

LEGAL AND TAX ASPECTS OF

M & A S

AND

J V S

28 - 29 July 2005
Sheraton Towers Hotel, Singapore

IN CHINA

KEY ISSUES TO BE ADDRESSED:

- Legal & regulatory updates and developments of JVs & M&As in China
- Impact of anti-trust, anti-monopoly & competition laws on investments
- Successfully structuring the deal: Legal & Tax perspectives
- Legal & financial due diligence in financing JVs & M&As
- Evaluating acquisition options and complying with laws and policies
- Updates and developments of tax policies and tax reforms
- Tax ramifications to buyers and sellers
- Overcoming difficulties and minimizing risks in your investments
- Order No. 8 new opportunities in retailing & wholesaling
- Protecting and preserving intellectual property rights

AND 3 CASE STUDIES:

- ▶ Legal & Tax implications and Double Tax Agreements (DTA) considerations for structuring FIEs in China
- ▶ Tax planning considerations and strategies
- ▶ Tax Due Diligence issues

PLUS OPTIONAL 1-DAY PRE-CONFERENCE WORKSHOP INCLUDING 2 SESSIONS on 27 July 2005

Morning Session:

"MERGERS AND ACQUISITIONS IN CHINA - LEGAL ISSUES AND RISKS"

Led by: **Marco Gervasi**, *Corporate Lawyer, China Corporate Services Division*
Dezan Shira & Associates, China

Afternoon Session:

"PRACTICAL TECHNIQUES FOR CREATING YOUR 5-YEAR TRANSFER PRICING AND CHINA CASH REPATRIATION STRATEGIES"

Led by: **Dr Glenn DeSouza**, *National Leader Transfer Pricing Services*
PricewaterhouseCoopers, China

Gain First Hand Practical Advice and Insights from Legal Practitioners & Tax Experts:

- ✿ **Philip KH Wong, Kennedy YH Wong & Co., Solicitor & Notaries, China**
Hubert Tse
Foreign Lawyer & Representative, Shanghai Office
- ✿ **Dezan Shira & Associates, China**
Marco Gervasi
Corporate Lawyer, China Corporate Services Division
- ✿ **Shanghai Jin Mao Law Firm, China**
David Wang, Partner
- ✿ **WongPartnership**
Ang Yong Tong, Partner
- ✿ **Lee Fook Hong & Co**
Dr Lee Fook Hong, Principal Consultant
- ✿ **Ong & Lau**
Rosa Koo, Associate
- ✿ **Nexia Tan & Sitoh**
Nexia China
Henry Tan, Senior Partner & Chairman
- ✿ **Wadley Business Consulting, China**
Weir & Associates, HK and International Lawyers, China
Michael Wadley, Managing Director
- ✿ **China Tax & Investment Consultants, Hong Kong**
Alfred Chan, Director
- ✿ **Greater China Consult**
Andrew Ng, Chief Executive Officer
- ✿ **Loyens & Loeff**
Pieter de Ridder, Tax Partner
- ✿ **Deloitte Touche Tohmatsu, Hong Kong**
Anthony Tam, Deputy Tax Managing Partner
- ✿ **PricewaterhouseCoopers, China**
Dr Glenn DeSouza
National Leader Transfer Pricing Services
- ✿ **PricewaterhouseCoopers**
Nicole Fung, Tax Director
- ✿ **Baker & McKenzie, Hong Kong**
Chiang Ling Li, Partner
- ✿ **Hewlett-Packard**
Steven Shee, Asia Pacific Tax Director

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DAY ONE: 28 JULY 2005, THURSDAY

8.00 REGISTRATION AND MORNING COFFEE

9.00 **CHAIRPERSON'S WELCOME AND
OPENING REMARKS**

Anthony Tam

Deputy Tax Managing Partner

Deloitte Touche Tohmatsu, Hong Kong

9.15 **HOW TO CAPITALIZE ON THE NEW OPEN
MARKET MOVES**

- Order No. 8 — the opening-up of trading, wholesaling, retailing and franchising
- Practical experiences when securing approvals with regard to Order No. 8
- Tax consequences and capital requirements

THE PLANNED TAX REFORM

- The timing of China's tax reform
- Likely changes with regard to tax holidays, preferential tax zones, and headline enterprise income tax (EIT) rate
- Using strategies for dealing with tax reform, such as logistics park and tax holiday refreshers

Dr Glenn DeSouza

National Leader Transfer Pricing Services

PricewaterhouseCoopers, China

10.15 MORNING REFRESHMENT

10.30 **SETTING A 5-YEAR TRANSFER PRICING
STRATEGY**

- The 2004 Advance Pricing Agreement (APA) regulations - our experiences
- Potential introduction of documentation requirements
- Integrating Transfer Pricing (TP) into tax reform
- New OACD regulations

Joint Presentation

Dr Glenn DeSouza

National Leader Transfer Pricing Services

PricewaterhouseCoopers, China

&

Nicole Fung, Tax Director

PricewaterhouseCoopers

11.15 **UPDATES & DEVELOPMENTS OF CHINA
TAX POLICIES - HOW IT IMPACTS YOUR JV
/ M&A DEALS**

- Overview of China's tax policies
- Implications of tax reforms to foreign investors
- Future tax reforms impacting foreign investments in China

- Challenges faced by foreign companies in dealing with China's tax policies
- Overcoming challenges faced in China's current tax policies

Dr Lee Fook Hong, Principal Consultant

Lee Fook Hong & Co

12.00 LUNCH

1.00 **LEGAL & FINANCIAL DUE DILIGENCE IN
FINANCING JVs & M&As IN CHINA**

- Legal due diligence when assessing Chinese acquisition targets & partners
- Land use rights
- Asset valuations
- Financial due diligence on Chinese companies
- Deal structuring

Marco Gervasi, Corporate Lawyer, China

Corporate Services Division

Dezan Shira & Associates, China

1.45 **TAX EFFICIENT STRUCTURING OF THE
INVESTMENT IN CHINA**

- The operations in China (transfer pricing, contract manufacturing)
- The holding structure
- The financing of the Chinese operations
- The use of intellectual property (know how, trademarks, etc) in China
- The usefulness of service fees as a means to optimise the structure
- Tax ramifications to buyer & seller - Asset vs Share deal

Pieter de Ridder, Tax Partner

Loyens & Loeff

2.30 **CASE STUDY ON TAX DUE DILIGENCE**

- Income tax issues
- Indirect tax issues
- Transfer pricing issues
- Group structure of target
- Other cross-border tax issues

Anthony Tam

Deputy Tax Managing Partner

Deloitte Touche Tohmatsu, Hong Kong

3.15 AFTERNOON REFRESHMENT

3.30 **PRC COMPANY LAW, ACCOUNTING, FOREIGN
EXCHANGE AND TAX IMPLICATIONS IN M&As**

- Acquisition of assets
- Acquisition of shares in un-listed company
- Acquisition of shares in listed company
- Share transfer in JV
- Considerations on PRC tax, accounting, company law and foreign exchange requirements

Alfred Chan, Director

**China Tax & Investment Consultants,
Hong Kong**



MIZATION IN YOUR M&A / JV DEAL IN CHINA

- 4.15 **CASE STUDY ON EFFICIENT TAX STRATEGIES FOR FIEs IN CHINA**
- CASE STUDY**
- Determining the appropriate form of M&A
 - Application rulings
 - Tax planning considerations
 - Allocation of tangible and intangible assets
 - Non-tax considerations
- Steven Shee, Asia Pacific Tax Director
Hewlett-Packard**

5.00 END OF DAY ONE

DAY TWO: 29 JULY 2005, FRIDAY

8.30 MORNING COFFEE

- 9.00 **CHAIRPERSON'S WELCOME AND OPENING REMARKS**
- Hubert Tse**
*Foreign Lawyer & Representative,
Shanghai Office*
- Philip KH Wong, Kennedy YH Wong & Co.,
Solicitor & Notaries, China**

- 9.15 **REGULATORY UPDATES AND DEVELOPMENTS OF LAWS & POLICIES GOVERNING JV & M&A INVESTMENTS IN CHINA**
- Current laws and policies of JVs / M&As
 - Update on anti-trust, anti-monopoly & competition laws: How China's law reforms impact JV / M&A investments
 - Exchange controls & foreign remittance
 - Overcoming legal obstacles & difficulties faced by FIEs
 - Future developments of the laws and policies and its implications on interested parties
- Hubert Tse**
*Foreign Lawyer & Representative,
Shanghai Office*
- Philip KH Wong, Kennedy YH Wong & Co
Solicitors & Notaries, China**

10.00 MORNING REFRESHMENT

- 10.15 **SUCCESSFULLY STRUCTURING THE JV / M&A DEAL IN CHINA**
- Asset deals vs equity deals
 - Structure the deals to serve various purposes
 - PRC legal framework and its defects
 - Notable statutory requirements and restrictions
 - Negotiation of contracts: pitfalls to avoid
- David Wang, Partner
Shanghai Jin Mao Law Firm, China**

11.00 **PROTECTING AND ENFORCING INTELLECTUAL PROPERTY RIGHTS IN CHINA**

- Overview of the IP laws in China
 - How to register & protect your IPs
 - Preventing counterfeits - enforcement of action plan
- Chiang Ling Li, Partner
Baker & McKenzie, Hong Kong**

11.45 **PRACTICAL ASPECTS OF PRC ACQUISITIONS AND PRC OPERATIONS - COMMON ISSUES AND PRACTICAL SOLUTIONS**

- Key areas of business operations to focus on in the acquisition negotiations and in the business by reference to a case study,
 - HR issues, both for the local (including acquired) and foreign employees, 'unionisation' in China
 - Procurement and Sourcing - what can you do with newly permitted investment vehicles that you can't do from home with reference to the new trade laws
 - Structuring to protect and preserve your IP
- Michael Wadley, Managing Director
Wadley Business Consulting, China
&
China Managing Director
Wier & Associates, HK and International
Lawyers, China**

12.30 LUNCH

1.45 **DISPUTE RESOLUTION IN M&A DEALS: ARBITRATION vs LITIGATION**

- Update of China's dispute settlement and legislation
 - Pros & cons of arbitration
 - Preventive measures: drafting contracts to minimise disputes
 - Case study on recent dispute resolution
- Ang Yong Tong, Partner
WongPartnership**

2.30 **EVALUATING & EXECUTING ACQUISITIONS IN CHINA**

- Regulatory procedures for M&A transactions
 - Managing risks in M&A, JV transactions
 - Buying out a Chinese JV partner
 - Legal considerations on exit strategy
- Rosa Koo, Associate
Ong & Lau**

3.15 AFTERNOON REFRESHMENT

**FOR ENQUIRIES AND REGISTRATION:
CALL (65) 6536 8676 OR (65) 6536 8437**

3.30 **STRATEGIES FOR SUCCESSFULLY INVESTING IN JVs / M&As IN CHINA**

- Aligning acquisition objectives with overall strategic goals
- Target & market analysis and the importance of real time information
- Availability of right human capital & resources
- Crafting out the right strategies, risk assessments & exit options
- Identifying the right partner and motivating your partners

Andrew Ng, *Chief Executive Officer*
Greater China Consult

4.15 **CASE STUDY OF SUCCESSFUL STRUCTURING OF FIEs IN CHINA**



- Legal and tax implication of options
- Dividend flow consideration
- Double Tax Agreements (DTA) consideration
- Flexibility of structure

Henry Tan
Senior Partner, Nexia Tan & Sitoh
&
Chairman, Nexia China

5.00 **END OF CONFERENCE**

KEY BENEFITS OF ATTENDING

- ✓ **BE UPDATED** on the latest laws and regulations
- ✓ **UNDERSTAND** legal & financial due diligence issues
- ✓ **IDENTIFY** preventive measures and dispute resolution options
- ✓ **EXPLORE** successful strategies for investing in China
- ✓ **BE PREPARED** for tax reforms and structure your investments for success
- ✓ **MANAGE** your intellectual property rights in your investments
- ✓ **NETWORK** with legal practitioners, key experts and tax specialists

WHO SHOULD ATTEND

CEO's ■ CFO's ■ Regional Finance Directors & Managers ■ Financial Controllers ■ Tax Directors & Managers ■ Tax Specialists ■ Tax Advisors ■ Corporate Legal Counsels ■ Business Development Managers ■ Accountants ■ Venture Capitalists ■ Market Researchers & Analysts

**1-Day Pre-Conference Workshop (2 Sessions)
on 27 July 2005, Wednesday**

Morning Session: 9.00am - 12.30pm

**"MERGERS AND ACQUISITIONS IN CHINA
- LEGAL ISSUES AND RISKS"**

Led by **Marco Gervasi**, *Corporate Lawyer, China Corporate Services Division, Dezan Shira & Associates, China*

WORKSHOP OBJECTIVE & OUTLINES

So you are interested in buying or merging with a Chinese company? What do you need to think about?

In this workshop, Marco will set out the key issues when assessing your Chinese partner or target for an acquisition or a joint venture. He will cover pre-incorporation issues, asset evaluation and other detailed aspects of business operations, as well as implications of inheriting local employees and their liabilities. He will also share his expertise on how to structure an acquisition, whether investing onshore or offshore. In addition, Marco will emphasize the importance of legal, financial and operational due diligence on partners and targets and explain Chinese and international financial standards and reporting.

WORKSHOP FACILITATOR

Marco heads the China Legal Team at **Dezan Shira & Associates** and has worked as a corporate lawyer with the Capital Markets Team of Clifford Chance both in Milan and Shanghai. Marco specializes in initial public offerings (IPOs), cross-border takeovers and private equity and is primarily involved in company and investment structuring in China. Dezan Shira & Associates is one of China's premier independent business consultancy, specializing in corporate tax compliance and business structuring.

LUNCH

Afternoon Session: 1.30pm - 5.00pm

**"PRACTICAL TECHNIQUES FOR CREATING YOUR 5-YEAR
TRANSFER PRICING AND CHINA CASH
REPATRIATION STRATEGIES"**

Led by **Dr Glenn DeSouza**, *National Leader Transfer Pricing Services, PricewaterhouseCoopers, China*

WORKSHOP OBJECTIVE & OUTLINES

China is going through a period of significant change with regard to Transfer Pricing (TP) as well as market opening and tax reform. In 2004, the State Administration of Taxation (SAT) issued Circular Guoshuifa 143, updating the transfer pricing regulations, and also Circular Guoshuifa 118 establishing new regulations for Advance Pricing Arrangements (APAs). In addition, SAT may also be considering new regulations on other significant transfer pricing matters. At the same time, multinational companies in China are restructuring to take advantage of the new market opening opportunities such as retailing, wholesaling and franchising. MNCs are also restructuring in anticipation of the new tax reform in the fluid environment. Establishing a sustainable TP policy is a matter of considerable challenge. Dr DeSouza will offer a hands-on introduction to these new developments and the best practices for creating a five-year TP planning.

Cash repatriation is an on-going challenge for foreign companies with operations in China. Dr DeSouza will describe how to select the most tax-efficient alternatives by showing how to compare the tax burden on dividends, technology royalty, trademark royalty, technical service fees and cost sharing. The discussion will also cover matters such as withholding tax, business tax, and customs duty.

WORKSHOP FACILITATOR

Dr Glenn Desouza, Ph.D. (Economics) is the National Leader of **PricewaterhouseCooper's** China Transfer Pricing Group. He has performed over 150 projects of the largest US, European and Japanese investors in China involving APAs, audit defense, documentation, restructuring, cash extraction, invoicing, investment vehicles and tax planning.

WORKSHOP TIMETABLE

Registration starts at 8.30am; Workshop commences at 9:00am and concludes at 5.00pm. Workshop materials, lunch and refreshments will be provided.

BE UPDATED ON THE LATEST LEGAL & TAX POLICIES AND STRUCTURE YOUR M&A / JV DEALS FOR SUCCESS

“M&A deals in Asia have jumped by 75% in value in the first quarter of 2005, with China ranked 3rd with US\$6,173m worth of M&A deals... China topped the region for cross-border deals, with 148 deals valued at US\$3.5 billion.”

Business Times, Singapore, 4 April 2005

With China's WTO entry and the PRC government's relaxation of investment regulations, bilateral trade between China and Singapore rose 44.5% from a year earlier to \$53.3billion. According to a survey by accounting and consulting firm Grant Thornton International, one-in-five of the Singapore companies polled have a presence in China, among the highest in the region, and another 5 per cent are considering setting up there. In addition, more than 1-in-4 of those polled have seen their businesses expand in the past 2-3 years in the light of the booming China market. The growing interest in JV / M&A deals in China has also extended to countries beyond Asia as organizations around the world clamour for a piece of the action in China.

This key 2-day conference on “**Legal & Tax Aspects of M&As and JVs in China**” is a “must” for investors looking at the fast-growing China market. It will update you on the latest regulations, developments and tax strategies concerning M&A and JV investments in China. Learn to structure your M&A / JV deals to meet the complex regulations and reap maximum profits. If you already have investments in China, do not miss this opportunity to hear the latest from this impressive line-up of experts & specialists and learn new strategies to secure the best returns on your investments.

Hear first hand about the current and future developments in the laws and policies from **Hubert Tse**, *Foreign Lawyer & Representative, Shanghai Office*, **Philip KH Wong, Kennedy YH Wong & Co., Solicitor & Notaries, China**. Hubert will also be sharing his expertise on successfully overcoming legal obstacles faced by FIEs. Philip KH Wong, Kennedy YH Wong & Co. is a Hong Kong law firm with offices in Shanghai and Beijing. The firm was the first Hong Kong law firm to open an office in Shanghai in 1992 and has handled many large scale PRC investment projects in recent years.

Marco Gervasi, *Corporate Lawyer, China Corporate Services Division*, **Dezan Shira & Associates, China**, will be sharing his expertise on legal due diligence considerations when assessing Chinese acquisition targets and partners. Dezan Shira & Associates is one of China's largest independent consulting firm, specializing in advising international businesses on their corporate structuring and on-going compliance for their China investments.

Proper tax planning is critical when making any investment and even more so when venturing into the China market. Getting it right will significantly improve your bottomline. Our line-up of distinguished tax specialists will share practical solutions on the latest China tax issues.

- **Pieter de Ridder**, *Tax Partner, Loyens & Loeff*, will present on efficiently structuring your investments in China, as well as tax effective financing of China operations. He will also cover the use of service fees and royalties in China. Loyens & Loeff is an independent full service law firm with integrated corporate law and tax practices.
- **Dr Lee Fook Hong**, *Principal Consultant, Lee Fook Hong & Co*, will give an update of the various developments in China's tax policies, highlighting implications of tax reforms to foreign investors.
- **Dr Glenn DeSouza**, *National Leader Transfer Pricing Services, PricewaterhouseCoopers, China*, will share his expertise on how the New Order No. 8 has opened up and presented many new opportunities for retailing and wholesaling in China. He will also discuss the Planned Tax Reform in China and how companies can use various strategies for dealing with these tax reforms, such as logistics park and tax holiday refreshers.

PLUS

An Optional 1-Day Pre-Conference Workshop on:

**“MERGERS AND ACQUISITIONS IN CHINA - LEGAL ISSUES AND RISKS” &
“PRACTICAL TECHNIQUES FOR CREATING YOUR 5-YEAR TRANSFER PRICING AND
CHINA CASH REPATRIATION STRATEGIES”**

Don't miss this opportunity to attend this key event of the year! Reserve your place today!
For Enquiries and Registration: Call (65) 6536 8676 OR (65) 6536 8437 Email to marcy.chong@abf.com.sg

REGISTRATION FORM

LEGAL AND TAX ASPECTS OF M&As AND JVs IN CHINA CONFERENCE (28-29 JULY 2005) & WORKSHOP (27 JULY 2005)

28 - 29 July 2005 * Sheraton Towers Hotel, Singapore

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Please tick (✓) your choice session(s)

- 2-Day Conference + 1-Day Workshop (27-29 July 2005)
- 2-Day Conference only (28-29 July 2005)
- 1-Day Workshop only (27 July 2005)

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Conference + Workshop	S\$3,190 + 5% GST*	S\$3,390 + 5% GST*

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If you are unable to attend, a substitute delegate is welcome at no extra charge. Please provide the name and the title of the substitute delegate at least 2 days prior to the Conference. A refund less 10% administrative charge will be made for cancellation received in writing by **7 July 2005**. A complete set of conference documentation and a 50% refund will be given for cancellation received by **18 July 2005**. Regrettably, no refund can be made for cancellation received after 18 July 2005. A complete set of documentation will however be sent to you.

The organiser reserves the right to make any amendments and/or changes to the programme, venue, speaker replacements and/or topics if warranted by circumstances beyond its control.