

Hogan
Lovells

Hogan Lovells China Desk

Doing Business in China

2018

Getting started – getting on – getting through in China

...a brand new game

China is the most unique market place in the world today. The social, political and legal framework and the rapid development of modern China hold unprecedented opportunities for companies in store – and the most daunting legal challenges come along with them.

For companies claiming competitiveness on an international level, catering to the Chinese market has become more than an option – it is an unavoidable necessity. For a long time, China has mainly been a supplier of labor resources and production facilities. Besides being one of the biggest markets for virtually all goods and services, China now plays a significant role as an outbound investor in regions like South East and Central Asia, Europe, Africa and the Americas. There is no doubt that these developments will continue and that China will once again reinvent its image and its role in the world. But what does this mean for your company?

You may already be active in China, as a producer, investor or marketer catering to the Chinese market – you may be considering doing so in the future. You may even be dealing with Chinese business partners or foreign investors in your home country. Despite large cultural and regulatory differences, cooperation with Chinese business partners leads to mutual benefits and your venture will be a success – if precaution is taken and the expedition is thoroughly planned and executed.

The Hogan Lovells China Desk aspires to help you benefit from the opportunities arising from your business in China and your cooperation with Chinese business partners. More than 20 of our global offices join forces, making the Hogan Lovells China Desk the largest of its kind. Our broad international network and the close cooperation with our colleagues at the Hogan Lovells offices in Beijing, Shanghai and Hong Kong allow us to provide you with strategic advice in your home country with regards to all legal aspects of your business endeavors in China while – at the same time – executing your strategy through the experienced legal experts in our offices in Greater China. Find out more about the Hogan Lovells China Desk online (www.hoganlovells.com/en/aof/hogan-lovells-china-desk).

As a first-rate adviser to the world's leading international corporations, we understand your priorities. We develop your best strategies for China and make sure they are being implemented appropriately to match your goals. Get in touch now to find out how we can contribute to the success of your ventures in China!

Your Hogan Lovells China Desk Team

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Hogan Lovells in China

...at the forefront of your China venture

Hogan Lovells is a top 10 global legal practice with over 50 offices, 850 partners, and 2,800 lawyers throughout the world. Our global team helps corporations, financial institutions, and governmental entities across the spectrum of their critical business and legal issues globally and locally.

Hogan Lovells has one of the strongest networks in Asia Pacific, with over 250 lawyers, including over 60 partners, based in our offices in Beijing, Hanoi, Ho Chi Minh City, Hong Kong, Jakarta, Perth, Shanghai, Singapore, Sydney, Tokyo and Ulaanbaatar. We are the fourth largest international law firm in China.

We have always been at the forefront of developments in China. We were one of the first international law firms to establish a presence on the ground in China, opening our Beijing Office in 1992 and then were one of the first to open in Shanghai in 2003 when it became possible to have two offices in China. We have gone a step further now: we are one of the first law firms taking advantage of the recent rules allowing qualifying Chinese and foreign law firms to establish an association in China's free trade zones to round out and complete our offering. This association is a key element of our ambitious growth strategy for China and will enhance our already strong practices in the region.

With highly experienced foreign and local lawyers as well as foreign-educated local lawyers and local-educated foreign lawyers, our Greater China practice is the ideal "bridging element" to facilitate seamless cooperation between Chinese and international partners. We have genuine multidisciplinary industry skills in the education, financial institutions, infrastructure, life sciences, real estate, technology, media, and telecommunications (TMT) sectors.

In each of these, we are recognized leaders. What sets us apart from other international law firms is our deep understanding of not only the scope of local laws and regulations, but also their background and legislative history, experience gleaned through years of representation of our clients in sophisticated business transactions, and also through our extensive contacts and long-standing relationships with many Chinese government agencies that have significant influence on foreign investment in China. Our Greater China practice is strongly integrated into our global network allowing us to handle client matters across all jurisdictions simultaneously.

Our practice breadth, geographical reach and industry knowledge provide us with insights into the issues that affect our clients deeply and enable us to provide high quality business-oriented legal advice to assist them in achieving their commercial goals. We believe that our commitment to client service, commerciality and teamwork provides benefits to our clients and enhances effective business relationships – in China and beyond.

What we stand for:

- A broadly-based business perspective
- Deep industry knowledge
- Exceptional geographic reach
- Excellent people with a great attitude
- Long-standing commitment to communities



Antitrust, Competition and Economic Regulation

From challenges to opportunities... know your game

China's competition and antitrust authorities are known for pursuing their responsibilities with determination, especially when touching upon issues of national interest.

Today's businesses in China face a challenging framework of antitrust/competition laws with an ever growing number of rules and regulations and unpredictable decisions by the relevant authorities. The threat of heavier sanctions for businesses and individuals and increased international cooperation between enforcement authorities requires a coordinated, global approach to managing competition law risks.

An outstandingly strong Hogan Lovells team in size and expertise is on the ground for you in China to assure smooth operation.

We have one of the largest antitrust teams among international law firms in China and Hong Kong, with a number of dedicated competition law specialists. Our China antitrust team includes lawyers who used to work for the Chinese Ministry of Commerce (MOFCOM) and DG COMP at the European Commission. For example, in China, we have been

assisting a multinational company in an antitrust investigation by the Chinese competition authorities, which started with a series of dawn raid. We have also been working with an Asian client exposed to antitrust investigations in Europe and the Americas to collect documents and interview staff on the ground in China. This work involved many tricky issues of Chinese law such as data privacy, state secrets and privilege. In the past, we have assisted clients on a wide number of matters involving Chinese competition law, ranging from advisory work to competition compliance.

We are your partner in all ventures:

- Seamless coordination of multi-jurisdictional merger control assessments, notifications and securing clearances
- Advising on international cartel defense strategies, from dawn raids and the early stages of investigations to follow-on damage litigation in national courts
- Evaluating business practices
- Conducting antitrust audits
- Developing antitrust compliance programs and training



A selection of our relevant experiences

BASF: Assisting BASF in its acquisition of specialty chemicals maker Cognis in the MOFCOM merger control procedure; while the case was approved subject to remedies in the European Union, unconditional clearance was obtained in China.

Major multinational entertainment company: Assisting with compliance issues, including exclusivity and territorial restrictions regarding its cooperation agreements with local partners under the Anti-Monopoly Law in China.

Ford Motors, Inc.: Acting as lead transaction counsel for Ford on the US\$2.3bn sale of its Jaguar Land Rover and Volvo subsidiaries, including representing Ford in the EU, Chinese, Russian, and U.S. filings. In China, we advised on competition compliance issues and assisted in information collection and filing report reviews.

U.S. pharmaceutical company: Advising on compliance issues in relation to distribution agreements under the Anti-Monopoly Law in China.

Medical device and brand-name drug manufacturers: Advising device and brand-name drug manufacturers on combination product and bundling strategies, pricing issues, and research, production, and distribution joint ventures.

Oil company: Advising on the Anti-Monopoly Law implications of a business alliance agreement, including in relation to information exchange.

One of the world's leading pharmaceutical companies: Advising on compliance of its distribution agreements with antitrust rules in Greater China.

European-based shipping and port operation multinational: Advising a well-known European-based shipping and port operation multinational on the Anti-Monopoly Law implications of its joint ventures in China.



Banking & Finance

From challenges to opportunities... know your game

China's legal and regulatory framework requires innovative solutions for complex financing transactions

The pertinent finance regulations in China can pose challenges to financing transactions that significantly affect deal value. It is important to understand the structure of the transaction, as different lenders have different motivations and concerns, with fluctuating emphasis on Chinese government policy considerations and commercial terms. With volatility continuing in the markets, in addition to being subject to increasing national regulation and other China-specific challenges, companies need a legal adviser who understands their business and the nature of the environment they operate in.

Full range of banking and finance advice by a global counsel with local roots

Our longstanding experience, good local knowledge and legal expertise alike allowed us to successfully structure and close numerous pioneering financing transactions in China in the past as well as transactions with Chinese involvement abroad. We provide legal services across the full range of banking and finance products, including acquisition finance, leveraged finance, real estate finance, structured commodity and export finance, structured equity-linked finance, project finance, debt capital markets, structured products, asset finance and pre-IPO finance, with expertise in

both sponsor-led and corporate acquisition finance. Furthermore, we advise senior lenders, subordinated lenders, institutional investors, private equity sponsors and corporates on a wide range of financial products and transactions, including senior secured facilities, mezzanine and other subordinated debt products, bridge financing, private acquisitions and public offers, cross-border and domestic deals, recapitalization and refinancings, and restructuring of leveraged transactions. We work with all of the major PRC banks and export credit institutions on limited recourse and Sinosure backed financings around the world.

We are your partner in all ventures:

- Acquisition finance
- Asset and aircraft finance
- Debt capital/securities market products
- Financial services regulation
- Global custody
- Loans and credit facilities
- Project finance and real estate finance
- Securitization and structured finance
- Trade finance



A selection of our relevant experiences

CITIC Bank International: Advising on financing of the acquisition and delisting from the NYSE of Tongjitang Chinese Medical Company by Tonsun International.

Daimler AG, Volkswagen Bank GmbH and Volkswagen Leasing GmbH, BMW Leasing/Bank GmbH: Advising on Chinese and international ABS transactions.

BNP Paribas, ING Bank and ANZ: Advising on the property financing of Ever Gain Plaza provided to AG Asia Realty Fund and Angelo Gordon & Co.

Volkswagen Bank: Advising on various public securitisations in connection with the “Driver”, “VCL” and “VCL Master” programs including, China, Japan, Australia, Brazil, Netherlands, UK, France.

GE Capital: Advising GE Capital on the provision of secured receivables and asset-backed financing for Larry Jewellery Group.

HSBC, SCB, BOC, CCB and others: Advising on the US\$700m term loan facility to China Unicom.

COFCO: Advising a syndicate of 11 banks in relation to a US\$3.2bn loan to the COFCO group to finance its acquisitions of a 51% stake in Noble Group’s agri-business, and a 51% stake in Nidera, the Dutch commodity trader and agribusiness company.

Mercedes Benz Auto Finance Ltd.: Advising on a large-scale securitization transaction for consumer automotive loans (Silver Arrow China 2). Together with our associated firm Fidelity we have drafted all transaction documents and advised the client on the negotiations and approval processes with the People’s Bank of China, the China Banking Regulatory Commission and several rating agencies. The transaction had a significant financial volume of approx. 4,217 billion Renminbi.



Commercial Contracts and Litigation

From challenges to opportunities... know your game

In China's hyper-dynamic and highly competitive market environment commercial disputes are no longer seen as a loss a face but instead become increasingly common.

While taking disputes before a national court has traditionally been avoided by Chinese companies for cultural and practical reasons, the number of commercial disputes is rising continuously and getting caught up in one of them can be extremely damaging, exposing financial liabilities, injuring commercial reputations and hampering business relationships in China.

This can be avoided by putting clear and comprehensive contracts in place between all parties. If conflict cannot be avoided, however, it is even more important to be able to rely on solid clauses in contractual agreements, in order to limit one's loss.

Try to avoid but still be prepared for supply chain, consumer and related commercial disputes in China.

We advise on matters concerning agency and distribution of goods, including issues of compliance with Chinese law, arguments on restraint of trade, claims for compensation on termination and related

issues such as pre-contractual misrepresentation and the construction of contractual terms. In appropriate cases, we litigate vigorously, but we also understand the need to resolve disputes swiftly and amicably where necessary to protect commercial relationships, since these weigh heavily in China's business environment. Therefore, where litigation is not ideal, we will advise clients on options suitable to their needs, including mediation, arbitration and other alternative dispute resolution techniques favored in China.

We are your partner in all ventures:

- Multi-jurisdictional commercial litigation, commercial contracts, including co-marketing and co-distribution
- Advertising/promotion litigation (e.g. preliminary injunctions)
- Product claim management and related litigation
- Counterfeit litigation
- Evaluation of contracting partners
- Sales and discounting strategies
- Business compliance policies



A selection of our relevant experiences

European conglomerate: Acting for a European conglomerate in legal proceedings against fraudsters and successfully obtaining freezing orders against the fraudsters and disclosure orders against two financial institutions.

Japanese investor: Advising a Japanese investor on the drafting of a joint venture agreement with its Chinese partners, as well as advising on the drafting of the construction contract for an underground railway project in Beijing.

Belgian Company: Representing a client in negotiation of procurement contract for waste incineration equipment used in several plants in China.

Major Supplier of Metalworking Products: Advising the client as the owner of a Lubricant Factory in Suzhou on the drafting of various contracts, including a Design and Build contract, an EPCM contract and a contract with the local design institute.

A large Hong Kong construction company: Acting for a large Hong Kong construction company in an arbitration in Beijing against the employer in relation to a hotel project in Beijing involving tens of millions of dollars.

Prudential: Defending Prudential in High Court proceedings against Harbour King Limited, an outpatient medical service provider, regarding alleged breach of agreements.

Automotive company: Advising an auto company on construction of a plant, including design contract drafting, EIA report reviewing, and safety assessment report reviewing etc.

Electrical and mechanical sub-contractor: Acting for client in resolving disputes with the joint venture partners and the employer by mediation.



Compliance and Data Privacy

From challenges to opportunities... know your game

Companies accused of acting contrary to laws and regulations in China and their responsible executives do not only face the risk of high cost and criminal charges – the damage done to the company's image may be irreparable.

In recent years, China has taken important steps to fight corruption. In December 2010, the Chinese State Council issued its first white paper on corruption '*China's Efforts to Combat Corruption and Build a Clean Government.*' Increasingly, global companies become the target of investigations, despite "common practices" of local companies that continue to be largely accepted.

China's data privacy laws focuses mainly on the internet and telecommunications sectors. Given the importance of e-commerce and mobile telecommunications to the Chinese economy, this has far-reaching implications across all industry sectors, making data privacy compliance a critical business issue in China. In order to be compliant, it is paramount to negotiate data privacy questions with the competent authorities in China and to brief internal data privacy officers. With regard to possible challenges in this process, we have extensive experience in how to avoid exclusion of evidence gathered in violation of data privacy laws in civil and criminal litigation. In short – if it gets really tough, our expert team has got your back.

Avert disaster at an early stage: include our experts into your team, acclaimed specialists in the fields of compliance, privacy requirements and fact finding.

Our lawyers have in-depth expertise on fraud, asset-tracing and contentious insolvency issues. We conduct litigation arising out of corporate and commercial frauds, which involves investigating those frauds and locating and freezing misapplied assets in Asia and

other parts of the world and advising on breaches of fiduciary and common law duties by directors and officers. Our specialists know precisely how to conduct interviews, document or email reviews and other fact finding actions in a manner which is both effective and compliant with the strict formal requirements of Chinese authorities. Clients benefit from our experience dealing with regulators and other law enforcement bodies – from compliance and audit, licensing and disciplinary proceedings to investigations and disputes, often involving judicial review. We have a wealth of experience in advising on the relevant pieces of legislation and helping companies tackle bribery and corruption issues as well as data privacy issues in Greater China.

We are your partner in all ventures:

- Evaluating legal and reputational exposure of individual investigation methods
- Implementation and evaluation of compliant investigation, review and control processes
- Advising businesses on how to draft and implement adequate policies regarding internal investigations, compliance controls, IT and email usage in the business etc.
- Advising businesses in data privacy law issues
- Litigation in compliance matters

A selection of our relevant experiences

Global company: Conducting an international investigation of the Chinese operations of a publicly traded global company, advice regarding recommended remedial measures, drafting of new compliance policies and procedures, and conducting remedial staff compliance training at locations in China and throughout Asia.

Leading construction materials company: Conducting FCPA compliance investigation for a leading construction materials company with regard to its affiliate in China, conducting FCPA compliance training, and providing on-going FCPA compliance review.

Fortune 500 company: Representing a Fortune 500 company in an FCPA investigation into whether employees made payments to government officials to win a contract in China.

Major U.S. apparel manufacturer: Assisting a major U.S. apparel manufacturer with an external investigation by government authorities, and an internal investigation into corrupt sales and sponsorship practices in China.

Global US-based healthcare company: Advising a global healthcare company based in the United States on an investigation into internal corrupt practices in China and Taiwan alleged by whistleblowers.

European paper mill producer: Advice in an investigation of internal fraud in China of its joint venture partner and managerial staff, on strategies and legal actions to deal with the internal fraud.

International investment bank: Assisting an international investment bank with an investigation by the Independent Commission Against Corruption and SFC in Hong Kong in relation to alleged corrupt practice in the covered warrant market.

Two multinational companies: Advising two multinational companies in rendering assistance to the investigation by the anti-graft authorities of corruption-related offenses by third parties.



Employment

From challenges to opportunities... know your game

Managing an international workforce in China

Hiring – and retaining – qualified local staff is one of the most pressing challenges for international companies operating in China. Your company most likely has to manage a complex and diverse workforce, including local employees, local expatriates and foreign expatriates.

Your employees are your most valuable resource – in their home countries and abroad. It is crucial to make sure you avoid costly pitfalls when sending foreign staff to China by sustainably managing expatriate employment. Furthermore, protecting your intellectual property and confidential information from “floating out” through the generally very high fluctuation of employees is a key factor to remaining successful in business.

Mastering labor law the challenges

At times, you may have to resolve labor relations and works council matters, complex litigation matters, and execute complex pensions, benefits and compensation, and immigration programs – our leading employment lawyers are at your side. Furthermore, we advise on all employment aspects of major business transactions, such as mergers, acquisitions, divestitures and company reorganizations, drawing upon our significant experience interacting with Chinese government

agencies, such as the Ministry of Labor and Social Security and their local equivalents, industry associations, and employees’ representative bodies. We are tracking changes in this area of the law both at the national and local level. With more than 15 lawyers in Beijing and Shanghai our experienced employment team is on the ground for you to make sure your human resources are managed adequately for highest performance at minimal risk.

We are your partner in all ventures:

- Legal and regulatory employment compliance reviews
- Domestic and international mergers and acquisitions, restructurings, spin-offs and outsourcing
- Multijurisdictional reductions in workforce and business closures
- Corporate compliance and global codes of conduct
- Negotiations and consultations with works councils, employee collective representatives and trade unions
- Expatriate employment, executive compensation, and termination agreements
- Employment litigation

A selection of our relevant experiences

Multinational companies: Advising on legal proceedings in the High Court for enforcement of post-termination restrictive covenants, springboard injunctions and delivery up of confidential information.

Multinational company: Advising on various contentious employment matters and providing training on compliance, covering issues of discrimination, directors' duties/liabilities, early termination and employee incentive schemes.

ING Bank: Advising on employment issues involved in the disposal of its Asian equities business to Macquarie Bank.

Global technology-based company: Advising on various employment issues including reduction of workforce and negotiation of settlement with affected employees, and termination of top management in Chinese subsidiary.

Leading digital security company: Advising on a labor dispute between its wholly-foreign owned subsidiary in China and a former employee, and advising on the relocation of employees as a result of merger and acquisition by Chinese subsidiaries.

Chinese private equity firm: Advising on a number of employment-related issues including its employees' Securities and Futures Commission (SFC) license applications and management and employment issues of the licensed entity.

U.S. financial services company: Advising on various employment issues, including investigations into acts of misappropriation of trade secrets by employees and advising on related termination, severance, privacy and retaliation issues.

Multinational company: Advising on an allegation of gender discrimination by employee whose employment had been terminated.



Intellectual Property

From challenges to opportunities... know your game

Welcome to the jungle

It is well-known that China is a fierce place when it comes to protecting your intellectual property. Rampant counterfeiting and enforcement deficiencies made China appear to be a “jungle” from an IP perspective during past decades. Times changed. Nowadays, building up a solid portfolio of intellectual property rights in China at an early point in time, monitoring the IP landscape regularly and enforcing your IP rights vigorously can protect you and your companies’ most valuable assets from so-called “copy cats”, “trademark squatters”, “patent trolls” and other unpleasant surprises waiting in the thicket that may impair your business activities.

It is crucial to protect your IP in China’s highly competitive and dynamic market.

Competing on the edge, as most companies are in China, innovation and a strong brand are a necessity to hold one’s own faced with large numbers of hyper-dynamic competitors entering the market every day. Our experienced team is there for you to safeguard the full range of your market activities in China covering all aspects of managing and enforcing your technical non-technical IP rights in China, unfair competition matters as well as regulatory issues and administrative proceedings. In joint effort, our global team develops your IP

protection strategy for China from the application, over strategic advice and portfolio management to the effective enforcement of your IP rights in China. Furthermore we have significant experience in coordinating raids and global custom seizure which is an effective tool in China for preventing counterfeit products from entering the global market. Thanks to longstanding experience in dealing with IP-related challenges, we can provide you with strategic advice through our lawyers on the ground in your home country while your IP strategy in China is being executed through our top-notch IP lawyers in Beijing, Shanghai and Hong Kong.

We are your partner in all ventures:

- Intellectual property litigation and arbitration
- Patents
- Trademarks and domain names
- Brand protection and anti-counterfeiting
- Copyright and designs
- False advertising and unfair competition
- Trade secrets and confidential know-how
- Strategy consulting and portfolio management
- IP Transactions



A selection of our relevant experiences

Global mobile phone company: Successfully representing a global mobile phone company in three related actions in China, a patent infringement case, a patent invalidation action, and a patent ownership dispute, with the infringement case going to trial just one month after notice of the lawsuit.

H&M: Managing H&M's trademark portfolio in China and Hong Kong and advising on a series of brand protection actions in China, including cross-investigations, warning letters, administrative raid actions and civil actions.

Blizzard Entertainment Inc.: Representing Blizzard Entertainment Inc. and its business partner in China, NetEase, in a copyright infringement and unfair competition dispute against a Chinese gaming company regarding infringement of Blizzard's online game.

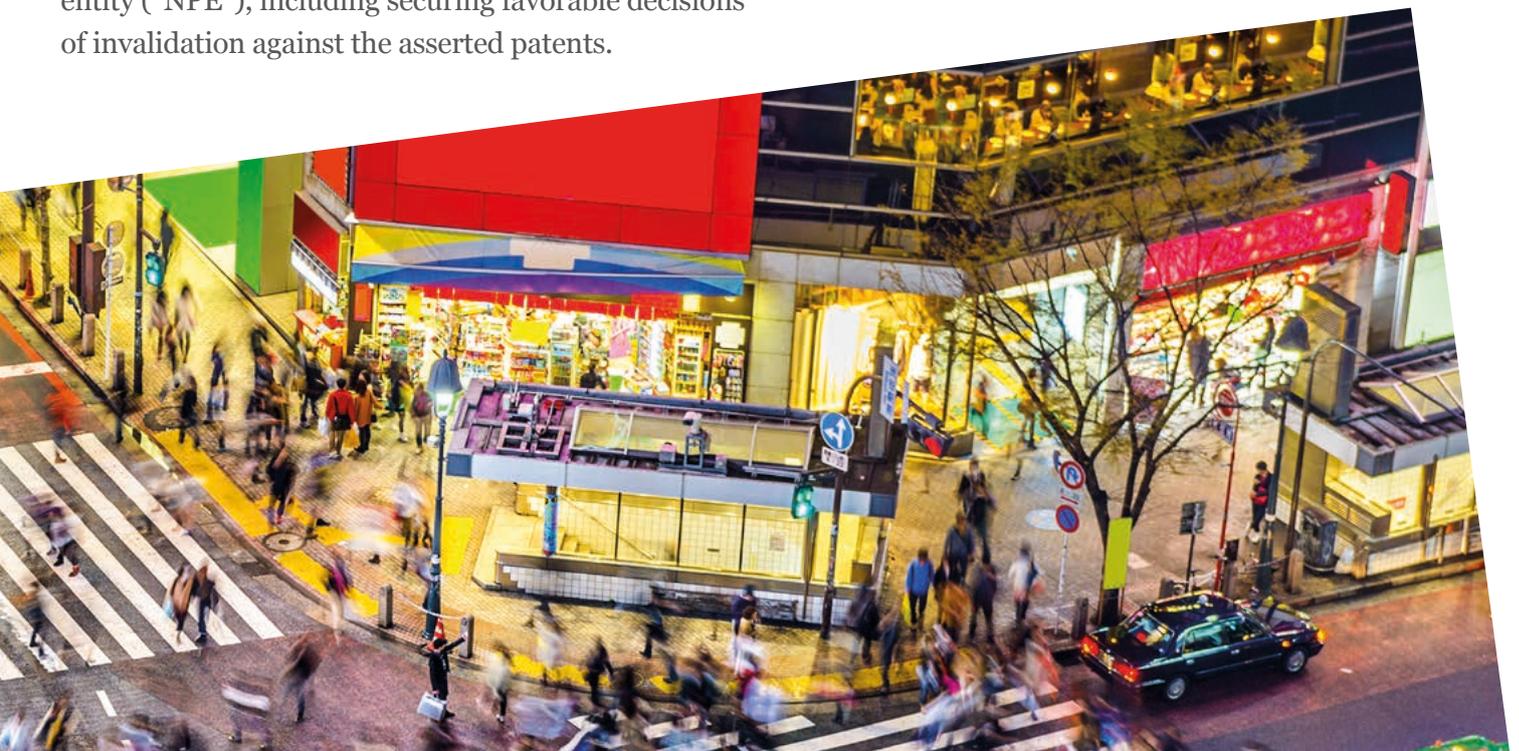
German luxury car maker: Successfully representing a German luxury car maker in the defense of two patent infringement lawsuits brought against them in the Beijing Intermediate Court by a Chinese non-practising entity ("NPE"), including securing favorable decisions of invalidation against the asserted patents.

Sephora: Advice on a series of trade mark hijacking matters, infringement actions and domain name matters in China and Hong Kong.

Motorola, Inc.: Representing Motorola in its defense of design, patent and copyright actions claiming over US\$26 million in the PRC which related to proceedings brought in the U.S.

French electronics company: Assisting a French electronics company in patent infringement and invalidation appeals in China, and global settlement negotiations.

Multiple news corporations: Advising News Corporations including Fox, Star Asia, Dow Jones on their China trademark portfolio, including handling all trademark applications, oppositions, cancellations, records and other trademark-related work.



Mergers & Acquisitions

From challenges to opportunities... know your game

Always hedge your bets in advance

Direct investment and corporate transactions have never been easy in China. The government continues the regulation of the development of China's national economy through directing foreign direct investment and national mergers and acquisitions. It is important to monitor political and legislative developments carefully and to stay in touch with the competent regulatory authorities. The successful execution of a transaction will require, amongst other matters, satisfying regulatory requirements, preparing local documentation, conducting due diligence investigations and delivering the required legal opinions. Detail and complexity of the regulatory requirements differ significantly, depending on the industry sectors. Especially M&A transactions for companies in regulated industries, where the intersection of business and government is particularly strong, a success requires an integrated strategy for handling all the issues that arise in such transactions.

A holistic and industry-focused approach to transactional and corporate advice is the key to success in China

Our M&A experience, coupled with deep industry knowledge, enable us to advise on a wide variety of transactions and to provide comprehensive and innovative solutions to our clients. As one of the largest international law firm operating in China, we have

extensive transactional and operational experience in mergers and acquisitions, joint ventures and foreign direct investments. We have longstanding experience in advising our clients on every aspect of joint ventures or WFOE formations, including project proposals, due diligence, feasibility studies, entry structures, control arrangements, joint venture contracts and other constitutional documents, ancillary agreements, and regulatory approvals as well operational matters, including governance issues and the execution of exit or consolidation strategies. Our team guides local and international clients, advising on M&A transactions from the largest to the smallest whether inbound or outbound, local, regional or cross-border, or on regional aspects of larger international deals.

We are your partner in all ventures:

- Intellectual property litigation and arbitration
- Public and private mergers, acquisitions and divestitures
- Joint ventures and strategic alliances
- Corporate counseling and governance
- Pre-transaction restructuring, including multinational spin-offs or separation of a division, line of business or other assets into a separate corporate structure
- Post-acquisition integration and post-divestiture reorganization

A selection of our relevant experiences

Ford Motors, Inc.: Advising Ford on its US\$1.8bn sale of Volvo Cars to China-based Zhejiang Geely Holding Group Co. Ltd. and its US\$2.3bn sale of Jaguar and Land Rover to Tata Motors.

IBM: Advising IBM on the US\$2.3bn sale of its x86 server business to laptop manufacturer Lenovo.

Kingway Brewery Holdings: Advising on the acquisition with its joint venture partner, China Resources Enterprise, of the brewing business of Kingway, Brewery Holdings, the listed Hong Kong company for approximately US\$864m.

UK Investor: Advising a UK investor in relation to its US\$650 million acquisition of selected assets of the Eastman Kodak Company across the globe, including multiple entities and operations in China.

USANA Health Sciences, Inc.: Advising USANA Health Sciences, Inc., a U.S. listed company, on its acquisition of a Cayman company engaged in a direct

selling business in China that is principally selling in nutritional supplements, related care products and related educational services business.

Tsinghua Unisplendour Corp. Ltd.: Advising Tsinghua Unisplendour Corporation Limited on its acquisition of a US\$3.8 billion stake in Western Digital Corporation, a U.S. computer data storage company.

Hulu: Advising Hulu on its joint venture with Fox Entertainment Group, NBC Universal, and Providence Equity Partners, and on the subsequent addition of Disney as a joint venture partner, and on its acquisition of Providence Equity Partners' interest in Hulu.

Kingdom Holding Company: Advising Kingdom Holding Company chaired by Prince Alwaleed of Saudi Arabia in leading a consortium of investors to acquire a US\$400m strategic stake in the largest internet consumer sales company in China, 360Buy Jingdong.



Real Estate

From challenges to opportunities... know your game

A tough market

The real estate sector in China ranks among the most difficult ones for investors, due to the high density of regulation. It takes superb knowledge of local laws, their background and legislative history, experience gleaned through years of representation in business transactions, and also extensive contacts and long-standing relationships with many Chinese government agencies that have significant influence on foreign investment in China.

Benefit from our longstanding experience and high degree of connectedness

We are very familiar with the procedures for obtaining approvals and clearing regulatory obstacles, having helped numerous clients deal confidently and effectively with the Chinese regulatory and approval process. We assist clients in carrying out their businesses under the current regulatory regime, and often create innovative structures that take effect automatically when the regulatory environment changes.

Our real estate team has extensive experience working on large scale real estate matters in China, ranging from direct foreign investment (M&A and JV setup) to real estate fund formation, project financing and construction aspects of real estate development. We are consistently ranked as a leading firm for real estate in Greater China. Our areas of real estate specialization in Greater China include property development projects, participating in land use rights auctions, transactions for the transfer of land use rights, property-related financing advice,

formation of tenancies, mergers and acquisitions involving real estate assets and other property-related matters. We have also advised clients in respect of the exploitation of real estate assets, including facilities management and venue management arrangements.

Furthermore, we have the capacity to handle property due diligence work in relation to corporate transactions of transferring or acquiring multinational businesses. We work closely with the government agencies handling tax, trade and customs matters. This good working relationship has been instrumental in generating extensive know-how and useful contacts that we draw on to deliver value-adding advice. Recommended for our “impressive’ real estate practice”, we provide market-leading innovative solutions such as RMB funds and other types of vehicles in ways that optimize your investments.

We are your partner in all ventures:

- Acquisitions, disposals and development of single real estate assets and portfolios
- Commercial and portfolio leasing
- Corporate real estate needs, i.e., development, acquisition or leasing of commercial, industrial and retail facilities; real estate portfolio management transactions
- Property ownership syndicating and structuring, together with real estate management agreements and co-ownership agreements
- Hotels, resorts and tourism



A selection of our relevant experiences

Anschutz Entertainment Group: Advising on the formation of a joint venture to operate the Mercedes Benz Arena in Shanghai, together with negotiation of the operating rights agreement, naming rights agreement and retail leasing.

Value Retail: Obtaining land use rights in a government auction process in China and advising on establishing a joint venture as well as onshore property financing by China Construction Bank to develop the land use rights to create Suzhou Village, its first luxury brand outlet in China, and advising on the leasing programs for the Village.

Venator Real Estate Capital Partners (Hong Kong) Limited: Advising on the restructuring of one of the largest US funds investing in real estate in China and the formation of U.S. and Asian real estate funds as well as the Lusheng retail joint venture project in Chengdu City.

Arlington Securities Plc and BAe Systems: Advising clients on establishing a joint venture hi-tech business park in Caohejing, Shanghai, using an innovative land draw-down mechanism.

LaSalle Investment: Advising on a US\$400m acquisition of a high-rise, mixed-use retail and office development project and a hotel complex project in China.

RREEF: Advising on the acquisition of a 50% equity interest in an existing Sino-foreign real estate development joint venture in Zhuhai to develop the US\$225m Zhongzhu Uptown project.

Peace Mark (Holdings) Limited: Advising the Provisional Liquidators and the bank Steering Committee on a high profile group restructuring of a leading international watch and jewelry manufacturer with over 300 stores in China and liabilities in excess of US\$1 billion.

Kingdom Hotel Investments: Advising on its sale of the Swissôtel Kunshan in Kunshan, China to TA Global Bhd., a publicly listed Malaysian company.



Tax

From challenges to opportunities... know your game

The years of generous tax incentives are over

China offers great opportunities to foreign companies as well as a variety of tax incentives and structuring opportunities from a corporate tax and withholding tax perspective. However, China now has the world's largest foreign exchange reserves and its economy has developed to the point where China can afford to pick and choose, on a sector-by-sector basis, the industries in which it will still welcome and incentivise foreign investment and companies. Much rather, these international companies have to face up to direct competition with their domestic counterparts, and will not have the helping hand of tax breaks to give them a competitive edge going forward.

Save money, stay ahead

Aspects like tax treaties, bilateral investment treaties, participation exemption regimes and domestic withholding taxes should be taken into account when designing the most suitable acquisition structure and expansion strategies. The close cooperation of Hogan Lovells' corporate and tax lawyers in China and globally allows for fast, top-class solutions in relation to all tax matters in China. This includes assisting clients to understand the complex legal framework in relation to structural tax planning, treaty planning, permanent establishment issues and regional tax planning as well as counseling and representation in compliance issues, from providing training, designing handbooks and manuals to investigations.

Furthermore, we have significant experience in navigating clients through the tax issues relating to importing into China or exporting out of China. Our China practice lawyers have advised on many trade-related matters and maintain contacts to key tax authorities. Naturally we have a deep understanding of the legal ramifications of our proposals, and are able to implement the appropriate structures and, if necessary, justify and explain them to the Chinese tax authorities. Especially in China, effective acquisition structuring is key to maximizing a transaction's long term value.

We are your partner in all ventures:

- International corporate tax planning and global tax
- State, provincial and local tax planning optimization
- Corporate restructuring
- Transfer pricing planning, documentation and defense
- Optimization of the ownership of intangibles
- Tax dispute resolution
- VAT planning and VAT audit-related work
- Employment-related taxes
- Taxation of financial products

A selection of our relevant experiences

Listed Japanese technology company:

On a US\$60m tax audit by the Chinese customs authorities in relation to the import and export of goods to and from China.

Fortune 100 pharmaceutical company:

On a number of strategic transactions and an alliance with a Chinese state-owned pharmaceutical company.

Smithfield Foods: Advising on the restructuring of its Chinese operation with the implementation of China Business Trust with a saving of US\$6 million in tax every year.

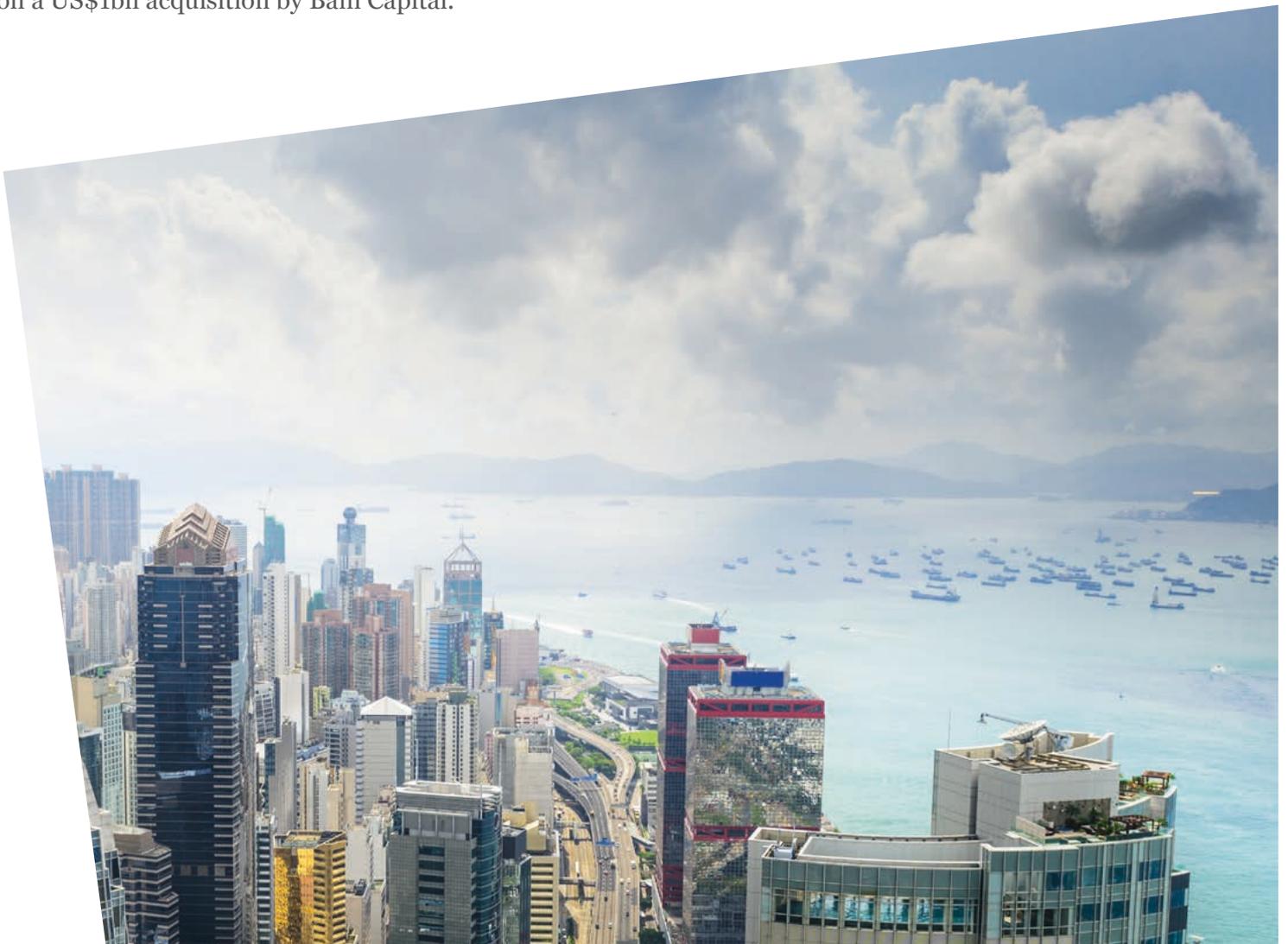
Private education company: Dedicated tax counsel on a US\$1bn acquisition by Bain Capital.

Red Bull (Austria): Advising Red Bull (Austria) on the relevant legal risks of initial entry to the food and beverage sector in China.

Citibank N.A.: On a number of strategic transactions and an alliance with Union Pay in China.

NYSE-listed Aerospace/Defense /Security company: On a number of strategic transactions and an alliance with Chinese state-owned enterprises to develop nuclear power in China.

Trophy Property Development L.P.: On the restructuring of US\$1bn Chinese real estate development fund.



Awards and Rankings

Antitrust, Competition and Economic Regulation

- Top-tier firm for ‘Competition’ in China by *IFLR 1000, 2014*.
- Recommended firm for ‘Competition/Antitrust’ in China by *Chambers Asia Pacific, 2011 – 2016*.
- Ranked as one of the top 10 ‘Global Elite’ antitrust and competition practices by *Global Competition Review 2015*.

Banking and Finance

- Top-tier firm for ‘Banking and Finance’ in Hong Kong by *Legal 500 Asia Pacific 2015*.
- Top-tier firm for ‘Banking & Finance: Leveraged & Acquisition Finance’ in China/Hong Kong by *Chambers Asia-Pacific, 2016*.
- Recommended firm for ‘Banking and Finance’ in China and Hong Kong by *Chambers Asia Pacific and IFLR 1000, 2008 – 2016*.
- Outbound Deal of the Year in *China Law & Practice Awards, 2015*

Mergers & Acquisitions

- Recommended firm for ‘Corporate M&A’ in China and Hong Kong by *Legal 500 Asia Pacific, Chambers Asia Pacific, and IFLR 1000, 2008 – 2016*.
- Recommended firm for ‘Equity Capital Markets’ in Hong Kong by *Legal 500 Asia Pacific, Chambers Asia Pacific, and IFLR 1000, 2008 – 2016*.

Commercial Contracts and Litigation

- Recommended firm for ‘Dispute Resolution’ in China and Hong Kong by *Legal 500 Asia Pacific and Chambers Asia Pacific, 2008 – 2016*.
- Greater China Dispute Resolution Firm of the Year at *Chambers Asia Pacific Awards, 2015*.
- Dispute Resolution Firm of the Year in *China Business Law Journal, 2015*.
- Ranked one of the top ten firms for arbitration in *Global Arbitration Review “GAR30”, 2015*.

Intellectual property

- Top-tier ranking for ‘Intellectual Property’ in China and Hong Kong in *Chambers Asia Pacific and Legal 500 Asia Pacific 2014 – 2016*.
- TMT International Law Firm of the Year by *China Law & Practice Awards, 2015*.
- Intellectual Property Firm of the Year in *China Business Law Journal, 2015*.

Real Estate

- Recommended firm for ‘Real Estate’ in Hong Kong and China by *Legal 500 Asia Pacific and Chambers Asia-Pacific, 2008 – 2016*.
- Awarded for ‘Construction & Real Estate’ at the *China Business Law Awards 2013*.

Tax

- Top Tier VAT and indirect tax, *The Legal 500 2016*.

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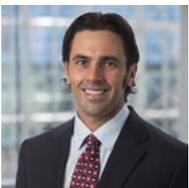


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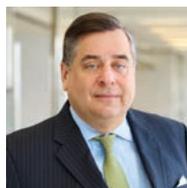
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