

# **STRATEGIC COOPERATION AGREEMENT**

## **between Central Bohemian Region and Changhong Group**

This agreement is signed on 26th November 2015 in Beijing, China.

### **Between**

Central Bohemian Region, Czech Republic, represented by the Governor Mr. Miloš Petera (in this document only „ Region“, the meaning includes all his successor, representative, executors and assigns) as the first party

### **and**

Sichuan Changhong Electronics Holding Group Co., Limited, which is registered in China and located on address 35 East Mianxing Road, Hi - tech Park, Mianyang City, Sichuan Province, China, represented by the Chairman of the board, Mr. Zhao Yong, ( in this document only „ Changhong“, the meaning includes all his successor, representative, executors and assigns) as the second party

Whereas, Changhong is a leading Chinese company supplying products and services of electronics, home appliances as well as IT solutions. Changhong has been aiming European market as the most important market of company strategy and built the Changhong Manufacture Base in Nymburk in 2006 and started operation from 2007. Since the development of Changhong Europe, the products and the brand is gradually recognized by European market. Changhong has been enjoyed a fast grow in regional operation. In order to provide better service and products for the market, Changhong recognize the importance of setting up a R&D centre in Europe to meet the needs of local consumers, and decided to set up on the basis of Changhong europe operation.

Whereas, Central Bohemian Government recognized the effort Changhong has been made for promoting the local economy and welcome Changhong to make further investment continuously in the region. The Parties have carried out several times communication for enhancing strategic cooperation since June 2014, and the Parties have reached consensus on a number of proposed cooperation items to be promoted in future, which were confirmed with a MOU and an Agreement successively signed during the period from June 2014 to October 2014. On the basis of the above mentioned documents, the Parties had a meeting in Mianyang city in September 2015 to discuss implementing of the proposed items. According to this meeting, the Parties consent that they will work together to make Changhong's R&D center be set up in Central Bohemian Region as soon as possible.

**Therefore, the Parties agree in follows**

1. Changhong decided to set up a R&D center in Central Bohemia Region on the basis of gradually growing operation in European market as well as for better services and support of the market.
  - (1). Changhong will organize feasibility study of the R&D centre in order of early opening of the centre accordingly.
  - (2). The investment amount, infrastructure and target of the centre shall be decided in accordance with the feasibility study of the need of Changhong's supply chain for the European market.
  - (3). Changhong will ensure the engagement in promoting and supporting local economy.
2. Region will provide support and assistance to Changhong on the following points for setting up a R&D center in the Region:
  - (1). Providing necessary supports and coordination for the infrastructure and laboratory conditions (as appropriate) which are required for the R&D center.
  - (2). Providing and coordinating on attractive incentive policies for investment of R&D center, including cash grants and tax relief or exemption, counseling and guidance for the incentive policies, and assistance on the procedure for obtaining such incentives if applicable.
  - (3). Supporting for long term visa and work permit of the technical staff dispatched by Changhong group to the R&D center.
  - (4). Assistance on search of human resource for local skilled technical personnel according to Changhong's request and demand.
3. The Central Bohemia Region as a participant of the Agreement will not participate in any payments following from the Agreement.
4. Regarding issues not included in this document, the Parties agree to discuss friendly and coordinate at proper time.
5. The parties agree to cooperate for the purpose to jointly support and make Changhong Czech project as a sample of the success of investment from China, as well as a best gesture enhancing the friendly economic and people's relations between Czech Republic and P.R.China.
6. This agreement is signed in English with two original copies.
7. The Agreement shall become effective as of the day of passing by Regional Assembly of the Central Bohemia Region.



*for*

Mr. Ing. Miloš Petera

Governor of Central Bohemian Region,  
Czech Republic



Mr. Zhao Yong

Chairman of Changhong Group,  
P. R. China