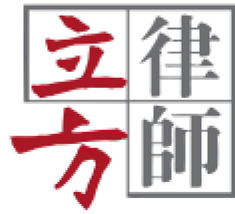

NEWSLETTER

LIFANG & PARTNERS 立方观评

No.49
2017.08

China IP News

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【China IP News】

SIPO Issues Administrative Measures for Prioritized Patent Examination

The State Intellectual Property Office (SIPO) has recently issued the Administrative Measures for Prioritized Patent Examination (the "Measures"), effective from August 1, 2017.

The Measures apply to prioritized examination of four types of patent applications or cases, including "applications for patents on inventions at the substantial examination phase" and "applications for utility model patents and design patents". In case of patent applications or patent reexamination cases that fall under any of six listed circumstances, such as "where such areas as the internet, big data, cloud computing, etc. are involved and relevant technologies or products are frequently updated", a request may be filed for such prioritized examination; as to cases relating to the declaration of invalidation that fall under any of two situations, such as "where the patent declared as invalid in a case is of great significance to the national or public interest", a request may be filed for such prioritized examination.

SIPO Includes Nine More Provinces and Municipalities into the Pilot Program of Arbitration and Conciliation of IP Disputes

Recently, the State Intellectual Property Office (SIPO) has issued the Circular on Determining the Fourth Batch of Pilot Regions Subject to Arbitration and Conciliation of Disputes Involving Intellectual Properties.

Hebei Province, Shanghai Municipality, Jiangsu Province, Zhejiang Province, Fujian Province, Hubei Province, Chongqing Municipality, Gansu Province and Weihai City in Shandong Province are selected as the fourth batch of pilot regions subject to arbitration and conciliation of disputes involving intellectual properties, with the pilot period starting from June 2017 and ending by June 2019.

More than Half of IP Infringement Lawsuits in China Withdrawn

5th July, the Supreme People's Court issued the Special Report on Intellectual Property Infringement, which indicates 50.88 percent of intellectual property infringement lawsuits filed in China in 2015 and 2016 were finally dropped.

According to the report, it takes an average of 105 days to conclude a typical case of intellectual property infringement. It takes a longer time to try cases of counterfeiting patent, infringing invention patent and infringing computer software copyright. Only in 7.93 percent of the cases where the court ruled to order the defendants to satisfy all demands of the plaintiffs.

【LIFANG News】

Lifang & Partners Ranked in IAM Patent 1000

In the **IAM Patent 1000 - The World's Leading Patent Professionals 2017**, recently released by **Intellectual Asset Management** magazine, Lifang & Partners was ranked in the "litigation and transactions" law firm list. Additionally, Mr. Xie Guanbin, senior partner, was ranked as an individual in the recommendations list for litigation and transactions practitioners.

The IAM Patent 1000 is a guide to leading patent lawyers, attorneys and firms in over 40 jurisdictions, based on interviews and surveys with more than 1500 patent attorneys, in-house lawyers and clients in a process taking nearly five months.

Mr. Xie is skilled in handling IP disputes and was given a Leading Attorney Award in the IP field by Chambers. Through Mr. Xie's stewardship, Lifang & Partners have represented clients in numerous complicated, difficult, and influential cases, designing optimal solutions for clients.

Lifang Shortlisted for Intellectual Property Firm of the Year in China Law & Practice Awards 2017

China Law & Practice recently announced the finalists for the **China Law & Practice Awards 2017** in association with SSQ. Shortlisted were Lifang & Partners for Intellectual Property Firm of the Year, Mr. Xie Guanbin for Intellectual Property Lawyer of the Year and Mr. Sun Xi for Rising Star of the Year.

All research and adjudication was conducted by the editorial teams of ALM's China Law & Practice, The Asian Lawyer, The American Lawyer and Legal Week. Winners will be announced at the dinner gala to be held on Thursday, September 14 at the Park Hyatt, Beijing.

【LIFANG's Views】

Risk Management and Control for Investment Agreements: Illustrated by several cases.

This article will provide an overview of VAMs, then discuss how to ensure the validity of a VAM, how to design a VAM, and lastly advise on other ways to protect investors' interests. The cases illustrated in this article are from the author's experience and legal precedents.

1. An overview of VAMs

CHAI Yi
Partner

Ms. Chai specializes in litigation and arbitration relating to corporate and Commercial law. With outstanding ability, she has received numerous favorable comments from clients.

VAMs are not a legal concept. There are no specific laws addressing them in China. In fact, the term is mostly used by investment professionals. The author takes the definition of VAM from an article in The People's Judicature on the Haifu case[1], which is known as the No. 1 case relating to VAMs because it was the first case heard by the Supreme People's Court (SPC) on the validity of a VAM arrangement. The reason this definition has been chosen is that The People's Judicature is sponsored by the SPC, which means that their definition is highly authoritative. According to their article on the Haifu case:

"VAM agreements, commonly known as gambling agreements in Chinese, are not a specific kind of contract but may involve cooperation by capital addition, valuation adjustment and equity transfer. The use of "gambling" in their Chinese name reflects the nature of ventures, though it does not precisely reflect their financing mode characteristics."

[1] Haifu Investment Co., Ltd, vs. Gansu Shiheng Non-Ferrous Recycling Co., Ltd and Hong Kong Diya Limited, Supreme People's Court, Min Ti Zi No.11 (2012).

Firstly, VAM agreements are a type of untitled contract[1] and no specific provision on VAMs can be found in *China's Contract Law*.

Secondly, VAMs are a form of financing. The principal reason for using a VAM is that there is an information asymmetry between investors and the shareholders of the target company, but the parties intend to reach a deal despite this. Therefore preset goals are agreed between the two sides and investors are provided with some sort of mechanism to adjust valuations when the preset goals cannot be achieved.

VAMs originate from the US capital market. The US National Venture Capital Association and the experts it hired drafted a model set of Venture Capital contracts, which contain the entire equity investment process covering almost all aspects of the law. Valuation adjustments are primarily made through phased financing and equity ratio adjustments, which are both delicate and technical. There are no equivalents to the cash compensation clauses that exist in Chinese practice.

There are two basic types of VAMs in China. The first one is performance related, which means that the targeted company should achieve a certain performance goal within a specified timeframe. The second one is IPO related, in that the targeted company should make an IPO within a certain timeframe after an investment has been made.

Three common kinds of clauses are used in VAMs:

The first kind relates to equity repurchases, which means that the invested company or the original shareholders should buy back the investors' shares in the company, if the company cannot achieve preset goals, such as making an IPO by a certain deadline.

The second kind is performance compensation, which means that the invested company or the original shareholders should compensate the investors in cash or stock rights if the invested company cannot achieve certain performance targets.

The third is valuation adjustment, which involves a return of the investment funds or an increase in the investors' equity if certain profits targets are not met. Such a

[1] The "Specific Provisions" part of China's *Contract Law* provides respective specifications and guidance for fifteen types of contracts including sales contract, public utility contracts, contract of gift, loan contract, lease and tenancy and others. These fifteen types are called titled contracts. Contracts that do not belong to any of the titled contracts are untitled contacts.

return or increase is based on an adjustment, according to the actual profits, of the target company valuation at the time when the investment was made. With this third type of value adjustment, the investors may be able to keep their equity in addition to obtaining a partial return of investment funds.

As the third kind is not commonly seen, what follows is mainly in regards to equity repurchase and performance compensation.

2. How to ensure the validity of a VAM

2.1 The party subject to a VAM

The above mentioned Haifu case was heard and decided by the SPC in November 2012.

Haifu was an investor company which entered a Capital Increase Agreement in November 2007 with Zhongxing, the target company, and its original shareholders. They agreed that, if the target company could not achieve the agreed goal of RMB 30 million net profits in 2008, the target company was to pay compensation to Haifu, failing which, Haifu had the right to receive compensation from the original shareholders. The agreed profit goal was not met by the end of 2008 and on the 30th December 2009, Haifu sued the target company and the original shareholders claiming compensation of about RMB 20 million.

Putting aside both the first and second instance court decisions, the SPC found in 2012 that the VAM between the target company and the investor damaged the interests of the company and its creditors by conferring fixed profits to the investor without considering the actual business performance of the target company. Such a VAM was invalid because it violated the mandatory provision in Article 20 of the *Contract Law of* the *People's Republic of China*[1] and Article 8 of the *Law of the People's Republic of China on Sino-foreign Equity Joint Ventures*[2].

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[1] Article 20.1 of the contract law says, "Shareholders of a company shall exercise shareholders' rights in accordance with the provisions of laws and administrative regulations and the articles of association of the company and shall not abuse their shareholders' rights to cause damage to the company or the interests of other shareholders or abuse the independent legal person status of the company and limited liability of the shareholders to cause damage to the interests of the creditors of the company."

[2] Article 8.1 of the Law on Sino-foreign Equity Joint Ventures says, "After payment of equity joint venture income tax on an enterprise's gross profit, pursuant to the tax laws of the People's Republic of China, and after deductions therefrom as stipulated in its articles of association regarding reserve funds, employee bonus and welfare funds and enterprise development funds, the net profit of an equity joint venture shall be distributed between the equity joint venture

However, the SPC further held that the VAM between the investor and the original shareholders was valid since it neither damaged the interests of the company, nor its creditors - it violated no mandatory provisions.

The case is generally referred to as “The No.1 VAM Case” because although it was a bulletin case listed in the *Communique of the Supreme People’s Court*, and is not one of the Guiding Cases[1] that local courts generally defer to, many courts across China have followed the approach with regards to VAMs. In 2014, the SPC released the *Instructions for the Adjudication Relating to VAMs* which reflected the general attitude of the court system and advocated a prudent approach in deciding the validity of VAMs.

2.2 SOE repurchase

Transfers of State-owned property rights in enterprises are subject to mandatory procedures such as asset evaluations, open trading on designated property rights transaction market, and, in case of major or important transactions, examination and approval by the competent regulator of the state asset involved. This is generally taken care of when assets of a State-Owned Enterprise (SOE) are sold, however, when a SOE purchases equity in other enterprises, the examination and approval procedure is often overlooked.

In 2016, the SPC held that an equity transfer contract in dispute did not take effect before completion of the state-owned assets management department examination approval procedure.

The SOE in question, Jiangsu New Century Salt Industry Corporation, was the target company of a venture capital investment. Three investors became shareholders of the target company in April 2011 by purchasing employee shares in the target company and the shares of several individual shareholders. As parties to the transaction, the target company and its majority shareholder, Jiangsu Salt Group Limited (JSG), issued a letter of commitment that the target company would be listed within 5 years, failing which the three investors could exit by selling their shares back to the target company. The sale price would be equal to the purchase price plus

partners in proportion to their investment contribution to the enterprise's registered capital.”

[1] Guiding Cases are case law released by SPC from time to time. They establish principles or precedents that courts around China should observe in their adjudication of similar cases. There are in total 199 guiding cases declared as of this date.

interest on the purchase price covering the period that the shares were held, subject to a deduction in respect of any dividends received.

The target company ended up making a net loss of more than 130 million in RMB in 2012, and the parties agreed that the target company was no longer qualified for listing within the agreed timeframe. As a result, the parties entered into a joint memorandum in June 2013 on the following terms:

- JSG agreed to purchase the equities of the three investors in the target company;
- The price would be the original price paid by the investors;
- JSG agreed to complete the transaction by 31st December 2015;
- JSG agreed to carry out the appropriate transfer procedures.

The investors sued because the JSG did not pay as agreed. Both the Jiangsu High People’s Court and SPC held that, because JSG was an SOE, the share transfer agreement between it and the investors did not come into effect until ratified by the national assets management department. The investors’ lawsuit failed.

In its judgment the SPC invoked the following provisions:

Contract Law of the People's Republic of China

Article 44.

A contract which is concluded in accordance with the law shall take effect from the time it is concluded.

Where laws and administrative regulations provide that ratification, registration and other procedures must be completed before the contract can come into effect, such provisions shall be followed.

Law of the People's Republic of China on State-owned Assets in Enterprises

Article 30

Major events involving state-invested enterprises, including but not limited to mergers, divisions, restructurings, listings, increases or reductions in registered capital, issuance of bonds, major investments, providing major guarantees to external parties, transfers of major assets, large-scale donations, profit distributions, dissolutions and applications for bankruptcy shall be carried out in accordance with laws, administrative regulations and articles of association, and shall not damage the rights and interests of investors or creditors.

Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Amended in 2011)

Article 23.

State-owned assets supervision and administration authorities shall decide on the assignment of State-owned equity in their Funded Enterprises. Where the assignment of all the State-owned equity or the assignment of part of the State-owned equity would result in the State no longer having the controlling interest in the enterprise, it shall be reported to the people's government at the same level for approval.

Company Law of the People's Republic of China (Amended in 2013)

Article 66 In the case of State-owned wholly-funded companies which do not establish a board of shareholders, the State-owned assets supervision and administration authorities shall exercise the duties and powers of the board of shareholders. The State-owned assets supervision and administration authorities may authorise the board of directors to exercise some duties and powers of the board of shareholders and to decide on important matters of the company; however, any merger, division, dissolution, increase or reduction in registered capital and issue of corporate bonds of the company shall be decided by the State-owned assets supervision and administration authorities; a merger, division, dissolution, bankruptcy application of significant State-owned wholly-funded companies shall be examined by the State-owned assets supervision and administration authorities and reported to the people's government of counterpart level.

The aforesaid significant State-owned wholly-funded companies shall be determined in accordance with the provisions of the State Council.

Through consideration of the above legal provisions, their literal interpretation and legislative intent, the court found that the case in issue involved major investment decisions by an SOE and therefore explained made their judgment from a statutory perspective. Such transactions must be subject to administrative ratification.

Therefore, in VAM arrangements where the party to repurchase shares is an SOE, the transaction may be considered a “major state-owned assets transactions” and any repurchase agreement could not take effect without ratification from the competent regulatory organs.

2.3 Foreign enterprises repurchase

Before amendments to the laws concerning foreign-funded enterprises were made in September 2016, equity transfers involving foreign invested enterprises in China required government approval. Judges would consider agreements for this kind of transfer invalid if appropriate approvals were missing.

Since the laws were amended, rather than going through ratification formalities, the parties concerned only have to file such transactions into the Foreign Investment General Management Information System. However, if the targeted company falls into the restricted category or prohibited category set forth in the *Catalogue of Industries for Guiding Foreign Investment (2015 Revision)*, or into the incentive category which contains requirements for equity holdings and chief executives, examination and approval procedures are required before any agreement can be valid and effective.

2.4 Interest constraints on equity repurchases

For VAMs involving obligations to repurchase equities, their interest rates are usually agreed in advance, and the rates remain effective from investment to the completion of any repurchase. However, limits do apply to the interest rates.

One case heard by the SPC touches upon the limits applicable. In this case, the investor and the obligor reached an agreement to calculate the interest due on any repurchase at an annual rate of 15%. Additionally, the obligor agreed to pay 5% of the total sum as compensation for late payments.

The obligor failed to make payment on time and the investor sued. The investor claimed for the repurchase price, plus 15% annual interest and late payment penalty equal to 5% of the total sum. However, the obligor argued that interest and penalty cannot be claimed altogether.

The SPC dismissed the obligor’s argument by saying that 15% annual interest and the 5% penalty did not exceed the maximal 24% annual interest rate provided for in the *Supreme People’s Court Provisions on Several Issues Relating to the Application of Laws to the Hearing of Private Lending Cases*. Conversely, this case suggests that an agreement on interests may be deemed invalid if the agreed annual interest rate exceeds 24%.

In general, recent court decisions on VAMs accept equity transfers and equity repurchases as common tools of financing between enterprises. Previously, lending between enterprises was unlawful and the agreed interest rates there between were not protected. Article 26 of the abovementioned *Provisions on Several Issues Relating to the Application of Laws to the Hearing of Private Lending Cases* reads as follows:

When the interests agreed upon by both parties do not exceed the annual interest rate of 24%, and the lender requests the borrower to pay interest according to the agreed interest rate, the People's Court should support it. When the interest agreed by both parties exceed the annual interest rate of 36%, the part of interests that exceeds 36% is void. When the borrower requests the lender to return such amount above 36% that has been paid, the People's Court should support it.

Therefore, interest rates exceeding 24% may be deemed invalid.

In conclusion, there are three points that need to be noted in terms of safeguarding the effectiveness of a VAM. Firstly, avoid making target companies obligors liable for performance compensation or equity repurchases, since in practice the courts usually consider that "a VAM agreement with the target company is invalid." Secondly, if the transaction involves an SOE, or, if a targeted company is subject to foreign investment access restrictions, obtaining approval should be included as an obligation for the contractual parties. Thirdly, interest rates for repurchases under VAMs should be limited to 24% per annum otherwise they may be void.

3. How to design a VAM

3.1 Joint and several liability clauses

In an arbitration case where the author represented the investor, a clause in the relevant VAM agreement reads as follows:

If the original shareholders fail to realize what has been promised in article 3 (3.4), the investors have the right to claim for a full repurchase from the shareholders and the price shall be…

The original shareholders refused the repurchase and the investor sought arbitration, claiming that the original shareholders are jointly and severally liable for the payment.

In this case, the parties agreed to a repurchase and specified a price, however, the investor did not take into account the ability (or inability) of the company's original shareholders to meet their obligations. The target company was a start-up company with its shareholders being its employees. This meant that the company had few assets. To make sure the investor could eventually be paid, in filing the arbitration, we requested that all its shareholders be held jointly and severally liable for payment. However, considering the previous VAM clause, the arbitration commission did not support joint and several liabilities but instead ordered the original shareholders to pay the repurchase price in accordance with their shares in the target company.

In a more favourable case heard by the Beijing High People's Court, the relevant agreement provided that investors were entitled to request the original shareholders, the actual controller of the targeted company or the target company to repurchase all or part of the shares in the target company owned by the investors. Further, the original shareholders, the actual controller and the target company jointly made an Undertaking of Equity Repurchase for the benefit of the investors, agreeing to a repurchase, along with joint and several liabilities. The investors added the joint and several liabilities clause, since the actual controller was not a registered shareholder.

Later, when the investors brought the case to court seeking an order for the original shareholders to buy back 8% of the shares with the actual controller being joint and several liable for the repurchase, Beijing High People's Court ruled in the second instance in support of the investors' claim. The court further held that the actual controller could separately claim against the original shareholders after paying the repurchase price.

The investors, in this case, were able to seek an effective remedy because they had realised that it was the actual controller who was most financially capable of compensating them, despite not being a registered shareholder.

Based on experience, the author suggests the following. Firstly, make joint and several liabilities explicit for any repurchase and payment obligations, and have the obligors explicitly waiver their rights to restrict their liability to the shares that they hold in the target company. Secondly, when it looks like only some of the original shareholders are financially capable of making payment, expressly stipulate in the joint and several liability clause that the party/parties making the payment shall have recourse rights against other shareholders. Thirdly, ensure that joint and several liabilities apply to the actual controller of the target company, and also specify that said actual controller shall have recourse rights against shareholders.

3.2 Penalty clause

In a case heard by Guangdong High People's Court, the investors asked for about RMB 74 million as performance compensation, claiming that the targeted company was in breach of contract by not achieving agreed goals. The court held that such performance compensation was in nature a kind of penalty for breach of contract. However, the court also held that the losses incurred by the investors were the expected dividends from profits not realized, and after invoking Article 29 of the *Interpretation of the Supreme People's Court on Several Issues Concerning Application of the "Contract Law of the People's Republic of China"*[1], ordered the original shareholders to pay less than 17 million to compensate the investors, which equalled to 13% of the shortfall between the actual profits and the agreed profit target, much to the dismay of the investors.

To prevent such risks to the investor's interests, the author suggests avoiding the use of penalty clauses which use performance related compensation, e.g. the target company's failure to go public or failure to reach profit goal, as contractual breaches. Instead, it is advised to make such failure conditions that trigger performance compensation or an equity repurchase. In this way, the amount of compensation will be decided according to the contract rather than risking downward adjustment by the court.

3.3 Calculation of performance compensation

In general, performance goals and a calculation method for performance compensation are agreed upon by the parties in VAM. As most VAMs target IPOs, it is usually agreed that performance compensation will be paid in the first one to three years after an IPO. Few investors anticipate the target company making losses. In a case that the writer was involved in, the compensation clause in dispute provided that the compensation for the year 2013 was the lower result of the two calculated based on the following two formulas:

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[1] Article 29 Where a relevant party asserts that liquidated damages agreed is too high and petitions for reasonable adjustment, the People's Courts shall rule on the basis of the actual losses, taking into consideration comprehensive factors such as the performance of the contract, the extent of culpability of the relevant party, and the anticipated benefits etc, and adjust in accordance with the principles of justice and integrity and good faith.

Where the liquidated damages agreed by the relevant parties exceeds the actual losses by 30%, then in general it may be found that the liquidated damages is "excessively higher than the actual losses" as provided under Clause 2 of Article 114 of the Contract Law.

i. Compensation amount =75 million * (0.169 billion – actual net profits)/0.169 billion;

Or

ii. Compensation amount = actual capital investment of part A * (actual net profits in 2012 *130% –actual net profits in 2013) /actual net profits in 2012 *130%

According to the audit reports, the target company had a net loss of more than RMB 12 million in 2013. After government subsidies of about RMB 62 million, the net operating profits in 2013 were RMB -75 million. The compensation according to the second formula was RMB -250 thousand. This was only one year after the VAM contract was executed.

When the investors sued claiming compensation based on an adjusted calculation method, arguing that the intent of the agreement was to provide them with compensation if targets were not met, the court dismissed the investors' claims and held that the investors should be bound to the formula agreed in the agreement no matter what outcome it may achieve.

The author suggests that any proposed compensation calculations should be tested with negative figures to ascertain potential outcomes. If the outcome is negative, the formula should be adjusted or it should be made explicit in the agreement that the formula should be adjusted in the event of a negative result.

3.4 Relationship between equity repurchase and performance compensation

Many VAM agreements include both clauses for equity repurchases and performance compensation. In an ongoing contractual dispute before the Beijing No. 2 Intermediate People's Court, the parties had agreed that an IPO application was to be filed with and accepted by the China Securities Regulatory Commission (CSRC) by 30th June 2014, failing which, Clauses 8 of the contract specified that "the original shareholders shall repurchase all of the investor's equities within 180 days upon receiving the written notice from the investor. The repurchase price shall be the total investment plus 8% annual interest" and clause 9 stated that if the investor decided to keep their equities, the original shareholders shall pay performance compensation for the years 2012 and 2013 before 30th September 2014.

The contract was signed at the end of 2011. The investor believed that there were no ambiguities in the contract. If the IPO application was not accepted by CSRC, the investor could either claim for equity repurchase or performance compensation.

However, the best-laid plans of mice and men often go awry. When the target company was ready to file an IPO application, the CSRC suspended the IPO for around two years, and therefore, the targeted company was still in the process of filing IPO application. The investor had not asked for a repurchase or compensation when June 2014 came around. It was in late 2016 that the investor finally demanded a repurchase of equity when it became clear that the targeted company could not be listed anytime soon.

Unfortunately, the original shareholder resisted. The original shareholders are arguing that pursuant to clauses 8 and 9, since the investor did not ask for repurchase within the term "from June 30, 2014, to September 30, 2014," it has substantially waived its' repurchase right.

We have presented different construction of the clauses on behalf of the investor, but the ambiguity in clause 9 has brought about more uncertainty and risk to the outcome of the case. Accordingly, the author suggests that when repurchase and compensation are intended to be either/or options, clauses should be drafted in such a way so that one option will cancel the other when exercised. Alternatively, if it is intended that both options may apply, it could be agreed that there shall be a deduction of the paid performance compensation if equity is repurchased.

3.5 Method of performance

In an arbitration case relating to equity repurchase disputes, the disputed VAM clause provided that if the investor could not sell all of its shares in the target company in the first year after the target company got listed on the National Equities Exchange and Quotations ("NEEQ"), the investor has the right to request that the controlling shareholder repurchase the investor's shares "by trading at NEEQ or at a price no lower than RMB 4.678 per share" within one month after the expiry of said first year.

The target company was duly listed on NEEQ but it did not make any effective transaction afterwards. Then, disputes arose between the investor and the original shareholder regarding the equity repurchase.

The investor filed the case with the Beijing Arbitration Commission (BAC), claiming for the repurchase of all its shares. The original shareholder filed a counter claim, requesting that the transfer of the shares should be made according to NEEQ trading rules. The BAC made the award on two points: firstly, the original shareholder should repurchase the shares held by the investor and pay the price plus interests; and

secondly, the investor must transfer the shares to the original shareholders according to NEEQ trading rules.

Although the investor won, it had to bear half of the arbitration fees, not an insignificant sum. The problem lies in the agreement providing two ways of repurchasing when in fact shares in the target company could not be traded in any other way except according to NEEQ rules and procedure.

Moreover, in quite a number of disputes relating to repurchases, the obligors raised the defence that their payment could be made only after the transfer of ownership.

Although such defence is generally not supported, it is advisable to make it clear in any agreement that after paying the repurchase price, the equity transfer registration should be completed within a certain number of days.

---------- By CHAI Yi

IMPORTANT INFORMATION

This Newsletter has been prepared for clients and professional associates of Lifang & Partners. Whilst every effort has been made to ensure accuracy, no responsibility can be accepted for errors and omissions, however caused. The information contained in this publication should not be relied on as legal advice and should not be regarded as a substitute for detailed advice in individual cases.

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