



I-On JV – A New Service to Protect International Investors in PRC JV's

Establishing joint ventures is a popular model for direct investment in China. Generally there are two types of joint venture - Equity joint venture and Co-operative joint venture. Profit and risk sharing of equity joint ventures for example is directly proportional to the equity of each partner. The success of a joint venture relies on local and foreign partner fostering close relations. It is important to select a good JV partner who shares the same strategies, **but what happens if you do not?**

I-OnAsia's "I-On JV"

I-On Asia is regularly instructed to provide evidence of wrong doing or afford peace of mind to the foreign joint venture partner, particularly in China. Western joint venture partners often find themselves shut out from the internal administrations of "their" company. In worst-case situations investors and shareholders can be refused information, denied access to the Board of Directors or to accounting data. While all JV partners may not experience difficulties, we have a growing number of clients who find they have no option other than litigation to satisfy the dispute; incurring cost, management time and JV relationship discourse.

How can we help?

I-OnAsia is uniquely placed with representation in China to monitor JV businesses. We recruit informants from within, maintain surveillance to ensure manufactured products are distributed in accordance with JV agreement terms, minimizing risk of diversion of goods by the local partner to an alternate factory. Intelligence gained from staff and views obtained from closely placed sources enables us to fairly inform you of the current position, and to isolate and identify red flags. Through experience, we know JV partners are not always candid with the Western partner and they seek to further capitalize on the international investment at no risk to themselves. I-OnAsia reports serve to identify evidence of corruption, malpractice or poor corporate governance. I-OnAsia investigations maintain discreet, legal and confidential investigation practices.

Upon instruction I-OnAsia will monitor the JV and its subsidiaries and report to the client monthly. Red flags will be signaled ahead of the monthly report to stem losses and we will customize a report system to fit each individual assignment.

Our Fees for this service are US\$2,500 per quarter in advance.

Regional & Affiliate Offices: Beijing, Shanghai, Guangzhou, Japan, Korea, Thailand, Indonesia, Malaysia, United Kingdom, Australia and New Zealand

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