

Joint Investment Contract

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Chapter 1 General Provisions

Party A _____ and Party B _____, in accordance with the principle of equality and mutual benefit and through friendly consultations, agree to jointly invest to set up a Company in _____ city of the People's Republic of China.

Chapter 2 Parties of the Company

Article 1

Parties to this contract are as follows:

Party A : _____

Passport number: _____

Party B : _____

Passport number: _____

Chapter 3 Establishment of the Company

Article 2

In accordance with the China Wholly-Foreign-Owned Company Law and other relevant Chinese laws and regulations, both parties agree to set up _____ Co., LTD. (Hereinafter referred to as the company).

Article 3

The name of the Company is _____ Co., LTD.

The name in foreign language is English.

The legal address of the Company is at _____,

Article 4

All activities of the company shall be governed by the laws, decrees and pertinent rules and regulations of the People's Republic of China.

Article 5

The Organization form of the company is a limited liability company. Each party to the company is liable to the company within the limit of the capital subscribed by it. The profits, risks and losses of the Company shall be shared by the parties in proportion to their contributions to the registered capital.

Chapter 4 The Purpose, Scope and Scale of Production and Business

Article 6

The goals of the parties to the Company are _____.

Article 7

The business scope of the Company is _____-.

Article 8

The business scale of the Company is _____/year after it's officially registered and getting the business license.

Chapter 5 Total Amount of Investment and the Registered Capital

Article 9

The total amount of investment of the Company is CNY_____.

Article 10

Investment contributed by the parties is CNY_____, which will be the registered capital of the Company. Of which: Party A shall pay CNY_____ Yuan, accounting for____; Party B shall pay CNY_____, accounting for _____%.

Article 11

Both Party A and Party B will contribute the following as their investment:

Party A: cash CNY _____

Party B: cash CNY _____

Article 12

The registered capital of the Company shall be paid in one-off by Party A and Party B according to their respective proportion of their investment.

Article 13

In case any party to the Company intends to assign all or part of his investment subscribed to a third party, consent shall be obtained from the other party to the Company, and approval from the examination and approval authority is required.

When one party to the Company assigns all or part of his investment, the other party has preemptive right.

Chapter 6 Responsibilities of Each Party to the Company

Article 14

Party A and Party B shall be respectively responsible for the following matters:

Responsibilities of Party A:

1. Assisting the Company in handling of applications for approval, registration, business license and other matters concerning the establishment of the Company from relevant departments in charge of it in China;
2. Assisting the Company in purchasing or leasing equipment, materials, articles for office use, means of transportation and communication facilities etc.;

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3. Assisting the Company in recruiting management personnel, technical personnel, workers and other personnel needed;
4. Assisting foreign workers and staff in applying for entry visas, work licenses and handling their travel procedures;
5. Responsible for handling other matters entrusted by the Company

Responsibilities of Party B:

1. Handling the matters entrusted by the Company, such as selecting and purchasing machinery and equipment outside China, etc.;
2. Training the technical personnel and workers of the Company;
3. Responsible for other matters entrusted by the Company.

Chapter 7 Target Clients

Article 15

The Company will be offer services mainly to _____

Chapter 8 The Board of Shareholders and The Executive Director

Article 16

The highest authority of the Company shall be its board of shareholders. It shall decide all major issues concerning the Company. Unanimous approval shall be required for any decisions concerning major issues. As for other matters, approval by majority or a simple majority shall be required.

Article 17

The company will have one Executive Director, and A will be the Executive Director. The term of office for the Executive Director, is three years, their term of office may be renewed if continuously elected by the shareholders.

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Article 18

The Executive Director is the legal representative of the company. Should the Executive Director be unable to exercise his responsibilities for any reason, he shall authorize one person to represent the Company temporarily.

Chapter 9 Business Management Office

Article 19

The Company shall establish a management office which shall be responsible for its daily management. The management office shall have a general manager, appointed by Executive Director. The general manager whose terms of office is three years.

Article 20

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The responsibility of the general manager is to carry out the decisions of the board and organize and conduct the daily management of the Company. The deputy general managers shall assist the general manager in his work.

Article 21

In case of graft or serious dereliction of duty on the part of the general manager and deputy general managers, the Executive Director shall have the power to dismiss them at any time.

Chapter 10 Purchase of Equipment

Article 22

In its purchase of required raw materials, parts, means of transportation and articles for office use, etc., the Company shall be able to purchase in domestic China or international market.

Article 23

In case the Company entrusts Party B to purchase equipment on the overseas market, persons appointed by the Party A shall be invited to take part in the purchasing.

Chapter 11 Labor Management

Article 24

Labor contract covering the recruitment, employment, dismissal and resignation, wages, labor insurance, welfare, rewards, penalties and other matters concerning the staff and workers of the Company shall be drawn up between the Company and the individual employees in the Company in accordance with the Regulations of the People's Republic of China on Labor Management in Companies using Foreign Investment and its Implementing Rules.

The labor contracts shall, after being signed, be filed with the local labor management department.

Article 25

The appointment of high-ranking administrative personnel recommended by Executive Director, their salaries, social insurance, welfare and the standard of traveling expenses etc. shall be decided by the Executive Director.

Chapter 12 Taxes, Finance and Audit

Article 26

The Company shall pay taxes in accordance with the provisions of Chinese laws and other relative regulations.

Article 27

Staff members and workers of the Company shall pay individual income tax according to the Individual Income Tax Law of the People's Republic of China.

Article 28

Allocations for reserve funds, expansion funds of the Company and welfare funds and bonuses for staff and workers shall be set aside in accordance with the provisions of the Company Law. The annual proportion of allocations shall be decided by the Executive Director according to the business situation of the Company

Article 29

The fiscal year of the Company shall be from January 1 to December 31. All vouchers, receipts, statistic statements and reports shall be written in Chinese.

Article 30

Financial checking and examination of the Company shall be conducted by an auditor registered in China and reports shall be submitted to the Executive Director and the general manager.

Article 31

In the first three months of each fiscal year, the manager shall prepare the previous year's balance sheet, profit and loss statement and proposal regarding the disposal of profits, and submit them to the Executive Director for examination and approval.

Chapter 13 Duration of the Company

Article 32

The duration of the Company is _____ years. The establishment date of the Company shall be the date on which the business license of the Company is issued. An application for the extension of the duration, proposed by one party and unanimously approved by the Executive Director, shall be submitted to the Bureau of Foreign Trade and Economic Cooperation six months prior to the expiry date of the Company.

Chapter 14 The Disposal of Assets after the Expiration of the Duration

Article 33

Upon the expiration of the duration, or termination before the date of expiration of the Company, liquidation shall be carried out according to the relevant laws. The liquidated assets shall be distributed in accordance with the proportion of investment contributed by Party A and Party B.

Chapter 15 Insurance

Article 34

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Insurance policies of the Company on various kinds of risks shall be underwritten with the People's Republic of China. Types, value and duration of insurance shall be decided by the Executive Director in accordance with the provisions of the People's Insurance Company of China.

Chapter 16 The Amendment, Alteration and Termination of the Contract

Article 35

The amendment of the contract or other appendices shall come into force only after a written agreement has been signed by Party A and Party B and approved by the original examination and approval authority.

Article 36

In case of inability to fulfill the contract or to continue operation due to heavy losses in successive years as a result of force majeure, the duration of the Company and the contract shall be terminated before the time of expiration after being unanimously agreed upon by the board of directors and approved by the original examination and approval authority.

Article 37

Should the Company be unable to continue its operation or achieve its business purpose due to the fact that one of the contracting parties fails to fulfill the obligations prescribed by the contract and articles of association, or seriously violates the provisions of the contract and articles of association, that party shall be deemed to have unilaterally terminated the contract. The other party shall have the right to terminate the contract in accordance with the provisions of the contract after approval by the original examination and approval authority, and to claim damages. In case Party A and Party B of the company agree to continue the operation, the party who fails to fulfill its obligations shall be liable for the economic losses caused thereby to the Company.

Chapter 17 Liability for Breach of Contract

Article 38

Should either Party A or Party B fail to pay on schedule the contributions in accordance with the provisions defined in Chapter 5 of this contract, the party in breach shall pay to the other party 10% of the contribution starting from the first month after exceeding the time limit. Should the party in breach fail to pay after 3 months, 25% of the contribution shall be paid to the other party, who shall have the right to terminate the contract and to claim damages from the party in breach in accordance with the provisions of Article 37 of the contract.

Article 39

Should all or part of the contract and its appendices be unable to be fulfilled owing to the fault of one party, the party in breach shall bear the liability therefore. Should it be the fault

of both parties, they shall bear their respective liabilities according to the actual situation.

Article 40

In order to guarantee the performance of the contract and its appendices, both Party A and Party B shall provide each other with bank guarantees for performance of the contract.

Chapter 18 Force Majeure

Article 41

Should either of the parties to the contract be prevented from executing the contract by force majeure, such as earthquake, typhoon, flood, fire, war or other unforeseen events, and their occurrence and consequences are unpreventable and unavoidable, the prevented party shall notify the other party by telegram without any delay, and within 15 days thereafter provide detailed information of the events and a valid document for evidence issued by the relevant public notary organization explaining the reason of its inability to execute or delay the execution of all or part of the contract. Both parties shall, through consultations, decide whether to terminate the contract or to exempt part of the obligations for implementation of the contract or whether to delay the execution of the contract according to the effects of the events on the performance of the contract.

Chapter 19 Applicable Law

Article 42

The formation, validity, interpretation, execution and settlement of disputes in respect of, this contract shall be governed by the relevant laws of the People's Republic of China.

Chapter 20 Settlement of Disputes

Article 43

Any disputes arising from the execution of, or in connection with, the contract shall be settled through friendly consultations between both parties. In case no settlement can be reached through consultations, the disputes shall be submitted to the Foreign Economic and Trade Arbitration Commission of the China Council for the Promotion of International Trade for arbitration in accordance with its rules of procedure. The arbitral award is final and binding upon both parties.

Article 44

During the arbitration, the contract shall be observed and enforced by both parties except for the matters in dispute.

Chapter 21 Language

Article 45

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The contract shall be written in English.

Chapter 22 Effectiveness of the Contract and Miscellaneous

Article 46

The contract and its appendices shall come into force commencing from the date while both parties had signed the contract.

Article 47

The contract is signed in _____ by the both parties on _____.

Party A: _____

Party B: _____

(Signature)

(Signature)