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PRESS RELEASE

MOFCOM held Press Conference

—— Denied Discrimination on foreign businesses

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On August 12, 2010, the MOFCOM held a press conference toward anti-monopoly matters. During the meeting, the Chief of the Anti-Monopoly Bureau Shang Ming introduced the implementation of the <Anti-Monopoly Law> after its publication two years ago and answered the questions from both domestic and foreign reporters.

Among all the questions brought about during the conference, the one whether China is unfairly treating foreign businesses by taking advantage of the anti-monopoly law brings much attention. This concern has been arisen since the Chinese government blocked a proposed bid by Coca-Cola for China's top domestic juice maker Huiyuan at a price of \$2.5 billion in 2008. It also worries foreign investigators a lot that some additional restrictive requirements are set for the mergers and acquisitions (M&A) applications involving foreign companies in recent years.

However, Shang clarify that China has never discriminated against foreign companies by using different standards in handling cases of M&A. according to Shang, putting additional restrictions for foreign applicants doesn't necessarily means the discrimination for foreign companies, the reason for China to prohibit or set restrictive conditions on certain cases is that "we found they owned a very high market share, and ... if approved, would exert negative impact on market competition".

There has been a high ratio of foreign companies among the applicants for M&A approvals. And some statistics show that foreign companies control 21 out of 28 major industries in the country.

"It is reasonable to suspect Chinese government is taking measures to prevent the foreign companies domain the market since they has already owned too much share. Nonetheless, there's no evidence showing that China is taking advantage of the anti-monopoly review for blocking the foreign investigations maliciously. "commented Edward E, Lehman, Managing Director of Lehman, Lee & Xu.

As a prominent Chinese corporate law firm and trademark and patent agency, Lehman, Lee & Xu has

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always maintained a focus on the anti-monopoly law of China. The firm has also been recognized as one of the top full service and intellectual property firms in China by several international magazines. It now has offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm is managed by Mr. Edward Lehman, a leading expert on corporate law with over twenty years of practice experience in Mainland China.

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