

# Contract for Building Installation Engineering

Contract No.: GGJH 2005-138 (J)

Owner: Chongqing Iron and Steel Co., Ltd.

Contractor: Chongqing Qijiang Iron Ore Construction and Installation Co., Ltd.

The Contractor has won the bid to undertake the civil construction engineering of 12,000KW steam turbine generating unit of Chongqing Iron and Steel Co., Ltd. To make clear the rights and obligations of both parties, both parties have signed this Contract for joint observation after negotiation-based consensus in accordance to *the Contract Law of the People's Republic of China, the Building Law of the People's Republic of China, the Rules for Quality Management of Construction Engineering*, as well as the principles determined in bidding documents, and bidding promises.

## Article I. General Remark of Project

1. Project name: Civil construction engineering of 12,000KW steam turbine generating unit of Chongqing Iron and Steel Co., Ltd.
2. Project site: Within the factory area of Chongqing Iron and Steel Co., Ltd.

## II. Bid-winning Contracting Scope

1. Extension of pump house for the engineering of 12,000KW steam turbine generating unit, including the foundation of water pump and cable ditch, etc., as shown in 04049-C-3.
2. Steam machine house for 12,000KW steam turbine generating unit, including steam machine house, equipment foundation, and local dismantlement of original buildings, etc., as shown in 04049-C-2.
3. Circulating cooling tower for the engineering of 12,000KW steam turbine generating unit, including pool, framework, and steel ladder on retaining wall, etc., as shown in 04049-C-1.
4. See 04049-B-1 for general drawing.
5. Protective measures for neighboring buildings and structures.

## Article III. Contracting Method and Contract Price

1. The project is contracted by means of all-around contract system. According to the contracting scope mentioned in Article II, the Contractor collect fees for all-around contract at the price of RMB1.676 million Yuan. The saved part shall not be returned, and the overspent part shall not be supplemented.

2. The all-around contract price shall include the following for the whole project and contents completed within the contracting scope, namely the cost of labor used, materials cost, fees for use of construction machinery equipment, quality inspection cost, defect repair cost (quality problems caused by the Contractor's reasons), water and electricity cost, fees for makeshift facilities, insurance premiums, management fee, profits and taxes, risk responsibility and obligation (including unforeseeable fees), and differences between the items & quantities in construction drawings and the items & quantities actually completed.

3. The measure fee for the project is temporarily determined to be RMB43,700 Yuan. Before construction of the project, the Contractor shall compile measure proposal and submit it to the Owner for examination and approval; the fee for implementation measures shall be settled by the

Owner according to field verification and actual situations. In case the settlement price is higher than the temporarily determined all-around contract price, the later shall prevail; on the contrary, in case the settlement price is lower than the temporarily determined price, the actual settlement price shall prevail.

#### **Article IV. Project Quality**

The project quality shall meet the qualified grade of national acceptance standard.

The Owner shall have the right to take back partial or all contracted project and give contract for it over again, and the Contractor shall accept the arrangement of the Owner unconditionally, terminate the implementation of the Contract, and undertake all losses resulting from hereof.

#### **Article XI. Others**

1. In implementation of the project, both parties shall strictly observe the regulations of the *Administrative Rules for Safety in Production of Construction Engineering*, and jointly protect the safety in production. Before commencement of work, the Contractor shall sign a safety agreement with the Owner, or it shall not commence the work. In case any safety accident occurs and affects the production, the party responsible shall take charge of related liabilities.

2. The scope of supervision for the project by Chongqing Sanhuan Construction Supervision and Consulting Co., Ltd. under entrustment:

(1) Management of bidding and tendering of project; (2) drafting the contract for undertaking of the project; (3) executing investment, progress and quality control as well as contract and information management at the stage of engineering construction; (4) management of construction cost; (5) review on pre-settlement of construction and installation engineering.

3. The water and electricity for construction of the engineering shall be calculated by installing meters, and after completion of work, the Contractor shall pay water and electricity fees according to regulations.

4. The project is forbidden to subcontract or affiliate to other company, but shall execute "verification construction". When the Contractor enters into worksite, project manager taking charge of the project shall submit the *Project Manager Certificate* to the Owner for verification before conducting project construction.

5. The Owner of the project designates Zhang Zongdi and Zhu Changji as field representatives, and the Contractor designates Sun Yuanlu as field representative to jointly negotiate to deal with related matters in the implementation of the project.

6. The Contract shall take effect after the signature and seal of both parties, and shall go invalid automatically after expiration of repair guarantee period and the settlement of construction cost.

7. The Contract consists of two original, with each party sharing either original of them; and consists of 16 copies, with the Owner holding 10 copies and the Contractor holding 6 copies respectively. All originals and copies enjoy the same legal force.

Owner: Chongqing Iron and Steel Company  
Limited (Seal)  
Special Seal for Contract

Contractor: Chongqing Qijiang Iron Ore  
Construction and Installation Co., Ltd.  
Special Seal for Contract

Legal Representative (or Authorized Representative): Xu Gang (Seal)

Transactors: Zhu Changji, Wang Ke, and Sui Xiaoyuan

Entrusted Undertaking Unit:  
Chongqing Sanhuan Construction Supervision and Consulting Co., Ltd.

Legal Representative (or Authorized Representative):

Contractor: Dai Yongming

Legal Representative (or Authorized Representative):

Transactor: Tu Aiping

Telephone No.: 68846890

Date of Signature: April 7, 2005

Place of Signature: Chongqing Sanhuan Construction Supervision and Consulting Co., Ltd.