

(JunHe) Continues to be a popular choice among major domestic and foreign clients from the automotive, e-commerce, manufacturing, telecommunications and pharmaceutical industries.

—Chambers Greater China Region

## Automotive

As a full-range business law firm, JunHe serves clients in many different industries. Clients from the automotive industry, which is the backbone of the national economy, are of great significance to JunHe. Since its commencement, JunHe has served several Chinese and foreign manufacturers and distributors of complete vehicles, as well as manufacturers of vehicle parts and components. Along with the opening up of China in recent years, new energy vehicles and smart cars have become a priority to Chinese automobile manufacturers. While continuing to serve traditional automobile brands, JunHe was appointed by a group of emerging vehicle and spare part businesses to advise on mergers and acquisitions, equity investments, listings and compliance. JunHe has accumulated abundant industry and practice experience and keeps up to date with the evolving laws, regulations and policies in the industrial and market areas of the Chinese automotive industry. The company plans to expand its legal services in the automotive industry, especially those related to new energy vehicles and smart cars.

The global automotive sector continues to evolve with advances in electric cars, intelligent design and networking of vehicles. This provides the Chinese automobile industry with a precious opportunity to undergo transformation and upgrades, with the goal to advance China from being a large manufacturing power to a strong manufacturing power. The central and local authorities at all levels in China have reacted swiftly and positively to these changes, by introducing legislation and industrial policies. These include launching the Planning for the Mid- and Long-term Development of the Automobile Industry, which defines the developing ideas, planning targets and policy orientations for the mid- and long-term work of the Chinese automobile industry, and updating the negative list and gradually releasing restrictions on the proportion of foreign capital shares and the number of joint ventures, so as to enable a national treatment and fair competition to the foreign-invested automobile industry. It also enacted the Regulations on the Administration of Investment in Automobile Industry to regulate investments in the automobile sector and related sectors and to prevent overcapacity, and they enacted the Administrative Measure on Market Access of On-road Motor Vehicle Manufacturers and their Products to specify the entry threshold and requirements for motor vehicle manufacturers and their products and explore cooperative manufacturing and other new business models. They promulgated administrative rules regarding autonomous vehicles, in an effort to promote the research, development, testing and commercialization of smart cars and scheduled to take action to ensure the privacy protection and data compliance with respect to intelligent and connected vehicles, including enacting the Regulations on the Administration of Autodata Security (Interim) and other laws and regulations. It also promulgated the Administrative Measures on Automobile Sales and the Guidelines on Anti-monopoly Practices in the Automobile Industry which has broken the competitive advantages of complete vehicle brands in terms of price, resource and supply, and helps create a market environment for automobile distribution with sufficient competition. The great changes in the industry are fueling a deep revolution in the legal and regulatory environment of the Chinese auto industry.

In order to keep abreast with the evolution of the automobile industry and the rapid changes in the relevant laws and policies, legal counsels with understanding and keen insight in legislative developments are needed to ensure smooth transactions. JunHe has accumulated vast professional expertise and abundant experience in this industry, and is providing new and existing clients with full-range legal services with respect to mergers and acquisitions, greenfield investments, joint ventures and cooperation. They are also adept at interpreting laws and policies, drafting and reviewing contracts, compliance reviews, legal risk prevention and professional training.

### Selected Deals

#### Listing of XPeng Motors in the U.S.A. and Hong Kong

With JunHe's assistance, XPeng Motors completed its listing on the New York Stock Exchange (NYSE) and the main board of the Stock Exchange of Hong Kong (SHEK) on August 27, 2020, and July 7, 2021.

JunHe, founded in Beijing in 1989, is one of the first private partnership law firms in China. Since its establishment, JunHe has grown to be one of the largest and most recognized Chinese law firms. The firm has twelve offices around the world and a team comprised of more than 1,070 professionals, including over 320 partners and legal counsel, as well as over 750 associates and legal translators.



## They (JunHe) are very strong and well experienced.

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With this listing, XPeng Motors became the first NEV manufacturer to list in both the U.S.A. and Hong Kong. XPeng Motors is a leading designer and manufacturer of smart electric vehicles and a technology company dedicated to the integration of frontier internet and AI innovative technologies. It has three main car models: G3, P7 and P5.

JunHe was appointed as the Chinese legal counsel for the co-sponsor and underwriter respectively in those listings. Although the schedule was tight and the market was suffering from the COVID-19 epidemic and other adverse factors, JunHe maintained its quality, rigorous and efficient work in serving its clients. The services it provided include assisting with the onshore legal due diligence, coordinating and participating in the physical visits and online interviews, reviewing and revising the prospectus and other application and IPO documents with respect to the listings, issuing Chinese legal opinions, and assisting in answering questions put forward by SEC and SHEK regarding Chinese laws. Finally, XPeng Motors successfully completed the listing on the NYSE and obtained approval and consent for its listing application from the SHEK.

### Scania's acquisition of a complete vehicle manufacturing base in China

In December 2020, Scania, a leading commercial vehicle manufacturer, acquired Nantong Gaokai Automobile Manufacturing Co., Ltd. and changed its name to Scania Manufacturing (China) Co., Ltd. Scania is the third largest heavy-duty vehicle manufacturer in the world, and is known as the "Mercedes-Benz and BMW of the heavy-duty truck industry".

This was the first wholly foreign-owned commercial vehicle manufacturer in China after the decision by the Chinese government to allow a commercial vehicle manufacturer to be 100% owned by a foreign investor. It was created by a foreign investor purchasing the equity in a Chinese company. At the inception of the project, the Chinese government had not yet enforced the policy of releasing restrictions on the proportion of foreign capital shares. JunHe visited the Ministry of Industry and Information Technology (MIIT) and its local counterparts, the National Development and Reform Commission (NDRC) and other authorities with Scania again and again to consult on the feasibility of a foreign investor to buy out 100% of the equity in a local commercial vehicle manufacturing company. The project lasted for over year from the beginning to the completion. While the project was still ongoing, the COVID-19 epidemic struck, resulting in the disconnection between the Scania's headquarters and its China-based staff. JunHe and the transaction parties worked closely to drive the deal forward. JunHe's team provided Scania headquarters with advice on the risks and uncertainties in the policy in relation to investment in a Chinese commercial vehicle manufacturing company, the transaction process pertaining to state-owned assets, and how to solve the inherited problems of the target company. Services provided by JunHe in the project include drafting and advising on the negotiation of dozens of transaction documents in relation to the acquisition of equity, green field investment and the restructuring of the target company, preparing all the documents for the sale and purchase of the state-owned equity through an equity exchange platform and for the change of the registered business particulars, and then translating all these documents into English.

### NIO's release of the ES8 as its first production vehicle

NIO released its first production vehicle, the ES8, in December 2017. It took NIO less than two and a half years to issue the ES8 after its establishment. Most other new vehicle brands established at the same period are building their own factories, which requires much larger investments of funds and time; NIO, on the other hand, ventured out in cooperation with a domestic complete vehicle manufacturer in its first production model.

JunHe participated in the entire process of the ES8 project, which included design, research and development, and setting up a supply chain system, trial productions and mass productions. JunHe provided strong support to NIO with respect to its entrance by foreign investment in the automobile manufacturing industry, feasibility analysis on the mode of cooperation, advice on compliance issues, the drafting of legal documents, and leading rounds of tough negotiations with the cooperation partner. In addition, JunHe provided a legal solution to help NIO realize a creative business mode of sales and after-sales service. This included online direct sales, the separation of titles of vehicles and batteries, mobile power banks, and speedy battery change, JunHe was also involved in the legal services for NIO in its legal compliance and the establishment of rules, with respect to autonomous vehicles, automotive navigation and entertainment systems, internet of vehicles, and cross-border information transmission.

Law Firms of the Year -  
Industrials & Manufacturing

2021, 2020

Deals of the Year -

BYD USD3.8 billion H-share Placement

2021

Deals of the Year -

XPeng's US IPO and Pre-listing Financing

2020

Deals of the Year - Dongfeng Motor's

Equity Investment in PSA Peugeot

Citroen Group

2014

(China Business Law Deals of the Year)

Deal of the Year: The Coastal Areas and

Equity Market Deal of the Year:

The Coastal Areas - BYD's HKD \$30

Billion H-shares Placement

2021

ALB China Regional Law Awards: The Coastal Areas

Deals of The Year -

Fiat Chrysler Automobiles/PSA Group

2021

Global Competition Review Awards