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Capital Increase for Shenzhen WFOE - Procedures and Fees

Unless otherwise indicated, the WFOE mentioned in this quotation refer to a limited liability company formed and registered in Shenzhen, China in accordance with the China Company Law and the related regulations and wholly owned by one or more foreign companies or individuals.

Summary

The quotation applies to situations where a WFOE registered in Shenzhen intends to increase its registered capital and that no special licence or permit or other change is required.

Our fees for handling the change of registered capital for a WFOE in Shenzhen, China are **RMB10,000** and our fees cover the services listed in Section 1(1) of this quotation. Our service fees, however, do not include the payment of official change filing charges.

The materials required include a summary of total investment and registered capital amount to be increased, incorporation certificates of the WFOE and others. A list of the materials is detailed in Section 3 of this quotation.

The whole process for the change of registered capital for a WFOE in Shenzhen, China takes around 5 to 7 weeks. It should however be noted that most of the procedures are subject to approval granted by the government departments and therefore some of the procedures may take longer than expected.

If special licence or permit or other extra change is required, we may need to adjust our fees and the time required may need to be extended accordingly.

1. Change Costs

(1) Our Service Fees

Our fees for handling the change of registered capital for a WFOE in Shenzhen, China are **RMB10,000**. In particular, our fees cover the following services:

- (1) Preparation of change application documents;
- (2) Application for the change with MOFCOM;
- (3) Application for the change with the registry office;
- (4) Application for the change of foreign exchange registration;
- (5) Application for the change of company information with bank;
- (6) Application for the change with the tax bureau.

If special licence or permit or other extra change is required, we may need to adjust our fees accordingly.

(2) Official Filing Fees

Our service fees stated in Section 1 (1) do not cover any official filing fees. The official filing fees will be billed with supporting official receipts.

(3) Translation Costs

Our service fees stated in Section 1 (1) do not cover translation costs for translating the documents prepared by you from English to Chinese or translation of registration documents from Chinese to English. If so required, we will charge an extra amount of RMB350 per page of A4 size paper for the translation services.

All the fees quoted above do not include the Value Added Tax and Surcharges of 7.5% if Chinese tax invoice (Fapiao) is required.

A summary of the fees and costs is provided in Schedule 1 to the quotation.

2. Payment Terms and Methods

Upon receipt of your order, we will issue an invoice to you for your settlement. We require full payment in advance.

If China's mainland or Taiwan official tax invoice is required, Value-Added Tax or Business Tax at the prevailing rate in the respective jurisdiction will be charged.

3. Estimated Time Frame

It is estimated that the whole change process would take around 5 to 7 weeks, subject to the approval by the various registration authorities in Shenzhen. The table below shows the estimated time frame for each of the steps for the change.

Step	Description	Who is Responsible	Working Days
Preliminary			
1	Preparation of a summary of increased total investment and registered capital	Investor	Investor's schedule
2	Preparation of WFOE's certificates and licenses	Investor	Investor's schedule
3	Other documents	Investor	Investor's schedule
Application for Change			
4	Application for the change with MOFCOM	Kaizen	3-6
5	Application for the change with the registry office	Kaizen	3-5
6	Application for the change of foreign exchange registration particulars	Kaizen	10
7	Application for the change of company information with the opening bank	Kaizen	10-15
8	Application for the change with the tax bureau	Kaizen	1
Around 5 -7 Weeks			

4. Required Documents and Materials

The following materials are required for the purpose of change of registered capital for a WFOE in Shenzhen, China:

- (1) The amount of total investment and registered capital after the increase;
(For a WFOE with registered capital of no more than USD30,000,000, the registered capital amount shall be no less than 70% of the total investment amount.)
- (2) MOFCOM filing record for the establishment and/or change of the WFOE;
- (3) Business Licenses (original and duplicates);
- (4) Articles of Association and/or Amendment to the Articles of Association;
- (5) Bank Account Opening Permit;
- (6) Organizational Credit Code Certificate;
- (7) Foreign Exchange Registration Permit;
- (8) Company seal, financial seal and name seal of the legal representative;
- (9) Other documents or information temporarily required by registration authorities.

Please note the original identity certificate of the legal representative shall be presented for checking when applying for bank changes. Sometimes, the bank may ask the legal representative to visit the bank in person.

If you wish to obtain more information or assistance, please visit the official website of Kaizen CPA Limited at www.kaizencpa.com or contact us through the following and talk to our professionals:

Email: info@kaizencpa.com, enquiries@kaizencpa.com

Tel: +852 2341 1444

WhatsApp/Line/Wechat: +852 6114 9414, +86 1521 932 644

Skype: kaizencpa

Schedule 1 – Summary of Costs for Increase of capital for a WFOE in Shenzhen

Item	Description	Amount RMB
1	Service fees for change of registered capital for a Shenzhen WFOE (Note 1)	10,000
2	Disbursements	500
3	Official filing fees	N/A
4	Translation fees (Optional)	N/A
TOTAL		10,500

Note:

1. If special licence or permit or other extra change is required, Kaizen will handle the application and our fees will be quoted upon request.
2. If Chinese tax invoice is required, a Value Added Tax and Surcharges of 7.5% would be applicable.