

Summary of Measures on Administration of Overseas Investment (promulgated on March 16, 2009)

On March 16th, 2009, the Ministry of Commerce (the “MOFCOM”) promulgated the Measures on Administration of Overseas Investment (the “Measures”), which will become effective and replace the current Regulations on Items Subject to Approval of Overseas Investment for Establishing Enterprises and the Regulations on Items Subject to Approval of Overseas Investment for Establishing Enterprises in Hong Kong Special Administrative District and Macau Special Administrative District by Domestic Enterprise on May 1st, 2009. Overseas Investment subject to the Measures refers to establishment of non-financial enterprises or acquisition of ownership, control, or management rights of existing non-financial enterprises outside China by enterprises incorporated under the PRC laws (the “Enterprises”). Compared with the regulations currently effective, the Measures grants more powers to provincial branches of the MOFCOM (the “Local MOFCOM”) that will decide most overseas projects, as well as simplifies the examination and approval procedure.

Pursuant to the Measures, the following overseas investments of an Enterprise shall be subject to the approval of the MOFCOM: (i) investment in countries with no diplomatic relations with China; (ii) investment in certain countries or regions as listed by the MOFCOM, the Ministry of Foreign Affairs and other relevant authorities; (iii) overseas investment with investment from Chinese investors in an amount of US\$100,000,000 or more; (iv) overseas investment involving interests of more than one country or region; or (v) establishment of overseas special-purpose vehicles, that is offshore companies directly or indirectly controlled by Enterprises for purpose of listing of corporate interests held by such Enterprises in China on overseas stock exchanges. Besides, the following overseas investments of an Enterprise other than central state-owned Enterprises shall be subject to the approval of the Local MOFCOM: (i) overseas investment with investment from Chinese investors in an amount of more than US\$10,000,000 (including \$10,000,000) but less than US\$100,000,000; (ii) overseas investment in energy or minerals industries; or (iii) overseas investment that need to attract investors in China. Enterprises conducting the aforementioned investment projects shall submit application documents in accordance with the Measures and the MOFCOM or the Local MOFCOM will decide whether to approve the projects.

For any overseas investment projects other than aforementioned projects, if conducted by a central state-owned Enterprises, the investment shall be subject to approval of the MOFCOM and if conducted by an Enterprise other than central state-owned Enterprises, the investment shall be subject to approval of the Local MOFCOM, but the examination and approval procedures are much easier than procedures for the projects mentioned in the last paragraph. The Enterprises will only be required to submit a specific application form, and as long as the form is completed

pursuant to the relevant laws and regulations, the authority will approve the investment within three working days after the submission.

Please kindly note there are some unclear provisions in the Measures and such provisions will be subject to interpretation of the relevant authorities in the process of enforcement.

If you have any questions to the above, please feel free to contact us. Thank you.

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If you have any questions regarding this publication, please contact:



Beijing Office

Tel.: +86-10-8525 5500
Suite 906, Office Tower C1
Oriental Plaza, 1 East Chang An Ave.
Beijing 100738, P. R. China

Leia ZHANG Attorney at-law

Tel.: +86-10-8525 5547
Email: leia.zhang@hankunlaw.com

Wenyu JIN Attorney at-law

Tel.: +86-10-8525 5557
Email: wenyu.jin@hankunlaw.com



Shanghai Office

Tel.: +86-21-6080 0919
Suite 5709, Tower 1, Plaza 66,
1266 Nanjing West Road,
Shanghai 200040, P. R. China

Yinshi CAO Attorney at-law

Tel.: +86-21-6080 0980
Email: yinshi.cao@hankunlaw.com

Joseph HWANG Attorney at-law

Tel.: +86-21-6080 0988
Email: joseph.hwang@hankunlaw.com



Shenzhen Office

Tel.: +86-755-2681 3854
Suite 4715, Diwang Commercial Centre,
Shun Hing Square, 5002 Shennan Dong
Lu, Luohu District, Shenzhen, P. R. China

Jason WANG Attorney at-law

Tel.: +86-755-2681 3854
Email: jason.wang@hankunlaw.com