



JunHe wins plaudits for its top-drawer advice on capital markets, M&A and overseas investments.

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Special Situations Practice

In China, special situations practice began to develop in 1999 when the big four asset management companies (AMCs) were set up. After more than 20 years of evolution, “Special Situations” assets are not limited to non-performing loans and other financial assets as in the initial stage, but now span a variety of assets that are priced below book or market value during the special stage of an economic cycle or macro environment or arise from special events, including different risks such as credit risks, market risks and liquidity risks. Consequently, special situations investing has evolved to encompass various types of investments in “Special Situations” assets for the purpose of creating high returns. These include the acquisition and disposition of nonperforming financial and non-financial debt, the acquisition and restructuring of distressed businesses, debt-for-equity swap investments and the acquisition of distressed listed companies, and other investments including turnaround investments, investment in bailout funds, special situations private equity funds, mezzanine funds, investment in property at court auctions, investment in bankruptcy reorganization, alternative investment as well as other high-yield investments and the financing of debt and equity in distressed and opportunistic situations.

JunHe’s Special Situations team has been actively involved in special situations practice since 1999 and has been at the forefront of providing legal services in this area in China. Our Special Situations team has represented numerous landmark cases such as representing a financial asset management company in the first foreign investment in the disposition of non-performing assets in China in 2002, and representing Citigroup Global Markets Asia Limited in the first acquisition by a foreign investor of an NPA portfolio through buyout in China in 2004. We offer legal services to both Chinese and foreign clients, including financial asset management companies, local asset management companies, foreign and PRC invested banks, offshore special situations funds and mezzanine funds (including USD and other foreign currency private credit funds, alternative funds, special situations funds, hedge funds and mezzanine funds), foreign investment banks, real estate companies, trusts, large private asset management companies, asset exchanges and large non-financial businesses, deploying strategic solutions to help our clients move transactions and capitalize on potential opportunities. Our representation has involved special situations transactions with an aggregate asset book value of more than RMB 100 billion.

Our Lawyers

JunHe’s Special Situations team consists of lawyers across our Beijing, Shanghai and Guangzhou offices, who have graduated from the top law schools in the PRC and abroad.

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 1070 professionals, including over 320 partners and legal counsel, as well as over 750 associates and legal translators.



They (JunHe) have very strong client skills and understands all the context of the business deals and the clients well.

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They have in-depth legal expertise and extensive experience and provide legal services in both Chinese and English in an efficient and seamless manner. Our team members possess a wide and diverse array of knowledge, skills, experience and cross-industry thinking. We combine long-standing practice experience with deep legal expertise in the industry sectors of bank and nonbank financing, mortgages, real estate, M&A, foreign investment, outbound investment by Chinese companies, asset management, capital markets, dispute resolution and bankruptcy and reorganization, and have considerable experience with complex and difficult cases as well as unprecedented and innovative transactions.

Key Practice Areas

- Assisting banks, nonbank financial institutions and asset management companies in transferring nonperforming assets;
- Assisting asset management companies and investors in acquiring, managing and disposing of nonperforming assets;
- Assisting creditors in debt restructuring;
- Assisting debtors in debt optimization and resolving debt crisis to move into financial recovery;
- Advising foreign investors on cross-border acquisitions and dispositions of financial NPA portfolios and single NPAs, including but not limited to entrusted loans, trust loans and private lending;
- Assisting Chinese and foreign investors in acquiring, reorganizing and revitalizing distressed real estate projects through debt restructuring, mezzanine financing, equity investment, refinancing, urban renewal, and other investment and financing methods;
- Assisting Chinese and foreign investors in acquiring, reorganizing, restructuring, reinvesting in and refinancing distressed projects and businesses not related to real estate;
- Assisting Chinese and foreign investors in participating in the investment, acquisition, reorganization and restructuring of distressed listed companies;
- Advising on the restructuring and reorganization of defaulted bonds as well as cross-border and domestic investment in defaulted bonds;
- Disposing of nonperforming assets through the debt-for-equity swap strategy;
- Assisting foreign investors in forming WFOE, QFLP and other onshore platforms engaged in investments in distressed and special situations assets;
- Assisting Chinese and foreign investors in forming bail-out funds, mezzanine funds and special situations funds;
- Advising on securitization of credit assets and nonperforming assets;
- Assisting clients in managing special situations assets and pursuing recoveries from nonperforming loans through non-litigation and litigation approaches;
- Assisting clients in investment in property at court auctions;
- Assisting clients in participating in investment in bankruptcy reorganization;
- Advising on matters involving special situations real estate financing and special situations structured mezzanine financing;
- Referring, introducing and matching up special situations' investment opportunities for investors and project owners.