

ARTICLES OF ASSOCIATION

[COMPANY NAME]

In accordance with the Company Law of the People's Republic of China, these articles of association are formulated by four Shareholders after fully incubation and scientific argumentation to adapt to the development of the socialist market economy and suit the needs of establishing a modern enterprise system.

Article 1 The Company's Objective is to undertake constructions of roads and bridges and repairing of associated mechanical equipments by adopting international advanced technology, equipment and scientific management practice to create better economic benefits and obtain satisfactory returns to the shareholders.

Article 2 Company Name: The name of the Company is called *[COMPANY NAME]*, which is changed from the original *[FORMER COMPANY NAME]*.

Domicile: The domicile of the Company is *[ADDRESS]*.

Article 3 Names of shareholders, forms, amount and time of capital contributions made by shareholders: Initial institutional shareholders, *[A COMPANY]*, increases the investment to XXXmillion RMB including former contributions of XXXmillion RMB which includes XXXXmillion RMB initial fund and XXXRMB currency invested by "*[B COMPANY]*". The three new shareholders, *[C COMPANY]*, *[D COMPANY]* and *[E COMPANY]*, contribute in form of kind (mechanical equipment) assessed as XXmillion RMB, XXmillion RMB and XXmillion RMB respectively, amounting to XXXXXmillion RMB in total.

Article 4 Total amount of the capital contributions of XXXX million RMB from four shareholders is taken as the registered capital of the Company and shall not be changed unless performed through legal proceedings.

Article 5 Four shareholders shall transfer the subscribed capital contributions to the Company's account within one month after signing of the Articles of Association. The capital contributions shall be checked by a legally established capital verification institution, which shall issue capital verification report.

Article 6 After the legal incorporation of the Company, each shareholder shall be issued with a

capital contribution certificate by the Company, which shall specify the following:

- (1) The name of the Company;
- (2) The date of incorporation of the Company;
- (3) The registered capital of the Company;
- (4) The name of the shareholder, the amount of his capital contribution, and the day when the capital contribution is made; and
- (5) The serial number and date of issuance of the capital contribution certificate. The capital contribution certificate shall bear the seal of the company.

Article 7 The Business Scope of the Company: High-level construction of roads and bridges, leasing and repairing of construction machinery, R & D, manufacturing and installation of asphalt heating equipment as well as selling of general mechanical components and construction materials.

Article 8 The limited company shall have a register of shareholders in place, which shall specify the following:

- (1) The name of each shareholder and his/its domicile thereof;
- (2) The amount of capital contribution made by each shareholder;
- (3) The serial number of each capital contribution certificate.

Article 9 Shareholders shall be entitled to the following rights:

- (1) Enjoying the rights to checking records of the Shareholders' meetings and the Company's financial reports;
- (2) Distributing dividends in light of the percentages of capital contributions actually made by them.
- (3) May not take away the contribution capital after registration in the Company. In case of making new capital contributions, the Shareholders may subscribe the capital in the first priority.
- (4) May transfer among themselves all or part of their capital contributions.

Where a shareholder transfers its capital contribution to a person other than a shareholder, the consent of more than half of all shareholders is required.

Shareholders who don't agree to the transfer shall purchase the said capital contribution, otherwise will be deemed as content to the transfer. Other shareholders have the preemptive right to purchase the said capital contribution under same conditions when it is approved to be sold by all members.

- (5) New shareholder's name or title, domicile and amount of capital contributions shall be added to the register of shareholders after the transfer is processed appropriately according to law.

Article 10 Shareholders shall be entitled to the following duties:

- (1) Making full payment for the capital contribution it has subscribed to according to the Articles of Association.
- (2) Assuming the Company's liabilities in light of the percentages of capital contributions actually made by them.
- (3) May not take away the contribution capital illegally after the incorporation of the Company.

Article 11 The Company shall set up Shareholders' Meeting which is comprised by all the shareholders. The Shareholders' Meeting is the authority of the Company, and exercises the following authorities according to the Company Law:

- (1) To determine the Company's operation guidelines and investment plans;
- (2) To elect and change the directors, and determine the matters concerning their remuneration;
- (3) To elect and change supervisors served by representatives of the shareholders, and determine the matters concerning their remuneration;
- (4) To deliberate and approve the reports of the Board of Directors;
- (5) To deliberate and approve the reports of the Board of Supervisors or the supervisor;
- (6) To deliberate and approve annual financial budget plans and final account plans of the Company;
- (7) To deliberate and approve profit distribution plans and loss recovery plans of the

Company;

- (8) To make resolutions on the increase or decrease of the Company's registered capital;
- (9) To make resolutions on the issuance of corporate bonds;
- (10) To make resolutions on transferring of capital contributions to shareholders and a person other than a shareholder.
- (11) To make resolutions on the merger, division, change of company form, dissolution, liquidation of the Company;
- (12) To revise the Articles of Association of the Company.

Article 12 Resolutions made at a Shareholders' Meeting on amending the Articles of Association, increasing or reducing the registered capital, merger, division, dissolution or change of the company form shall be adopted by the shareholders representing 2/3 or more of the voting rights.

Article 13 The Company is entitled to the right to amend the Articles of Association, resolutions of which shall be adopted by the shareholders representing 2/3 or more of the voting rights.

Article 14 Shareholders exercise their voting rights at the Shareholders' Meeting on the basis of their respective percentage of the capital contributions.

Article 15 The shareholders' meeting is convened and presided over by the shareholder who has made the largest percentage of capital contributions and exercises its authorities according to the Articles of Association.

Article 16 The shareholders' meeting is classified into regular meetings and temporary meetings and convened once each year.

Where a temporary meeting is proposed by the shareholders representing 1/4 of the voting rights or more, or by directors or supervisors representing 1/3 of the voting rights or more, a temporary meeting shall be held.

The shareholders' meeting 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 does not

perform his duties due to special conditions, the meetings thereof shall be presided over by a directors nominated by the chairman.

Article 17 Every shareholder shall be notified 15 days before a shareholders' meeting is held. A shareholders' meeting shall make records for the decisions on the matters discussed at the meeting. The shareholders who attend the meeting shall affix their signatures to the records.

Article 18 The Company shall sets up the Board of Directors which comprises 13 directors recommended in light of the percentages of capital contributions. Here are the names of the directors: [OMITTED]. Mr. XXX is elected by Board of Directors as Chairman of the Board and Legal Representative of the Company. Mr. XXXX is the Vice Chairman of the Board.

Article 19 The Board of Directors is responsible for the Shareholders' Meeting and exercises the following authorities:

- (1) Convening shareholders' meeting and reporting on the status of work thereto;
- (2) Carrying out the resolutions made at the shareholders' meeting;
- (3) Determining the operation plans and investment plans;
- (4) Developing the Company's annual financial budget plans and final accounting plans;
- (5) Developing the Company's profit distribution plans and loss recovery plans;
- (6) Developing the Company's plans on the increase or decrease of registered capital;
- (7) Developing the Company's plans on merger, division, change of the company type, dissolution, and etc.;
- (8) Making decisions on the establishment of the Company's internal management departments;
- (9) Making decisions on hiring or dismissing the Company's general manager, and, according to the nomination of the manager, deciding on the hiring or dismissing of deputy manager(s) and the person in charge of finance as well as their remuneration;

(10) Working out the Company's basic management system.

Article 20 The terms of office of the directors is provided for in the Articles of Association, but each term of office does not exceed 3 years. The directors may, after the expiry of their terms of office, hold a consecutive term upon re-election. The Board of Directors could not relieve a director of his/her office without reason before expiry of the term.

Article 21 The meeting of the Board of Directors shall be convened and presided over by the Chairman of the Board of Directors. If the Chairman of the Board of Directors is unable or does not perform his duties, the meeting may be convened or presided over by a director nominated by the Chairman of the Board. The meeting of the Board of Directors could be proposed by one third or more of the directors.

Every director shall be notified 10 days before a meeting of the Board of Directors is held. A meeting of the Board of Directors shall make records for the decisions on the matters discussed at the meeting. The directors who attend the meeting shall affix their signatures to the records.

Article 22 Upon decision of the Board of Directors, Mr. XXXX is assigned as the General Manager of the Company. The General Manager is responsible for the Board of Directors and exercises the following authorities:

- (1) Taking charge of the management of the production and business operations of the Company, and organizing to implement the resolutions of the Board of Directors;
- (2) Organizing the execution of the Company's annual operational plans and investment plans;
- (3) Drafting plans on the establishment of the company's internal management departments;
- (4) Drafting the Company's basic management system;
- (5) Formulating the Company's concrete bylaws;
- (6) Proposing to hire or dismiss the Company's deputy manager(s) and person(s) in charge of finance;

- (7) Deciding on the hiring or dismissing of the persons-in-charge other than those who shall be decided by the Board of Directors; and
- (8) Other authorities conferred by the Board of Directors.

The general manager may attend the meetings of the Board of Directors as a non-voting delegate.

Article 23 The Company set up a Board of Supervisors, which comprises 3 persons. Mr. XXXX and Mr. XXXXX are recommended as Supervisors by [XXXX], and Ms. XXXX is recommended as Supervisor by the other three shareholders. Mr. XXXX is recommended to be the Chairman of the Board of Supervisors by all shareholders.

The term of office of the supervisor is three years. Supervisors may, after the expiry of their terms of office, hold a consecutive term upon re-election.

The supervisors are entitled to exercises the following authorities:

- (1) Checking the financial affairs of the Company;
- (2) Supervising the duty-related acts of the directors and managers who violate any law, administrative regulation and the Articles of Association;
- (3) Demanding any director or manager to make rectifications if his act has jeopardized the interests of the Company;
- (4) Proposing to convene temporary shareholders' meeting;
- (5) Other duties as stipulated by the Articles of Association.

The supervisors may attend the meetings of the Board of Directors as the non-voting delegates.

Article 24 The Company will fix the subcontracting rates of each subordinate company and collect administrative cost at the rate of 1.5% of the total production volume.

Article 25 Hiring and dismissing, working hours, welfare, insurance, labor safety protection, labor discipline and other matters concerning to employees shall be processed according to the *Labor Union Law of the People's Republic of China* The employees required by the Company will be recommended by the local labor department or, with the latter's permission, to be recruited through public exams and employed with good performance.

The Company has the right to give warning, record a demerit and reduce salary against those employees who violate the rules and regulations and labor disciplines of the Company. Those with serious cases may be dismissed. Discharging of workers will be filed with the local labor and personnel department.

The salary treatment of the employees shall be set by the Board of Directors according to the actual conditions of the Company, with reference to pertaining stipulations of China, and shall be specified in detail in the labor contract. The salary level will be raised with development of production and improvement of employees' skills and capabilities.

Matters concerning the welfare funds, bonuses, labor protection and labor insurance, etc. shall be stipulated respectively in various rules by Company, to ensure that the employees perform production under normal conditions.

Article 26 The Company shall in advance solicit and consider the opinions of the trade union and employees on the matters concerning employees' immediate interest such as salary, welfare, safety production, labor protection and labor insurance etc; invite as well the representative of employees to attend the relevant meetings as non-voting delegate.

Article 27 When considering and deciding on major issues relating to the Company's production and operation and formulating important rules and regulations, the Company shall solicit and consider the opinions and proposals of the Company's trade union and the employees.

Article 28 The directors, supervisors and managers shall abide by the Articles of Association, commit to their duties and protect the interests of the Company. Neither of them shall obtain profit for themselves by taking advantage of his positions and authorities.

No director, supervisor or senior manager shall take any bribe or other illegal gains by taking the advantage of his authorities, or encroach on the properties of the Company.

Article 29 Directors or managers shall not misappropriate the Company's funds or loan such funds to others.

Directors or managers shall not deposit the Company's funds into an account in his own name or in any other individual's name.

The directors or managers shall not provide debt guaranty to any shareholder or other person by using the Company's property.

Article 30 Directors or managers shall not operate for himself or for any other person any like business of the Company he works for. Any income upon above business and activities of those persons shall belong to the properties of the Company.

Directors or managers may not sign a contract or trade with this company unless permitted in the Articles of Association or approved by the shareholders.

Article 31 Directors, supervisors or managers shall not disclose the secrecy of the Company except in accordance with the provisions of the law or with the consent of the Shareholder's Meeting.

Article 32 Where a director, supervisor or manager of a company violates the law, administrative regulations or the Company's Articles of Association while performing his official corporate duties resulting in harm to the Company, such director, supervisor or manager shall be liable for damages

Article 33 Upon termination of the limited company, the Board of Directors shall work out procedures and principles for the liquidation, nominate candidates for the liquidation committee, and set up the liquidation committee for liquidating the Company's assets.

The liquidation group may exercise the following functions during the process of liquidation:

- (1) Liquidating the properties of the Company, and producing balance sheets and assets checklist;
- (2) Disposing and liquidating the businesses of the Company that have not been completed; clearing off the outstanding taxes, credits and debts and dismissing employees.
- (3) Disposing the residual properties;
- (4) Filing an application to the people's court for bankruptcy if the properties of the Company is not sufficient for clearing off the debts after liquidating the properties of the Company;

(5) Participating in the civil proceedings of the Company.

The liquidation expenses and salaries of candidates of the liquidation committee are to be paid, as a matter of priority, from the existing properties of the Company.

The company shall not engage in any business irrelevant to the liquidation after the liquidation is confirmed. Nobody shall handle the properties of the Company without approval of the liquidation committee.

After paying off the Company's debts; the liquidation committee shall allocate the surplus assets subject to the register capital according to the proportion of shareholding. When liquidation finishes the committee shall report to the Company Registration Authority to cancel the registration of the Company officially.

Supplementary Provisions:

Article 34 Any matter not mentioned in the articles of association shall be subject to the provisions of relevant laws and regulations of the People's Republic of China.

Article 35 The interpretation of these Articles of Association shall be the Board of Directions.

Article 36 The scope of business shall be subject to the registration in the company registration authority.

Remarks: The capital surplus and surplus reserves amounting to XXXXX RMB and XXXXXX RMB of [XXX COMPANY] have changed to be the possession of the initial shareholder [A COMPANY].

Shareholders:

Organization (Official Seal)

Legal representative (Signature)

Organization (Official Seal)

Legal representative (Signature)

Organization (Official Seal)

Legal representative (Signature)

Organization (Official Seal)

Legal representative (Signature)

DATE: