

Notice of the Ministry of Commerce on the Decentralization of Approval on the Alteration of Foreign-funded Joint-stock Companies and Enterprises

(No. 50 [2008] of the Ministry of Commerce)

The competent departments of commerce of all provinces, autonomous regions, municipalities directly under the Central Government, municipalities under separate state planning and Xinjiang Production and Construction Corps., and national economic and technological development zones:

For purposes of implementing the spirit of the 2nd Plenary Session of the 17th Central Committee of the CPC, further reforming the government functions, and improving the work of examination and approval of foreign investment, we hereby notify you of the relevant issues as follows:

I. For a foreign-funded enterprise authorized by the Ministry of Commerce (the former Foreign Trade and Economic Cooperation), if its newly increased total investment and the newly increased registered capital are below the limit (USD 100 million for a foreign-funded enterprise in the encouraged or permitted category in the Catalogue of Industries for Guiding Foreign Investment, and USD 50 million for one in a restricted category, hereinafter referred to as the “limit”), the competent provincial department of commerce shall be responsible for examination and approval (except the issues involved in Article III).

II. For the establishment and alteration (including other relevant alteration of the foreign-funded listed companies below the limit) of a foreign-funded joint-stock company below the limit (a restructured enterprise shall be calculated on the net asset value after the assessment), the competent provincial department of commerce shall be responsible for its examination and approval (except the issues involved in Article III).

III. The foreign investment in the industries with special provisions and in the macro-control industries with special industrial policies shall continue to be handled according to the current provisions. For the strategic investment in the listed companies by a foreign investor, such investment shall still be submitted to the Ministry of Commerce for approval.

IV. All the local examination and approval departments of foreign investment shall conduct examination and approval in strict accordance with the provisions of relevant laws and regulations and requirements of relevant policies of the State, and timely file with the Ministry of Commerce for archival purpose.

V. This Notice shall come into force on August 11, 2008.

Ministry of Commerce of the People’s Republic of China

August 5, 2008