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PRESS RELEASE

WTO RULES AGAINST CHINA – AUTO PARTS

Beijing, China - February 13, 2008 - A WTO panel has ruled against China in a trade complaint jointly brought by the US, EU and Canada regarding China's trade policy on auto parts. As the world's fourth largest economy and the third largest vehicle consumer market, this decision is expected to not only impact the Chinese auto market, but also to have a more general impact on China's trade policies.

Specifically, China has implemented a tax system in which imported auto parts are subject to a 25% tariff while complete cars are subject only to a 10% rate. This higher rate has affected the decisions of domestic and foreign manufacturers in whether to source parts domestically or internationally.

With four other matters pending against China's trade practices, this decision is predicted to lead to further actions, both against and by China.

Chinese authorities have stated that they are currently "studying the matter" and "regretted" the move. For foreign businesses operating in China, this decision could result in both positive and negative impacts, with some cautioning a possible backlash by Beijing.

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Lehman, Lee & Xu is a prominent Chinese corporate law firm and trademark and patent agency with offices in Beijing, Shanghai, Shenzhen, Hong Kong, Macau, and Mongolia. The firm is managed by Mr. Edward Lehman who is a long-time China resident, and is recognized as a leading expert on corporate law with 20 years of practice experience in Mainland China.