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CHINA BRIEFING

From Dezan Shira & Associates



Understanding Mergers & Acquisitions in China

P.04 An Introduction to China's M&A Market

P.11 The Importance of Due Diligence in the M&A Process

P.06 Anatomy of a Takeover: Conducting a Company Acquisition in China

Introduction



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Dezan Shira & Associates

The environment for mergers and acquisitions (M&A) in China has fundamentally changed in recent years. Affected in part by the global economic crisis and wavering Chinese growth, the rate of foreign acquisitions in the country has fluctuated considerably over the past ten years, going from 42 deals worth approximately RMB 30 billion in 2008, to 39 worth 78 billion in 2013, to 61 deals worth 35 billion in 2015.

Conversely, Chinese outbound acquisitions have experienced an unprecedented upsurge in the last two years. A sharp rise in capital outflows resulted in Chinese outbound investment surpassing that of major developed economies in 2015, while Q1 2016 saw China record its largest ever quarterly share of global acquisitions, making up a sixth of all M&A activity.

The contrasting dynamics of outbound and inbound M&As in China has served to transform the M&A market landscape in the country. While the acquisition is still undoubtedly a swift and effective means for foreign companies to enter the Chinese market, there are now a host of new considerations for firms to take into account prior to committing to any investment, including uncertain market conditions, bigger domestic players, and new regulatory frameworks.

In this issue of China Briefing magazine, we set out to guide foreign investors through the mergers and acquisitions process, from initial market research, to set-up procedures and regulatory hurdles, and finally thorough important due diligence considerations. With experience in China's M&A market since 1992, Dezan Shira & Associates is perfectly positioned to ensure that the M&A is the right investment vehicle for your company's venture into China.

With kind regards,

Alberto Vettoretti



This Month's Cover Art

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Oil on canvas, 180x150 CM

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Reference

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Table of Contents

P.04

An Introduction to China's M&A Market

P.06

Anatomy of a Takeover: Conducting a Company Acquisition in China

P.11

The Importance of Due Diligence in the M&A Process

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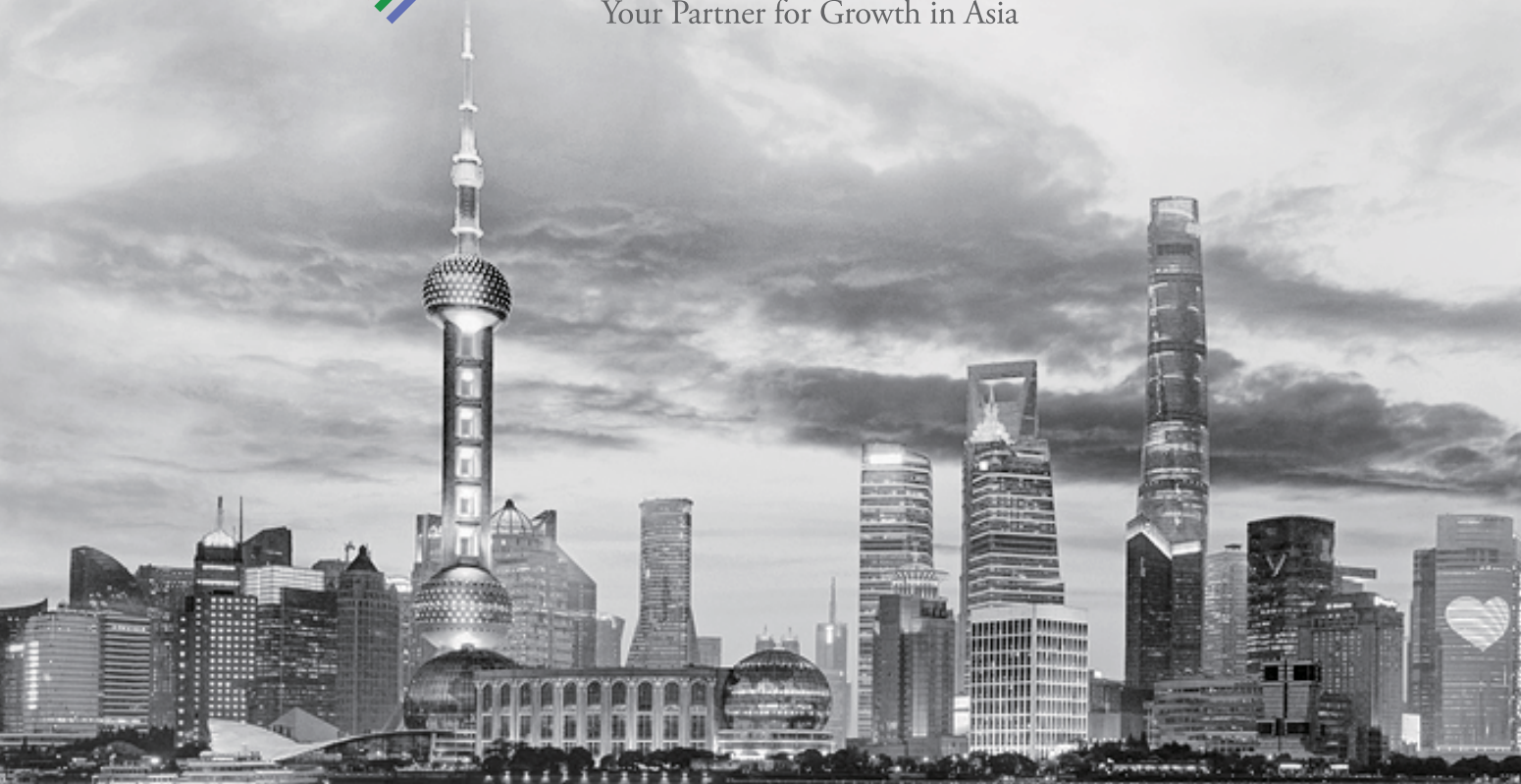
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