

## Legal Aspects of International Investment and Mergers and Acquisitions of Enterprises

As Mainland enterprises continue to grow bigger,  
“going global” becomes the trend.

What options are available when enterprises seek to invest outside China?  
What factors should be taken account of when mergers and acquisition of foreign businesses are being considered?

What roles do Hong Kong lawyers play in the issues involved?

### Supplementary Information

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These aspects will be discussed in the following sections:

1. Initial Framework and Legal Basis of the Going Global Strategy;
2. The Current Status and Challenges for Foreign Trade, International Investment and M&A of Enterprises;
3. Successful and Unsuccessful Examples / Recent Trend and Adjustments / Formation of the Value Chain Concept;
4. The (a) General Legal Issues and (b) Special Legal Issues in the Adjusted Going Global Strategy; Practice and Legal Consideration of Cross-Border Investment of Private Enterprises;
5. Hong Kong as Platform and Springboard for State-owned, Government-owned and Private Enterprises / Characteristics and Roles of Hong Kong Lawyers

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### 1. Initial Framework and Legal Basis of the Going Global Strategy: Initial Framework

In October 2000, the Going Global Strategy was initially introduced at the Fifth Plenary Session of the 15th CPC Central Committee. The objectives of the strategy are set out in the “Suggestions of the CCCPC on Formulating the Tenth Five-Year Plan for Economic and Social Development” as follows:

- ✓ To expand the possibilities for national economic development;
- ✓ To stimulate the export of goods and labour services;
- ✓ To pursue diversification of the market and origins of domestic products;
- ✓ To acquire the resources necessary to meet the national demand;
- To foster multinational corporations and recognized brands with Chinese origin;
- To facilitate economic growth and create employment opportunities in the host country;
- To promote mutual development;
- To reduce trade friction.

✓ areas with more concrete results

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### 1. Initial Framework and Legal Basis of the Going Global Strategy: Legal Basis

Ministry of Commerce: Regulations on Examination and Approval of Investment in and Establishment of Enterprises in Hong Kong and Macao Special Administrative Regions by Mainland Enterprises (No. 452 [2004] of the Ministry of Commerce: 31 August 2004);

Ministry of Commerce: Regulations on Examination and Approval of Investment in and Establishment of Overseas Enterprises (Order No. 16 [2004] of the Ministry of Commerce: 10 October 2004);

Ministry of Commerce: Management Measures for Overseas Investment (Order No. 5 [2009] of the Ministry of Commerce: 16 March 2009) (the “Measures”);

National Development and Reform Commission (NDRC): Interim Management Measures for Examination and Approval of Overseas Investment Projects  
State-owned Assets Supervision and Administration Commission (SASAC): Law of the People's Republic of China on State-owned Assets of Enterprises;  
State Administration of Foreign Exchange (SAFE): Provisions on Foreign Exchange Control in Connection with Overseas Direct Investment by Domestic Entities

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## 1. Initial Framework and Legal Basis of the Going Global Strategy: Legal Basis

The Measures entered into force on 1<sup>st</sup> May 2009 and the Regulations released in 2004 were repealed from the same date;

1. A new system is introduced under which a Certificate will be granted upon approval by the Ministry of Commerce or a Provincial Branch Office. Where an application is rejected, the applicant is entitled to apply for administrative review or commence administrative proceedings;
2. Enterprises shall complete the relevant foreign exchange, banking, customs and foreign affairs formalities upon receipt of the Certificate and shall be entitled to benefit from relevant supporting policies;
3. Enterprises shall obtain prior approval from the relevant authorities before entering into investment contracts and agreements with foreign parties;
4. Where an enterprise fails to complete the investment formalities within 2 years after the issue of the Certificate, the Certificate shall automatically expire;
- \*5. The Measures clarifies that a "Special Purpose Vehicle" refers to an overseas company directly or indirectly controlled by an enterprise for the purpose of realizing an overseas listing of the rights and interests actually owned by such enterprise in a domestic company.

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## 2. The Current Status and Challenges for Foreign Trade, International Investment and M&A of Enterprises: Current Status

Guidelines of the Ministry of Commerce on Foreign Investment Cooperation in 2010:  
8 March 2010

- Foreign direct investment (non-financial sectors) in 2009 – US\$43.3 billion      ↑6.5%
- Newly approved foreign-funded investment projects over the same year – US\$126.2 billion      ↑20.7%
- Revenue from foreign labour cooperation over the same year – US\$8.91 billion      ↑10.6%
- Total overseas labour force over the same year – 778K      ↑38K

It is estimated that China's non-financial FDI in 2010 can reach US\$60 billion. As of the end of 2009, China has accumulated US\$220 billion in foreign direct investment – switching from Green-field Investment to the international M&A projects.

"...expedite the implementation of the Going Global Strategy; encourage industries whose products are in demand in foreign markets to systematically relocate their production capacity overseas; support qualified enterprises to carry out overseas M&A; intensify the mutually-beneficial cooperation concerning foreign resources..."  
(Government Work Report delivered by Wen Jiabao, Premier of State, at the 11<sup>th</sup> NPC on 15 March 2010)

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## 2. The Current Status and Challenges for Foreign Trade, International Investment and M&A of Enterprises: Challenges

According to FT on February 21, 2010, China has overtaken Germany as the world's largest exporting country. This might lead to more trade barriers.

The FT finds little importance in topping the chart. The most significant concerns are the composition and value added of the export products. As China is still focusing on processing trade and OEM, the export value added is relatively low.

As stated in the article, the US and EU frequently initiate anti-dumping investigations against China and impose punitive tariffs on the Country. Paul Krugman, winner of the Nobel Memorial Prize in Economics, stated in his New York Times article that the export earnings as a result of China's mercantilism, which is an invading policy, has endangered the world's benefit.

"China Facing New Trade Barriers"; Source: Economic & Commercial Office, Embassy of the PRC in India

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## 2. The Current Status and Challenges for Foreign Trade, International Investment and M&A of Enterprises: Challenges

External:

- Anti-trust; anti-competition;
- Anti-dumping;
- Countervailing duties;
- Unfair competition advantage;
- International skepticism.

Internal:

- Environmental pollution;
- Labour shortages and employees' emotional health;
- Counteract.

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## 2. The Current Status and Challenges for International Trade, Investment, and M&A of Enterprises: Anti-trust

The 3 key elements of Anti-trust:

- (1) Prohibit restrictive and cartel acts
  - (2) Prohibit the abuse of monopoly position
  - (3) Prohibit control, centralization or M&A.
- The plaintiff may request 3 times the damages caused;
  - Civil compensation alongside with criminal prosecution;
  - “Extraterritorial Jurisdiction”: prosecution is possible as long as the monopoly act affects the price of a product of the same type in the US.

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## 2. The Current Status and Challenges for International Trade, Investment, and M&A of Enterprises: Anti-trust

Cartel:

1. The case of Huayuan Pharmaceutical Group and the 4 major manufacturers of Vitamin C in China (Vitamin C Case)

Facts: On 6 December 2002, 6 manufacturers of Vitamin C entered into a cartel agreement on the export volume and price of Vitamin C at the Chinese Ministry of Commerce.

Charges: purposively manipulating the supply to cause a shortage in the global Vitamin C market, lifting the price and earning excess profit.

2. 10 manufacturers of Magnesite in Liaoning Province entered into a cartel agreement (Magnesite Case)

Facts: In March 2003, the “China Magnesite Forum” was incorporated by the Chinese Magnesite Export Association to enhance self-discipline and cooperation among members.

Charges: Avoiding competition through price manipulation

The M&A of “Monopoly, Manipulation, Centralization”:

On 27 July 2006, the EU disapproved the indirect acquisition of Burg Industries by International Marine Containers (Group) Ltd (CIMC), as it might lead to an anti-trust situation.

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## 2. The Current Status and Challenges of International Trade, Investment, and M&A of Enterprises: Anti-dumping

“Anti-dumping”: Where a company exports a product at a price lower than the price it normally charges in its home market, it is said to be “dumping” the product.

From 1995 to 2008, the top 5 countries being investigated on “anti-dumping” are:

China	:	677 cases;
South Korea	:	252 cases;
USA	:	189 cases;
Taiwan	:	187 cases; and
Indonesia	:	145 cases.

In October 2009, the EU ruled that the seamless steel drill pipes imported from China would threaten the steel industry in Europe. The EU decided to impose on the 9 steel enterprises, including Hubei Xinyegang Steel Co. Ltd., definitive anti-dumping duties ranged from 17.7% to 39.2%.

After the investigation has begun, China’s steel pipes industry has ceased exports to Europe. From 2009 to May 2010, more than half of the 3000 seamless steel drill pipes enterprises in China stopped or restrained their production, over a thousand tons of export products returned to the domestic market.

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## 2. The Current Status and Challenges of International Trade, Investment, and M&A of Enterprises: Countervailing Duties

“Countervailing”: Where a country provides subsidy for a domestic industry, which caused negative effects on another country, the affected country may impose countervailing duties on that country.

Between 1995 and 2008, the top 5 countries and territories being investigated on countervailing acts are India (45 cases); China (23 cases); South Korea (16 cases); Italy (13 cases); and Indonesia (11 cases). The first investigation on China only took place in 2004.

In the past two years, the US combined anti-dumping and countervailing actions.

- Since 2009, the US has initiated 26 cases on “anti-dumping” and “countervailing” against China;
- On 21 April 2010, the US Department of Commerce initiated anti-dumping and countervailing investigations on China’s aluminium extruded products;
- In May 2010, on the same day Hillary Clinton and Time Geithner left Beijing, the US Department of Commerce imposed anti-dumping duties from 69.58% to 95.4% and countervailing duties of 109.11% on some of the potassium phosphate imports from China.
- In June 2010, the US Department of Commerce imposed anti-dumping duties from 136.76% to 141.18% and countervailing duties of 62.46% on steel gratings imports from China.

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## 2. The Current Status and Challenges of International Trade, Investment, and M&A of Enterprises: Unfair Competition Advantage

### Export Restrictions on Essential Raw Materials

On 23 June 2009, the US and EU launched a formal dispute against China at the WTO over China's measures to restrict export of certain raw materials, including bauxite, coke, fluorite, magnesium, manganese, silicon metal, silicon carbide, yellow phosphorus, and zinc, to conserve resources. The US and EU believe that the measure was to impair the manufacturing industry of foreign countries through restricting the export of the raw materials, indirectly creating a special advantage for the manufacturing industries in China, so-called the "unfair competition advantage." On 31 May 2010, the WTO criticized China for implementing export restrictions on raw materials.

The controversy over RMB exchange rate.

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## 2. The Current Status and Challenges of International Trade, Investment, and M&A of Enterprises: International Skepticism

1. The Trojan Horse Incident : The Times reported in February 2010 that MI5 has warned UK companies that spywares might be installed in free computer devices given out by Chinese companies in trade events.  
  
In April and May 2010, there were rumours that India prohibited the import of telecommunication equipments produced by Huawei and CZOAO because of security reasons. India has also veto 109 deals with China. According to official sources in India in June, local carriers can resume the import of Chinese equipments as long as they have obtained recognition from international approval bodies.
2. Evasion of Penalties : China accounted for 94.2% or over US\$200 million of all uncollected anti-dumping and countervailing duties in FY 2009.
3. Shifting the Burden Foreign Countries : In March 2010, Vietnamese media complained that to China and other regions moved their factories to Vietnam in order to avoid "anti-dumping" taxes. This has caused indirect losses to legitimate Vietnamese producers.
4. State Interests : China Minmetals Corporation's attempt to acquire Noranda was terminated in November 2004 due to the Canadian government's concerns for protection of state interests. The transaction was aborted by failure to achieve completion within the specified negotiation period (November 2004).

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## 2. The Current Status and Challenges of International Trade, Investment, and M&A of Enterprises: Environmental Protect / Labour Disputes / Counteract

### Environmental Protection

There are a number of environmental protection legislations in force: "Environmental Protection Law of the PRC", "Law of the PRC on Prevention and Control of Water Pollution", "Law of the PRC on Prevention and Control of Air Pollution", "Law of the PRC on Prevention and Control of Noise Pollution", "Law of the PRC on Prevention and Control of Solid Waste Pollution", "Implementation Rules on the Law of the PRC on Prevention and Control of Water Pollution" and "Implementation Rules on the Law of the PRC on Prevention and Control of Air Pollution".

### Labour Disputes

In May 2010, strikes hit Honda's plant in Foshan City, Guangdong, which led to a pay rise of 24% in June. The 12<sup>th</sup> employee of Foxconn committed suicide in 2010. This led to a 20% pay rise in May and another 30% in June, followed by a third pay rise of 66.7% on 8 June 2010.

### Counteract

"If the Chinese government employs the "an eye for an eye, a tooth for a tooth" approach, it could place China in a legal status equivalent to other countries."

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## 3A. Successful and Unsuccessful Examples of M&A: Successful

1. Lenovo acquired the PC business of IBM and its ranking in the global PC market rose from 9th to 3rd. After the M&A, the R&D system of IBM PC is wholly owned by Lenovo. IBM's distribution channels optimized the network of Lenovo (December 2004).
2. Haier's brand globalization strategy: 29 manufacturing plants, 8 integrated R&D centers and 19 overseas trade companies (end of 2008).
3. Beijing Automotive Group (BAIC) acquired the intellectual property of Sweden Saab Motors with US\$200 million (December 2009).
4. Geely Automobile successfully acquired the overseas brand Volvo (March 2010).

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### 3A. Successful and Unsuccessful Examples of M&A: Unsuccessful

1. Shanghai Automobile invested 500 million U.S. dollars to acquire South Korea's Ssangyong Motor Company. Due to the complex legal environment and frequent labour disputes in Korea, as well as failure in cooperation and introduction of technology, Ssangyong wound up in Jan 2009.
2. CNOOC's acquisition of Unocal Corporation with US\$18.5 billion has failed as 64 members of the US Congress lobbied against the M&A (June 2005).
3. TCL acquired the business of Thomson Color TV and Alcatel Mobile Phone, which are both French enterprises, in the same year. Thomson sustained a loss, while the cooperation with Alcatel eventually failed after a year (May 2005).
4. The Aluminium Corporation of China ("CHALCO") entered into a cooperation agreement to establish a joint venture with Rio Tinto with an investment of US\$19.5 billion. Rio Tinto withdrew the transaction on 5 June 2009 and paid CHALCO US\$195 million in default (February 2009).

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### 3B. Recent Trend and Strategy Adjustments

#### "CNOOC"

- March 2010: Announced to form a 50:50 joint venture with Argentina oil and gas company Bidas Energy Holdings Ltd (BEH) for a consideration of US\$3.1 billion, and would jointly make management decisions of Bidas Corporation.
- May 2010: Announced its partnership with Turkish National Oil Company and Iraq Drilling. The three companies have 63.75%, 11.35% and 25% of working interest respectively. The contract guaranteed a 10% increase in the current production volume, each barrel of oil of CNOOC would cost US\$2.3 and recover the company's investment through cost recovery mechanism.
- June 2010: Announced its subsidiary's partnership with Australia company Altona Energy to jointly develop the South Australia Archaringa CLT project. Altona has 49% interests in the project.

In June 2009, "Petro China" announced its investment of US\$2.2 billion in Singapore Petroleum to purchase 45% equity interests.

In May 2010, Sinochem announced its acquisition of 40% equity interests in Peregrino (Brazil) from Statoil with a consideration of US\$7.5 billion.

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### 3B. Recent Trend and Strategy Adjustments

In May 2010, SAIC announced its joint-venture partnership with General Motors ("GM") to sell in India mini-trucks manufactured in Guangxi Province. According to the SCMP, it was the first Chinese partnership to expand into a foreign automobile market. SAIC can employ GM's existing distribution network and production resources to explore the Indian market and South Asian markets at a quicker pace.

In March 2010, the Aluminium Corporation of China ("CHALCO") signed a memorandum of understanding to establish a joint venture with Rio Tinto, under which CHALCO will acquire 44.65% interests in the new joint venture by providing US\$1.35 billion by instalments. Once CHALCO settled its payment, Rio Tinto will have 50.35% interests in the joint venture, while the rest will be held by the World Bank. The new venture will mine and operate the Simandou iron ore in Guinea.

In 2009, Legend Holdings enlisted China Oceanwide Holdings Group (Oceanwide) as a major shareholder. Upon completion, the company is 35% owned by the Chinese Academy of Sciences Holdings, 35% by its employee shareholding society, and 29% taken up by Oceanwide. Liu Chuanzhi believes that the acquisition will result in a more stable shareholding structure as a non-state-owned holding company.

In April 2010, it is reported that Huawei has agreed to enter into a mitigation agreement with the US CFIUS to eliminate its worries on whether the company is related to the People's Liberation Army, allowing the US to monitor sensitive manufacturing procedures, while approving Huawei's acquisition of Motorola's fundamental business in commercial mobile network.

In May 2010, Angang announced the 3 memorandums of understanding signed with the US Steel Corporation to set up manufacturing plants in the Mississippi.

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### 3C. Formation of the Value Chain Concept: Behind the Strategy Adjustments

- "The cost of the components of a 16G iPhone is approximately US\$180, its retail price is US\$499, and Apple's profit is between 60-70%; the profit of iPad is even higher..." (Hong Kong Economic Journal, 29 May 2010)
- "...After all, as the OEM model and the most important parts of the products, i.e. the most valuable components, have to be purchased from major manufacturers, it is therefore destined that the net profit won't be high...The most terrible part is that all the negotiations, including setting the price and shipping schedule, are decided between the brands, such as Apple and Motorola, and the manufacturers of the components. In other words, the brands are directly controlling the cost and net profit of Foxconn. Although it seems unfair, most OEM models are functioning in this manner (Hong Kong Economic Journal, 2 June 2010)
- "...the biggest challenge for Chinese enterprises to move up the value chain is how to improve on technology and brand management. This challenge has also opened up the opportunity of partnering with overseas companies that have the technology and branding experience." (Professor Winter Nie, April 2009)
- "in the United States' view, China has become much more focused on developing industrial policy initiatives aimed at helping Chinese enterprises move up the value chain of major sectors..." (Michael Punke, U.S. Ambassador to WTO)

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#### 4. The Challenge of the Going Global Strategy: General Legal Issues

1. The company law of the host country: whether the target company is a limited or unlimited company, listed or private? For example:
  - (a) Hong Kong Companies Ordinance 47A: it is prohibited for the target company or any of its subsidiaries to give financial assistance directly or indirectly for the purpose of equity M&A;
  - (b) Private companies in Hong Kong are not allowed to transfer or issue bearer shares as in other countries and regions.
2. The investment law, commercial law, foreign exchange and anti-money laundering law, tax law, antitrust law, state interests and sensitive industries.
3. Immigration law, labour law, Emigration and Immigration Administration Law
4. Property law, environmental law, intellectual property law, product liability law.
5. Civil litigation, arbitration and mediation.

The majority are within the scope of preliminary legal due diligence.

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#### 4. The Challenge of the Going Global Strategy: Special Legal Issues

1. When there is anti-trust dispute, whether it would be possible to request the Ministry of Commerce to provide supportive comments and appear as "friends of court" (*amicus curiae*) to defend with "sovereign act" and/or "comity of nations" (See Vitamin C Case) or false information in the charges (Magnesite case).
2. When encountering anti-dumping and countervailing, how to proactively provide forceful evidence to explain the special systems of discount, VAT, and invoice regarding export, domestic sale and cost (See wood manufacturers Power Dekor Industries (Shenzhen) Company; and Shenzhen Yan Gallon Industrial Co. Ltd.); or immediately mediate and compromise in order to minimize damage.

All required the participation of lawyers from different jurisdictions.

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#### 4. The Challenge of the Going Global Strategy: Special Legal Issues

3. Where private enterprises were unable to become a majority shareholder in a M&A, how can they fully utilize the advantages of the shareholders agreement for protection:
  - The consent of majority shareholders is required for important decisions;
  - full ratchets;
  - tag-along right, drag-along right.
4. Pay attention to the issues below before investing on acquiring overseas assets:
  - The seller's declaration, guarantee and warranty, and the "disclosure letter" issued;
  - fraudulent transfer of business;
  - unfair preference;

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#### 4. The Challenge of the Going Global Strategy: Special Legal Issues

- fraudulent conveyance;
  - voidable transaction.
5. The securities laws and listing rules concerning the shares and transactions of listed companies (on a separate topic);
  6. What is conspiracy to defraud under common law?

In the notice of the acquisition of imGO Limited in March 2002 it is stated that there is "no specific plan to inject assets". The defendants explained that the sentence is equivalent to "no plan to inject specific assets". The court disagreed. Prosecution do not need to prove actual loss to the shareholders of the company, it would suffice as long as the defendants understood that the act of dishonesty could lead to risk of economic loss.
  7. The disclosure obligation of the U.S. Securities and Exchange Act: the collective proceedings of China Life Insurance from 2004 to 2008. It is reported that there are more than 16 Chinese listed companies facing collective proceedings in the U.S.

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#### 4. The Challenge of the Going Global Strategy: Special Legal Issues

##### 8. The risk of Reverse Takeover (RTO)

Foreign enterprises invested in the OTCBB shell company, converting domestic enterprises into foreign enterprises or joint-ventures. The so-called listing is in fact paying a large sum of fees but failed to raise capital, it is only a pseudo-listed company in name.

9. In November 2005, the SAFE published decree No.75 (Notice on Issues Concerning Foreign Exchange Administration of Financing and Round-tripped Investment by Domestic Residents Through Offshore Special Purpose Vehicles) and the effect on RTO after the Ministry of Commerce has released decree No.10 on 8 September 2006 (Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors).
10. Hong Kong Listing Rules' regulation of "reverse takeover": If the acquisition of assets of the offeror is up to 100% by the listed company within 24 months of such company gaining control (30%) of the listed company, this will constitute a reverse takeover. The listed company will be suspended in dealings and have to apply for listing as a new company.

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#### 4. The Challenge of the Going Global Strategy: Special Legal Issues

11. Every region has its own definition and test for different transactions, for example: what is the difference in the description of "very substantial acquisition", "very substantial disposal", "major transaction", "disclosable transaction", "connected transaction" etc. in the Hong Kong Listing Rules as compared to that in the PRC laws?
12. What are the general rules of M&A in different regions? What is the view of the Hong Kong Securities and Futures Commission on "control", "acting in concert", and when to use "offer document" and "mandatory offer"?

The majority are within the scope of preliminary legal due diligence.

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#### 5. Hong Kong as the Platform and Springboard for Chinese Enterprises "Going Global": Hong Kong

1. After all, Hong Kong offers a relatively familiar environment for mainland enterprises and investors.
2. According to the Hong Kong Trade Development Council (HKTDC), the Mainland's cumulative non-financial FDI in Hong Kong amounted to US\$296 billion (63% of the total), accounting for 36.5% of Hong Kong's total stock of inward investment as of December 2008. At the end of 2009, 524 mainland companies were listed in Hong Kong, comprising H-share, red-chip and private companies with total market capitalization of US\$10.7 trillion, 58% of the market total. For the past 10 years, mainland companies have raised more than US\$226 billion via stock offerings in Hong Kong.
3. Professor K.C. Chan, Secretary for Financial Services and the Treasury, is considering to revise the existing tax system to exempt mainland enterprises having their headquarters in Hong Kong from being subject to both the local profits tax (16.5%) and the PRC's enterprises income tax (25%). In view of the growing trend of mainland enterprises going global, Hong Kong shall establish a more comprehensive business network by entering into taxation agreements with the Mainland. (From Hong Kong Economic Journal, 25 May 2010).

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#### 5. Hong Kong as the Platform and Springboard for Chinese Enterprises "Going Global": Hong Kong Lawyers

1. Hong Kong legal services has been known for its openness. In accordance with the WTO's values and principles, Hong Kong has opened its legal sector to foreign lawyers (including PRC lawyers) since 1993. Many Hong Kong are qualified to practise in other jurisdictions. At the same time, foreign lawyers have established representative offices in Hong Kong or formed various alliances with Hong Kong law firms.
2. As at 30 April 2010, 7,700 local lawyers and 1,300 foreign lawyers (including PRC lawyers) are providing non-local legal services in Hong Kong. Their home countries and regions are illustrated as follows.

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**5. Hong Kong as the Platform and Springboard for Chinese Enterprises “Going Global”: Hong Kong Lawyers**

Home jurisdictions of registered foreign lawyers in both  
foreign law firms and local law firms  
As at 30 April 2010

Jurisdictions	Number	Jurisdictions	Number
USA	596	The Philippines	7
England and Wales	281	Malaysia	7
Mainland China	115	The Netherlands	5
Australia	109	Scotland	5
Singapore	33	Japan	4
Bermuda	28	Luxemburg	3
Canada	14	Belgium	2
British Virgin Islands	13	Switzerland	2
France	12	India	1
New Zealand	12	Republic of Korea	1
Germany	12	South Africa	1
Italy	10	Spain	1
Sweden	9	Thailand	1
Cayman Islands	7	Vietnam	1
			1,292

As at 30 April 2010, 412 registered foreign lawyers worked in registered foreign law firms and 683 registered foreign lawyers worked in local law firms. A total of 197 registered foreign lawyers were not engaged in any law firms.

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**5. Hong Kong as the Platform and Springboard for Chinese Enterprises “Going Global”: Hong Kong Lawyers**

3. As an international center for legal consultancy services, Hong Kong is positioned to provide not only local legal services, but one-stop legal services for mainland enterprises and investors.

~ End ~

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Mr. Sit Kien Ping Peter is the Senior and Founding Partner of Messrs. Sit, Fung, Kwong & Shum, Solicitors. He is a solicitor of Hong Kong, England (non-practising) and Australia (Victoria), a Notary Public and a China-Appointed Attesting Officer. Mr. Sit is currently a member of the Practice Management Committee of the Law Society of Hong Kong, a member of the Standing Committee on Standards and Development of the Law Society of Hong Kong and a Prosecutor for Solicitors Disciplinary Tribunal Proceedings.

Mr. Sit's practice covers civil litigation, trust litigation, securities investigations and related matters, conveyancing and commercial litigation, conveyancing documents with special interests in structuring acquisitions of land projects, consent and on-consent scheme developments and re-developments and complex transactions, company (public and private) IPOs, mergers and acquisitions and commercial documentations.

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