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**China Automotive Statement of Capabilities**

PwC

December 2016
To our dear Clients:

Thank you for your patronage over the years. With your support, PwC China Hong Kong is the #1 Professional Services Firm for the largest automotive market in the world.

From a global perspective, much has occurred and impacted the automotive industry in the past year. The American economy has quickly recovered. China’s GDP is experiencing slower growth. Crude oil prices have stagnated. Finally, Germany is entering the Industrial Age 4.0. Closer to home, the launch of the Made in China 2025 strategy is shifting Chinese industry from largely production-focused to innovation- and quality-focused. At the heart of future automotive industry development in China will be improvements in customer experience, integration of connected technologies to production processes, environmentally sustainable development, and brand development.

Looking within China, development of the used car market, government support of NEVs, expansion of the after sales market and the tightening of automotive market regulations have brought unprecedented challenges and opportunities to the Chinese automotive industry. OEMs, suppliers, automotive finance companies, and car dealers have begun to adopt a mature business model. These changes signal each stakeholder of the value chain to re-evaluate their position and advantages in the industry so as to win over their customers in this new era.

PwC China’s Automotive Team is an integral part of our global automotive network which consists of 4,800 partners and client service professionals focused on providing services across the entire automotive value chain. We are confident that no other professional services firm can match our qualifications, experience, global reach, thought leadership, and ability to deliver comprehensive services. Thus, be it financial, regulatory, operational, or strategic, we are eager to collaborate with you to develop solutions which will pave the way for your organization’s long term success in China and on the world stage.

Please contact us to find out more on how our services and capabilities can create value for you and your business.

Respectfully,

Wilson Liu
China Automotive Leader
PwC is the leading service provider for large multinational companies. For the fiscal year ended 2015, PwC audited 28% of the Fortune 500 and provided non-audit services to 56% of the Fortune 500 companies.

We have the global experience and resources to serve you virtually anywhere around the world, with more than 195,000 people in 157 countries in the PwC network sharing their thinking and experience to provide the best possible strategy for your business needs. Our Asia Pacific network of 50,337 people and our global network of firms are aligned by 20 key industries — including automotive. Our extensive industry credentials enable us to deliver quality advice in areas such as audit, systems, tax, deals and consulting and other complex business issues.

Our service approach is built upon industry specialization because our clients demand our professionals to understand their business. Our professionals select an industry focus early in their careers. Staff members that selected the automotive industry are exposed to contemporary practices and emerging trends to gain the necessary knowledge and expertise. Our Automotive Team continuously expand their already comprehensive knowledge of the industry and are eager to deliver value to you and your business.

PwC’s automotive clients include vehicle manufacturers, suppliers and other notable fixtures in the automotive value chain. Though these companies are operationally diverse, they do face some common issues and challenges such as supply chain management, cost reduction management, globalization and marketing just to name just a few.

We are proud to serve a full range of automotive companies in China and around the world, including the largest Tier I suppliers and vehicle and heavy equipment manufacturers. With more than 4,800 automotive industry professionals around the world, we were able to:

• Audit 3 of the 5 largest 2015 Global Fortune 500 vehicle manufacturers
• Audit 5 out of 10 Fortune 500 auto suppliers
• Provide professional services to 18 out of 20 of the world’s largest automakers
• Provide professional services to 19 out of 20 of the world’s largest auto suppliers
PwC China Automotive Sector

Overview of PwC China

Our highly qualified, experienced professionals provide invaluable advice, help resolve business issues and maximize future opportunities for organizations across Asia. Moreover, our industry specialization allows us to help co-create innovative solutions for our client’s sector of interest.

PwC China currently has over 17,000 partners and staff located in the following cities: Beijing, Shanghai, Tianjin, Chongqing, Shenyang, Dalian, Xi’an, Chengdu, Qingdao, Nanjing, Suzhou, Wuhan, Hangzhou, Ningbo, Xiamen, Guangzhou, Shenzhen, Hong Kong.

Whether you are expanding operations in China or require in-depth knowledge in the automotive industry, PwC can help you to achieve your objectives with our practical approach, extensive resources and thorough market knowledge. Our professionals will work with you to satisfy all your business demands and continue to set ourselves apart from our competitors through our excellent service.

Representative Multi-National Companies

- AB Volvo
- BMW
- Caterpillar
- Daimler
- FCA
- Ford
- General Motors
- GITI Tire
- Goodyear
- Honda
- JLR
- Johnson Controls
- Nissan
- Robert Bosch
- Toyota
- Volkswagen
- Yazaki

Representative Chinese Clients

- BAIC
- BYD
- Chery
- China Automotive System
- China Grand Auto
- Dongfeng
- EHI
- FAW
- Foton
- GAC
- Geely
- Jiajingling
- SAIC
- Sinotruck
- Yanfeng Visteon
Overview of PwC’s Assurance and Actuarial Capabilities in China

PwC has been adding value by providing professional services to automotive companies for more than 30 years. We help companies confront the industry's various challenges by developing effective solutions and strategies.

Assurance and Actuarial Services

PwC has the knowledge and experience to help you with complex financial accounting issues related to matters including but not limited to valuations, pensions, share plans, listings, deal advisory, GAAP conversions (US GAAP and IFRS), corporate treasury and company secretarial functions.

Our member firms audit many of the world’s best-known automotive companies and thousands of other organisations. Our audit approach, at the leading edge of best practice, is tailored to suit the size and nature of your organisation and draws upon our extensive industry knowledge. Our deep understanding of regulation and legislation means we can also help with complex reporting issues involving Sarbanes-Oxley, US GAAP and International Financial Reporting Standards (IFRS).

Additionally, we are leaders in the development of non-financial performance reporting, helping our automotive clients respond to the need for greater transparency, improved corporate governance and business models based on the principles of sustainability.

Financial Statement Audits

In today's business environment there is more scrutiny and skepticism of a company’s financial statements than ever before. Investors expect more: greater reliability, more oversight and clear evidence of internal controls. Corporate management, boards and audit committees, internal and external auditors, analysts and other investment professionals all have important roles in rebuilding investor trust by executing their respective responsibilities. Meeting investor expectations begins with the completeness and accuracy of information contained in a company’s financial statements.

For organisations that require an audit for statutory or regulatory reasons associated with the filing of their annual and periodic financial information, PwC can provide high quality audit services. We can also address any specific regulatory reporting requirements such as those under Sarbanes-Oxley §404 for SEC registrants, including foreign private issuers.

PwC’s work takes into account all current and, where appropriate, prospective auditing, accounting, reporting regulations and guidance. Our audit clients include many of the world’s leading multinational corporations, as well as many small and medium-sized companies and a significant number of local authorities and other public sector bodies.

Corporate Reporting

PwC can assist organisations that need to ensure the quality and credibility of internal management information, external disclosures and, in particular, non-financial indicators. Our professional leadership on issues related to non-financial performance reporting has not been limited to simply advocating reform. Instead, PwC helped pioneer the concept and practice of non-financial performance reporting with the development of Value Reporting — the most comprehensive and robust approach to reporting transparency available in the marketplace.
Capital Market Transactions

For companies seeking to raise debt or equity capital in capital markets, PwC can provide an independent view of the critical issues involved in accessing a particular capital market. Our advice is tailored according to whether you are a smaller, entrepreneurial company unfamiliar with the IPO process or a sophisticated national or multinational company that regularly uses the international capital markets. For companies considering going public or spinning off part of their business, we have the experience and expertise to position the entity to go public and then take an active part in making the event successful when it happens.

Financial Accounting

For all organisations that need quality accounting advice, PwC has the breadth and depth of knowledge and technical expertise to help. We are the world’s leading audit and assurance organisation. Our audit clients include more than a third of the FTSE 100 and Fortune 500 for the fiscal year ended 2014. Our financial accounting and accounting technical advice, support tools, guidance and training will help improve the quality of your company’s financial reporting.

For non-audit clients, we provide broader range of accounting advisory services in complex transactions and augmentation support.

Regulatory Compliance

In the face of market uncertainty and growing demands from stakeholders, a disciplined, formalized but effective approach to managing risk can help companies become risk resilient. In doing so, firms will avoid unanticipated losses and provide the clarity and framework necessary to enable confident, risk informed decision making.

For all companies that are anticipating and reacting to compliance and regulatory requirements in order to support performance objectives, sustain value and protect the organizational brand, PwC provides a range of services to help you achieve compliance.

Our advisory services include project management assistance, technical support, risk assessment and scoping activities, documentation and evaluation assistance, training, quality assurance and review. For non-audit clients, PwC can also provide support in the evaluation and remediation of controls.

We help clients address risk management, control and compliance issues including:

- Sarbanes-Oxley Section 404 readiness, process improvement and sustainability services
- China SOX
- PN21 (Hong Kong listing regulations)
- Compliance with other regulatory requirements (e.g., Turnbull, FATCA, Basel II-IV, King)
- Audits upon exit of management personnel
Effective Internal Audit and Control

In order to maximize the value and effectiveness from the internal audit function, an understanding of the organization’s objectives, risk management priorities, regulatory environment and the diverse needs of its critical stakeholders is required.

PwC’s Risk Assurance professionals bring the right mix of internal audit and internal control consulting experience, knowledge of the automotive industry and highly specialized technical skill sets into your internal audit function. Our Risk Assurance professionals provide:

- Full outsourcing, including a dedicated, specialized automotive industry core service team
- Co-sourcing of selected technical, geographic or automotive industry-specific capabilities
- Financial and operational business process controls reviews, including process transformation as it relates to system implementations
- Quality Assurance Reviews to assess conformance with IIA standards
- Fraud risk assessments, anti-fraud framework maturity assessments and control enhancement and support (to help prevent fraud incidents from reoccurring)
- Review of internal audit strategy and transformation with the aim of reducing cost, improving performance, increasing accountability and developing metrics
- Enterprise Risk Management (ERM) and governance, risk, and compliance services

Independent Controls and Systems & Process Assurance

Our Risk Assurance professionals also provide services related to the assessment of financial reporting processes, business processes and IT management controls. Serving both audit and non-audit clients, Risk Assurance provides:

- Financial and operational applications or business control reviews
- Database security controls and IT general controls reviews
- Infrastructure security, third party assurance and opinion services
- Sarbanes-Oxley readiness, process improvement and sustainability services
- Compliance with other regulatory requirements (Turnbull, King)
- Due diligence on systems and controls
- Pre- and post-implementation systems reviews
- Project assurance and data services (CAATs, data quality reviews)
- Computer security reviews

Information Technology

ERP systems are becoming increasingly vital across all aspects of business contexts as the expectation of it being able to reap substantial benefits and reduce costs continue to prevail. As a metaphorical “central nervous system” for organizations, ERP systems potentially introduce financial and operational risks into organizations that lack a well designed control infrastructure.
Our Risk Assurance practice provides a wide range of system process and control related services, including financial and operational processes as well as IT management controls. PwC’s Risk Assurance can assist firms with the:

- Implementation of the optimal mix of internal controls for managing data systems
- Provide continued configuration and maintenance to align systems with your business requirements
- Assists with managing system implementation projects with multiple vendors

**Auto-Financing**

As aforementioned, the penetration of retail auto-financing has been increasing at a low rate as Chinese clients continue to prefer concluding transactions with cash payments or informal financing arrangements. However, PwC can work with you to:

- Understand and influence consumer behaviour
- Comprehend and comply with CBRC regulations
- Increase diversity of funding sources
- Enhance customer-oriented operations
- Drive product innovation

**Data Quality Review**

As automotive OEMs and suppliers continue to experience high production and sales volume growth in China, the need to enhance systems and procedures grows greater. PwC can assist in conducting end-to-end reviews of data capture quality to cope with challenges such as:

- Maintain accurate data for cost accumulation
- Warranty estimation
- Supply chain optimization
Overview of PwC’s Tax Capabilities in China

**Tax Services**

At PwC, we combine our understanding of the business and economic environment with specialized tax knowledge to help you:

- Reduce tax risks and meet compliance obligations
- Improve financial efficiency by understanding and managing the tax contribution your business makes to the government

We are determined to help you meet your tax objectives by asking the right questions to provide the clearest understanding of your current situation and constructing a successful tax strategy tailored specifically for your organization.

At PwC China:

- We are the only big 4 firm, which has an exclusive tax service team for Automotive Industry
- We focus on Automotive Industry and the specialized tax areas;
- We cooperate and provide cross-LOS tax services to enhance value for automotive clients
- We cover a wide range of the value chain of Automotive Industry

**Indirect Taxes**

Indirect taxes in China comprise of Value Added Tax (“VAT”), Business Tax (“BT”), Consumption Tax (“CT”), and Customs Duty (“CD”) and together are the largest contributors to government taxation revenue. During the past 3 years, BT, CT, CD and VAT, continually account for over 60% of total China tax revenue.

Indirect taxes may also therefore form a large portion of a business’s overall tax burden and have a significant impact on its bottom-line.

Inefficient management of indirect taxes may decrease profitability and increase working capital requirements (cash flow) and risks. PwC’s extensive global network of indirect tax professionals and strong relations with tax authorities and policy makers ensure that we are able to provide you with:

- Immediate updates on rules, rates and jurisprudence
- Continuous monitoring of policy developments
- Support on the BT to VAT transformation undergoing in China
- Indirect tax strategies that efficiently minimize the impact of these taxes on your financials and risk portfolio
- Improve indirect tax efficiency of your supply chain and daily operation
- Support when considering (re)structuring and M&A
- Set up and smooth your indirect tax compliance
- Support with regards to indirect tax inspections and litigation

We take a multi-disciplinary approach to indirect taxes by integrating our specialist industry networks. China indirect tax practice contains local and international indirect tax experts including former government officials.

Our practice is also supported by PwC’s Global Indirect Tax Network consisting of indirect tax experts around the world. We have dedicated teams that co-ordinate our client service to ensure execution within agreed timeframes.
Overview of PwC’s Tax Capabilities in China

Our indirect tax services include:

**Indirect Tax Compliance Service:** Focus on optimizing indirect tax compliance processes, including:

- Taxpayer registration
- VAT invoice issuance and management
- Monthly indirect tax return filing
- Annual indirect tax reconciliation
- Export VAT refund filing
- VAT training

**BT to VAT transformation assistance:** China has launched the BT to VAT transformation Pilot Program, the transition from BT to VAT will have a profound impact on your business. Getting prepared for the transition will require consideration of many business, commercial and technical issues. Our professional assistance include:

- Impact Study and Analysis
- Assistance in Making Action Plan
- Workshop and Staff Training
- Contract Review and Comment
- Assistance in Implementation
- Cross-border VAT Exemption Record Filing

**Legislation & Policy Support:** Focus on working closely with decision maker, passing appealing to authorities efficiently for legislation lobbying, including regulation updates and alerts.

**Supply Chain Review Service:** Focus on generating indirect tax savings and improving tax related cash flow management and improve supply chain efficiency by reviewing and re-structuring supply chain.

**Risk and Opportunity Assessment Review Service:** Focus on determining indirect tax healthiness, reducing indirect tax compliance risk, exploring for indirect tax cost saving areas and looking for opportunities to improve administrative efficiency and compliance through establishing KPI, tailored training and proactive interaction with authorities.

**Turnover Tax Health Check and Turnover Tax Internal Control Review Service:** Focus on identifying indirect tax risks and looking for opportunities to improve administrative efficiency and compliance through performing detailed review of the daily operation, process, tax treatments, accounting, invoice management, tax reporting, etc.

**Dispute Resolution Service:** Focus on formulating proven strategies to achieve win-win situation for resolving disputes with minimal financial and reputation exposure.

**Service Provider Evaluation Service:** Focus on review of the performance of 3rd party service providers for saving costs, ensuring compliance and improving performance.
Overview of PwC’s Tax Capabilities in China

Accounting and Payroll ("A&P") Outsourcing/Co-sourcing Services

A&P team works to deliver value to clients by serving as an open platform covering all back office functions, with core business in accounting and payroll services. Being the driver and project manager for cross functional activities, we enhance the service delivery efficiency and value.

We are able to create accounting infrastructure to enable data classification at transaction levels and hence would mitigate the period end compliance pressure and enhance better resources deployment. We would also take the best practice of the industry into consideration and hence would save unnecessary time for creating the same tasks. On the other hand, our strong capabilities on the set up of financial system would facilitate our clients to optimize their global system to fulfil the local requirements, or simply build their own PRC local system on a parallel basis. Our services include:

- Initial set-up of accounting and payroll system
- Monthly & annual statutory accounting and bookkeeping services/accounts management services
- Payroll & PRC Individual Income Tax ("IIT") calculation and net salary payment arrangement
- Registration and monthly compliance work on social benefits and housing fund
- e-Pay solutions (personal website to distribute individual payslips and other personal pay items)
- Special projects, such as accounting review, secondment services (e.g. Finance Manager, Accountant, Cashier, HR), Co-sourcing services (working with client on a specific project/period), cashier management services, supporting on various auditing, GAAP conversion, payroll compliance review, payroll structuring, employee leave management, etc.
- Trust account services (settle payroll, social benefits and housing fund contributions, and PRC IIT through our trust account)
- Company secretarial services, such as assistance in corporate set-up and annual inspection or updates/alteration on registration certificates, custody of client’s assets, etc.

International Assignment Service

For the majority of automotive companies that operate in more than one country or region, deployment of talent is a key factor of success. Regardless of the objective - knowledge sharing, implementation of management processes, expansion into new territories - assignees are vital to global growth.

PwC International Assignment Services ("IAS") provides fully integrated solutions to clients in relation to every aspect of international mobility including tax, immigration, social security, foreign exchange, mobility consulting, assignment management, expatriate compensation and benefits. This multi-disciplinary approach, coupled with our geographic coverage, enables our clients to access a vast amount of knowledge and expertise in every location, through a centralised client relationship team.

The IAS tax team can help clients prepare tax-efficient international assignment structures and policies that meet their business needs by ensuring compliance with the regulations where their workforce is deployed.
Overview of PwC’s Tax Capabilities in China

Tax Function Effectiveness

Internal control deficiencies, financial restatements, inefficient processes, outdated technology and resource shortages combine to become a compelling catalyst for action. Given this pressure to do more with existing resources, automotive companies require a flexible and comprehensive solution to address the operating performance of their tax function.

A high-performing tax department is essential to advance business interests and decrease overall risk. Regular reviews of your tax function’s performance will help your company manage sudden regulation changes and emerging market trends.

PwC’s Tax Function Effectiveness (TFE) service can help your tax department improve its process, control, governance, financial reporting, tax compliance and planning functions. Our TFE service focuses on several key areas, including:

- Tax function review, including policy and regulation, tax management process, internal control, technology and governance
- Technical competency assessments
- Tax provision, compliance and other technology
- Tax implementation guidance for specific automotive industry issue
- Tax management process/governance design or re-engineering
- Process improvements and implementation support
- Tax strategy and risk management
- Tax function organizational design, role descriptions and reporting lines
- Internal controls remediation
- Process documentation and operations manuals

Our TFE services can ensure your tax management meet and often surpass expectations by having:

- Improved control and more accurate documentation
- Greater collaboration between tax, finance and other core business units
- Increased focus on strategic objectives and process efficiency
- More accuracy of tax accounting balances and forecasts
- Control over timely generation of tax accounting obligations
- Immediate access to tax controls, process re-engineering or tax technology implementation support
- More effective tax leadership
- More efficient HR practices, personnel development and decreased unexpected overtime
- Greater ability to attract and retain talent

International Tax Services

The combination of accelerating pace of tax regulatory developments, new business models and evolving information technologies make the efficient management of an international business increasingly more complex.

Tax departments must be well-versed in both internal and external developments in order to achieve a competitive worldwide effective tax rate that is fully aligned with corporate strategy, planning and operations.
PwC’s international tax services professionals have a wealth of experience in helping firms address their cross-border needs. Our teams advise on all aspects of international taxation such as:

- Tax efficient holding company locations
- Cross-border financing and treasury solutions
- Income tax treaties, profit repatriation and loss utilization
- Inbound and outbound structuring
- Managing intellectual property and intangible assets
- Tax efficient supply chain and shared services
- Regional tax issues such as consolidated tax group
- Business models
- JV/deal negotiations
- Regulatory approval in China and targeted regions
- Valuation support

**Transfer Pricing**

Transfer pricing is a term used to describe inter-company pricing relating to transactions between related business entities. These can include transfers of intellectual property, tangible goods, services, loans or other financing transactions.

The role of transfer pricing in international tax has recently attracted a high level of international attention, due in part to the rapid rise of multinational trade, the opening of several significant developing economies and transfer pricing’s increased impact on corporate income taxation. As multinational corporations evolve into true global enterprises, compliance with the differing requirements of multiple overlapping tax jurisdictions has become a complicated and expensive task.

In response to these factors, tax authorities around the world have become more aggressive in the transfer pricing arena, introducing stricter penalties, new documentation requirements, increased information exchange, improved audit staff training as well as increased audits and inspections. This intense scrutiny implies significant risks for the unwary and the unprepared, particularly in a complex field such as transfer pricing where each transaction must be analyzed under its own unique circumstances. In the automotive industry, tax authorities have focused particularly on location savings, market premium, intra-group services, intangibles and the interaction with the customs.

With the ever-increasing scrutiny of transfer pricing activity by tax authorities worldwide we can assist you in the development of tax-efficient structures that help increase compliance with legal requirements, prepare for rapid audit response, resolve transfer pricing disputes and decrease transfer pricing exposure in future periods. PwC can assist in areas such as:

- Advance pricing agreements (APAs)
- Tax controversy and dispute resolution
- Documentation and planning
- Value Chain Transformation™ or Global structure alignment
Since 2015, China has released a series of extended Research and Development regulations, in which the leading role of enterprises as innovators is emphasized, and the regime to encourage the R&D of enterprises is refined. The R&D incentives enterprises can enjoy is extended, the application process is simplified, yet the incentive management has also been strengthened. Under such circumstance, while the R&D incentives are very welcomed by business operations, it is challenging for the companies to enjoy the incentives eligibly and effectively.

Leveraging on valuable experience and methodologies of PwC global service network, PwC established Research and Development incentive services team within PwC China in early 2015, which is a full-time specialised service team providing R&D related incentive services to enterprises. The service team has close contact with Ministry of Science and Technology, State Administration of Taxation and local Science and Technology and taxation bureaus to retain the most updated status for both R&D related regulations and local practices. The service team is composed of technology experts from various industry disciplines and experienced accounting and tax experts. Equipped with the combined technology and accounting/tax knowledge, and advanced working methodology which emphasizes the leading role of technology, Research and Development incentive services team provides R&D related services for various industry sectors regarding the whole R&D value chain.

Service scope covers all types of R&D related incentives

- Research & Development Expenditure Super Deduction
- High and New Technology Enterprise tax incentive
- Software Enterprise tax incentive
- Advanced Technology Enterprise tax incentive
- Integrated Circuit Enterprise tax incentive
- Government technology incentive funds
- Other taxation incentives that are relevant to Research & Development

For automotive companies, Research and Development Expenditure Super Deduction and High and New Technology Enterprise tax incentive are particularly noteworthy.

China taxation regime offers a 150% super deduction for eligible Research & Development expenditures for China Corporate Income Tax purposes, which allows business operations to enjoy a 12.5% tax benefit rate for eligible Research & Development expenses.

China taxation regime also offers a reduced 15% Corporate Income Tax rate, as appose to the 25% statutory China Corporate Income Tax rate, to enterprises who qualify for and meet the High and New Technology Enterprise status and criteria. A 10% tax saving on taxable income for China Corporate Income Tax purposes can be realized through this tax incentive offering.

A full range of services are designed for all types of R&D related incentives regarding the whole R&D value chain

- Enterprise qualification status analysis and R&D incentive selection
- Eligible R&D incentive analysis and application strategy making
- R&D incentive application material preparation, review and optimization
- Annual application or recording of R&D incentive qualification
- Internal self-inspection and tax audit assistance
- R&D management system establish assistance
- R&D management flow review, analysis, and optimization assistance
- R&D management system integration and optimization
- R&D distribution strategy analysis
Overview of PwC’s Tax Capabilities in China

Tax Structuring for M&A and Market Entry

Whether you are making an acquisition, disposing a business, going through a merger, entering into a joint venture, planning for IPO, restructuring your business or refinancing, tax opportunities and risks need to be noted and managed. Our extensive global network of M&A tax specialists can work with you to achieve the optimal tax solution for your business model and M&A strategy.

Tax planning at an early stage can add significant value to every transaction and new business model by foreseeing potential tax implications and/or risks, minimizing transaction tax costs, managing long term sustainable tax rates and cash flows, and planning ahead for a tax efficient structure and exit. We can help you assess potential tax risks, structure your transaction, optimize your tax efficiency and identify any tax implications along the way to ensure that your M&A strategy and process are:

- Efficient in the context of regulatory, commercial, financial and tax considerations
- Focused on strategic priorities and progressed with necessary urgency

PwC has one of the largest network of M&A tax specialists in the world with more than 700 deals experienced tax professionals across the globe. We can offer you experienced deal structuring and financing advice at all points of the deal cycle and, aside from our tax specialists, our transactions services, corporate finance and legal specialists can also support you in all aspects of your transaction, working as a deals team. Our experience, strong international network and commercial focus allow us to add real financial value to transactions.

We deliver thorough, quantitative analysis, rigorous implementation and leading-edge structuring techniques. We can help you:

- Assess and manage acquisition or merger risk
- Structure acquisitions to optimize tax efficiency and net cash flows
- Prepare businesses for disposal or exit
- Carry out pre-acquisition or pre-sale due diligence
- Ensure tax efficient deal structuring
- Ensure that optimal tax solutions are implemented post deal
Overview of PwC’s Tax Capabilities in China

Customs Duties and Market Access

Our customs and trade team serves auto clients to ensure certainty in the amount of customs duties payable, maximisation of customs duty suspension programs, and consistency in Customs/CIQ clearance processes and times at the border.

Importation of vehicles

Import duties are imposed on the CIF value of imported vehicles at around 25% and the import value-added tax rate is 17%. On top of that, an additional consumption tax can be imposed depending on the vehicle’s displacement.

China Customs is active in carrying out post-importation audits on enterprises engaged in complete vehicle (CBU) importation. We assist clients that import vehicles by:

- Supporting that the declared CIF price is arm’s length from a customs perspective. The "Deductive Method" or "Resale Price Method" may be used to show that the Gross Margin is comparable with competitors’ similar products. We collaborate with our transfer pricing colleagues to collate suitable benchmarking data that aligns to the methods and standards expected by China Customs

- Assessing any adjustment items to the CIF dutiable value. This includes considering warranty expense, royalty fee, distribution fee, commission and other fees the importers pay overseas

- Presenting the results of the self-assessment to customs valuation experts in key ports such as Tianjin, Shanghai and Guangzhou and encouraging Custom to accept the declared CIF as acceptable for the appraisement of import duties

Importation of spare parts for the aftermarket

Spare parts are subject to a range of tariff and non-tariff measures such as China Compulsory Certification (CCC). We assist clients that import spare parts for the aftermarket by:

- Completing pre-classification of the HS Codes (HS chapters 90, 87, 85, 84, 73, 70, 40, 39 etc.) to ensure the correct customs duties and non-tariff supervision measures are complied with such as Certificate A, CCC, and other import licenses

- Importing at a lower customs duty rate by using Free Trade Agreements (FTA) or Interim Duty Rates (IDR) for environmentally and technologically advanced spared parts

- Using modern trade facilitation solutions such as advance declaration, e-clearance, centralised declaration, deferred duty payment, Customs Advanced Certified Enterprise, CIQ Ranking A etc., so as to ensure reduced customs clearance times and costs

- Deferring duty-payment by using modern bonded solutions such as the China (Shanghai) Pilot Free Trade Zone (SPFTZ) and improving clearances through management of dangerous/non-dangerous goods and CIQ/non CIQ goods etc.

- Establishing Regional Distribution Centres (RDC) in bonded zones
Overview of PwC’s Tax Capabilities in China

Importation of parts and components for bonded manufacturing

Processing Trade is the primary duty-suspension tool in China and it is still widely used by Tier 1 and 2 suppliers to save customs duties. We assist Tier 1 and 2 suppliers that are engaged in bonded manufacturing by:

- Obtaining MOFCOM/Customs approval for Processing Trade
- Operating under e-Books with preferential facilities such as Unit of Consumption (UoC) registration upon export and “sell first/pay taxes later” for domestic sales
- Designing processes and implementing controls to reduce the risk of Handbook imbalance and additional payment of customs duties
- Completing self-audits and voluntarily reporting to Customs upon reconciliation and cancellation of the Handbook

Service Team

Our team members are drawn from a variety of backgrounds, including ex-senior and customs officers (both local and expatriate) with international experience, international trade lawyers, accountants, and individuals from the industrial sector who have experience in logistics, customs and trade. The combined local experience from the Chinese professionals and the international vision of expatriate specialists allow us to have an extensive knowledge base that is unparalleled by other consulting firms.

Our teams have helped automotive enterprises headquartered in the United States, Europe, Japan and to achieve the following results:

- Assisted corporations in proving the arm’s length nature of their import price to Customs by adopting the appropriate customs valuation methods
- Assisted corporations in auditing the "integrity" of their dutiable value, such as analysing warranty expenses, royalty fees, commission and other fees paid to pay overseas, etc.
- Assisted corporations in communicating with Customs to mitigate potential risks such as the seizure of goods, cancellation of preferential treatment, imposition of additional duties/financial penalties, and enterprise downgrading, etc.
- Quick response and effective support on customs audits
- Analyzed the new business models for corporations and provided advisory on the import pricing methodology to seek compliance with both the regulation and local practice of China Customs with mitigated duty exposure
- Conducted customs compliance review on corporations to identify/mitigate the risks of regulatory violation or non-compliance in daily import / export operations
- Assisted corporations in regional supply chain optimization and duty cost saving by utilising free trade agreements
- Assisted corporations in model analysis and location study for the establishment of "regional distribution centre" (RDC), etc.
Overview of PwC’s Information Security Consulting Capabilities in China

Information Security Consulting Services
PwC has the world’s leading capability for information security consulting services with more than 1600 domain experts serving customers from different industries. We aim at helping customers recognize information security risks and provide them with effective solutions.

In PwC China:
• We have authoritative domain experts who accumulate a wealth of industry best practices and successful cases;
• We have more than 60 security labs around the world, to collect and share global information security threat intelligence and conduct research and experiment on associated security technology;
• We focus on the automotive industry and the information security field, such as security on the Internet of cars and the Internet of things;
• We cooperate with each other to provide cross-business and cross-region security services and create value for customers in the automotive industry;
• Our services cover a wide range of the value chain of the automotive industry.

Information Security and IT Governance
Help enterprises optimize investments, rationally allocate various resources and align security functions with strategies and business activities.

Information Security Architecture and Services
Combine enterprise situations with domestic and foreign best practices and help them build information security architecture and operating procedures that can be landed and executed.

Threat and Vulnerability Management
Predict the changing status of risks along with the change of business ecosystem, and provide rectification plans for loopholes.

Identity and Access Management
Provide integrated and secure processes, services and infrastructure to ensure proper access to critical systems and assets.

Information and Privacy Protection
Help customers recognize, optimize and protect sensitive and high-value business assets.

Internet Threat Events and Crisis Management
Help enterprises establish response plans for security-related crisis, aiming at making timely reaction for security incidents and conducting thorough testing and investigation.

Risk and Compliance Management
Help enterprises effectively recognize, evaluate and manage business risks, and meanwhile meet the changing regulatory requirements.

Cloud Security Management
Help enterprises assess cloud environment based on associated security standards and compliance requirements, and also help them identify potential cloud businesses and provide solutions.

Mobile Security Management
Based on current scenarios of mobile applications, evaluate the security of mobile terminals and provide solution designs for enterprises.
Overview of PwC’s Legal Capabilities in China

Legal Services

The PwC Global Network Of Law Firms

Business and legal issues today are interlinked as never before. So, doesn’t it make sense to work with a legal network whose services can be offered alongside the multi-disciplinary capabilities and footprint of a global professional services leader? With over 2,400 lawyers across 85 countries, the PwC network of law firms has the broadest coverage of any legal services network in the world.

Frequently working alongside market-leading experts from the PwC network in tax, human resources, corporate finance, forensic accounting, valuation and other service offerings, the PwC network of law firms provide innovative, commercially-aware solutions to some of the most challenging business issues. They focus on helping you find the right solution and adding value to your business. Above all, they believe legal advice should not only be technically accurate, but must also work in its practical, commercial context.

PwC Legal China

Beijing Ruibai Law Firm and Shanghai Xinbai Law Firm (each operating under the marketing name “PwC Legal China”) are PRC domestic law firms registered with the Ministry of Justice in China. We are also members of the PwC international network of firms described above. The lawyers are governed by the regulatory standards applicable to all domestic PRC law firms and they provide legal opinions and advice to clients on matters of Chinese law. Principally based in Shanghai and Beijing, our teams operate across China and very often on global projects.

With PwC Legal China’s ability to work closely alongside leading PwC experts in multi-disciplinary teams, we offer clients integrated, business-focused and practical solutions wherever their business needs take them. In short, we provide high-quality legal advice to local businesses, to Chinese companies as they expand their global operations, and to established multinationals with interests in China.

Our Lawyers

Our people combine local knowledge and credentials with truly international experience and know-how. Our lawyers are all qualified in Chinese law, with many also holding US or UK legal qualifications and language abilities including English, Mandarin, Cantonese, Shanghainese, Mongolian, Japanese, Spanish, German and French. Whether your legal requirements are local or global, PwC Legal China can help.

Our Services

Below is a sample of PwC Legal China’s range of PRC legal offerings:

Regulatory Compliance

Whenever it comes to entry into a new market or expansion of current business, our clients expect to gain real insights into and an understanding of the regulatory regime for the sector. With our hands-on knowledge of the automotive industry and its regulation in China, our lawyers can guide you through the industry specific regulatory landscape - with practical guidance throughout — and help you navigate complex government requirements to achieve your commercial objectives.
Our services include:

- Advising on the regulatory requirements applicable to the specific business contemplated
- Assisting in applications for industry-specific licenses, qualifications, certificates and permits
- Assisting in applying for government approvals
- Project-specific legal compliance advice, training and monitoring

**Foreign Direct Investment**

The “open door” policy implemented by Chinese government welcomes foreign investment into our developing market. PwC Legal China provides a comprehensive range of services to international investors investing in China: from office selection and regulatory advice, to transaction/partnering contracts, set-up support and post-closing filings. Our local know-how, understanding of local culture and excellent relationship with local government agencies enable us to provide value added services to our clients and expedite transaction procedures. We help our international clients keep on top of the risks and exploit opportunities arising from changes in local regulations.

We provide the following assistance:

- Setting up, relocating, winding up or deregistering rep offices, branches or foreign invested enterprises in China
- Full range of legal due diligence services
- Drafting and negotiating all transaction documents, such as joint venture agreements, shareholders’ agreements, articles of association, partnership agreement, etc.
- Drafting and negotiating commercial agreements (including intercompany contracts, franchising and dealership arrangements)
- Advising on regulatory clearances
- Liaising with authorities and undertaking filings
- Providing comprehensive project management services on cross-border projects
- Managing signing and completion arrangements

**Mergers and Acquisitions**

M&A services are a core aspect of PwC Legal China’s expertise. Our M&A team comprises deal professionals with extensive PRC and international transaction experience. They have advised a broad array of public and private companies and institutions, domestic and international, PE, corporates and individuals alike, on M&A matters across the years. Our M&A lawyers are dedicated to achieving optimal results for our clients, displaying in-depth deal and sector knowledge, innovative thinking and commercial acumen to support your business. We offer integrated, business-oriented solutions tailored to each client’s specific needs, working closely alongside other PwC experts on the deal team to give our clients the edge in negotiations and adding maximum value to the transaction. Drawing upon PwC’s global legal services network (the most extensive in the world), we combine local knowledge with global best practices and access to unrivalled expertise, all for the benefit of our clients on their M&A transactions.
Overview of PwC’s Legal Capabilities in China

Our M&A practice covers:

- Full range of legal due diligence services
- Deal structuring services
- Transaction document drafting and legal negotiation
- Regulatory compliance
- Merger control services
- Closing assistance
- Post-closing filings and integration support

General Corporate and Commercial Legal Services

Our corporate lawyers deal with all aspects of corporate matters in the course of our clients’ operations in China, whether corporate governance, regulatory requirements, corporate restructurings or compliance matters. Our partners have both extensive experience in international and premier PRC law firms as well as, in many cases, valuable in-house legal experience. This powerful combination empowers us to consider issues from your perspective and deliver tailored made and effective solutions. We also advise on legal issues and agreements involved in commercial dealings, including distribution arrangements, sales and after sales, etc.

We assist in the following aspects:

- Legal documents drafting and translation
- Reviewing and advising on optimization of corporate governance structures and processes
- Designing or reviewing anti-money laundering policies, anti-bribery policies, employment manuals and customising them to fit for PRC law and practices
- Assisting our clients respond to or deal with administrative measures or penalties imposed on them
- Management of the approval and registration procedures for establishing legal entities
- Maintaining company registrations and filings
- Renewal or change of licenses
- Preparing board resolutions and minutes
- Assisting in annual inspections
- Reviewing commercial contracts

Outbound Investment

Responding to the “going global” policy, there has been an unprecedented increase in Chinese companies, state-owned and private, tapping into overseas markets to buy resources, technology and intelligence. We aim to be where you go. By leveraging PwC’s extensive global legal network covering Asia Pacific, Australia, the Middle East, Africa, America and South America and Europe, we have the unique advantage to help our clients go overseas worldwide. We also work closely with PwC’s global tax teams to devise tax efficient transaction structures in a global context to maximize your commercial interests.
Our services include:

- Assessing and analysing regulatory landscape of destination countries
- Deal structuring
- Assisting in applications for approvals from or registrations with various PRC regulatory authorities such as NDRC, MOFCOM and SAFE for the transaction
- Advising on operational issues such as intellectual property rights, environmental issues, community relationships and dispute resolution
- Liaising with local governments of the destination countries by utilising PwC’s global network
- Preparing and negotiating transaction documents
- Handling post transaction integration matters

**Intellectual Property**

We understand that protecting your innovation and creativity is of increasing importance for maintaining our clients’ competitiveness in the marketplace. Acting across a wide range of client industries, our IP lawyers deal with patents, trademarks, service marks, trade secrets, copyrights, compliance and products liability matters. We act for various national and international companies to help them enforce and exploit their intellectual property rights, as well as to protect their technology assets. In addition to counselling on validity, infringement and enforceability matters, our lawyers also assist in the design and implementation of IP protection strategies and act in defence of our clients’ IP assets.

Our services include:

- Providing trademark search services, including trademark availability searches
- Preparing and drafting documents for new filings, assignments, renewal, reviews, oppositions, invalidations regarding trademark in China
- European trademark applications
- Handling overseas trademark applications
- Enforcing trademark rights through administrative channels
- Preparing and drafting documents for copyright registration in China
- Preparing and drafting documents for software copyright registration in China
- Advising and drafting documents for IP licensing
- Advising on IP issues arising in commercial transactions
- Advising on strategies for IP protection
- Managing IP portfolios
- Conducting IP due diligence

**Labour and Employment Services**

In today’s highly competitive marketplace, people are usually the most essential assets of a company. Good HR legal compliance can help bolster business attractiveness, help retain talents and reduce legal risks. Our labour lawyers provide our clients with informed, practical solutions on all aspects of employment issues tailored to their specific needs. We represent our clients in labour litigation and arbitrations and also provide strategic advisory and transactional input.
Our services include:

• Drafting employment legal documentation:
  - Reviewing and revising employment contracts, service contracts, working agreements, dispatch agreements for senior management and other employees
  - Drafting and revising employee confidentiality agreements, training agreements, non-compete agreements, and other related agreements in connection with employment contracts
  - Drafting domestic and international outsourcing plans, employment of foreigners, and drafting related employment contracts, labor dispatch agreements, and work arrangement agreements
  - Drafting and revising enterprise collective contracts
  - Reviewing employee handbooks, regulations on employment, employee codes of conduct, payment of salary and benefits, leave and vacations, reward and disciplinary actions, employee evaluations, confidentiality, workplace safety, and employee trainings for legal compliance, revision, and implementation
  - Drafting and developing recruitment systems, labor contract management systems, and selection systems for senior management staff, senior technicians (business) staff, and other senior positions
  - Drafting and implementing additional employee insurance plans (enterprise annuity plan)
  - Reviewing and revising employee stock option plans and advising on legal compliance and implementation of such plans

• Designing plans and strategies for employee transfer, dispatch, workforce reduction or settlement

• Advising clients in labour dispute negotiations, labour arbitration proceedings; labour dispute litigation and appeals

Anti-trust/Competition

We represent our clients with respect to their antitrust matters in domestic and cross-border transactions, starting at the earliest stages of a deal and assessing the level of regulatory risk from the outset. In various types of deals, including mergers and acquisitions, joint ventures and dispositions, we help our clients navigate the clearance process from strategic counselling, efficient filing with regulatory agencies and restrictive remedy negotiations. We also devise and implement compliance and training programs for clients that are specifically tailored to meet their practical needs.

• Our services include:
  • Anti-trust compliance program
  • Anti-trust investigation defence
  • Merger control filing
  • Anti-commercial bribery
  • General counselling
Overview of PwC’s Legal Capabilities in China

Anti-trust compliance programs

We devise and implement compliance and training programs for clients that are specifically tailored to meet their practical needs:

- Competition compliance health check regarding commercial agreements, pricing policies, non-compete arrangements and business model
- Internal antitrust audit to assess levels of compliance risk
- Compile antitrust compliance manuals, policies and guidelines
- Antitrust compliance training workshops for senior management

These practices improve employee awareness of anti-trust law issues and help clients avoid the risks of violating anti-trust laws and minimize the risk of fines.

Anti-trust investigation

When clients face investigations by anti-trust enforcement authorities, we will assist in the following matters:

- Dawn-raid preparation
- Case analysis and strategy proposal
- Leniency application
- Negotiate with authorities
- Ratification plan proposal
- Services for those involved in investigations in different roles
- Internal risk audit

Merger control filing

- Notification assessment
- Competition analysis
- Notification preparation and submission
- Remedy proposal and negotiation
- Trustee service
- Complaint submission

Anti-commercial bribery

- Compliance health check regarding pricing/discount policies, distribution agreements, and management policies
- Internal anti-bribery investigation
- Compile anti-commercial bribery compliance manuals, policies, code of conducts, and guidelines
- Anti-commercial bribery compliance training workshops

General counselling

- IP identification
- IP policies of standards-setting organizations
- Trademark infringement
- False advertisement
- Trade secret infringement
- Brand name/company defamation
- Improper prize promotion
Advisory Services

Automotive clients utilise the wide array of Advisory Services that PwC provides to help solve strategic and day-to-day problems. We achieve this by creating unique, value-added solutions based on a combination of industry knowledge, subject matter expertise in consulting and deals, as well as collective experience from all areas of our global network of firms.

Additionally, PwC and Strategy& (formerly Booz & Company) have come together to form a new kind of Advisory business. As part of the PwC network, Strategy& will be a leading strategy firm in its own right and help PwC as a whole become the pre-eminent strategy-through-execution firm. We work side by side with our automotive clients to meet, anticipate, and mitigate issues in your value chain.

Overview of PwC’s Advisory Capabilities in China

<table>
<thead>
<tr>
<th>Automotive Value Chain</th>
<th>Current Challenges (examples)</th>
<th>Service Capabilities (examples)</th>
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</table>
| Strategy               | • Exploring new product segments in China  
                          • Establish production and sales operations overseas  
                          • Growth opportunities in tier 4 & 5 cities  
                          • International competitiveness of Chinese OEMs  
                          • Responding to production overcapacity |
|                        |                               | • Growth strategy/Business model/value chain innovation  
                          • Inbound/outbound investment support  
                          • Dynamic tool based demand forecasting  
                          • M&A and transaction support  
                          • Resilient organization/culture change |
| Research and Development| • Tailor vehicles to specific Chinese customer needs  
                          • Regulation/incentives for MNCs to localise R&D  
                          • Push from Government to to enter low-end segment |
|                        |                               | • Voice of Customer (VoC)  
                          • R&D benchmarking  
                          • Platform and module strategy  
                          • Cost and complexity management  
                          • Technology roadmap |
| Supply Chain & Production| • Growing supply chain complexity  
                          • Shorter product launch cycles |
|                        |                               | • Supply chain integration and strategic sourcing  
                          • Manufacturing benchmarking and optimization  
                          • Effective cost management |
| Sales and Marketing     | • Dealer profitability and overall performance  
                          • Differentiating brand and customer experience  
                          • Repeat purchases/customer loyalty |
|                        |                               | • Brand strategy/Product positioning  
                          • Dealer performance reporting & improvement  
                          • Digital proposition/targeted marketing spending  
                          • Sales channel (CRM) integration and optimisation |
| Aftersales              | • Increased non original parts competition  
                          • Increasing product and service complexity  
                          • Increasing customer focus on service |
|                        |                               | • After market strategy  
                          • AS wholesale and retail process optimisation  
                          • AS e-business integration  
                          • Dealer AS service improvement/training |
| Financial Services      | • Complex and evolving regulatory environment  
                          • Changing customer perceptions towards debt and financial instruments/low customer loyalty |
|                        |                               | • Auto finance business innovation (insurance, operational lease, and car sharing strategy)  
                          • Dealer finance CRM performance improvement |

China Automotive Statement of Capabilities
PwC
December 2016
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**Achieve Growth Through Successful M&A or Transactions**

Globalization, commodity price fluctuations, supply challenges and a host of other factors can hinder growth objectives. Companies need to find efficient ways to maximize the entire value chain to make the most of their organic growth potential.

Non-organic growth is a key route for companies seeking to gain access to new reserves and markets, but geopolitical and economic factors can place extra pressure on deal-making. PwC has a broad spectrum of capabilities to support companies’ efforts to manage the growth that will be necessary to meet the ever-increasing automotive market demands through our ability to provide invaluable advice on:

- M&A and transaction planning
- Tax transaction structuring and financing
- Exacting the most value from deals through financial due diligence, market monitoring and other important metrics

Whether a company is considering a transaction, joint venture agreement, production sharing agreement or organic expansion, our automotive professionals have the experience and comprehensive industry understanding to contribute value to your endeavour.

**People and Change Management**

PwC’s network has one of the world’s largest HR advisory organizations. Our multi-disciplinary approach allows us to advise on all aspects of people management, helping our clients to create value and deliver competitive advantage for their businesses through people. Our professionals are eager to provide assistance on:

- Change management and communications
- HR management benchmarking
- Talent retention and management
- Organizational transformation
- Capability development and training

**Manage Business Performance**

Regulatory bodies, shareholders and general market continue to exert pressure on firms to deliver improvements in annual performance in an increasingly fluctuating environment. As a result, business strategies that brought success months ago may now be obsolete and irrelevant.

In order to maintain competitive advantages, improve internal systems performance or more efficient management of supply chain, PwC professionals can assist you in your business endeavours to deliver significant and sustainable performance improvements.
Overview of PwC’s Advisory Capabilities in China

Dealer Group Management

Dealer Operation Control

Internal control is critical for dealer management, especially in regards to finance and operations. It is unfortunately easy for issues such as:

- Mismatch between system records and actual in repair business
- Parts inventory management
- Sales discount authorization

To spiral into unmanageable crises for management and owners. PwC’s Dealer Service Team helps dealer owners identify areas of weakness in the current business processes and secure better operational control with optimized transaction processes and system tools.

Chinese companies' outbound investment has been booming dramatically in past a few years and auto is one of the key drivers. PwC China as a dedicated outbound transaction services team to provide “one-stop” deal services by leveraging the resource from global network and auto team.

Dealer Budget Management

As dealers usually adopt DMS from OEMs, transaction data can come from different DMS systems for dealer groups that carry multiple brands. Without an integrated transaction system and standardized data collection process, business planning, forecasting and budgeting for dealer groups with multiple brands can be challenging. PwC can work closely with individual dealers to:

- Design brand-tailored budgeting models and templates
- Develop budgeting manual and system tools that facilitate group budgeting practices

Dealer CRM Data Mining

One of a dealer’s greatest assets is the extensive collection of CRM data on their customers. However, dealer groups often lack the resources and strategic knowledge to utilize this wealth of available information to generate more sales and to better support decision making. As a result, PwC’s automotive professionals are eager to add more value to individual dealers’ sales and operations by assisting with data mining issues such as:

- Consumer profiling and segmentation
- Demographic analysis
- Identification of key consumer behaviors

Shared Services and Outsourcing

The trend of outsourcing services such as IT has now grown to include core activities such as human resources, tax and legal services, as globalization and connectivity provide new methods of conducting business. The rationale for outsourcing is also changing dramatically as organizations begin to perceive it as a means of obtaining strategic advantages instead of another cost-cutting measure. PwC’s team of specialists can:

- Identify the best business activities to outsource
- Assess suppliers and negotiate terms
- Manage outsourcing-related risks and contracts
- Assist in the implementation of necessary internal changes
- Facilitate communication with employees to explain structural changes
Integration of Sustainable Practices

As consumer trends and resource availability fluctuate, firms are shifting their focus into producing reliably sustainable products and services that are also affordable. Many automotive companies have already begun adopting more sustainable practices in their business cycle but it is a slow and ongoing process.

PwC’s Sustainable Business Solutions Team can work with automotive firms to integrate sustainability into overall strategies by:

- Aligning corporate governance and policies, operating systems and processes as well as mechanisms to meet the needs and expectations of all stakeholders
- Developing robust performance indicators
- Understanding the depth of a firm’s corporate social responsibility
- Assisting in the creation of safety and environmental reports
- Occasionally providing independent verification of these reports to increase the transparency of disclosures

Regulatory Compliance Reviews (FCPA)

As the demand for transparency grow, it becomes decidedly essential for companies to understand and comply with the Foreign Corrupt Practices Act (FCPA) and other anti-bribery legislation. PwC professionals are able to conduct FCPA and other anti-bribery reviews, carry out anti-money laundering services and handle compliance enquiries.

Effective Management of Extraordinary Incidences

As a result of global and local factors, businesses today need to anticipate, prevent and effectively manage an astonishing number of risks. All of which have the potential to cause significant disruption to the business cycle and generate negative media attention.

In addition, there now exists a deluge of extraordinary environmental, social and cultural events that occurs on an increasingly common basis. A firm’s ability to respond immediately and effectively to an unexpected event, such as a hurricane strike, have a palpable impact on the outcome.

PwC’s extensive resources, professionals and knowledge basis can help your firm to efficiently respond and control any situation. Your firm will be provided with clear direction through our ability to:

- Deploy a cross-border team at a moment’s notice
- Provide business recovery services
- Discuss in detail the available options and their individual impact
- Review disaster recovery analyses and investigations
Overview of PwC’s Advisory Capabilities in China

**Improve Risk-Related Decision-Making**

In today’s continuously oscillating business environment, firms face a plethora of risks, both new and old. As a result, it may be difficult to consistently meet performance and risk objectives, resolve uncertainty or achieve goals. Fortunately, PwC’s network of experienced professionals can help clients with all risk related issues, including:

- Regulatory remediation
- Integrated governance, risk and compliance
- Tax effectiveness
- Cost management
- Evaluation of new opportunities

**Dispute Analysis and Litigation Support Services**

If the occasion should ever arise, PwC is able to provide financial, economic and business services to clients who are involved in litigation, arbitration and other alternative dispute resolution forums. In particular, our highly experienced professionals can offer assistance with:

- Early case assessment and class certification
- Discovery assistance and quantification of exposure
- Claim preparation
- Rebuttal and expert witness testimony

**Forensics**

In today’s increasingly complex business environment, executives face numerous challenges and risks - often when their companies can least afford to deal with them.

Our Forensic Services Team is dedicated to meeting the challenges caused by fraud allegations, financial crimes and other irregularities. PwC has assisted firms through investigations for supply chain fraud, misappropriation of inventory and assets as well as bribery and corruption fraud. In China, our team of experienced professionals is uniquely positioned to help clients:

- Recover lost funds, prevent further economic losses and maintain normal business operations
- Offer forensic technology solutions
- Provide fraud, risk and controls advice
- Assist in dispute licensing management or contract compliance

**Dealer operation risk assessment, financial liquidity support and network restructuring**

In current market downturn, we have successfully supported OEM and major dealer group in monitoring and assessing dealer operation risks, business innovation and profitability improvement, financing liquidity support at critical time and network equity restructuring with investor qualification screening support.
Automotive Industry Tailored Publications

Thought Leadership

New topics and latest dynamics in auto industry

Autofacts Monthly Report
Market forecasts and discussions on the latest global industry trends and issues

Autofacts Note Plus Quarter Report
Market forecasts and discussions on the latest global industry trends and issues

PwC deals Automotive M&A
Automotive M&A during the first half of 2016

19th Annual Global CEO Survey
Business growth overview and discussion about how CEOs address challenges in changing word.

Opportunity and risk in autonomous vehicle market

Autofacts Briefing
Aurofacts introduction, methodology and product & service

For copies, please visit: www.pwccn.com/automotive
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Autofacts® is a leading provider of automotive information and forecasts with over 25 years of experience in the field. Autofacts® is headquartered in the US with analysts in China, India, Brazil, UK, Germany, France and Italy. It is plugged into the 5,000 automotive professionals that PwC has worldwide.

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Key Client Benefits
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- Differentiating and refined industry viewpoints
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- Access to industry specialists with deep expertise

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China Automotive Statement of Capabilities

PwC

December 2016
## Automotive Leadership Team

PwC China Automotive Contacts

### Northern Region (Beijing)

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China Automotive Statement of Capabilities

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