Unofficial translation

Korea KTC Co., Ltd. and Ningxia Hui-Ye Magnesium Co., Ltd. on the Application for Recognition and Enforcement of a Korean Arbitral Award

Civil Ruling by the Intermediate People's Court Shizuishan, Ningxia Hui Autonomous Region of the People's Republic of China

(2008) Shi Min Shang ChuZi No. 39

Applicant: Korea KTC Co., Ltd. ("KTC")

Legal Representative: An Zhouxian, Chairman

Attorney: Yang Zhijie, employee of KTC, special authorized agent

Attorney: Zhang Yu, Tianyi Law Firm, special authorized agent

Respondent: Ningxia Hui-Ye Magnesium Co., Ltd. (Hui-Ye)

Legal Representative: Wu Zhenrong, Chairman

Attorney: Cao Xiaoning, Associate, Ningjingda Law Firm, special authorized agent

On 12 August 2008, the Applicant KTC made an application to the court for the recognition and enforcement of an arbitral award rendered by the Korean Commercial Arbitration Board on 25 January 2008 under the reference number 07113-0014 with respect to the supply contract entered into by and between Korea KTC Co., Ltd. and Ningxia Hui-Ye Magnesium Co., Ltd. on 25 November 2003. The conclusion of the arbitral award was as follows: Hui-Ye shall pay to KTC an amount of US$146,146, in addition to the interest thereof, calculated at the rate of 6% per annum from 16 July 2004 to the date of the arbitral award and at the rate of 20% per annum from the date of the arbitral award to the date of payment. The arbitration fee shall be divided into three portions, where two portions will be borne by KTC and one portion will be borne by Hui-Ye.

Following our review, our court holds that the arbitral award rendered by the Korean Commercial Arbitration Board on 25 January 2008 under the reference number 07113-0014 with respect to the supply contract entered into between Korea KTC Co., Ltd. and Ningxia Hui-Ye Magnesium Co., Ltd. on 25 November 2003, is in line with the provisions of the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention"), and does not contain any circumstances set forth in Article V of the New York Convention. The

request of the Applicant for legal fees and traveling expenses in an amount of approximately RMB 50,000 yuan falls beyond of the scope of the ruling in this case. Pursuant to Article V of New York Convention, Articles 215 and 267 of the Civil Procedure Law of the People's Republic of China, and Article 4 of the Circular of the Supreme People's Court on Implementation of The Convention on the Recognition and Enforcement of Foreign Arbitral Awards entered into by China, we determine that:

The legal effectiveness of the arbitral award rendered by the Korean Commercial Arbitration Board on 25 January 2008 under the reference number 07113-0014 with respect to the supply contract entered into between Korea KTC Co., Ltd. and Ningxia Hui-Ye Magnesium Co., Ltd. on 25 November 2003, is hereby recognized and enforced.

The aggregate amount of RMB 16,970 yuan, consisting of the acceptance fee of RMB 500 yuan, and the enforcement fee of RMB 16,470 yuan, shall be borne by the Respondent Ningxia Hui-Ye Magnesium Co., Ltd.