APPENDIX A

[LOGO]

City of New York, State of New York, County of New York

I Aurora Landman, hereby certify that the document "Huazhong Bearing Factory Disagrees with the Labor Bureau of Binhu District, Wuxi Municipality, Social Security Administrative Confirmation Case" is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

/s/ Aurora Landman
Aurora Landman

Sworn to before me this
April 2, 2018

/s/ Wendy Poon
Signature, Notary Public

WENDY POON
NOTARY
NO. 01PO6356754
QUALIFIED IN
QUEENS COUNTY
COMM. EXP.
04-03-2021
PUBLIC
STATE OF NEW YORK

[STAMP]
Stamp, Notary Public

App. 2

Huazhong Bearing Factory Disagrees with the Labor Bureau of Binhu District, Wuxi Municipality, Social Security Administrative Confirmation Case

Full text/Fabao Citation Code/CLI. C. 86524

Judgment number

First instance judgment: People's Court of Binhu District, Wuxi Municipality, Jiangsu Province, (2005) Xi Bin Xing Chu Zi No. 11.

Second instance judgment: Intermediate People's Court of Wuxi Municipality, Jiangsu Province, (2005) Xi Xing Zhong Zi No. 50.

Cause of action: Disagreement with the social security administrative confirmation case.

Parties to the litigation

Plaintiff (Appellant): Wuxi Huazhong Bearing Factory, with address at: No. 20 Huazhuang Suxi West Road, Binhu District, Wuxi Municipality, Jiangsu Province.

Legal representative: Gong Jinsong, president of the factory.

Entrusted agent: Li Xiong, attorney of Jiangsu Wuxi Jincheng Law Firm.

Entrusted agent: Meng Gongyan, attorney of Jiangsu Wuxi Jincheng Law Firm.

Defendant (Appellee): Human Resources, Labor and Social Security Bureau of Binhu District, Wuxi

Municipality, Jiangsu Province, with address at: 95 Liangxi Road, Wuxi Municipality, Jiangsu Province.

Legal representative: Zhou Guoping, director of the Bureau.

Entrusted agent: Gao Feng, employee of the Bureau.

Third Party (Appellee): Jiang Yonglin, male, born on July 10, 1974, Han ethnicity, residing at No. 56, 5th Zone, Huanghe New Village, Huaiyin District, Huai'an Municipality, Jiangsu Province.

Legal agent: Jiang Yinglong (father of Jiang Yonglin), address same as above.

Trial level: second instance.

Judicial organ and judicial organization

Court of first instance: People's Court of Binhu District, Wuxi Municipality, Jiangsu Province.

Members of the collegial bench: Presiding judge: Chen Hualiang; Judges: Yang Bo and You Xihong.

Court of second instance: Intermediate People's Court of Wuxi Municipality, Jiangsu Province.

Members of the collegial bench: Presiding judge: Cai Ping; Judge: Zhang Xueyan; Acting Judge: He Wei.

Closing time

Closing time of first instance: July 20, 2005.

Closing time of second instance: October 31, 2005.

Specific administrative behavior at issue in lawsuit: Jiang Yonglin was injured when cutting materials on April 22, 2002 and filed a civil lawsuit to the People's Court of Binhu District, Wuxi Municipality (hereinafter referred to as the "Binhu District Court") for compensation for the accident. During the trial, the Binhu District Court entrusted Binhu District Personnel Labor and Social Security Bureau of Wuxi Municipality, Jiangsu Province (hereinafter referred to as "Binhu District Labor Bureau") ex officio to determine whether Jiang Yonglin's injury was a work-related injury. Binhu District Labor Bureau combined the evidence collected during the previous work-injury determination period, performed re-verification and investigation work, and found that Jiang Yonglin's injury was consistent with the requirements set forth in Article 7(1) of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance"; on November 6, 2003, it rendered the Xi Bin Gong Shang Ren Zi [2003] No. 28 work-related injury determination, and determined that Jiang Yonglin's injury was a work-related injury.

Plaintiff claimed that: Jiang Yonglin was recruited as a lathe operator. On April 22, 2002, when Jiang Yonglin was cutting tubes, he found that a few tubes were obviously bent; Jiang Yonglin consulted his supervisor, and was explicitly informed to go to the machine repair workshop to cut off the bent tip, but he cut the tube on the lathe without authorization, and was hurt by the bent portion that flew off. Jiang Yonglin

severely violated labor discipline, and his injury was the result of his disregard for his supervisor's instructions and the company's management rules, so it does not fall under the "Trial Measures for Work-Related Injury Insurance for Enterprise Employees" issued by the Ministry of Labor or the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance." In addition, Binhu District Labor Bureau made the work-related injury determination after being entrusted by Binhu District Court. The determination of a work-related injury is a specific administrative act of the labor administrative department, and a judicial organ has no right to entrust an administrative agency to perform specific administrative actions. The work-related injury determination rendered by the Binhu District Labor Bureau has no legal basis, and the factual determination and application of law were found to be erroneous, so it is requested that the work-related injury determination be revoked.

In its defense, Defendant argued that: due to the work-related injury compensation case between Jiang Yonglin and the employer, Binhu District Court entrusted Defendant ex officio and according to law to determine whether Jiang Yonglin had suffered a work-related injury. After accepting the entrustment, it conducted an investigation and collected evidence. It found through investigation that Jiang Yonglin was a migrant worker who had not signed a labor contract with the employer. On the morning of April 22, 2002, Jiang Yonglin was injured by the bent portion of the bearing tube that was thrown off when he cut it.

According to the stipulations set forth in Article 7(1) of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance," since Jiang Yonglin's injury arises from engaging in the employer's daily production during work, his injury should be considered a work-related injury. Therefore, the facts of the work injury that was identified on November 6, 2003 within 30 working days after it accepted the entrustment were clear, the application of laws and regulations was correct, and the procedure was legal. Plaintiff's litigation claim should be dismissed in accordance with the law.

The third party argued that: on the morning of April 22, 2002, he was injured at work while performing the daily production of his employer, and should be determined to have suffered a work-related injury. Binhu District Labor Bureau was entrusted by the court to make the work-related injury determination, the facts were clear, the evidence was sufficient, and the procedure was lawful. Plaintiff's litigation claim should be dismissed.

The People's Court of Binhu District, Wuxi Municipality held an open hearing and found that: Wuxi Huazhong Bearing Factory (hereinafter referred to as "Bearing Factory") was originally called Xishan Municipality Lightweight Bearing Factory, and its type of enterprise was a sole proprietorship. Jiang Yonglin was a temporary worker hired by the Bearing Factory in February 2002 to mainly engage in the work of cutting tubes for bearings. On the morning of April 22, 2002, Jiang Yonglin was cutting the material with co-worker

Huang Wensheng when he discovered a bent tube; but he cut it on the lathe anyway, and was hit by the bent portion that flew off. After the accident, Jiang Yonglin failed to reach agreement with the Bearing Factory for injury compensation and applied for arbitration with the Labor Dispute Arbitration Commission of Binhu District, Wuxi Municipality (hereinafter referred to as "Binhu District Labor Arbitration Commission"). After the Binhu District Labor Arbitration Commission accepted the case, it entrusted the Binhu District Labor Bureau on December 5, 2002 to determine whether Jiang Yonglin's injury was a work-related injury. After investigating, on February 20, 2003, the Binhu District Labor Bureau rendered Work-Related Injury Determination 1, and determined that Jiang Yonglin's injury met the requirements set forth in the relevant provisions of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance," making it a work-related injury. Bearing Factory did not agree and applied for administrative reconsideration to the People's Government of Binhu District, Wuxi Municipality (hereinafter referred to as the "Binhu District Government"). On June 24, 2003, the Binhu District Government rendered Reconsideration Decision 1, and revoked the Binhu District Labor Bureau's Work-Related Injury Determination 1 on the ground that the procedure used to make the determination was illegal. Afterwards, Jiang Yonglin filed a civil lawsuit in Binhu District Court seeking accident compensation. During the trial, the court entrusted the Binhu District Labor Bureau ex officio to determine whether Jiang Yonglin's injury was a work-related injury. On November 6,

2003, the Binhu District Labor Bureau made the work-related injury determination, and again determined that Jiang Yonglin's injury was a work-related injury. Bearing Factory disagreed with this determination and again applied to the Binhu District Government for an administrative reconsideration. On February 18, 2004, the Binhu District Government rendered Reconsideration Decision 2, which revoked the work-related injury determination reinstated by the Binhu District Labor Bureau on November 6, 2003 on multiple grounds, including that the injury was the result of Jiang Yonglin's purposeful violation of the rules, that the basis for the Binhu District Labor Bureau's work-related injury determination was insufficient, and that the determination violated the stipulations set forth in Article 28 of the "Administrative Reconsideration Law of the People's Republic of China" stating that "the same or almost the same specific administrative act as the original specific administrative act cannot be made on the same facts and grounds." Jiang Yonglin refused to accept the reconsideration decision and filed an administrative lawsuit with the Binhu District Court. After the court accepted and tried the case, on June 4, 2004 it rendered administrative judgment Xi Bin Xing Chu Zi No. 6, in which it determined that the Binhu District Government did not notify interested party Jiang Yonglin to participate in the administrative reconsideration, thus rendering the reconsideration procedure illegal; that Reconsideration Decision 2 at issue erroneously applied the law; and that as a result, Reconsideration Decision 2 shall be revoked in accordance with the law, and Binhu District Government

shall render a new reconsideration decision within 60 days of the date on which the judgment comes into force. After the above decision came into effect, on December 10, 2004, the Binhu District Government issued a new administrative reconsideration decision Xi Bin Xing Fu Jue [2004] No. 02, and determined that the Binhu District Labor Bureau's determination of Jiang Yonglin's injury was pursuant to judicially-authorized statutory duty. Based on the provisions of Article 28, paragraph 1, item (1) of the "Administrative Reconsideration Law of the People's Republic of China," it determined that the work-related injury determination should be upheld. On May 9, 2005, the Binhu District Government served the administrative reconsideration decision on Bearing Factory. Bearing Factory was not satisfied and instituted an administrative proceeding.

The above facts are supported by the following evidence. Among them, the evidence submitted by Defendant to the court of first instance includes:

(1) the September 22, 2003 entrusted determination letter from the Binhu District Court;

(2) Xi Bin Gong Shang Shen Zi [2003] No. 28, Wuxi Binghu District Personnel Labor and Social Security Bureau Work-Related Injury Determination Report and Approval Form;

(3) transcripts of interviews with Gong Jinsong conducted by the Binhu District Labor Bureau on December 25, 2002 and November 4, 2003, respectively,

and the "Investigation Report on Jiang Yonglin's Accident" issued by the Bearing Factory on April 26, 2002;

(4) transcripts of interviews with Bearing Factor workers Huang Wensheng, Zhang Minjuan and Wu Xiangqin conducted by the Binhu District Labor Bureau on November 4, 2003, and written certifications provided by them;

(5) the labor dispute arbitration petition, the tribunal trial record, Bearing Factory's defense statement, and the arbitration ruling of the Binhu District Labor Arbitration Commission regarding the labor dispute between Jiang Yonglin and Bearing Factory;

(6) Jiang Yonglin's identity certificate and Bearing Factory's business registration information;

(7) Jiang Yonglin's hospital discharge records.

The evidence submitted by Plaintiff to the court of first instance includes:

(1) the Xi Bin Gong Shang Ren Zi [2003] No. 28 work-related injury determination rendered by the Binhu District Labor Bureau on November 6, 2003;

(2) the administrative reconsideration decision Xi Bin Xing Fu Decision [2004] No. 02 issued by the Binhu District Government on December 10, 2004 and the mailing certificate from when it was mailed to Bearing Factory on May 9, 2005.

The People's Court of Binhu District, Wuxi Municipality held that: the Binhu District Labor Bureau is the statutory functional authority for the

determination of work-related injuries in the administrative area of Binhu District. During the trial of the civil dispute case between Jiang Yonglin and Bearing Factory regarding work-related injury compensation, the court entrusted the Binhu District Labor Bureau to determine whether Jiang Yonglin's injury constituted a work-related injury, which was a judicial entrustment necessitated by the case. The Binhu District Labor Bureau's acceptance of the court's entrustment to make a work-related injury determination was in compliance with the law. Although the occurrence of Jiang Yonglin's injury was related to the fact that he did not cut the tube in accordance with the operating rules, Jiang Yonglin's operational conduct in violation of the rules was still aimed at completing his daily work of cutting tubes, and the accident causing his injury occurred during the day-to-day production and work at the employer, which meets the basic requirements for identifying a work-related injury. The Binhu District Labor Bureau relied on Article 7(1) of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance" to determine that Jiang Yonglin's injury constituted a work-related injury, the facts were clear, the procedure was legal, and the application of law was correct.

According to Article 54(1) of the "Administrative Procedure Law of the People's Republic of China," the People's Court of Binhu District, Wuxi Municipality ruled as follows: the Binhu District Labor Bureau's work-related injury determination Xi Bin Gong Shang

Ren Zi [2003] No. 28, rendered on November 6th, 2003, is upheld.

The first instance litigation fee of 380 yuan shall be borne by Bearing Factory.

Second instance pleadings:

(1) Appellant claimed that: 1) The factual determinations of the court of first instance are erroneous. Jiang Yonglin's injury was an unauthorized personal act rather than the result of a rules violation, so in fact it did not constitute a work-related injury. 2) The court of first instance's application of law was erroneous. There was no legal basis for Appellee to re-instate the work-related injury determination. The court of first instance held that the legal basis for the Binhu District People's Court to entrust Appellee to make the work-related injury determination was Article 72 of the "Civil Procedure Law," but this is a serious mistake in the application of the law. 3) The court of first instance committed a violation of trial procedure. As a result, it is requested that the court of second instance revoke the first instance judgment and support Appellant's request.

(2) Appellee argued: the facts relating to the work-related injury determination Xi Bin Gong Shang Ren Zi [2003] No. 28, rendered by Appellee on November 6, 2003 are clear, and the determination's application of laws, regulations, and rules is correct. According to the facts of the investigation, Jiang Yonglin was injured during work hours and in the workplace due to work reasons. Although there was non-compliant

operation and unauthorized cutting, the purpose was to complete the daily work in which he was engaged for the employer, this caused the injury, and therefore the injury should be determined to be work-related. When Appellee received the entrustment of the court, it found through review that it was within the scope of things it could accept, and Appellee made the work-related injury determination within the prescribed time limit. The court of first instance's findings of facts were clear and its application of law was correct. It is requested that the appeal be dismissed in accordance with law, and that the original judgment be upheld.

(3) Appellee Jiang Yonglin (third party at the first trial), did not make any arguments.

Second instance facts and evidence:

Upon review, the court of second instance found that the facts and evidence determined by the court of first instance through open hearings were clear and sufficient, and thus should be confirmed.

Reasons for the second instance judgment:

After trial, the court of second instance held that, according to the provisions of the "Trial Measures for Work-Related Injury Insurance for Enterprise Employees" promulgated by the former Ministry of Labor in 1996, the Binhu District Labor Bureau had the statutory duty to make work-related injury determinations for work accidents in its administrative area. Although Jiang Yonglin and Bearing Factory did not enter into a labor contract, Jiang Yonglin worked at

Bearing Factory. Bearing Factory paid him in the form of salary, and this created a de facto labor relationship. According to Article 7(1) of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance," an employee who is injured, disabled, or killed as a result of engaging in daily production and work shall be determined to have suffered a work-related injury. Based on its investigation of the facts, the Binhu District Labor Bureau determined that Jiang Yonglin was injured during work hours, at the workplace, and because of work, that Jiang Yonglin's injury met the requirements for determining work-related injuries, and made the determination that it was a work-related injury, which was appropriate. After the Binhu District Labor Bureau accepted the entrustment, it investigated and collected evidence and made a work-related injury determination at the prescribed time, so the procedure was legal. With regard to Appellant's argument that there was no legal basis for Appellee to accept the court's entrustment to make a work-related injury determination, the original regulations on work-related injury insurance promulgated by the State and this province contain no provision for an individual employee to file an application for work-related injury determination, and only provide that the company can file an application and that the labor administrative department can accept the entrustment to determine work-related injuries. The court's entrustment of the determination of work-related injury according to its judicial powers and the trial of the case and Binhu District Labor Bureau's acceptance of this entrustment was in compliance with the legislative spirit of the

relevant provisions on work-related injury insurance. Otherwise, the legal rights and interests of the citizens would not be effectively protected if the law does not provide that the employee has the individual right to file applications and a work-related injury determination is not re-instated after the one entrusted by the Arbitration Commission is revoked by the Binhu District Government. Moreover, after entrustment by the Arbitration Commission, the labor administrative department should have a clear conclusion as to whether or not a work-related injury was identified, and the Binhu District Labor Bureau should render a conclusion as to whether Jiang Yonglin's injury was work-related. Regarding Appellant's argument that Jiang Yonglin's injury was the result of an unauthorized personal act and thus should not be identified as a work-related injury: according to Article 8(5) of the "Provisions of Jiangsu Province Urban Enterprises Workers Injury Insurance": Workers who have been injured, disabled, or killed as a result of a willful violation of the rules and laws shall not be determined to have suffered a work-related injury. According to the Ministry of Labor and Social Security's regulation entitled, "Response Letter Regarding the Interpretation of the Phrase 'Willful Violation of Rules' Within the 'Trial Measures on Work-Related Injury Insurance for Enterprise Employees,'" the term "willful violation of rules" refers specifically to malicious acts undertaken with a conscious motive and purpose. The phrase should not apply to ordinary violations of rules. Jiang Yonglin did not intend for the injury to occur, but rather trusted his luck. Although the occurrence of Jiang Yonglin's

injury accident was related to the fact that he did not cut the bent tube in accordance with the operating specifications, Jiang Yonglin's operational violation only constituted an ordinary violation of the rules, and his purpose was still to complete the tube-cutting work that he engaged in daily. The nature of the accident was that the employee was injured while engaging in the employer's daily production during work. Therefore, it meets the criteria for work-related injuries. Moreover, after being hired, Jiang Yonglin was not trained before he was designated to be a tube-cutting operator. Therefore, Jiang Yonglin's act of cutting a bent tube without authorization did not constitute a "willful violation of the rules" or other things that that cannot be deemed a work-related injury. In summary, the factual determinations of the original judgment were clear, the application of the law was correct, the judgment was proper, and it should be upheld; the appeal of Appellant cannot be established and the claims are not supported.

Final second instance conclusion:

Pursuant to Article 61(1) of the "Administrative Procedure Law of the People's Republic of China," the Intermediate People's Court of Wuxi Municipality, Jiangsu Province decides as follows: the appeal is dismissed and the original judgment is upheld.

The second-instance proceeding fee is RMB 80, which shall be borne by Appellant Bearing Factory.

APPENDIX B

[LOGO]

City of New York, State of New York, County of New York

I Aurora Landman, hereby certify that the document "Second Instance of Administrative Dispute Case between Tianjin Yuyou Enterprise Co., Ltd. and Tianjin Economic and Technological Development Area Administrative Committee" is, to the best of my knowledge and belief, a true and accurate translation from Chinese into English.

/s/ Aurora Landman
Aurora Landman

Sworn to before me this
March 30, 2018

/s/ Wendy Poon
Signature, Notary Public

WENDY POON
NOTARY
NO. 01PO6356754
QUALIFIED IN
QUEENS COUNTY
COMM. EXP.
04-03-2021
PUBLIC
STATE OF NEW YORK

[STAMP]
Stamp, Notary Public

Second Instance of Administrative Dispute Case between Tianjin Yuyou Enterprise Co., Ltd. and Tianjin Economic and Technological Development Area Administrative Committee

Trial Court: Supreme People's Court

Case No.: (1997) Xing Zhong Zi No. 21

Date of Judgment: July 3, 1998

Cause of Action: Administration > administrative action category > administrative license; state compensation >administrative compensation

Appellant (plaintiff in the first instance): Tianjin Yuyou Enterprise Co., Ltd.

Legal representative: Hong Hengshan, chairman of the board of Tianjin Yuyou Enterprise Co., Ltd.

Entrusted agent: Qin Xueqiang, manager of Tianjin Yuyou Enterprise Co., Ltd.

Entrusted agent: Ren Guojun, lawyer of Beijing Zhong Lun Law Firm.

Appellee (defendant in the first instance): Tianjin Economic and Technological Development Area Administrative Committee.

Legal representative: Pi Qiansheng, director of the Administrative Committee.

Entrusted agent: Yin Xiangbing, lawyer of TEDA Law Firm.

Appellant Tianjin Yuyou Enterprise Co., Ltd. (hereinafter referred to as "Yuyou Company") instituted an appeal with this court due to dissatisfaction with the Tianjin Higher People's Court's (1997) Gao Xing Chu Zi No. 1 Administrative Judgment in its lawsuit against Tianjin Economic and Technological Development Area Administrative Committee (hereinafter referred to as "Administrative Committee") for failing to perform statutory duties and requesting administrative compensation. This court organized a collegial panel to hear this case and now the hearing has concluded.

The court of first instance held: Yuyou Company was a Taiwanese sole-invested company that was approved by the Administrative Committee and acquired its business license on May 7, 1990, had registered capital of 3 million U.S. dollars, specialized in wooden furniture and indoor decoration boards, and exported all of its products. In July 1991, Yuyou Company failed to export four containers of paulownia jointed boards that it manufactured due to the lack of an export license. On February 20, 1995, Tianjin Economic and Technological Development Area Customs detained Yuyou Company's four containers of paulownia jointed boards that were for export to Japan. On February 21 of the same year, Yuyou Company made an oral request to the Economy and Trade Section of the Administrative Committee to directly apply for an export license with the Ministry of Foreign Trade and Economic

Cooperation. Later, the Administrative Committee reported Yuyou Company's request to apply for an export license to the Tianjin Municipal Foreign Trade Commission and the Ministry of Foreign Trade and Economic Cooperation. The relevant responsible person of the Ministry of Foreign Trade and Economic Cooperation replied: "Paulownia jointed board is subject to strict export license administration, the state implements a voluntary quota control for Japan, and Yuyou Company is not an enterprise with the right to operate products under quota control as approved by the Ministry of Foreign Trade and Economic Cooperation. Therefore, it is recommended that this be resolved through a foreign trade agency or adjustment." On May 8, 1995, the Administrative Committee notified Yuyou Company about its application for an export license for Yuyou Company and the relevant side's attitude and recommendation. Yuyou Company indicated that it could not accept this and said it would not accept any resolution other than the acquisition of this company by the government. Yuyou Company filed a lawsuit requesting that the court determine that the Administrative Committee's non-conduct was illegal for refusing to handle a license and for not notifying the applicant whether the license could be handled, as well as order the Administrative Committee to assume the liability for all losses thus incurred by Yuyou Company.

The court of first instance held: Paulownia jointed board manufactured by Yuyou Company qualified as a product subject to national quota administration. As

Yuyou Company was not an enterprise with the right to operate products subject to quota control as approved by the Ministry of Foreign Trade and Economic Cooperation, it was not qualified to apply for an export license for a quota product. On May 8, 1995, the Administrative Committee conveyed the reply of the Ministry of Foreign Trade and Economic Cooperation to Yuyou Company. Its conduct was legal and it performed its notification obligation. Yuyou Company's litigation claims and cause of action were not established in this case. Therefore, it made the judgment on October 15, 1997: Yuyou Company's litigation claim was rejected.

Yuyou Company was dissatisfied with the judgment of first instance and instituted an appeal on November 6, 1997. It claimed that: Yuyou Company was established in 1990, while it was not until January 1, 1995 that paulownia jointed board was listed among "products subject to export license administration," and according to the provision in Paragraph 4 of Article 7, (1994) Wai Jing Mao Guan Fa Document No. 53, issued by the Ministry of Foreign Trade and Economic Cooperation, Yuyou Company was qualified to apply for an export license; the "Provisional Regulations on the Administration of Voluntary Quotas for Export Products," issued by the Ministry of Foreign Trade and Economic Cooperation in April 1995, were not binding on applications for export licenses made prior thereto.

Therefore, the court of first instance was wrong in its factual determination, and erroneously applied the

law. It requested that the first instance judgment be revoked.

In its defense, Appellee claimed that: on April 20, 1993, the Ministry of Foreign Trade and Economic Cooperation issued (1993) Wai Jing Mao Guan Fa No. 185 "Provisional Regulations of the Ministry of Foreign Trade and Economic Cooperation on the Administration of Voluntary Quotas for Export Products" in the form of a notification, and on April 21, 1995, this ministry issued (1995) Wai Jing Mao Guan Fa No. 241 revising (1993) Wai Jing Mao Guan Fa No. 185. The ministry pointed out in its issuing notice that these regulations had already been implemented for two years, that it was issuing a revised version to improve administration, and that the original regulations were being simultaneously repealed. Therefore, the relevant provision of (1993) Wai Jing Mao Guan Fa No. 185 was effective with respect to Tianjin Yuyou's application for an export license in February 1995. The judgment of the court of first instance was correct and legal, and it is requested that the court of second instance uphold the judgment according to law.

Upon trial, the court has found that: Appellant Yuyou Company sought to export four containers of paulownia jointed boards to Japan on February 20, 1995, but that the containers were detained by Tianjin Economic and Technological Development Area Customs due to the lack of an export license for paulownia jointed boards. On the following day, Appellant Yuyou Company made a request to Appellee Administrative Committee to directly apply for an export license from

the Ministry of Foreign Trade and Economic Cooperation. Appellee reported Appellant Yuyou Company's request to the Tianjin Municipal Foreign Trade Commission and the Ministry of Foreign Trade and Economic Cooperation in late February, March 5, and March 15, 1995; and undertook communication and application work regarding Appellant Yuyou Company's export license application. The Ministry of Foreign Trade and Economic Cooperation gave an explicit reply that paulownia jointed board was subject to strict export license administration, the state implemented a voluntary quota control for Japan, and Yuyou Company was not an enterprise with the right to operate products subject to quota control as approved by the Ministry of Trade and Economic Cooperation. Therefore, it recommended that Yuyou Company resolve the export problem through a foreign trade agency or adjustment. In early May of the same year, Appellee Administrative Committee conveyed part of the reply opinion of the Ministry of Foreign Trade and Economic Cooperation, i.e. resolve the export problem through a foreign trade agency or adjustment, to Appellant Yuyou Company, but did not convey to Appellant Yuyou Company the conclusive opinion as to whether the export license had been approved.

This court holds: According to the relevant regulations of Tianjin Development Area Administrative Committee, with regard to export license administration, Appellee Administrative Committee is not only responsible for accepting, initially examining, and reporting on an export license application, but also has

the obligation to notify the applicant as to whether the applied-for item has been approved. Although Appellee Administrative Committee conducted communication and application work after accepting Appellant Yuyou Company's application for an export license for paulownia jointed boards, it failed to notify the applicant as to whether such export license had been approved. Its conduct constituted illegal conduct for not performing statutory duties. The economic loss incurred by Appellant Yuyou Company from the impeded export of paulownia jointed boards due to its lack of an export license occurred prior to its application for an export license with Appellee Administrative Committee, and there is no cause-and-effect relationship between such loss and Appellee Administrative Committee's failure to perform its statutory duties. It was improper for the court of first instance to reject the litigation claims of Appellant Yuyou Company on the ground that Appellee Administrative Committee had performed its notification obligation. According to Article 54, Paragraph 1, Item 3 and Article 61, Paragraph 1, Item 3 of the "Administrative Procedure Law of the People's Republic of China," the court makes the following judgment:

I. (1997) Gao Xing Chu Zi No. 1 Administrative Judgment of the Tianjin Higher People's Court is repealed;

II. Appellee Administrative Committee shall explicitly convey the handling result of Appellant Yuyou Company's application for an export license for paulownia jointed boards to Appellant Yuyou Company

within 15 days of the date on which it receives this judgment;

III. The litigation claim for administrative compensation of Appellant Yuyou Company is rejected.

I. The second instance litigation fee is 200 yuan in total, and Appellee Administrative Committee and Appellant Yuyou Company shall each pay 100 yuan.

This judgment is the final judgment.

Chief judge: Yue Zhiqiang

Acting judge: Duan Xiaojing

Acting judge: Mao Baoping

July 3, 1998

Clerk: Zhou Suqin