Chinese is a language without morphological inflection. In this work, however, I argue that Chinese sentences do have finite/nonfinite distinction and this distinction affects the extraction of arguments. This work focuses on the contrast between two classes of modals in Chinese: the epistemic modals, and *hui* ‘will’ and the root modals. These two classes of modals perform a number of different syntactic properties; for example, the epistemic modals can take the perfect marker *le* in their scope, whereas the root modals and *hui* ‘will’ cannot. Suppose that the epistemic modals take as complement a realis TP, and the root modals and *hui*, an irrealis TP. The T of a realis TP has a value, but the T of an irrealis T doesn’t. This is a finite/nonfinite distinction. Since *le* requires a reference time for its temporal denotation, only the finite TP complements may contain *le*, where T helps to set the reference time. Nonfinite TP has no tense value, thus *le* is not licensed.

Now the analysis goes as follows. In the case of *hui* ‘will’, since a nonfinite T doesn’t support a referential NP, the subject of *hui*’s TP complement must raise to the higher TP. The presence of PRO with the root modals is also explained on the same ground. In the case of the epistemic modals, since raising doesn’t have to take place, an empty (expletive) subject must be available. The subject of the finite TP complement can stay in-situ, but it can also raise to the matrix TP. Such movement is banned in English-type of languages because of the agreement of φ-set. But Chinese doesn’t have grammatical φ-set, so nothing prevents the raising of the subject of a finite TP to a higher TP, to satisfy the EPP requirement. Object raising in the case of the epistemic modals is actually A’-movement; it is the presence of ES that creates the illusion of object raising.

Conclusions: (i) Chinese sentences have finite vs. nonfinite distinction. (ii) The subject of a nonfinite TP must be a trace or PRO. (iii) Lack of φ-set agreement makes the subject of a finite TP movable. (iv) The EPP requirement is indeed distinct from φ-set agreement; furthermore, it can be satisfied cyclically.