

A NEWSLETTER FROM
MANNHEIMER SWARTLING
IN CHINA

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Nordic touch with a Chinese edge



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What's new?

We are pleased to announce that five lawyers have recently joined our team in China. The addition of these practitioners – with their diverse experience and backgrounds – ensures our team in China is even better positioned to handle the significant increase in matters and projects.

Our Banking & Finance practice has extended its geographic coverage and now is present on the Chinese market with a dedicated team in the Shanghai and Hong Kong offices. Mikael Lindgren, a Swedish banking lawyer, has relocated from the firm's office in Stockholm to join the group. In the coming months, they will also receive support from André Andersson, head of the firm's Banking & Finance practice, who will be increasing his presence in the region.

Mikko Harju will join the firm in September. He moved to Beijing in 1997 to assume the role of Director Legal, Greater China Area for Nokia. He also has been the chief representative of HS International's Beijing and Shanghai offices and the Head of the China Desk for a Finnish law firm. Most recently, he has headed the Legal, M&A and Risk Management department of Finnish industrial corporation Kone in Greater China.

Linda Lundin has joined our Hong Kong office as a Senior Legal Assistant. Linda is seconded from the firm's Öresund team, with offices in Malmö and Helsingborg. She is a member of the firm's dispute resolution group and is active in arbitration and litigation cases.

What's up

Wen Dai joined our Hong Kong office in September as a visiting lawyer. Wen has worked as a case manager at China Economic and Trade Arbitration (CIETAC) in Beijing since 2007. She has interned with the Arbitration Institute of the Stockholm Chamber of Commerce. Wen has unique practical experience of CIETAC arbitration and other arbitration proceedings in China.

Fang Fang joined our Shanghai office in August. She has worked as a Legal Supervisor at the Shanghai World Expo Co-ordination Bureau and Legal Assistant in a foreign law firm.

Rachel Dong is currently seconded to the Banking and Finance group in Stockholm and Chris Yuis seconded to our Hong Kong office until February 2012.

Our team in China currently comprises 5 partners/special counsel and 22 associates/assistants.

MANNHEIMER SWARTLING TO RELEASE BOOK ON DOING BUSINESS IN CHINA

Thomas Lagerqvist and Ulf Ohrling are the authors of Mannheimer Swartling's Little Red Book: *Quotations from a China Practice*. The book seeks to convey a basic understanding about China and some of its more fundamental characteristics, as well as provide some practical advice on how to deal with the basic business environment in China from a cultural and strategic point of view. In the book, they outline how the art of doing business in China begins with understanding its culture and being able to relate to its effects in a relevant and effective way.

The book is scheduled to be released in October and has been written in English.



Swedish daily business newspaper Dagens Industri, 30 July 2011.

SUNNINGDALE ACQUIRES ATEC OF SWEDEN

Sunningdale Tech Ltd is a leading manufacturer of precision plastic components and is listed on the Main Board of the Singapore Exchange. Sunningdale Tech has more than 7,000 employees and operates across five countries. Sunningdale has through its subsidiary Sunningdale Tech (Europe) Holding Pte. Ltd. acquired ATEC of Sweden AB and Latvian AS ATEC from Plasticscommerce Pte Ltd. ATEC of Sweden AB is a major provider of plastic injection moulding solutions for production of plastic articles for the retail industry in Scandinavia.

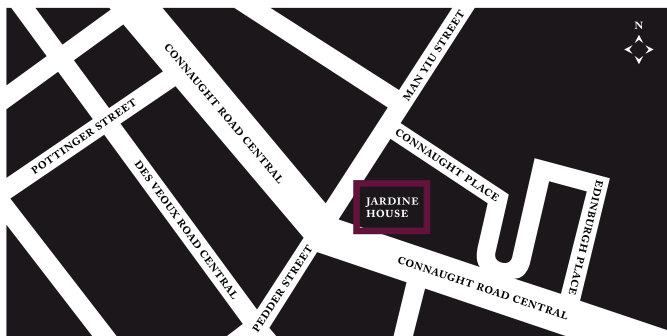
Sunningdale was advised by Mannheimer Swartling as local counsel in the transaction. The firm's team was led by Ulf Ohrling, China, and Fredrik Andretzky, Stockholm.

NILS ELIASSON CO-AUTHORS THE FIRST COMMENTARY ON THE NEW HONG KONG ARBITRATION ORDINANCE

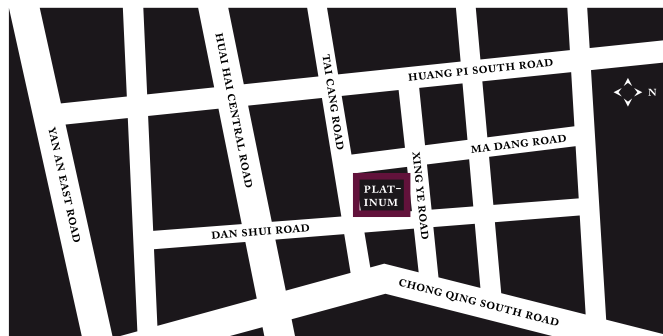
Arbitration in Hong Kong, administered by the Hong Kong International Arbitration Centre (HKIAC) or the International Chamber of Commerce (ICC), is the dispute resolution mechanism of choice for many companies worldwide with respect to cross-border business transactions in the Asia-Pacific region. With a new Arbitration Ordinance as of June 2011, Hong Kong further improves and modernizes the framework for arbitration proceedings in Hong Kong. The new Ordinance is also more user-friendly for parties that are not familiar with Hong Kong law, something which is likely to make Hong Kong an even more attractive place for international arbitration. Nils Eliasson has – together with other arbitration practitioners in Hong Kong – co-authored the first commentary on the new Arbitration Ordinance, *The Hong Kong Arbitration Ordinance: Commentary and Annotations*, which was published by Sweet & Maxwell in June.

FORCED CAPITAL INCREASES

The legal community is awaiting an amendment of the “Circular Hui Zi Han (2011) No. 7 Notice on the Implementation Guideline for Issues Relating to the Capital Verification for the Reinvestment by the Chinese Holding Company”, commonly referred to as Circular No.7, that has been issued by China's foreign exchange authority SAFE in March 2011. This rule has burdened foreign invested holding companies to perform a capital increase if they intend to reinvest RMB earnings within China. This requirement has been widely criticized because it would trigger withholding tax on the amount of the increased capital and add another time consuming procedure before an investment can be concluded. It is said that discussions between SAFE and other authorities, especially MOFCOM, will soon lead to an alteration, if not complete abolishment of this capital increase requirement.



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Mannheimer Swartling is the largest Swedish law firm with presence in China. Our team in China currently comprises 5 partners/legal counsel and totally 22 lawyers and legal consultants. By being located in China, the firm is able to assist its clients in situ with all the necessary experience and know-how regarding the Chinese market and the Chinese regulatory framework, whilst having a full understanding of the needs and wishes of Swedish and Nordic clients. Mannheimer Swartling also co-operates with local Chinese law firms in order to provide comprehensive advice.

Primarily, the firm's offices in China focus on foreign direct investments (acquisitions, joint ventures and restructuring of existing investments), dispute resolution, bank and finance, intellectual property rights and general corporate commercial. With our permanent arbitration team in Hong Kong for China and Asia related disputes, and our strong reputation in East-West dispute resolution, including China and Asia related disputes, we attract both European and Chinese clients who are involved in transnational business disputes.



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