

RBVT and IB Joint Announcement: China International Economic and Arbitration Commission confirms RBVC 20 year joint venture term

Beijing, China: October 31, 2018 – Red Bull Vitamin Drink (Thailand) Co., Ltd. (RBVT), the controlling shareholder of Red Bull Vitamin Drink Co., Ltd (RBVC), and Inter-Biopharm Holding Limited (IB), a shareholder of RBVC, jointly announced today that they had received an Arbitral Award rendered by the China International Economic and Arbitration Commission (CIETAC) on October 26 2018. The Arbitration Tribunal’s ruling includes the following:

- Pursuant to the 1998 Joint Venture contract (JVC) and Articles of Association (AOA) of RBVC which the Parties have confirmed to be effective and binding, as well as the various approval certificates and business licenses issued to RBVC, the arbitral tribunal finds that the joint venture (JV) term of RBVC is 20 years.
- Market Global Holdings Limited (“Market Global”, controlled by Mr. Yan Bin), one of the shareholders of RBVC, raised a counter-claim during the arbitration process that the JV term is 30 years. The Arbitration Tribunal rejects this counter-claim on the basis that Market Global failed to provide any evidence to prove that RBVT and IB had both agreed to extend the JV term to 30 years, and Market Global also failed to provide any factual or legal basis to establish that the JV term could be extended by implied agreement of the JV partners.
- According to the AOA and JVC which stipulate that the 20-year joint venture term should include the period of time prior to RBVC’s relocation from Shenzhen to Beijing (1995-1998), RBVC’s joint venture term should have expired on December 25, 2015, starting from December 25, 1995 when RBVC was originally incorporated in Shenzhen. However, due to a mistake made by a member of RBVC’s personnel, the aforementioned period of time (1995-1998) was mistakenly omitted from RBVC’s business term which was subsequently recorded in its business license to expire on September 29, 2018. The Arbitration Tribunal rules that the consequence for RBVC’s mistake in submitting the wrong application with Beijing AIC should be borne by RBVC and its investors, therefore the arbitral tribunal rules that the JV term of RBVC expires on September 29, 2018.

The above Arbitral Award is final and takes legal effect upon its issuance.

We hereby restate that the 20-year JV term of RBVC has expired. Pursuant to PRC law, RBVC should immediately start liquidation and cease any business operation which is irrelevant to the liquidation. In order to protect the legal rights and interest of RBVC, its shareholders and all the other stakeholders, we have filed compulsory liquidation lawsuit against RBVC with Beijing First Intermediary Court. We have full confidence in the Chinese legal system, the strength of our legal position and the merits of our claims, and trust that justice will be served.

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