

ARTICLES OF ASSOCIATION
CHINA MAJOR BRIDGE ENGINEERING CO., LTD. P.R.C

Revised on October 9, 2013

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Advocate, Notary Public & Commissioner
for Oaths

ARTICLES OF ASSOCIATION CHINA MAJOR BRIDGE ENGINEERING CO., LTD. P.R.C

Chapter I General Provisions

Article 1

In accordance with the Company Law of the People's Republic of China (hereinafter referred to as the Company Law) (issued on October 27, 2005 by Standing Committee of 10th Plenary Session of National People's Congress and executed starting on January 1, 2006) and other relevant laws and regulations, the present Articles of Association are formulated with a view to establishing the legal status of China Major Bridge Engineering Co., Ltd (hereinafter referred to as the Company), standardizing its organization and activities, protecting the legitimate rights and interests of the Company, shareholders, and creditors, thus forming favorable operational mechanism of self-development and self-restriction.

Article 2

The Company, complying with the provisions of the Company Law and other relevant laws and regulations, upon the approval of the State-owned Assets Supervision and Administration Commission of the State Council, is registered as a limited company with Wuhan Administration for Industry and Commerce. The date on which the Business License for Enterprise as a Legal Person of the Company is issued by the Administration for Industry and Commerce shall be the date of the establishment of the Company.

Article 3

The Company owns independent qualification of legal person, enjoy civil rights and undertake civil liabilities subject to the laws and regulations. In the principal of voluntary shareholding, equal share ownership, sharing income, and co-shouldering risks, shareholders shall be liable for the company to the extent of the shares held by them and the company shall be liable for the debts of the company with all its assets.

Article 4

The company's Name:

China Major Bridge Engineering Co., Ltd.

The Company's domicile:

12th Floor, No.6 SBI Chuangye Street, Dongxin Road, Donghu New Technology Development Zone, Wuhan City, Hubei Province, P. R. China

Post code: 430074

Article 5

The Company's registered capital: RMB1,536,750,100.00

Article 6

The Company shall be a permanently registered company limited by shares.

Article 7

The chairman of the board shall be the legal representative of the Company.

Article 8

The Company may invest in other enterprises, except otherwise specified by the laws, it shall not assume joint liability of the enterprise invested.

Article 9

The Company, in accordance with the self-development of business, may establish branch offices and subsidiary company at home and abroad upon the approval.

Article 10

As of the effective date, these Articles of Association shall be the legally binding document to standardize the organization and activities of the Company, rights and obligations among shareholders. Shareholders may prosecute the Company in accordance with the Articles of Association; the Company may prosecute shareholders, directors, general managers and other senior managers in accordance with the Articles of Association; shareholders may prosecute shareholders in accordance with the Articles of Association; shareholders may prosecute directors, supervisors, general managers and other senior managers.

Article 11

Other senior managers under these Articles of Association refer to deputy general managers, chief engineers, chief accountants, chief economists, secretaries of directorate, and financial officer.

Chapter II Business Objective and Scope

Article 12

Business Objective: to build a first-grade domestic and well-known international technical enterprise specializing in bridge engineering construction.

Article 13

Business Scope:

- (1) Bridge Engineering: Reconnaissance, Design, Research, Construction, Supervision, Inspection & Assessment, Malfunction Diagnosis, Repair & Reinforcement;
- (2) Overseas Projects: Construction of Bridge, Construction of Highway and Export of required Plant, Equipment and Materials;
- (3) Construction of Railway Engineering Projects, Highway Engineering Projects and

- Municipal Engineering Projects;
- (4) Construction of Harbour & Coastal Engineering Projects and Urban Railway Transportation Projects;
 - (5) Construction of Tunnel Engineering Projects(subject to effective qualification certificate)
 - (6) Overseas Project Technician Service;
 - (7) Leasing of Plant, Machinery and Equipment;
 - (8) Import and Export of Goods and Technology(exclusive of the forbidden goods and technology)
 - (9) Import and Export Agent(exclusive of the forbidden goods and technology)

Article 14

The Company, in accordance with demands of business development, may adjust its business scope via and after registration pursuant to legal procedures by means of shareholders' meeting.

Chapter III The Company's Registered Capital, Establishment Mode and Shares

Article 15

The Company's registered capital is RMB1,536,750,100.00 yuan. Whole assets of the Company are divided into equal shares amounting to 1,536,750,100.00 shares with value RMB1.00 yuan per share.

Article 16

The Company's establishment mode: establishment by promoting, namely, whole shareholders purchase all shares issued by the Company.

Article 17

The shares issued by the Company are common shares. The shares of company shall adopt shares. Shares shall become effective after the signature of the chairman of the board and official seal of the company. The issuance of the company shares shall carry out on the principle of openness, fairness and justness, with the same share for same rights and same profit.

Article 18

The number of shares purchased by promoters, method of capital contribution, amount of capital contribution and share percentage are listed as follows:

Name of Promotor	Method of capital contribution	Amount of capital contribution(thousand yuan)	Number of shares purchased	Share percentage(%)	Time

				(thousand)		
China Zhongtie Major Bridge Engineering Co., Ltd	net assets (NA)	376442.60	376442.60	91.72	09-2004	
Wuhan Iron and Steel (Group) Corporation	Cash	20000	20000	4.87		
China Railway Tunnel Co., Ltd.	Cash	10000	10000	2.44		
China Railway Shanhaiguan Bridge Group Co., Ltd	Cash	3000	3000	0.73		
China Academy of Railway Sciences	Cash	1000	1000	0.24	09-2004	
Total		410442.6	410442.6	100		

The promoters Wuhan Iron and Steel (Group) Corporation, China Railway Shanhaiguan Bridge Group Co., Ltd and China Academy of Railway Sciences transferred their shares in December 2008. The Company's shareholding structure is changed to be as the followings:

Name of shareholder	Method of capital contribution	Amount of capital contribution(thousand yuan)	Number of shares purchased (thousand)	Share percentage(%)
China Zhongtie Major Bridge Engineering Co., Ltd	net assets (NA)	400,442.60	400,442.60	97.56
China Railway Tunnel Co., Ltd.	Cash	10,000.00	10,000.00	2.44
Total		410,442.60	410,442.60	100

China Zhongtie Major Bridge Engineering Co., Ltd increased RMB600,000,000.00yuan to its capital contribution in December 2008. The Company's shareholding structure is now as follows:

Name of shareholder	Method of capital contribution	Amount of capital contribution(thousand yuan)	Number of shares purchased	Share percentage(%)
China Zhongtie Major Bridge Engineering Co.,	net assets (NA)	1,000,442.60	870,846,300.00	98.86

Ltd				
China Railway Tunnel Co., Ltd.	Cash	10,000.00	10,000,000	1.14
Total		1,010,442.60	880,846,300.00	100

In October, 2008, the Company transferred capital reserve RMB 566,931,291.00 by cash into paid-in capital, among which, China Zhongtie Major Bridge Co.,Ltd. RMB 561,195,233.00, China Railway Tunnel Co.,Ltd. RMB 5,736,058.00, and particular China Zhongtie Major Bridge Co.,Ltd increases cash funds RMB 88,972,465.00, so that the shareholding structure after increasing funds will be as follows:

Name of Sponser	Method of capital contribution	Amount of capital contribution (in thousand yuan)	Number of shares purchased (ten thousand shares)	Share percentage(%)
China Zhongtie Major Bridge Engineering Co., Ltd	net assets (NA)	165061.00	152101.4	98.98
China Railway Tunnel Co., Ltd.	Cash	1573.61	1573.61	1.02
Total		166634.64	153675.01	100

Article 19

The Company or its subsidiary company (including affiliated enterprise) shall not provide any subsidization for the purchaser or would-be purchaser of the shares by means of donation, payment on account, assurance, compensation or loan and so on.

Article 20

The company, in accordance with demands of business development, may increase or reduce its registered capital pursuant to the law.

When the company increases or reduces its registered capital, the company shall convene shareholders' meeting and make a resolution. The variation of registered capital of the company shall be registered with the registration authority.

Chapter IV Transfer of Shares

Article 21

The shares possessed by the shareholders may be transferred in conformity with relevant laws, regulations and these Articles of Association. A shareholder's transfer of its shares must be carried out through a legally established stock exchange or by other means stipulated by the State Council of People's Republic of China.

Article 22

The shares of the Company may be transferred by the shareholders by means of endorsement or by other means as stipulated in laws or administrative regulations.

Pursuant to the previous paragraph, no changes in the register of shareholders shall be made within 30 days before the convening of the shareholders' general meeting or within 5 days before the record date for the issue of dividends.

Article 23

Shares held by the promoters of the Company shall not be transferred within one year from the date the Company is incorporated.

Directors, supervision and senior managers of the Company shall declare to the Company the numbers of the Company's shares held by them and the changes of the shares they hold, and the number of the Company's shares annually transferred by each of them during their term of office shall not exceed 25 percent of the total number of the Company's shares held by them respectively; and the Company's shares held by them shall not be transferred within one year from the date the shares of the Company are listed and traded.

Article 24

The Company shall not purchase its own shares, except where:

- (1) It reduces its registered capital;
- (2) It merges with another company that holds its shares;
- (3) It rewards the staff and workers of the Company with its shares;
- (4) It is requested by any shareholder to purchase his shares because this shareholder raises any objection to the company's resolution on merger or split-up made at any session of the assembly of shareholders.

Purchase of its own shares by the Company due to the reasons specified in subparagraph (1), (2) or (3) of the preceding paragraph shall be subject to resolution adopted by the shareholders general meeting. Where the Company purchases its own shares on grounds of subparagraph(1) , such shares shall be cancelled within 10 days from the date it purchases them, and where the shares are purchased on ground of subparagraph (2) Or(4), such shares shall be transferred or cancelled within 6 months.

The number of its own shares purchased by the Company in accordance with the provision of subparagraph (3) shall not exceed five percent of the total number of the shares issued by the Company, the funds used for such purchase shall be allotted from the after-tax profits of the Company, and the shares purchased shall be transferred to its employees within one year. The Company shall not accept its own shares as the subject matter of a mortgage.

Article 25

The transfer of shares shall be effected by the stockholder's endorsement or by any other means prescribed by the relevant laws and administrative regulations. After the transfer, the Company shall record the name and domicile of the transferee in the register of shareholders. Within 20 days before shareholders general meeting is held, or within 5 days prior to the benchmark date decided by the Company for the distribution of dividends, no modification registration may be made to the register of shareholders as mentioned in the preceding paragraph. However, if any law provides otherwise for the modification registration of the register of shareholders of listed companies, the latter shall prevail.

Article 26

In the event that shares held by shareholders are stolen, lost or destroyed, the shareholder may, pursuant to the procedures of public summons for exhortation contained in the Code of Civil Procedure, request the people's court to declare the share invalid.

Article 27

After the shares are declared invalid by the people's court, the shareholder may apply to the company to have share re-issued.

Chapter V Shareholders' Rights and Obligations

Article 28

The person who possesses the company's shares pursuant to the laws is the shareholder of the company. Shareholders enjoy rights and undertake obligations to the extent by shares.

Article 29

Shareholders exercise the following powers:

- (1) to attend or entrust the attorney to attend shareholder's general meeting and exercise voting power to the extent by shares.
- (2) to supervise the company's business demeanor and put forward suggestions or inquiries.
- (3) to select or to be selected as the members of board of directors or board of supervisors.
- (4) to gain dividend or other forms of income distribution in accordance with stipulated as the laws, regulations, articles of association; transfer, donate or impawn shares possessed.
- (5) to consult articles of association, minutes of shareholder' general meeting and financial accounting report of the Company.
- (6) to obtain the remaining property of the company after liquidation to the extent by shares, when the company is liquidated resulting from termination.

- (7) to lodge the litigation against delict and infringement in case the resolution violates the laws and regulations and infringe the legitimate rights and interests of shareholders.
- (8) Other rights granted by the state laws and regulations.

When the attorney attends shareholder's general meeting, he shall submit power of attorney issued by the shareholder and exercise voting power within the scope of authorization. Where a shareholder requests to consult the relevant information or obtain documents, he shall provide the Company with a written document showing the type and number of the Company's shares he held. After verification, the Company shall provide such information or document to the shareholder.

Article 30

Shareholders shall undertake the following obligations:

1. to abide by articles of association and provisions of company management;
2. to pay the dividend in accordance with shares subscribed and mode of capital contribution;
3. to be liable for the company by shares possessed;
4. not to withdraw investment after the registration formalities;
5. to safeguard the interests of the company and resist the demeanor impairing the interests of the company.
6. to be obedient to the resolution passed on the shareholder's general meeting.
7. to provide identity, address, specimen seal, signature and inform the company in case of any variation.
8. other obligations stipulated in the laws and regulations.

Article 31

When shareholders who possess one percent shares of voting power impawn their shares, they shall inform the company in writing within 2 days after the occurrence of such incident.

Article 32

Neither the controlling shareholder, nor the actual controller, nor any of the directors, supervisors or senior manager of the company may injure the interests of the company by taking advantage of its connection relationship. Anyone who causes any loss to the company due to violating the preceding paragraph shall be liable for the compensation.

Article 33

If the procedures for calling a shareholders' meeting or shareholders' assembly, or meeting of the board of directors, or the voting form, is in violation of any law, administrative regulation or the articles of association, or if a resolution is in violation of the articles of association of the company, the shareholders may, within 60 days from the day when the resolution is made, request the people's court to revoke it.

If the shareholders initiate a lawsuit under the preceding paragraph, the people's court shall, at the request of the Company, demand the shareholders to provide corresponding

guaranty.

Where the Company has, according to the resolution of the shareholders' meeting, or meeting of the board of directors, completed the modification registration, if the people's court declares the resolution null and void or revoke the resolution, the Company shall file an application with the company registration authority for revoking the modification registration.

Article 34

The shareholders of the Company shall abide by the laws, administrative regulations and the Articles of Association and shall exercise the shareholder's rights under the law. None of them may injure any of the interests of the Company or of other shareholders by abusing the shareholder's rights, or injure the interests of any creditor of the Company by abusing the independent status of legal person or the shareholder's limited liabilities.

Where any of the shareholders of the Company causes any loss to the Company or to other shareholders by abusing the shareholder's rights, he shall be liable for compensation.

Where any of the shareholders of the Company evades the payment of its debts by abusing the independent status of legal person or the shareholder's limited liabilities, if it seriously injures the interests of any creditor, it shall bear several and joint liabilities for the debts of the Company.

Chapter VI Shareholders' General Meeting

Article 35

The Company shall have a shareholders' general meeting made up of all shareholders. The shareholders' general meeting is the highest authoritative organ of the Company, which exercises its power in accordance with the Company Law and the Articles of Association.

Article 36

The shareholders' general meeting exercises the following powers:

- (1) to decide on the company's operational policies and investment plans;
- (2) to elect and replace directors and supervisors from non-employee representatives and decide on matters relating to their remuneration;
- (3) to make a resolution on the appointment and dismissal of public accounting firm;
- (4) to examine and approve reports of the board of directors;
- (5) to examine and approve reports of the board of supervisors;
- (6) to examine and approve the company's proposed annual financial budget and final accounts;
- (7) to examine and approve the company's profit distribution plans and plans for recovery

- of losses;
- (8) to decide on increases or reduction of the company's registered capital;
 - (9) to decide on the issue of bonds by the company;
 - (10) to decide on issue such as merger, division, dissolution and liquidation of the company and other matters; and
 - (11) to amend the company's articles of association;
 - (12) to deliberate the proposal submitted by the shareholders who held more than three percent of total number of the voting shares of the Company;
 - (13) to decide on issues related to major transaction, connected transaction and security; to authorize the board of directors to establish a decision-making system on major transaction, connected transaction and security.
 - (14) Other matters as stipulated in the laws and regulations and shall be decided at the shareholders' general meeting.

For any of the matters as listed in the preceding paragraph, if all the shareholders consent to it in writing, it is not required to convene a shareholders' meeting. A decision may be made directly and shall bear the signatures or seals of all the shareholders.

Article 37

Shareholders' general meeting shall be divided into periodic shareholders' general meeting and interim shareholders' general meeting. Periodic shareholders' general meeting shall be held once for a year and within 6 months after the end of last fiscal year. The Company shall hold periodic shareholders' general meeting. When shareholders possessing over five percent of the total number of voting shares put forward new proposals for the Company in writing, the Company shall list the matters belonging to the scope of official duties of shareholders' general meeting on the agenda of such meeting.

Article 38

An interim shareholders' general meeting shall be held within two months under any one of the following circumstances:

- (1) where the number of Directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the Articles of Association;
- (2) where the unrecovered losses of the Company amount to one-third of the total amount of its share capital;
- (3) upon request by shareholders holding ten per cent or more of the shares of the company;
- (4) whenever the board of directors deemed necessary ; or
- (5) the board of supervisors so requests.
- (6) Other circumstances specified in the article of association.

Article 39

The shareholders' meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his duties, the meetings thereof shall be presided over by the deputy chairman of the board of directors. If the deputy chairman of the board of directors is unable or fails to

perform his duties, the meetings shall be presided over by a director jointly recommended by half or more of the directors.

If the board of directors is unable or fails to fulfill the duties of convening the shareholders' meeting, the board of supervisors of the company may convene and preside over such meetings. If the board of supervisors does not convene or preside over such meetings, the shareholders representing 1 / 10 or more of the voting rights for 90 consecutive days or above may convene and preside over such meetings on their own initiatives.

The first shareholders' meeting shall be convened and presided over by the shareholders who hold the most of the capital contributor.

Article 40

For a shareholders' general meeting to be held, a notice shall be given to each shareholder 20 days in advance, which shall state the time and place of the meeting, and the matters to be deliberated at the meeting. For an interim shareholders' meeting, a notice shall be given to each shareholder 15 days in advance. For the issue of unregistered stocks, the time and place of the meeting and the matters to be deliberated at the meeting shall be announced 30 days in advance.

The shareholders separately or aggregately holding 3% or more of the shares of the company may put forward a written interim proposal to the board of directors 10 days before a shareholders' general meeting is held. The board of directors may notify other shareholders within 2 days and submit the interim proposal to the meeting of the shareholders' general meeting for deliberation. The contents of an interim proposal shall fall within the scope to be decided by the shareholders' general meeting, and the interim proposal shall have a clear topic for discussion and matters to be decided. The shareholders' general meeting shall not make any decision on any matter not listed in the notice as mentioned in the preceding two paragraphs.

Article 41

The proxy shall present to the company a power of attorney from the shareholder and shall exercise his voting rights within the scope of his authorization.

Article 42

Shareholders' general meeting shall be held when shareholders covering over one second of the total of shares are present at the meeting. Shareholders present at a shareholders' meeting exercise the voting rights according to the voting share and have one vote for each share they hold.

Article 43

Resolutions of shareholders' general meeting can be divided into ordinary resolutions and special resolutions. Ordinary resolutions of the shareholders' general meeting shall be adopted with half or more of the voting rights held by shareholders or proxies present at

the meeting. Special resolutions of the shareholders' general meeting shall be adopted with two thirds or more of the voting rights held by shareholders or proxies present at the meeting.

Article 44

The following matters shall be resolved by way of ordinary resolution of the shareholders' general meeting:

- (1) to decide on the company's operational policies and investment plans;
- (2) to elect and replace directors and supervisors from non-employee representatives and decide on matters relating to their remuneration;
- (3) to make a resolution on the appointment and dismissal of public accounting firm;
- (4) to examine and approve reports of the board of directors;
- (5) to examine and approve reports of the board of supervisors;
- (6) to examine and approve the company's proposed annual financial budget and final accounts;
- (7) to examine and approve the company's profit distribution plans and plans for recovery of losses;
- (8) to consider the proposal submitted by the shareholders who held more than three percent of total number of the voting shares of the Company;
- (9) other matters except those specified by the law and administrative regulation or the article of association that need to be decided in the special resolution of the shareholder's general meeting.

The following matters shall be resolved by way of special resolution of the shareholders' general meeting:

- (1) increase or reduction in share capital, expanding scope of subscribing the company's stocks.;
- (2) division, merge, dissolution and liquidation of the company.
- (3) issue of the bonds of the company;
- (4) amendment of the company's articles of association; and
- (5) to decide on issues related to major transaction, connected transaction and security; to authorize the board of directors to establish a decision-making system on major transaction, connected transaction and security.
- (6) any other matters stipulated in the Articles of Association or considered by the shareholders in general meeting, is of a significant nature and need to be decided by special resolution of the shareholders' general meeting.

Article 45

Resolutions of shareholders' general meeting shall not violate the laws, regulations and the articles of association.

Article 46

Except otherwise approved as the special resolution by the shareholders' general meeting, the company shall not conclude the contract handing over the management of whole

business or important business to those who are not directors, general managers and other senior managers.

Article 47

List of candidates of directors, supervisors shall be submitted to the shareholders' general meeting for the resolution by means of proposals.

Article 48

Resolutions of shareholders' general meeting shall be voted by open ballot.

Article 49

For the voting on deliberation of matter, at least two shareholder's representatives and one supervisor attend to check and count votes, and the results shall be publicized on the spot by the checker.

Article 50

Presider of the meeting shall decide on whether the resolutions of the shareholders' general meeting shall be passed according to the voting results, and declare them at the meeting. The voting results of the resolution shall be recorded in the minutes of the meeting.

Article 51

If the presider of the meeting has any doubts about the voting results of the resolutions submitted, he may check the number of the votes; if the presider doesn't check the votes, while the shareholders or proxies present at the meeting have some doubts about the voting results declared by the presider, they have the right to require check the votes after the declaration of the voting results, and the presider of the meeting shall check the votes duly.

Article 52

When the shareholders' general meeting deliberate on matters of associated transaction, associated shareholders shall not attend to vote for resolutions and their voting shares are not included in the total number of efficient voting; the minutes of the shareholders' general meeting shall sufficiently disclose the voting of nonassociated shareholders. For some particular circumstance when the associated shareholders in unable to avoid , the company, upon the approval of the authority department, is able to vote in conformity with normal procedure and make the specifications on the minutes of the shareholders' general meeting.

Article 53

Except otherwise involved with commercial secrets and unable to open at the shareholders' general meeting, board of directors and board of supervisors shall make replies or instructions about the inquiries and suggestions of the shareholders.

Article 54

Minutes of decision made on matters discussed by the shareholders' general meeting shall be kept and signed by the presiders and directors present at the meetings. The minutes shall be kept together with the signed register of shareholders in attendance and the powers of attorney of shareholders who attended by proxy. The minutes shall record the following content:

- (1) number of the voting share in attendance and proportion covering the total shares.
- (2) date and address of the meeting;
- (3) name of the presider and agenda of the meeting;
- (4) brief speeches of each spokesman concerning each deliberation matter;
- (5) result of the voting;

Chapter VII Board of Directors

Article 55

Director of the Company is a natural person. Director may be undertaken by shareholders or non-shareholders. The term of office for each director shall be three years. Such term may be renewed when a director is re-appointed prior to expiry of the term; shareholders' general meeting is unable to dismiss the directors' office without reason. Directors are able to hold other concurrent posts of senior managers.

Article 56

The directors shall abide by the laws, regulations, the company's articles of association, and resolutions issued by shareholders' general meeting and faithfully execute their official duties, and protect the company's interests. When own interests interfere the company's and shareholders' interests, directors shall act in the interests of the company and shareholders as the standard of conduct, and assure:

- (1) exercise their rights within the scope of responsibility and not exceed his authority;
- (2) not conclude the contract or carry out the contract with their own company, except otherwise approved by the articles of association or shareholders' general meeting being in the push.
- (3) not seek profits for themselves or others by use of stable push;
- (4) not manage the same business with the company by themselves or for others, or participate the activities impairing the company's interests.
- (5) not accept bribery or other illegal incomes by abusing their powers, and not infringe the company's property.
- (6) not embezzle the capital or loan the company's capital to others;
- (7) not take advantage of their powers to infringe or accept commercial opportunity which originally belongs to the company for themselves or others.
- (8) not accept the commission related to the company's transaction without the approval of the shareholders' general meeting under the circumstance of awareness;
- (9) not make use of the company's property to open an account for deposition in the nominal of individual or in the nominal of other individual and legal person;

- (10) not make use of the company's property to provide guaranty for the debts of shareholders of the company or other individuals;
- (11) not expose the confidential information related to the company and acquired during the term of incumbency without the approval of the shareholders' general meeting under the circumstance of awareness; however, under the following circumstance, directors may expose the information to the People's Court or other competent authorities:
- 1) regulations stipulated in the laws;
 - 2) requirements of the public interests;
 - 3) requirements of the legitimate interests of the board of directors;

(12) other acts that are in breach of duty of loyalty to the Company.

The income of any director from any act in violation of the preceding paragraph shall belong to the company. This article also applies to the supervisors, general manager and other senior managers.

Article 57

Candidates for the first board of directors of the company shall be recommended by the promoters; candidates for the next board of directors shall be nominated by the last board of directors and selected at the shareholders' general meeting.

Article 58

Those are not allowed to act as the directors of the company in any of the following circumstances:

- (1) no civil disposition capacity or limited civil disposition capacity;
- (2) being sentenced to punishment due to crime of embezzlement, bribery, conversion of property, defalcation, or the crime of undermining social and economic order within five years after executing period;
- (3) directors, factory directors, managers of the insolvent enterprise due to misconduct, who are responsible for the personal liability of the bankruptcy within three years after withdrawal of business license;
- (4) enterprise legal representative being withdrawn business license due to breach of laws, who are responsible for the personal liability of the bankruptcy within three years after withdrawal of business license;
- (5) the large personnel amount of debts being not discharged at the expiration of time limit.
- (6) national public servant;

If the Company acts against such regulations and elects directors, the selection is null and void. The director shall be removed from his post in the event of his violation of the subparagraph (1).

This article also applies to the supervisors, general manager and other senior manager of the Company.

Article 59

Directors shall exercise the rights endowed by the company in a prudent, earnest and

diligent manner to assure:

- (1) The company's commercial behavior accords with requirements of national laws, administrative regulations and various items of economic policies and commercial activities not beyond the business scope stipulated as the business license;
- (2) treat all the shareholders equally;
- (3) read carefully the company's commercial and financial report to find out duly the business management of the company.
- (4) exercise personally management disposition endowed legitimately and not being maneuvered by others; not transfer the disposition to others without the approval of the laws, administrative regulations or shareholders' general meeting;
- (5) accept the legitimate supervisions and suggestions to perform duties.

Article 60

Where any director, supervisor or senior manager violates any law, administrative regulation, or the Articles of Association during the course of performing his duties, if any loss is caused to the Company, he shall be liable for compensation. If the shareholder's meeting demands a director, supervisor or senior manager to attend the meeting as a non-voting representative, he shall do so and shall answer the shareholders' inquiries.

Article 61

The directors, general manager and senior managers shall faithfully offer relevant information and materials to the board of supervisors of the Company, none of them may impede the board of supervisors from exercising its (his) powers.

Article 62

It is regarded as incapable for the director fails continuously to present in person for two times and not entrust other directors to present at the shareholders' general meeting. Board of directors shall suggest the shareholders' general meeting dismiss and replace such directors.

Article 63

Directors may put forward resignation before the expiry of the term of office and they should submit written resignation report to the board of directors if so.

Article 64

If the resignation of the director results in the number of board of directors less than legal minimum number, resignation report of such report shall not become effective until the next director supply the gap of resignation.

The remaining directors shall convene temporary shareholders' general meeting selecting directors to fill in the vacancy arising from the resignation of the directors. Prior to the resolution made by the shareholders' general meeting on selection of directors, the power of the director putting forward the resignation and the successor shall be restricted reasonably.

Article 65

As the director put forward the resignation or the expiry of the term of office, his obligation to the company and shareholders may not be definitely dismissed before the resignation becomes effective or within the reasonable period after the resignation becomes effective or within the reasonable period after the expiry of the term of office. Their obligations to be confidential to the commercial secrets of the company remains effective after the expiry of the term of office until the secrets become public. Duration of other obligations shall be determined under the principle of equity, depending on time length between occurrence of the incidents and the expiry of the term of office, and what kind of condition when ending relationship with the company.

Article 66

Directors, whose term of office doesn't end, shall undertake the compensation for the losses arising from his behavior of unauthorized demission.

Article 67

The directors shall abide by the company's articles of association, faithfully execute their official duties, and protect the company's interests, with the obligation to the company honestly and diligently. They shall not exploit their position and power in the company to seek their own private interests, and not participate the activities impairing the company's interests.

This article is also applied to supervisors, general managers and other senior managers.

Article 68

The company setups board of directors. Board of directors is the company's standing power institution and business policy-making institution and responsible for the shareholders' general meeting. The board of directors is made up of nine directors and has one chairman, one vice-chairman. The chairman and vice-chairman are elected from the directors with the approval of more than half of all the directors.

Article 69

The board of directors exercises the following powers:

- (1) to be responsible for convening the shareholders' general meeting and reporting on its work to the shareholders general meeting;
- (2) to implement the resolutions of the shareholders' general meetings;
- (3) to decide on the company's business plans and investment plans;
- (4) to formulate the company's proposed annual financial
- (5) to formulate the company's profit distribution plan and plan for recovery of losses;
- (6) to formulate proposals for increases in or reductions of the company's registered capital and the issue of corporate bonds;
- (7) to prepare plans for the merger, division or dissolution of the company;
- (8) to decide on the putting in place of the company's internal management structure;

- (9) to appoint or dismiss the company's manager, and pursuant to the manager's nominations to appoint or dismiss the deputy general manager and financial officers of the company and decide on their remuneration; and
- (10) to appoint the company's secretary of directorate;
- (11) to formulate the company's basic management system;
- (12) to prepare plans for mortgage, sale and rent of the important assets of the company;
- (13) to prepare plans for the amendment schemes of the articles of association of the company;
- (14) to appoint directors and other senior managers that should be taken up the post by the company in the controlling equity enterprise, sharing equity enterprise, or branch office of the company.
- (15) the board of the directors, if required by the company, may authorize the chairman of the board to exercise part of authority during the adjournment of the board of directors.
- (16) make resolutions on engagement or dismissal of certified public accountants' firm.
- (17) other powers granted by the shareholders' general meeting.

Article 70

Board of directors shall establish rules of procedure to assure the working efficiency and scientific decision-making of the board of directors.

Board of directors shall ascertain risk assessment purview made by the utilization of the company asset, set up strict policy-making examination procedure; important investment item shall organize related experts, professional personnel to assess it and submit to the shareholders' general meeting for approval.

Article 71

Shareholders' general meetings shall be convened at least once for half a year and such meetings are presided over by the chairman. Notice of each meeting shall be given to all directors ten days before the meeting.

If proposed by shareholders representing ten percent or more of the voting right, one third or more of directors, general manager or board of supervisors, interim meeting of the board of directors shall be convened and notice of each meeting shall be given to all directors in writing seven days before the meeting.

Article 72

Meetings of the board of directors shall be held only if half or more of the directors are present. Resolutions of shareholders' general meeting shall be voted by open ballot and each one has one vote for each share they hold. Resolutions of the board of directors require the approval of more than half of all directors. Convening of the board of directors require more than one second supervisors attended; the meeting as nonvoting delegates.

Article 73

The chairman of the board shall be selected from the board of directors. The chairman of

the board is the legal representative of the company.
The term of office for the chairman of the board shall be four years. Such term may be re-elected and re-appointed.

Article 74

The chairman of the board exercises the following powers:

- (1) to preside over shareholders' general meetings and convene and preside over meetings of the board of directors;
- (2) to check on the implementation of resolutions of the board of directors and shareholders' general meeting; and
- (3) to sign the company's share certificates and bonds; to sign the relevant document on behalf of the company;
- (4) other powers granted by the resolutions of the board of directors.

Article 75

The chairman of the board of directors shall call and preside over the meetings of the board of directors and check the implementation of the resolutions of the board of directors. The deputy chairman shall assist the chairman to work. If the chairman is unable or fails to perform his duties, the deputy chairman shall perform such duties. If the deputy chairman of the board of directors is unable or fails to perform his duties, a director who is jointly recommended by half or more of the directors shall perform such duties.

Article 76

The directors shall attend in person the meetings of the board of directors. If the director is unable to be present at the meeting for a particular reason, he may appoint another director to attend the meeting by a written power of attorney which sets out the scope of authorization.

Article 77

The board of directors shall keep minutes of resolutions on matters discussed at the meetings. Directors have the right to record the minutes. The minutes are signed by the directors present at the meeting and the person who recorded the minutes.

The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates the law, administrative regulations or the company's articles of association and this results in the company sustaining serious losses, the directors participated in the resolution are liable to compensate the company. However, if it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such directors may be free of liability.

The directors who fail to attend the meeting and appoint their representative to attend the meeting shall be regarded as unanimous and not be free of liability.

Article 78

Board of directors setup secretariat of board of directors. Secretary of board of directors shall be appointed by the board of directors and are the senior managers of the company. Directors of the company or other senior managers may hold concurrent posts as the secretary of board of directors. When directors hold concurrent posts as the secretary of the board of directors, if an act needs to be made by the director and the secretary of the board of directors respectively, such an act shall not be made as double status of director and secretary of the board of directors.

Article 79

Secretary of the board of directors performs the following duties:

- (1) to assure the completed structure document and records;
- (2) to prepare and submit reports and documents required by the authority.
- (3) to assure proper establishment of shareholder beadroll and assure the people who has the right to obtain such records and documents get the relevant records and documents duly.
- (4) other duties granted by the board of directors.

Chapter VII General Manager

Article 80

The company has a manager appointed and dismissed by the board of directors. The company can set up several vice-general managers. The term of office for general manager, vice-general manager is three years and is able to be renewed.

Article 81

The general manager is responsible for the routine management affairs, and the vice-general manager assists general manager.

Article 82

The general manager is responsible to the board of directors and exercises the following powers:

- (1) to be in charge of the company's production, operation and management and organize the implementation of the resolutions of the board of directors;
- (2) to organize the implementation of the company's annual business plan and investment plan;
- (3) to propose the board of directors appoint or dismiss the company's deputy manager and other senior managers.
- (4) to propose plans for the putting in place of the company's internal management structure and appoint other staff of the company other than those appointed by the board of directors.
- (5) to propose the company's basic management system;
- (6) to decide on rewarding and penalty of the workers and staff according to the

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- (5) to propose the company's basic management system;
- (6) to decide on rewarding and penalty of the workers and stuff according to the

- management authorization.
- (7) to formulate specific rules and regulations for the company;
 - (8) to recommend the professional consultant for the shareholders' general meeting and board of directors;
 - (9) other powers granted by the board of directors.
- The general manager of non-director is present at the meeting of the board of directors but has no voting rights.

Article 83

General manager, in accordance with the requirements of board of directors and board of supervisors shall report the conclusion, execution of important contract of the company, application of funds, profit and loss, and assure the trueness of the report.

Article 84

When considering and deciding on major issues relating to the wages, welfare and production safety of staff and workers and labor protection, labor insurance and other issues involving the personal interests of staff and workers, the company shall solicit and consider the opinions and proposals of the company's trade union and the staff and workers.

Article 85

When the general manager performs his duties, he shall not vary the resolutions of the shareholders' general meeting and the board of directors or exceed his scope of authorization.

If the general manager is unable to perform his duty, board of directors shall appoint a deputy general manager to act on his behalf.

Article 86

General manager shall abide by the laws, administrative regulations and these articles of association, faithfully and honestly perform his duties.

Chapter IX Board of Supervisors

Article 87

The company sets up board of supervisors constituting of five supervisors who are responsible for the shareholders' general meeting and reports to the shareholders' general meeting.

Article 88

The proportion for supervisors of the representatives of the shareholders and of the representatives of the company's workers and staff is three to two.

Supervisors of the representatives of the shareholders are elected by the shareholders.

Supervisors of the staff and workers are elected by the company's staff and workers. The term of office of the supervisors is three years. At the end of a supervisor's term, the supervisor may serve another term if re-elected. No director or senior manager may concurrently act as a supervisor.

The board of supervisors shall have one chairman, who shall be elected and subject to recall by more than 2/3 of all the supervisors. If the chairman of the board of supervisors is unable or fails to perform his duties, one supervisor appointed by the chairman shall act in his place.

Article 89

It is regarded as incapable for the supervisor fails continuously to be present for two times. The shareholders' general meeting or staff and workers' representative meeting shall dismiss and replace such supervisor.

Article 90

Supervisor shall abide by the laws, administrative regulations and articles of association, faithfully and diligently execute their duties.

Article 91

The supervisors may put forward resignation before the expiry of term of office. The regulations concerning resignation of directors in Chapter VII of Articles of Association also apply to the supervisors.

Article 92

The procedure for the supervisors to execute their supervising rights:

- (1) to report to board of supervisors and form resolutions of board of directors;
- (2) to appoint certified public accountant's firm or governmental authority to inspect doubtful matters.
- (3) to decide it whether necessary to hold interim shareholders' general meeting according to the inspecting results;
- (4) to suggest hold interim shareholders' general meeting.

Article 93

The board of supervisors exercises the following powers:

- (1) to inspect the company's financial situation;
- (2) to exercise supervision over the acts of the directors, managers and other management personnel carried out while performing their corporate functions which violate laws, regulations, and articles of association;
- (3) to demand remedies from a director, manager and other management personnel when the acts of them are harmful to the company's interests;
- (4) to propose the convening of an interim shareholders' general meeting; and
- (5) to be present at the meetings of board of directors;
- (6) other powers specified in the company's articles of association.

Article 94

Board of supervisors shall hold at least two meetings for a year. The resolutions of board of supervisors shall become effective after the approval of more than two thirds of whole supervisors.

Article 95

Board of supervisors shall notice all supervisors within ten days before the meeting.

Article 96

The board of supervisors shall keep minutes of resolutions on matters discussed at the meetings. The minutes are signed by the directors present at the meeting and the person who recorded the minutes.

Article 97

The expenses, incurred by the board of supervisors engaging law office, certified public accountants' firm to help him when the board of supervisors perform duties, shall be borne by board of directors;

Chapter X Financial Affairs and Accounting

Article 98

The Company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the responsible finance department of the State Council.

Article 99

The accounting year of the company shall coincide with the calendar year, i.e., from January 1 to December 31 on the Gregorian calendar.

Article 100

In principle, the company shall adopt Renminbi as the standard currency for accounting. All vouchers, and account books must be written in Chinese.

Article 101

At end of each fiscal year, the company shall prepare a financial statement which shall be examined and verified as provided by law, and audited by certified public accountants' firm authorized by Chinese law. The company's financial statements shall include the following accounting statements and schedules:

- (1) balance sheet;
- (2) income statement;
- (3) cash flow statement.

Article 102

The company shall deposit its financial statements at the company for inspection by the shareholders at least twenty days before the convening of the annual meeting of shareholders.

Article 103

Relevant accounting statement and other documents are required to be submitted in accordance with the regulations of the state and local government.

Article 104

The company should pay taxes in accordance with the laws, regulations of the state and local government.

Article 105

The company should establish internal auditing system to audit and inspect financial receipts and expenditures and business activities.

Article 106

Sequence for the company to distribute its profit after payment of income tax:

- (1) make up the losses of the company last year;
- (2) set aside ten percent of its profits for the company's statutory common reserve fund
- (3) set aside five percent to ten percent of its profits for the company's statutory common welfare fund.
- (4) set aside funds for a discretionary common reserve fund subject to the resolution of the shareholders' meeting
- (5) distribute dividend

The board of directors draws up the specific allocation proposals in accordance with the relevant national laws and administrative regulations and submit to the shareholders' general meeting for approval.

Article 107

Before the company has made up its losses and made allocations to its common reserve fund and statutory common welfare fund, the company shall not distribute dividend. If the shareholders meeting or the board of directors violates the above provisions and profits are distributed to the shareholders before the company makes up for losses or makes allocations to the statutory common fund and the statutory common reserve welfare fund, the profits distributed in violation of the provisions must be returned to the company.

Article 108

The dividend of common shares shall be allocated in proportion to the shareholders' number of shares.

Article 109

The company sets up capital common reserve fund. The following matters are listed as

capital common reserve fund:

- (1) premium obtained when the company issues shares at a price which exceeds par value;
- (2) assets assessment added net value;
- (3) assets added value arising from merging other enterprise;
- (4) donated value accepted by the company;
- (5) other matters listed in accordance with relevant regulations.

Article 110

The company may not made allocations to its common reserve funds when the amount of common reserve fund reaches fifty percent of the registered capital. The plan for the proportion of random reserve fund shall be made by the board of directors in accordance with payoff and development of the company. The random reserve fund shall be drawn after the approval of shareholders' general meeting. The company shall not distribute profits before it makes up for losses or makes allocations to the statutory common reserve fund and the statutory common reserve welfare fund

Article 111

The reserve fund of the company may be used as follows:

- (1) to make up losses;
- (2) to expand business operations;
- (3) to transfer to add stocks;

When the common reserve fund of the company is converted to add stocks under the resolutions of the shareholders' general meeting, the company either distributes new shares in proportion to the shareholders, number of shares, or increases the par value of each share, provided, however, that when the statutory common reserve fund is converted to capital, the balance of the statutory common reserve fund may not fall below twenty-five percent of the registered capital.

Article 112

When allocating the dividend, the company shall check off the tax and duties payable of dividend of the shareholders in accordance with relevant laws and regulations.

Article 113

Where the Company plans to hire or dismiss any accountant's firm to undertake the auditing of the company, a resolution shall be made by the shareholders' meeting. Where the shareholders' meeting carries out a voting of the dismissal of any accountant's firm, it shall allow the accountant's firm to state its own opinions. The Company shall provide to the accountant's firm truthful and complete accounting vouchers, account books, financial and accounting statements, and other accounting materials, and may not refuse to do so or conceal any of them or make any false statements. Except for the statutory account books, no company may set up other account books. No company asset may be

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deposited into any individual's account

Chapter XI Laboring and Personnel System

Article 114

The company, in accordance with relevant laws and regulations, formulates and perfects labor management, wage welfare and social insurance system.

Article 115

The company has the independent right to allocate personnel. The company has the right to employ and dismiss employees.

Article 116

The company may, in accordance with its own economic benefits and within the scope stipulated by the relevant regulations of the government, has the independent right to decide wage level of managerial staff at various levels and all classes of employees. The company, in accordance with relevant regulations of the government, pay social insurance of managerial staff and employees.

Article 117

The employees of the Company shall, in accordance with the Labor Union Law of the People's Republic of China, organize a labor union, which shall carry out union activities and safeguard the lawful rights and interests of the employees. The Company shall provide necessary conditions for its labor union to carry out activities. The labor union shall, on behalf of the employees, sign collective contracts with the company with respect to the remuneration, working hours, welfare, insurance, work safety and sanitation, and other matters.

In accordance with the Constitution and other relevant laws, The Company shall adopt democratic management in the form of general meeting of the representatives of the employees or any other ways.

To make a decision on restructuring or any important issue relating to business operations, or to formulate any important bylaw, the Company shall solicit the opinions of its labor union, and shall solicit the opinions and proposals of the employees through the general meeting of the representatives of the employees or in any other way.

Article 118

An organization of the Chinese Communist Party shall, in accordance with the Charter of the Chinese Communist Party, be set up in the companies to carry out activities of the Chinese Communist Party. The Company shall provide necessary conditions for the activities of the Chinese Communist Party.

Chapter XI Merger and Division of the Company

Article 119

The company may be merged and divided in accordance with the relevant laws and regulations.

The resolution to effect the merger and division of the company shall be passed at the meeting of the shareholders.

Article 120

The merger of the company may take the form of either merger by absorption or merger by the establishment of the new company.

In the event of the merger, the merging parties shall execute the merger agreement and prepare the balance sheet and the inventory of property.

The company shall notify its creditors within ten days of the date of the company's resolution to merge and shall publish public notices in the newspaper at least three times within thirty days of the date of the company's resolution to merge. The creditor has the right within thirty days of receiving such notice from the company or creditors who do not receive the notice, within forty-five days of the date of the first public notice to demand repay its debts to that creditor or provide the corresponding guarantee for such debt. The company which does not repay its debts or provide corresponding guarantees for such debts shall not be merged.

At the time of merger, the creditor's rights and indebtedness of each of the merged parties shall be assumed by the company which survives the merger or the newly established company.

Article 121

When the company is divided, its property shall be split up accordingly.

At the company the company is divided, the company shall prepare a balance sheet and an inventory of property. The company shall notify its creditors within ten days of the date of the company's resolution to divide and shall publish public notices in a newspaper at least three times within thirty days of the date of the company's resolution to divide. The creditor has the right within thirty days of receiving such notice from the company or for creditors who do not receive the notice, within ninety days of the date of the first public notice to demand that the company repay its debts to that creditor or provide the corresponding guarantee for such debt.

The company which does not repay its debts or provide corresponding guarantees for