

and directors appointed by the parties to the venture:
(e) Written opinions of the department in charge and the people's government of the province, autonomous region or municipality directly under the central government where the joint venture is located with regard to the establishment of the joint venture.

The aforesaid documents shall be written in Chinese. Documents (b), (c) and (d) may be written simultaneously in a foreign language agreed upon by the parties to the joint venture. Both versions are equally authentic.

Article 10

Upon receipt of the documents stipulated in Article 9 (2), the examination and approval authority shall, within three months, decide whether to approve or disapprove them. Should anything inappropriate be found in any of the aforementioned documents, the examination and approval authority shall demand an amendment to it within a limited time. Without such amendment, no approval shall be granted.

Article 11

The applicant shall, within one month after receipt of the certificate of approval, register with the administrative bureau for industry and commerce of the province, autonomous region or municipality directly under the central government in accordance with the provisions of the Procedures of the People's Republic of China for the Registration and Administration of Chinese-Foreign Joint Ventures (hereinafter referred to as registration and administration office). The date on which it is issued its business license is regarded as the date of formal establishment of a joint venture.

Article 12

Any foreign investor who intends to establish a joint venture in China but is unable to find a specific co-operator in China may submit a preliminary plan for his joint venture projects and authorize the China International Trust and Investment Corporation (CITIC) or trust and investment corporations of a province, autonomous region or municipality directly under the central government, or relevant government department or non-official organization, to introduce potential Chinese co-operators.

Article 13

The "joint venture agreement" mentioned in this chapter refers to a document agreed upon by the parties to the joint venture on some main points and principles governing the establishment of a joint venture.

"Joint venture contract" refers to a document agreed

upon and concluded by the parties to the joint venture on their rights and obligations.

"Article of association" refers to a document agreed upon by the parties to the joint venture indicating the purpose, organizational principles and method of management of a joint venture in compliance with the principles of the joint venture contract.

If the joint venture agreement conflicts with the contract, the contract shall prevail.

If the parties to the joint venture agree to sign only a contract and articles of association, the agreement can be omitted.

Article 14

The joint venture contract shall include the following main items:

(1) The names, the countries of registration, the legal address of parties to the joint venture, and the names, professions and nationalities of the legal representatives thereof;

(2) Name of the joint venture, its legal address, purpose and the scope and scale of business;

(3) Total amount of investment and registered capital of the joint venture, investment contributed by the parties to the joint venture, each party's investment proportion, forms of investment, the time limit for contributing investment, stipulations concerning incomplete contributions, and assignment of investment;

(4) The ratio of profit distribution and losses to be borne by each party;

(5) The composition of the board of directors, the distribution of the number of directors, and the responsibilities, powers and means of employment of the general manager, deputy general manager and high-ranking management personnel;

(6) The main production equipment and technology to be adopted and their source of supply;

(7) The ways and means of purchasing raw materials and selling finished products, and the ratio of products sold within Chinese territory and outside China;

(8) Arrangements for income and expenditure of foreign currency;

(9) Principles governing the handling of finance, accounting and auditing;

(10) Stipulations concerning labor management, wages, welfare, and labor insurance;

(11) The duration of the joint venture, its dissolution and the procedure for liquidation;

(12) The liabilities for breach of contract;

(13) Ways and Procedures for settling disputes