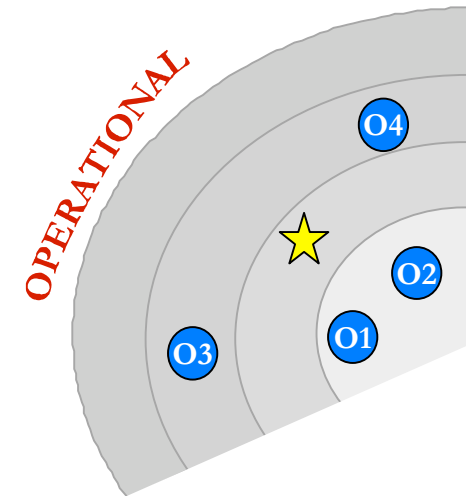


Overall Evaluation – Operational Preparedness

- O1 :** Your operations are mature and stable, providing a good foundation for further growth into China. Additionally, your company's processes appear readily transferable to a China operation.
- O2 :** The potential exposure to your IP that would be incurred in a China expansion is considered serious. Management should carefully weigh these risks and define the strategies and tactics to satisfactorily dilute them before an expansion can be seriously considered.
- O3 :** The variety and complexity of business structures common in China would be a challenge to your company . Management will need to carefully consider to what level this position will limit available entry options and the ability to deal with market or investment restrictions.
- O4 :** You have indicated deep experience with a broad variety of business alliances which will put you in a very good position to think and act creatively in pursuing a China expansion and will give you flexibility in structuring your business.



Indicator Descriptions:

- O1 :** Transferability of key operations
- O2 :** Exposure of products/processes
- O3 :** Openness to new business structures
- O4 :** Alliances