



*Brought to you by The JLJ Group
Solutions for China Entry & Growth*

Welcome to JLJ's e-newsletter - **China Focus**. Here, we hope to share with you the latest regulatory updates and useful information relevant to China's business environment. This e-newsletter is brought to you, our valued network, as part of JLJ's value-added service

Human Resource

Talent Assessment Optimizes Candidate-job Fit



Tossing and turning in bed, mulling over which employee to hire from a shortlist of five candidates for a crucial position in a company - Does this situation sound familiar to you?

Increasingly, hiring managers in China choose to avoid such agony by adopting Talent Assessment tools to ensure that the right person is employed for the right job.

Although the talent assessment industry in China began as early as 1996, the industry started to flourish only recently - 59% of the users adopted the tool within the last three years. Three Talent Assessment techniques commonly used by companies in China include:

1. Psychological Testing

Psychological assessments are commonly used to evaluate if a candidate has potential to take on the intellectual challenges of a position, has personal attributes that match the business environment and job requirements and if the candidate will be satisfied and remain committed to the job, team and company.

2. Interviews

Through direct interactions with the candidates or observing candidates role-play a particular scenario, the candidates' experience, capability, personality and work attitude can be evaluated.

3. Assessment Centres

A combination of various assessment methods such as psychometric questionnaires, work planning and case studies, group exercises, interviews, presentations and role-play exercises, this technique provides a more thorough and in-depth evaluation of a candidate than a single method of testing.

For more information about Talent Assessment techniques, please email to angelagao@huijiechina.com.

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China Telecommunications Market



With a population of 1.3 billion, China owns the world's largest fixed-line and mobile network in terms of both network capacity and number of subscribers. Its telecom market is worth about \$84 billion and is expected to reach \$130 billion by 2009.

China's telecommunication industry is set for a major transformation, with 3G licenses expected to be issued in January 2008. Pre-building and trial operations of the TD-SCDMA network (the 3G mobile communication network of Chinese standard) has already begun since March in 8 cities - Beijing, Shanghai, Tianjin, Qingdao, Shenyang, Qinghuangdao, Xiamen and Baoding. This will be followed by expansion in other coastal cities.

Overall, 200 million Chinese are expected to become 3G users. Chinese carriers are already preparing to invest heavily in 3G technologies, with expected total expenditure of above \$5 billion per year from 2008 and 2010. Of this, system equipment expenditure will account for roughly 50%, representing good opportunities for equipment suppliers.

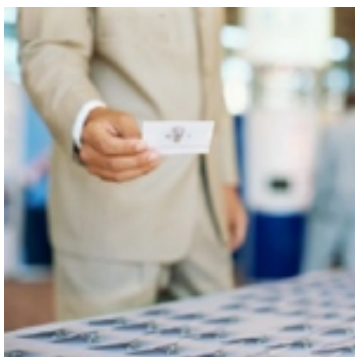
Large global players are joining forces with Chinese suppliers, transferring know-how to Chinese players, and at the same time enjoying large orders from Chinese carriers and the government. On the other hand, smaller foreign suppliers can leverage agents or distributors that have resources such as government and industry connections to reach potential customers and provide technical support.

For more information on how to take advantage of opportunities in the telecommunications industry, please email to candice.lin@jljgroup.com.

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China FDI

Naming Your Company in Chinese



Many companies in China follow the same strategy in terms of maintaining their global brand image by using their foreign name instead of a Chinese name; however incorporating a local dimension can also be critical to success in the market.

A good Chinese company name is not only a simple transliteration of your English name but should also convey a meaning with positive connotations in Chinese culture. Do not underestimate the importance of the Chinese name for the company or product, as with any other country, in China consumers will not be attracted by a brand with a poorly devised name.

A few examples of good Chinese names: Carrefour (JiaLeFu: a happy and fortunate home); Ikea (YiJia: proper home); and BMW (Bao Ma - a treasured horse).

When considering the Chinese name for your company, you should pay attention to three elements: the pronunciation, the characters themselves and the meaning of the words. Once you have the right Chinese name, it is essential that you immediately apply for the trademark in China.

For more information about naming your company, please email to katherine.cui@jljgroup.com.

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Tax updates

Tax-Exempted Allowances for Expats



Expatriate employees can enjoy tax exemption on individual income obtained from their work within China, including: living costs such as the housing, meal and cloth washing allowance not paid by cash;

the allowance of trip; other costs such as the home leave allowance (twice per year), educational expense for children, and language training expenses. These allowances can significantly reduce your tax exposure in China so careful tax planning is extremely important.

For more information about personal tax planning in China, please email to tim.lamb@jljgroup.com.

JLJ News & Events

Complimentary Invitations: Forum on Economic Globalization and Business Incubation



JLJ is glad to offer 20 complimentary invitations to foreign entrepreneurs interested in China's business incubation

environment. The forum will provide excellent networking opportunities and promote the exchange of experiences and ideas for professionals from the international incubation community.

Date : 23 to 26 September 2007
Organizer : Shanghai JiaoTong University
Science Park Withub Hi-Tech
Business incubator
Venue : Galaxy Hotel, Shanghai

For information or registration, please click [here](#) or email to lynn.ng@jljgroup.com.

The JLJ Group provides solutions to foreign companies entering and growing in China. Our core services include Market Consulting, Corporate Formation, Human Resources, Tax & Accounting as well as Business Process Outsourcing.

Send us your business enquiry at info@jljgroup.com or find out more about our services at www.jljgroup.com.

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