intellectual property protection measures tailor-made for China and enforcement.

CONSTRUCTION

Steptoe's Beijing attorneys have provided legal support for construction projects throughout China. We have represented numerous multinational corporations in connection with a variety of construction projects, including the tendering engineering and design work, drafting EPC contracts and negotiating and drafting financing documentation in relation to the construction of factory

China

premises, office buildings and purpose-built facilities.

Our attorneys are particularly experienced in construction projects in the energy, chemicals, bio-tech, semiconductor and software industries. We support foreign investors with all matters relating to construction projects, including project finance, entity formation, technology license or transfer, tax and regulatory issues. Our multilingual attorneys provide clients with practical advice on government permitting and registration formalities.

Additionally, arbitrators in our China practice have unique experience dealing with large construction disputes before several major international arbitration centers in Hong Kong and China.

Contacts

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Representative Matters

- Advising a prominent auto manufacturer in the largest antidumping and countervailing duty investigation ever initiated in China.
- Defending a poultry producer in an antidumping and countervailing duty investigation in China.
- Advising a prominent US brand on overcoming technical market barriers in China.
- Helping a major US retailer evaluate market access restrictions in China, including possible claims under the General Agreement on Trade in Services.
- Advising foreign receivers of a \$250 million real estate development project in China regarding litigation in both China and the Caribbean, and related administrative and arbitration proceedings.

China

- Representing foreign parties in CIETAC arbitrations involving tens of millions of dollars in trade disputes.
- Advising the Government of China in dispute settlement proceedings against the United States concerning the imposition of antidumping and countervailing duty orders on four Chinese products.
- Representing the Government of China in its first appearance as a respondent in WTO dispute settlement proceedings.
- Counseling an aircraft manufacturer on China's WTO obligations as they affected the industry sector.
- Representing a foreign party in the sale of Chinese breweries to a Chinese state-owned company.
- Listing a public offering of securities on the NYSE for a US company with contract manufacturing facilities in Shenzhen, China.
- Performing due diligence on proposed joint venture partners.
- Leading the purchase of a Sino-Australian agribusiness JV in the Shanghai region by a US company.
- Managing global supply chains and negotiating US-China supply contracts with Chinese suppliers, purchasing agents, and contract manufacturers.
- Restructuring equity JVs in China from direct US parent company ownership to indirect offshore holding company ownership.
- Establishing international procurement offices in China via sourcing subsidiaries and representative offices.
- Forming manufacturing wholly foreign owned enterprises (WFOEs) and JVs in China.
- Overseeing China IP enforcement and licensing for prominent global brands and technology companies.
- Representing China-focused investment funds in various stages of VC/PE financing.
- Representing a US company in licensing certain coal mine safety technology to a Chinese state-owned company backed a provincial government.

China

- Representing a US company in connection with establishing a food logistics joint venture with a Chinese state owned enterprise.
- Representing a US company in connection with establishing a poultry supply chain joint venture with a Chinese privately owned enterprise.
- Representing a US company in connection with a buy-out of its Chinese JV partner's equity interest in an industrial battery manufacturing company based in Shanghai.
- Representing a Shanghai-based e-commerce company in a convertible loan transaction seeking financing from three international VC funds.
- Representing a Hong Kong based PE fund in an equity investment in a solar photovoltaic project situated on the roof-top of a shopping mall in New Jersey, US and a related construction loan to finance the project.
- Representing a Hong Kong-based company in a sale of a majority interest in a Chinese fashion design, manufacturing and retail business with presences in Hong Kong, mainland China and New York to a Mainland Chinese group based in Hong Kong, as well as the establishment of a new joint venture between the seller and the buyer to operate the same business.
- Representing a PRC pharmaceutical company listed in the US in an internal investigation in respect of potential financial irregularities and violation of the US Foreign Corrupt Practices Act.