

LEHMAN, LEE & XU



雷曼律师事务所

PRESS RELEASE

FOREIGN PROPERTY PURCHASES IN CHINA

Beijing, China – September 5, 2006 – The State Administration of Foreign Exchange and the Ministry of Construction jointly issued new rules clarifying the “Opinions for Regulating Entry and Control of Foreign Real Estate Investment” (the Opinions) issued and effective as of the end of July 2006.

Among other changes, the rules state that foreigners must obtain approval before repatriating the proceeds of sale of Chinese property. The remainder of terms further ‘flush out’ the Opinions which place numerous restrictions on foreign property purchases. For example, the Opinions state that foreign companies may not purchase Chinese real estate, unless for self-use and/or if they are foreign owned investment company. Further, foreign acquisitions of Chinese property investment companies must be paid in a lump sum, and foreign individuals are not permitted to purchase property until they have resided in China for one year.

Senior attorneys at LEHMAN, LEE & XU have seen an increased number of foreign clients seeking alternative measures to self-purchase. All are optimistic that the Opinions will be repealed or replaced with laws more 'friendly' to foreign investors.

To learn more about the firm’s work in real estate, please visit www.lehmanlaw.com.

LEHMAN, LEE & XU is a prominent Chinese corporate law firm and trademark and patent agency. The firm has offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm is managed by Mr. Edward Lehman, who has nearly twenty years of legal experience in China.