

# DeHeng Express

NO. 139 May. 2005

De Heng Law

De

Heng

Law

.com

## ■ *DeHeng Invites US Trade Commission Vice-Chairman to Speak in China*

Upon DeHeng's invitation the US International Trade Commission's former chairman, now deputy-chairman Ms. Deanna T Okun, attended the "United States Antidumping and Section 337 Investigation Seminar" held in Guangzhou and Shanghai. The seminar in Guangzhou was jointly sponsored by DeHeng and the Guangdong General Chamber of Commerce. Shanghai's seminar on May 12 was sponsored by DeHeng, the Bureau of Intellectual Property of Shanghai, and Shanghai Jiao Tong University Law School.

The seminar in Guangzhou met with a huge response. More than 300 representatives from government bodies, enterprises and the legal community participated in the seminar. The event was covered by newspapers such as the 'South Daily', '21<sup>st</sup> Century Economic Tribune' and Guangzhou TV and China Radio International, which interviewed Ms. Okun together with DeHeng's global partner, Chris Lin.

Ms. Okun was nominated to the ITC by President Clinton on November 10, 1999, and confirmed by the US Senate on November 19, 1999. She was sworn in as a member of the Commission on January 3, 2000, her term to expire on June 16, 2008. She served as Deputy-chairman from 17 June 2000 until 16 June 2002, and as Chairman from June 17 2002, until June 16 2004. With President Bush's designation she has served as Deputy-chairman since 17 June 2004 until the present, her term expiring on 16 June 2006. Prior to appointment on the commission she served as counsel for international affairs to Senator Frank Murkowski, responsible for international trade. Ms. Okun holds a B.A. in Political science and a J.D. (Juris Doctor)

## ■ *DeHeng Continues Appointment as Legal Adviser to the Ministry of Finance of the PRC*

In April 2005, DeHeng received continued appointment as legal adviser to the Ministry of Finance of PRC, to offer legal counseling, legislative exposition, legal research, exposition on administrative litigation and to represent the Ministry of Finance in relevant lawsuits..

## ■ *DeHeng's Shenzhen Office Provides Legal Services for China Merchant Group's Restructuring of Shenzhen Nanyou Group*

Shenzhen Nanyou (Group) Company Ltd ("Nanyou Group"), a wholly owned subsidiary of Shenzhen Investment Holdings Company ("Shenzhen Investment"), was established in August 1984, with a registered capital of 248 million RMB. Nanyou Group had in the west of Shenzhen abundant harbour and logistic resources. However, as a result of its lack of experience in harbour administration, and generally poor deployment, these resources were never fully put to use. China Merchant Group (here, China Merchant)

Add: 12/F, Tower B, Focus Place No. 19  
Finance Street Beijing,  
P.R.China 100032  
Tel: 010 -66575888  
Fax: 010 -65232181  
Email: DeHeng@DeHengLaw.com  
Web: www.DeHengLaw.com

© 2005 



DeHeng Law Offices  
All Rights Reserved

currently already has operating rights on both the Shekou Industrial and the west harbour, and has for many years been looking to establish a logistics giant, to affirm Shenzhen's position as the logistics centre of South China. Since 2004, a three-party negotiation has been undertaken among China Merchant, Shenzhen Municipal Government, and Shenzhen Investment on how to restructure the Nanyou Group and integrate the harbour and logistic resources.

In October 2004 Shenzhen Investment and China Merchant began official discussions on the capital increase restructuring of Nanyou. At Shenzhen Investment's request, DeHeng's Shenzhen branch designated partner Yan Qiong to form and head a legal team to offer comprehensive legal service for the capital increase restructuring, to take in formulating the entire transaction plan, to participate in all negotiations and to draft all legal documentation.

On 7 December 2004 the contract for China Merchant's restructuring of the Nanyou Group was officially signed. After cash injection China Merchant is to hold a 76% stake in the Nanyou group, as well as taking on the group's principal debts. After the signing DeHeng's Shenzhen office will provide legal services to continue the implementation of the 'Capital Increase Restructuring Agreement'. Shenzhen's vice-mayor, Zhang Siping said, "China Merchant's smooth restructuring of the Nanyou group is a joint victory". China Merchant's long dreamed strategic goal of restructuring the west port and its logistics is now within reach. For its part, Nanyou group, dangerously debt-ridden since 2003, will be free of debt after restructuring, gaining a new chance for development.

### ■ *DeHeng Appointed as China Great Wall Asset Management Co.'s Outside Legal Adviser*

In April 2005, DeHeng was appointed as China Great Wall Asset Management Corporation's outside counsel, and will provide legal service in contract drafting, asset disposal, and participate in negotiations, due diligence, and legal exposition. China Great Wall Asset Management Corporation was established as one of the four state-owned financial companies entrusted with the important task of selling non-performing assets of China's state-owned enterprises (SOE), with registered capital of 10 billion RMB, all from the Ministry of Finance of the PRC.

Great Wall, in taking preventative measures to minimize financial risks and in advancing the reform of the banking system, has greatly pushed forward the growth of China's capital market and the innovation of modernized financial tools. Measures taken by it include acquisition, management and disposal of non-performing assets stripped from the state-owned commercial banks, and a combination of debt recovery, asset replacement, enterprise and debt restructure, and issuing securities on assets.

### ■ *DeHeng Appointed as China National Heavy Duty Truck Group's Outside Legal Adviser.*

In March 2005, DeHeng accepted appointment as China National Heavy Duty Truck Group Co., Ltd. (CNHTC)'s outside legal adviser. DeHeng will provide legal service in corporation governance, establishing rules and systems, manufacturing operation, operation of capital venture, business expansion, risk control, legal training, joint investment and cooperation, and legal disputes.

CNHTC is the cradle and leading production base of the heavy duty truck industry in China. It can trace its roots back to the first heavy duty truck, 'HUANGHE' JN150, which was developed and manufactured by Jinan Automobile Works in the 1950s in China. It is also the first company in China which successfully introduced worldwide advanced manufacturing technologies of STEYR trucks from Steyr Nutzfahrzeuge AG, Austria.

## ■ *DeHeng and France's KIMBROUGH & ASSOCIES Law Offices Sign Cooperation Agreement*

On March 17, 2005, in Paris, DeHeng's global Partner Chen Hongwu and Shi Renlin, representing respectively DeHeng Beijing and DeHeng Paris signed a cooperation agreement with the French law office KIMBROUGH & ASSOCIES.

KIMBROUGH & ASSOCIES was established in Paris in 1988, focusing mainly on Merger and Acquisition, Corporate, Commercial & Labour law, Intellectual Property and International Arbitration. Its lawyers come primarily from internationally prominent law firms or in-house legal departments of multinationals and are registered in France, the UK and the US. Some have extensive experience in the international field, the Asia Pacific area in particular, which includes working in the area of international trade involving China, India, Thailand, Indonesia and Vietnam.

The cooperative agreement signed between KIMBROUGH & ASSOCIES & DeHeng has as its purpose the aim of mutual assistance and support as needed to promote and develop French and European business investment in China and vice-versa. According to the agreement the two parties agree to give each other right of first refusal as corporative partner in legal matters, and, subject to availability, mutually provide working facilities, such as offices, meeting rooms, secretarial equipment and personnel. Both sides hope through this cooperation to advance their activities abroad, and provide better services to clients in Europe and China.

## ■ *DeHeng Takes Part in the Establishment of China's First Joint Venture Fund Management Company via M&A*

On March 9, 2005, the sale agreement for Deutsche Asset Management Ltd.'s acquisition of a 19.5% equity stake in Harvest Fund Management Co. Ltd was signed in Beijing. A team of DeHeng lawyers led by its global partner Mr. Liu Ji were selected as counsel for Harvest Fund Management's and its Chinese shareholders for the entire process. If the deal receives China Securities Regulatory Commission's approval, Harvest Fund Management will become China's first joint venture fund management company formed by the acquisition of equity in a Chinese management company by an overseas management company.

## ■ *DeHeng Takes Part in Symposium Titled "Response to China's Supreme Court's Taking Back the Power to Review the Death Sentence"*

From 26th to the 27th of March 2005 a symposium, entitled "Response to China's Supreme Court's Taking Back the Power to Review the Death Sentence" was jointly held in Beijing by the Procedural System and Judicial Reform Research Centre of Renmin University, the Criminal Law Committee of All China Lawyers' Association, and the American Bar Association.

Before the symposium, associate Professor Lin Wei, lawyer of DeHeng and Dean of the China Youth Institute for Political Sciences' Law Department, several professors from Renmin University, together with DeHeng's criminal lawyer Dr. Chen Xiongfei, and Dr. Zhang Jun, at Professor Lin's lead, drafted a document entitled: 'Draft Proposal for Certain Stipulations concerning Procedure for the Supreme Court's Review of Immediate Execution of the Death Penalty'. Scholars from major law schools, experts from the domestic policy making bodies and lawyers attended and held in-depth discussions on the draft proposal.

Experts attending rated the proposal highly, and several person-in-charge of relevant governmental bodies expressed their intention to work in closer consultation with lawyers, draw on their suggestions in the coming revision and draft interpretation of the revision.

DeHeng's vice management partner, and Deputy-director of the Criminal Law Committee of All China Lawyer's Association, Dr. Li Guifang, chaired the discussion on the 27th. DeHeng's global partner, Chen Jianhong, and the head of DeHeng's Changsha office, senior criminal lawyer He Xiaodian were also in attendance as invitees.

### ■ *Dr. Wang Li Speaks at the Forum "The National SASAC System in Assessing Business Achievements"*

From 22 to 23 March 2005 in HeBei Province, Langfang City, the State Council State-owned Assets Supervision and Administration Commission (SASAC) organized the forum, 'The National SASAC System's Work of Assessing Achievements'. The managing partner of DeHeng Law Offices Dr. Wang Li accepted the invite to attend and delivered a speech titled 'Establishing a System of Assessing Achievements in Business Operation and Controlling the Legal Risks in State-owned Enterprises', which was received enthusiastically. Officials from SASAC at both provincial and municipal levels, autonomous regions and municipalities directly under the Central government attended the forum. Director of DeHeng's Xi'an Office, He Yuhui, and DeHeng's Wuhan office's Li Ming were also invitees.

### ■ *DeHeng Lawyers Participate in the Forum on Revising the Regulations on the Takeover of Listed Companies*

On 23 March 2005, Shanghai Stock Exchange, at the behest of the China Securities Regulatory Commission, convened the forum on Revising the Regulations on the Takeover of Listed Companies in Shanghai. Some leading law firms in China were invited to participate, including DeHeng's global partner Li Zhihong and partner Guo Kejun.

The measures to control takeover were first officially implemented on December 1, 2002, and were instrumental in creating a sounder environment for the purchase of listed companies. However, following the continuous development of the securities market and continual advancing of the reform in China's financial sector, certain provisions outlining the measures for acquisition no longer meet the demands of the market. DeHeng lawyers shared their views primarily from the aspects of definition and scope of acquisition, anti-takeover measures from the management of the target companies, and the supervisory framework for acquisition.

### ■ *Dr. Wang Li Publishes Articles in the Journals Justice of China & China Lawyer*

The third edition and fourth editions for this year of the respective journals --Justice of China' and 'China Lawyers' - -are both publishing articles by Dr. Wang with the titles "the Direction of China's lawyers – A look ahead at amendments to 'Lawyers Law'" and "Building the Culture of Chinese Lawyers".

FOR MORE INFORMATION ABOUT THIS PUBLICATION, OR ANY DEHENG MARKETING INFORMATION, PLEASE CONTACT R&D DEPARTMENT AT [DeHeng@dhl.com.cn](mailto:DeHeng@dhl.com.cn)