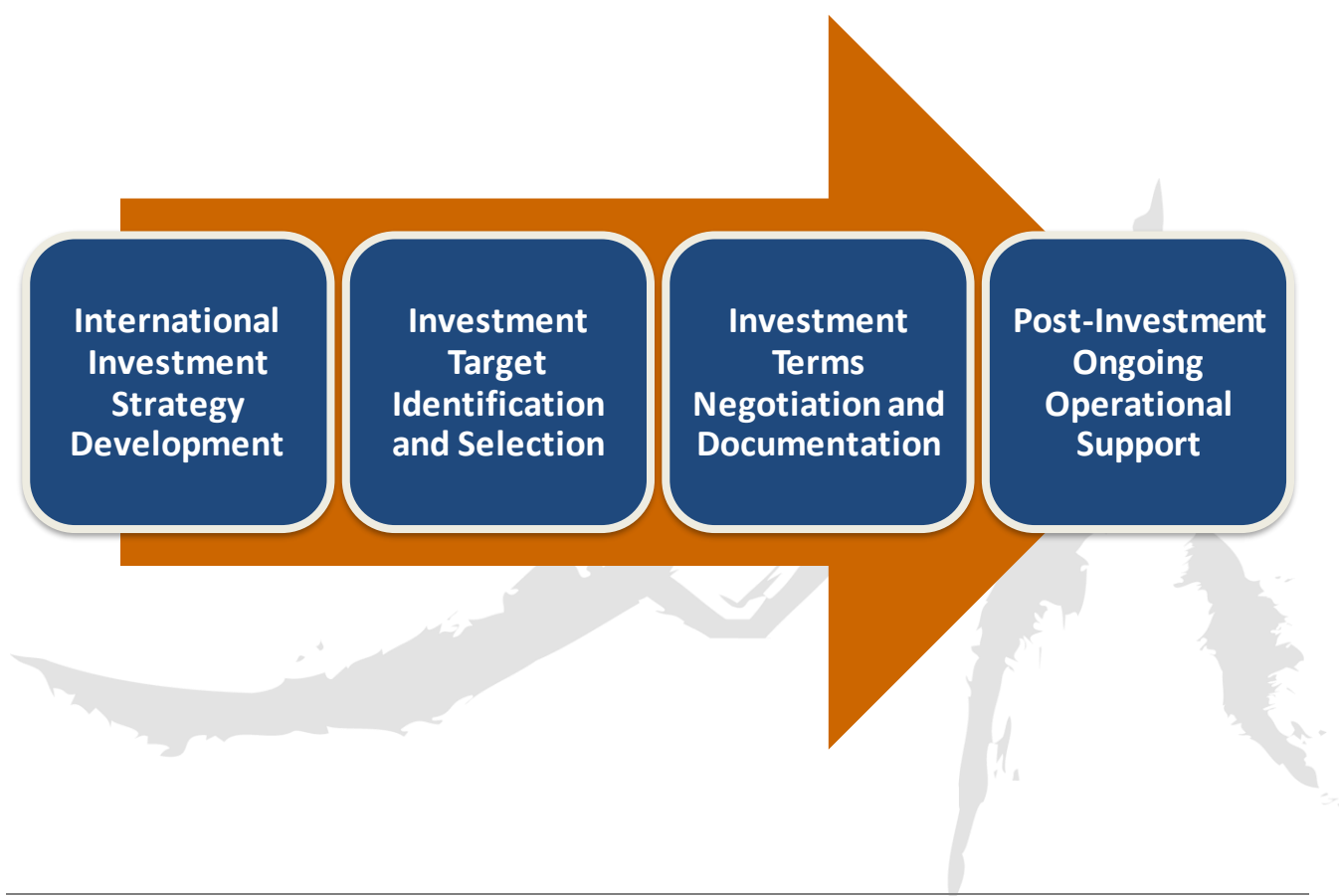


Outbound Investment Advisory



Pamir Law Group works closely with PRC companies to plan, design and implement safe and successful overseas investments. We support senior management in every stage of the process, from international expansion strategy development, implementation planning and execution, to Mergers and acquisitions, partner matching for new market entry, sales/distribution, supply chain/sourcing, branding and technology transfer, negotiation as well as providing ongoing overseas operational support. We have supported our clients in many industries to succeed in bridging to Asia, Europe, North America, Latin America and Africa.

Based on decades of advising international companies in their expansion efforts, we have developed a vast network of professionals and experts globally. This enables us to provide holistic end-to-end capabilities and support to Chinese companies, combining a single Chinese speaking point of contact with input from a tailored mix of trusted foreign experts and service providers to ensure we provide solutions adapted to the unique needs of Chinese investors, while benefiting from on-the-ground local expertise and experience.



1. INTERNATIONAL INVESTMENT STRATEGY DEVELOPMENT

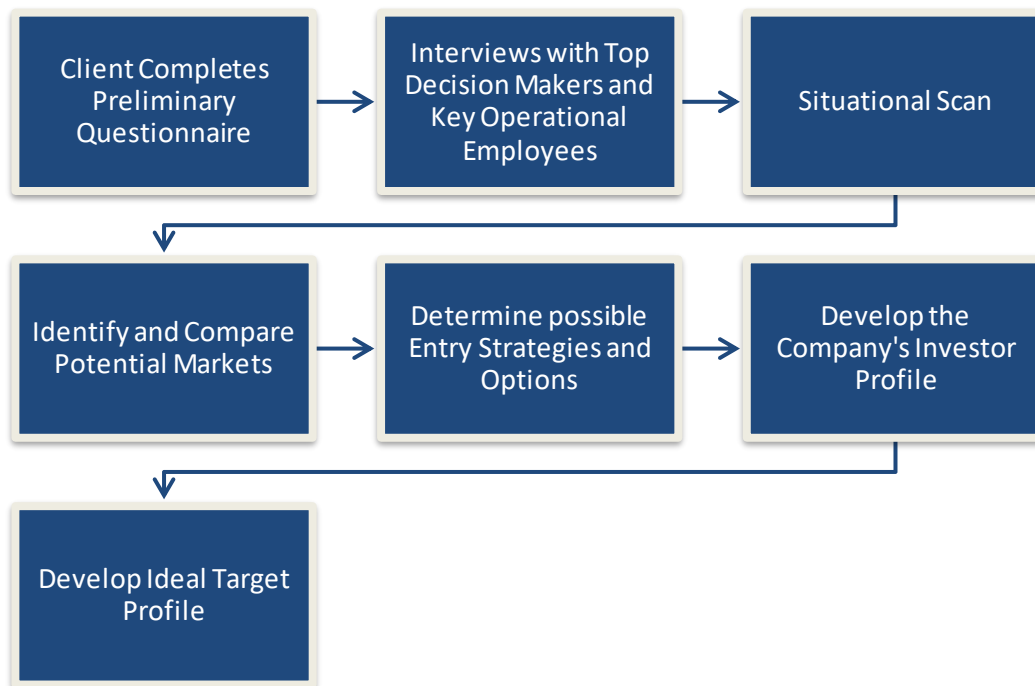
Investing overseas can be a daunting challenge, even for experienced business executives with a track record of success in their home country.

A good first step for companies planning to invest overseas is to take the time to articulate answers to the following basic questions, with input and assistance from our professional team along the way:

- Why do we want to invest overseas? What are the strategic drivers to internationalize? What do we need to achieve?
- Are we ready to invest overseas? Do we have all the skill-sets internally to insure success in the overseas investment? Do we have the right business culture, language, overseas market familiarity, ability to coordinate multiple professionals and experts, ability to obtain overseas government regulatory approvals, cross-border project management experience, financing planning skills, tax efficient structuring knowledge to save money if we are a sales/distribution, branding or manufacturing or service operation? What improvements are needed to prepare our organization internally to be an attractive partner to potential cooperators/targets?
- What type of investments are we looking to make, over what time frame? What are our long-term, medium term and near-term goals? Do we have a comprehensive plan with reasonable stages and contingency plans?
- Where do we want to invest? What are the factors to decide? What are the options for an entry strategy? For an expansion strategy?
- How are we going to find and evaluate investment and partnering opportunities?
- How are we going to ensure that we are able to manage and successfully integrate the capabilities of the new investment into our larger organization?
- What are the possible exit strategies over time?
- How can we save money legally with favorable tax treaties and how do we finance our operations and plans by securing loans and incentives rather than sacrificing equity share and dividends?

PROCESS

The strategic development process starts with a questionnaire that provides preliminary answers to basic questions and other strategic considerations. The questionnaire is then followed by a series of interviews with the company's top decision makers and key operational employees in charge of the overseas effort. This insures that the goals of the organization are clearly articulated and well thought through and that we are well coordinated with the company's goals and operating team. This insures efficient teamwork.



DELIVERABLE

The main deliverable produced by this process is a report with a table of contents similar to the following:

- Summary of answers to preliminary questionnaire and key points from interviews
- Situational Scan may include:
 - Review and provide recommendations related to the firm’s mission statement
 - Collective articulation of expected goals of overseas investment project
 - SWOT Analysis. An analysis of the company’s strengths, weaknesses, opportunities and threats
 - PEST Analysis for China/Overseas Destination. An analysis of the company’s current operational and competitive situation in China and in the contemplated destination overseas, focused on political, economic, social and technological factors
 - Competitive Advantage Analysis. In order to identify the attributes necessary in a successful overseas target/partner, it is important to analyze the Company’s current capabilities to define its own competitive advantages (differentiation, cost advantages, etc) and disadvantages. Based on this analysis, our team can search for targets that complement the Company’s advantages and disadvantages, therefore increasing the probability of producing win-win results for all combined business stakeholders. This section might also offer recommendations on best practices or improvement plans for efficient logistics, operations, outbound logistics, marketing/sales, customer service, people development, R&D or procurement.
- Identify and Compare Potential Destination Markets
 - For each priority market:

- Porter's Diamond of National Advantage Analysis. An analysis of that destination market's level of competitiveness focused on (i) Factor Endowments (i.e. skilled labor, natural resources, etc.), (ii) Related and Supporting Industries, (iii) Demand Conditions, (iv) Strategy, Structure and Rivalry, and (v) The role of government.
- CAGE Analysis. A tool to assess the cultural, administrative/political, geographic, and economic distance between two companies, regions or countries. All things being equal, the company will want to look for partners in jurisdictions that have the least distance in these factors to facilitate post-investment integration efforts.
- Porter's 5 Forces Analysis. A tool to analyze the level of competition within an industry by assessing (i) the threat of new entrants, (ii) threat of substitute products or services, (iii) Bargaining power of customers (buyers), (iv) bargaining power of suppliers and (v) Intensity of competitive rivalry. Depending on the specific situation, this tool can be applied to each jurisdiction to assist the selection process.
- PEST Analysis
 - Recommendations on Market Selection
- Determine Mode of Entry. Determine which combination of the following is recommended for this particular case. Planning may include local government incentives for tax reductions and investment credits, if any, double taxation treaties, reduced royalty withholding rates, technology transfer benefits, etc.
 - Foreign Direct Investment (Merger and Acquisition e.g. minority vs. control)
 - Greenfield building of new facilities
 - Joint Venture formation with international partners
 - Contractual Relationship for Defined Scope of Cooperation
 - Establish centralized regional distribution and sales center to promote export/import, supply chain procurement sourcing, after sales service support platforms.
 - Establish regional distribution and sales channels in different territories to promote export/import, supply chain procurement sourcing, after sales service support platforms.
 - Establish sales, marketing and market intelligence gathering operations abroad
 - Seek access to technology upgrades and increase brand value by securing favorable Licensing arrangements
- Company's Investor Profile. An introduction of the company focusing on the factors that might make it attractive to a potential seller, and including:
 - Five to six compelling key points that illustrate the unique strengths of the company (e.g., market share leader, access to attractive markets, ownership of significant intellectual property, three year historical revenue growth of 20+%, large long term customers, strategic partnerships/joint ventures, etc.);
 - Potential benefits for sellers partnering with Client (where the Client is purchasing a partial stake in the Target) - Paint a bright future.

- Background information
 - How the company generates revenue
 - Expansion Strategy
 - When the company was founded
 - Sales and revenue mix of products and/or services
 - Various industry categories into which the company sells (SIC codes)
 - How the company distributes its products/services
 - General backgrounds of the company's management team. Possible future performance with any financial projections clearly labeled as such
 - Does NOT identify the name of the company or provide information that would allow for the easy or obvious identification of the company.
 - Standard qualifications and conditions.
- Ideal Target Profile. A list of the attributes sought in an ideal investment target, sorted by importance/desirability, including:
- Industry/sector;
 - Company size;
 - Annual revenues and financial highlights (past, present, and projected future);
 - R&D capabilities;
 - Access to specific markets;
 - Recognizable brand;
 - Proprietary and competitive advantages; and
 - Growth potential, trajectory and velocity.
 - Desired acquisition stake (minority? controlling? 100%?)
 - Non-Disclosure and Non-Circumvention Agreements. To be provided to selected potential Targets after indicating greater interest following review of the Teaser. Approached Target agrees not to contact or negotiate with the potential buyer directly after its identity is revealed, not to disclose such interactions with any third party and shall be supported by strong “no shop provisions.”

The table of contents of the actual report may vary based on the current situation of the company, as well as the availability (or lack thereof) of data about a particular jurisdiction.

2. INVESTMENT TARGET IDENTIFICATION AND SELECTION

Once the company has articulated its strategy, as well as the requirements of a potential partner, Pamir engages investment consultants in the selected countries to conduct a search of potential targets. The process normally comprises the following steps:

- Produce Long List of Potential Targets per Country (including a list as well as anonymous profiles or “teasers”)
- Determine which Targets to approach concurrently, sequentially, consecutively, or as an auction.
- Produce Additional Information Package for Shortlisted Candidates. Sometimes targets require that the potential buyer states its interest in writing and executes a NDA before providing additional information including financial statements, details about current and planned products and markets, R&D in progress, etc.
- Initial Approach to Shortlisted Targets to Determine Interest Level
- Exploratory Meetings with Targets that Reciprocate Interest. The number of meetings will vary depending on target country

3. INVESTMENT TERMS NEGOTIATION AND DOCUMENTATION

In cases when the company decides to acquire or invest in a particular target, we support clients with the following.

DEAL STRUCTURE AND INITIAL TERMS

- Advise on transaction structure to maximize economic benefit and minimize tax impact, taking into account the client’s specific financial, commercial and legal limitations
- Advise on offshore holding company structures, transfer pricing issues and reduction of tax withholding and royalty pursuant to applicable tax treaties
- Advise on financing terms and assist clients to obtain appropriate financing
- Advise on specific legal approvals applicable to each deal, such as relevant securities or stock exchange regulations, fair trade/antitrust issues, foreign investment approvals, corporate procedural issues, and how these variables may impact the timing and structure of the transaction
- Negotiate and draft confidentiality and exclusivity agreements for the parties’ preliminary examination of the deal
- Negotiate deal terms and draft term sheets, letters of intent, memoranda of understanding or framework agreements, as well as definitive stock purchase, asset purchase or merger agreements

DUE DILIGENCE

- Prepare due diligence requests and establish electronic data rooms

- Perform due diligence review of legal documents and advise on important legal and commercial due diligence issues to manage risk by identifying potential costly deal-killer issues and/or issues which can be remediated or where risk can be apportioned or reduced
- Prepare in-depth due diligence report based on review and provide translations of significant corporate documents where necessary
- Assist and advise on interviews of target company's key management and departments
- Perform "Phase 1 Due Diligence": Review local and international corruption and compliance, especially with the U.S. Foreign Corrupt Practices Act (or other applicable laws), including management, financial, third party vendor/supplier, marketing and procurement interviews and questionnaires
- Liaise and coordinate with client's commercial, financial environmental and health & safety due diligence team
- Obtain credit searches, background checks of target company, key executives and major shareholders where necessary

LEGAL DOCUMENTATION

- Negotiate and draft the definitive agreements including share purchase agreement, asset purchase agreement and/or merger agreements etc.
- Negotiate and draft ancillary agreements, such as shareholders agreements, joint venture agreements, escrow agreements and any side agreements required
- Advise on commercial impact of specific deal terms, such as representations and warranties, indemnification, pre-closing and post-closing covenants, termination conditions

ESCROW ARRANGEMENTS

- Advise on and negotiate escrow terms and draft escrow agreement
- Recommend and coordinate transaction with escrow agent
- Review and counsel on indemnification claims and facilitate payment of claims out of escrow fund.

FOREIGN INVESTMENT APPROVAL, COMPLIANCE WITH LOCAL M&A REGULATIONS AND OTHER SPECIAL APPROVALS

- Prepare applications for foreign investment approval from the local authorities, or other required special approvals in the relevant jurisdiction
- Advise on applicability and compliance with local M&A Regulations for the transaction
- Respond to enquiries from the relevant governmental agencies and submit supplemental documentation if necessary
- Facilitate capital injection verification and payment of securities transaction tax, if applicable

FAIR TRADE LAW AND ANTITRUST CONCERNS

- Advise on compliance with local Anti-Monopoly Law or Fair Trade Law
- Prepare filings for submission along with required supplemental documentation

CLOSING

- Oversee satisfaction of closing conditions and pre-closing covenants, such as board of directors' changes, shareholders' and board of directors' meetings, tendering of shares or proxies, and other deal-specific conditions
- Verification of stock certificates to be transferred and proper endorsements and chops
- Arrange for transfer agent services, where necessary
- Facilitate capital verification upon receipt of purchase funds and payment of securities transaction taxes, if needed
- Provide paying agent services for distribution of purchase proceeds to individual shareholder

4. POST-INVESTMENT ONGOING OPERATIONAL SUPPORT

After a particular transaction is closed, we can continue to provide the following support on an ongoing basis:

- Advise on assorted legal and operations issues to insure systematic and smooth business
- Advise on related party and affiliate transactions
- Advise on corporate governance issues
- Analyze contingent liabilities
- Advise on labor management, transfer and benefit matters
- Advise on tax and regulatory matters
- Support by supervising and coordinating local counsel and financial, accounting and other professionals as needed to help local managers and act as a additional resource for headquarters

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