FORM 8-K

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CAPITAL SOLUTIONS I, INC.

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act 1934

Date of Report (date of earliest event reported): December 3, 2007

Fuda Faucet Works, Inc.
(Exact name of Company as specified in charter)

Delaware	0-7879	13-2648442
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

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(Former name and former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of Company under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12(b) under the Exchange Act (17 CFR 240.14a-12(b))

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement.
Item 2.01 Completion of Acquisition or Disposition of Assets.
Item 3.02 Unregistered Sales of Equity Securities

On December 3, 2007, Fuda Faucet Works, Inc, then known as Capital Solutions I, Inc. (the "Company"), executed a share exchange agreement (the "Exchange Agreement") with Jibrin Issa Jibrin Al Jibrin, trustee (the "Trustee") of the Wu Yiting Stock Trust (the "Trust"), the sole stockholder of Moral Star Development Limited, a British Virgin Islands company ("Moral Star BVI"), pursuant to which the Trustee transferred to the Company all of the capital stock of Moral Star BVI in exchange for 10,564,647 shares of common stock of the Company, which were issued to the Trust and the designees of the Trust. As a result, Moral Star BVI became the Company's wholly-owned subsidiary and the Company's business became the business of Moral Star BVI and its affiliated companies. The sole beneficiary of the Trust is Ms. Wu Yiting, who, as a result of the exchange, became the chief executive officer, president and a director of the Company.

Moral Star BVI owns 100% of the stock of Jiangxi Moral Star Copper Technology Co., Ltd. ("Moral Star China"), which is a wholly foreign-owned enterprise under the laws of the Peoples' Republic of China ("PRC" or "China"). Moral Star China is a party to a series of contractual arrangements with Jiangxi Yiyang Fuda Copper Co. Ltd. ("Fuda"), a limited liability company headquartered in, and organized under the laws of, the PRC, which are described under "Contractual Agreements with Fuda." Throughout this Form 8-K, Moral Star BVI, Moral Star China and Fuda are sometimes collectively referred to as the "Fuda Group."

The transaction by which the Company acquired Moral Star BVI is referred to as the reverse acquisition.

Stock Distribution

On December 3, 2007, the board of directors approved a 3.2-for-one stock distribution pursuant to which each share of common stock became converted into 3.2 shares of common stock. This stock distribution will become effective on December 14, 2007. All references to shares and per share information, including the conversion ratio of the series A preferred stock, in this Form 8-K give effect to the stock distribution.

Reverse Acquisition and Related Transactions

Pursuant to the Exchange Agreement, the Company issued 10,564,647 shares of common stock to the Trust and the designees of the Trust in exchange for 100% of the common stock of Moral Star BVI. As a result of this transaction and the other transactions described below, the Trust and the designees of the Trust owned approximately 98.5% of the Company's outstanding common stock.

In connection with the acquisition of Moral Star BVI, the Company entered into:

(a) A securities purchase agreement with Barron Partners, LP, Silver Rock I, Ltd. and Eos Holdings pursuant to which the investors purchased, for $3,400,000, 3,090,000 shares of series A preferred stock and warrants to purchase 2,060,060 share of common stock at $1.80 per share and 4,121,212 shares of common stock at $3.00 per share.

The securities were issued to the investors in the following amounts:

Investor	Purchase Price	Series A Preferred	$1.80 Warrants	$3.00 Warrants
Barron Partners	$3,125,000	2,840,909	1,893,939	3,787,879
Silver Rock I	175,000	159,091	106,061	212,121
Eos Holdings	100,000	90,909	60,606	121,212
Total	$3,400,000	3,090,909	2,060,606	4,121,212

(b) An escrow agreement pursuant to which the Company issued 3,000,000 shares into escrow. These shares are to be issued to the investors if the Company earnings before interest and taxes ("EBIT") does not reach certain target levels for 2007 and 2008. The targets are set forth in RMB, the currency of China. The dollar equivalents are based on an exchange ratio of RMB 7.4 to US$1.00. This rate is subject to change, and, to the extent that the value of the RMB increases as against the United States dollar, the targets, in United States dollars, will be less. The targets are:

Period	RMB per share	US$ per share
2007	¥ 1.66515	$0.22502
2008 if none of the conditions listed below applies	¥ 2.31521	$0.31287
2008 if all of the $1.80 warrants are exercised by June 30, 2008 and 50% of the $3.00 warrants are exercised by September 30, 2008	¥ 2.61524	$0.35341
2008 if all of the $1.80 warrants are exercised by June 30, 2008 and all of the $3.00 warrants are exercised by September 30, 2008	¥ 3.06528	$0.41423

If the target for either period is not met, the percentage shortfall is determined. If the percentage shortfall for 2007 is equal to or greater than 50%, then the escrow agent is to deliver the 3,000,000 shares of series A preferred stock to the investors. If the percentage shortfall for 2007 is less than 50%, then the adjustment percentage shall be determined. The escrow agent shall deliver to the investors such number of shares of series A preferred stock as is determined by multiplying the adjustment percentage by 3,000,000 shares and the escrow agent shall retain the balance.

The adjustment percentage shall mean the percentage that is determined by the following formula: Adjustment percentage equals (1/(1-P)) - 1, where P equals the percentage shortfall, expressed as a decimal. By way of example, the following table shows the adjustment percentage, based on several assumptions as to the percentage shortfall from the target.

Percentage Shortfall	Adjustment Percentage	
10%	11.11	%
25%	33.33	%
40%	66.67	%
50%	100.00	%

If the percentage shortfall for 2008 is equal to or greater than 50%, then the escrow agent shall deliver all of the shares of series A preferred stock then held in escrow to the investors. If the percentage shortfall for 2008 is less than 50%, then the adjustment percentage for 2008 shall be determined. The maximum number of shares to be delivered shall be determined by multiplying the adjustment percentage by 3,000,000 shares. The number of shares to be delivered to the investors shall be the lesser of the number of shares of series A preferred stock then held in escrow or the number of shares determined by the preceding sentence. Any of the shares held in escrow that are not delivered to the investors shall be returned to the Company for cancellation

(c) A buy-back agreement with Richard Astrom and Christopher Astrom, who were the Company's principal stockholders and sole directors and Christopher Astrom was the Company's president, chief executive officer and chief financial officer, pursuant to which they sold to the Company all of the shares of common stock owned by them, which constituted 75% of the Company's outstanding common stock, for a purchase price of $625,000.

(d) Richard and Christopher Astrom resigned from all positions as officers and directors, and they elected Wu Yiting as director.

(e) We changed our corporate name to Fuda Faucet Works, Inc.

The certificate of designation for the series A preferred stock provides that:

- Each share of series A preferred stock is convertible into one share of common stock, at a conversion price of $1.10, subject to adjustment.

- If the Company issues common stock at a price, or options, warrants or other convertible securities with a conversion or exercise price less than the conversion price (presently $1.10 per share), with certain specified exceptions, the number of shares issuable upon conversion of one share of series A preferred stock is adjusted to reflect a conversion price equal to the lower price.

- No dividends are payable with respect to the series A preferred stock, and while the series A preferred stock is outstanding, the Company may not pay dividends on or redeem shares of common stock.

- Upon any voluntary or involuntary liquidation, dissolution or winding-up, the holders of the series A preferred stock are entitled to a preference of $1.10 per share before any distributions or payments may be made with respect to the common stock or any other class or series of capital stock which is junior to the series A preferred stock upon voluntary or involuntary liquidation, dissolution or winding-up.

- The holders of the series A preferred stock have no voting rights. However, so long as any shares of series A preferred stock are outstanding, we shall not, without the affirmative approval of the holders of 75% of the outstanding shares of series A preferred stock then outstanding, (a) alter or change adversely the powers, preferences or rights given to the series A preferred stock or alter or amend the certificate of designation, (b) authorize or create any class of stock ranking as to dividends or distribution of assets upon liquidation senior to or otherwise pari passu with the series A preferred stock, or any of preferred stock possessing greater voting rights or the right to convert at a more favorable price than the series A preferred stock, (c) amend our articles of incorporation or other charter documents in breach of any of the provisions thereof, (d) increase the authorized number of shares of series A preferred stock, or (e) enter into any agreement with respect to the foregoing.

- EBIT is defined as income before income taxes and interest, determined in accordance with GAAP plus (a) any charges which are reflected under GAAP in the Company's financial statements which relate to the transaction contemplated by the purchase agreement and the registration rights agreement and the other documents executed in connection with the financing, including the issuance of the aeries A preferred stock and warrants and any other securities issuable pursuant to the purchase agreement, the registration rights agreement and the other documents, minus (b) the amount, if any, by which all non-recurring losses or expenses exceed all non-recurring items or income or gain. EBIT shall not be adjusted if all non-recurring items of income or gain exceed all non-recurring losses or expenses. Items shall be deemed to be non-recurring only if they qualify as non-recurring pursuant to GAAP.

The warrants have terms of five years, and expire December 3, 2012. The warrants provide a cashless exercise feature; however, the holders of the warrants may not make a cashless exercise during the six months for the $1.80 warrants and twelve months for the $3.00 warrants following the date of the initial issuance and thereafter if the underlying shares are covered by an effective registration statement.

The warrants provide that the exercise price of the warrants may be reduced by up to 90% if the Company's EBIT per share, on a fully-diluted basis, is less than the target amounts described aboveAn adjustment in the warrant exercise price does not affect the number of shares issuable upon exercise of the warrants. The following table sets forth the exercise price of the warrants if the Company's EBIT is 20% below the target (a "20% shortfall"), 50% below the target (a "50% shortfall") or 90% below the target:

	$1.80 warrant Exercise Price	$3.00 warrant Exercise Price
Unadjusted	$1.80	$3.00
20% shortfall	$1.152	$1.92
50% shortfall	$0.45	$0.75
90% shortfall	$0.018	$0.03

If the Company issues common stock at a price, or options, warrants or other convertible securities with a conversion or exercise price less than the exercise price, with certain specified exceptions, the exercise price is reduced to an exercise price equal to the lower price in the case of the $3.00 warrant. The adjustment for the $1.80 warrant is based on a formula.

The Company has no right to redeem the warrants.

Pursuant to the securities purchase agreement:

- The Company's board of directors and the holders of a majority of its capital stock approved a restated certificate of incorporation which changes the authorized capital stock to 130,000,000 shares, of which 20,000,000 are shares of preferred stock, par value $.001 per share, and 110,000,00 are shares of common stock, par value $.001. The Company's present authorized capital stock is 20,000,000 shares of preferred stock, par value $.0000001 per share, and 900,000,000 shares of common stock, par value $.0000001 per share. The restated certificate will become effective 20 days after a Schedule 13D information statement is mailed to stockholders.

- The Company placed 3,000,000 shares of series A preferred stock in escrow as described above.

- The Company agreed that, within 90 days after the closing on December 3, 2007, it would have appointed such number of independent directors that would result in a majority of our directors being independent directors and we would have an audit committee composed solely of at least three independent directors and a compensation committee would have a majority of independent directors. The Company is required to pay liquidated damages (i) if the Company fails to have a majority of independent directors 90 days after the closing or (ii) thereafter, if the Company subsequently fails to meet these requirements for a period of 60 days for an excused reason, as defined in the purchase agreement, or 75 days for a reason which is not an excused reason. Liquidated damages are payable in cash or additional shares of series A preferred stock, with the series A preferred stock being valued at its liquidated preference of $1.10 per share. The liquidated damages are computed in an amount equal to 12% per annum of the purchase price, which would be $408,000.

- The Company and the investors entered into a registration rights agreement pursuant to which we are required to have a registration statement filed with the SEC by February 1, 2008 and declared effective by the SEC not later than June 29, 2008. We are required to pay liquidated damages at the rate of 1,000 shares of series A preferred stock for each day after June 29, 2008 that the registration statement is not declared effective or for any period that we fail to keep the registration statement effective, up to a maximum of 370,000 shares. The number of shares of series A preferred stock issuable pursuant to the liquidated damages provision is subject to reduction based on the maximum number of shares that can be registered under the applicable SEC guidelines.

- The investors have a right of refusal on future financings.

- The Company is restricted from issuing convertible debt or preferred stock or from having debt in an amount greater than twice our earnings before interest, taxes, depreciation and amortization.

- Our officers and directors agreed, with certain limited exceptions, not to publicly sell shares of common stock for 27 months or such earlier date as all of the convertible securities and warrants have been converted or exercised and the underlying shares of common stock have been sold.

- The Company paid Barron Partners $85,000 for its due diligence expenses.

Risk Factors

You should carefully consider the risks described below as well as other information provided to you in this document, including information in the section of this document entitled "Information Regarding Forward Looking Statements." The risks and uncertainties described below are not the only ones facing us. Additional risks and uncertainties not presently known to us or that we currently believes are immaterial may also impair our business operations. If any of the following risks actually occur, the Company's businesses, financial condition or results of operations could be materially adversely affected, the value of the common stock could decline, and you may lose all or part of your investment.

Our new organizational structure makes it difficult for us to evaluate our future business prospects.

Prior to December 3, 2007, our business was operated by Fuda. Under the present structure, although there is no change is personnel, it is possible that the change in our business structure may impair our ability to operate our business.

Failure to comply with PRC regulations relating to the establishment of offshore special purpose companies by PRC residents may materially adversely affect us.

In October 2005, the PRC State Administration of Foreign Exchange, or SAFE, issued the Notice on Relevant Issues in the Foreign Exchange Control over Financing and Return Investment Through Special Purpose Companies by Residents Inside China, generally referred to as Circular 75, which required PRC residents to register with the local SAFE branch before establishing or acquiring control over an offshore special purpose company, or SPV, for the purpose of engaging in an equity financing outside of China on the strength of domestic PRC assets originally held by those residents. Internal implementing guidelines issued by SAFE, which became public in June 2007 (known as Notice 106), expanded the reach of Circular 75 by (i) purporting to cover the establishment or acquisition of control by PRC residents of offshore entities which merely acquire "control" over domestic companies or assets, even in the absence of legal ownership; (ii) adding requirements relating to the source of the PRC resident's funds used to establish or acquire the offshore entity; (iii) covering the use of existing offshore entities for offshore financings; (iv) purporting to cover situations in which an offshore SPV establishes a new subsidiary in China or acquires an unrelated company or unrelated assets in China; and (v) making the domestic affiliate of the SPV responsible for the accuracy of certain documents which must be filed in connection with any such registration, notably, the business plan which describes the overseas financing and the use of proceeds. Amendments to registrations made under Circular 75 are required in connection with any increase or decrease of capital, transfer of shares, mergers and acquisitions, equity investment or creation of any security interest in any assets located in China to guarantee offshore obligations, and Notice 106 makes the offshore SPV jointly responsible for these filings. In the case of an SPV which was established, and which acquired a related domestic company or assets, before the implementation date of Circular 75, a retroactive SAFE registration was required to have been completed before March 31, 2006; this date was subsequently extended indefinitely by Notice 106, which also required that the registrant establish that all foreign exchange transactions undertaken by the SPV and its affiliates were in compliance with applicable laws and regulations. Failure to comply with the requirements of Circular 75, as applied by SAFE in accordance with Notice 106, may result in fines and other penalties under PRC laws for evasion of applicable foreign exchange restrictions. Any such failure could also result in the SPV's affiliates being impeded or prevented from distributing their profits and the proceeds from any reduction in capital, share transfer or liquidation to the SPV, or from engaging in other transfers of funds into or out of China.

We believe we comply with the applicable regulations. The owner of Fuda, Wu Yiting, was not a stockholder of Moral Star BVI. Moral Star BVI's sole stockholder, the Trust, is not a resident of the PRC. However, based on the terms of the Trust and the irrevocable proxy which the Trust issued to her, Ms. Wu is deemed to be the beneficial owner of the shares held by the Trust for purposes of United States securities laws. We cannot the structure of our organization has fully complied with all applicable registrations or approvals required by Circular 75. Moreover, because of uncertainty over how Circular 75 will be interpreted and implemented, and how or whether SAFE will apply it to us, we cannot predict how it will affect our business operations or future strategies. A failure by our PRC resident beneficial holders or future PRC resident stockholders to comply with Circular 75, if SAFE requires it, could subject these PRC resident beneficial holders to fines or legal sanctions, restrict our overseas or cross-border investment activities, limit our subsidiaries' ability to make distributions or pay dividends or affect our ownership structure, which could adversely affect our business and prospects.

We may need to raise additional capital which may not be available on acceptable terms or at all

There can be no assurance that financing will be available in amounts or on terms acceptable to us, if at all. The inability to obtain additional capital may reduce our ability to continue to conduct business operations. If we are unable to obtain additional financing, we will likely be required to curtail our research and development plans. Any additional equity financing may involve substantial dilution to our then existing stockholders.

If we raise additional capital the value of your investment may decrease.

If we need to raise additional capital to implement or continue operations, we will likely issue additional equity or convertible debt securities. If we issue equity or convertible debt securities, the net tangible book value per share may decrease, the percentage ownership of our current stockholders may be diluted and such equity securities may have rights, preferences or privileges senior or more advantageous to our common stockholders.

We must effectively manage the growth of our operations, or our company will suffer.

Our ability to successfully implement our business plan requires an effective planning and management process. If funding is available, we intend to increase the scope of our operations and acquire complimentary businesses. Implementing our business plan will require significant additional funding and resources. If we grow our operations, we will need to hire additional employees and make significant capital investments. If we grow our operations, it will place a significant strain on our management and our resources. If we grow, we will need to improve our financial and managerial controls and reporting systems and procedures, and we will need to expand, train and manage our workforce. Any failure to manage any of the foregoing areas efficiently and effectively would cause our business to suffer.

An increase in the cost of raw materials will affect sales and revenues.

Any increase in the prices of raw materials, including copper, will affect the price at which we can sell our product. We have no long term supply contracts, so the prices at which we purchase raw materials are based on the market price at the time. If we are not able to raise our prices to pass on increased costs, we would be unable to maintain our margins.

Our expansion into Russia and Africa may have an adverse affect on our profitability.

We plan to expand our operations into Russia and Africa, which was see as being significant potential markets for our products. Although we anticipate that these new markets will generate additional revenue and earning in the long term, it is possible that our start up expenses may have an initial adverse impact until our operations are fully developed. We cannot assure you that we will be successful in entering these new markets.

If we fail to obtain all required licenses, permits, or approval, we may have to cease our operations.

Before we can develop certain products, we must obtain a variety of approvals from local and municipal governments. There no assurance that we will be able to obtain all required licenses, permits, or approvals from government authorities. If we fail to obtain all required licenses, permits, or approvals, we may have to cease our operations.

We face intense competition, and many of our competitors have substantially greater resources than we have.

We operate in a competitive environment that is characterized by price deflation and technological change. We compete with major international and domestic companies. Our competitors may have greater market recognition and substantially greater financial, technical, marketing, distribution, purchasing, manufacturing, personnel and other resources than we do. Furthermore, some of our competitors have manufacturing and sales forces that are geographically diversified, allowing them to reduce transportation expenses, tariff costs and currency

fluctuations for certain customers in markets where their facilities are located. Many competitors have production lines that allow them to produce more sophisticated and complex devices than we currently offer and to offer a broader range of display devices. Other emerging companies or companies in related industries may also increase their participation in the display and display module markets, which would intensify competition in our markets. We might lose some of our current or future business to these competitors or be forced to reduce our margins to retain or acquire that business, which could decrease our revenues or slow our future revenue growth and lead to a decline in profitability.

Failure to repay our loans can hinder our business operations and profitability.

We have financed our business primarily from short-term bank loans and, to a lesser extent, from accounts payable to a company which is controlled by our chief exeutive officer and which provides us with most of the raw copper that we use in manufacturing our products. The bank loans, which are secured by a mortgage on one of our parcels of land, typically have terms of two or three months. Although the loans have been extended for period of two or three months, we cannot assure you that we will not be required to pay the notes when due. At September 30, 2007, these loans totaled approximately $5.1 million, and the payable to the related company was $603,000. The failure of the banks to continue to extend credit or to demand payment of a significant amount of our loans could impair our ability to operate profitably.

Risks Related to Doing Business in China

Adverse changes in political and economic policies of the Chinese government could have a material adverse effect on the overall economic growth of China, which could reduce the demand for our products and materially and adversely affect our competitive position.

Our business, financial condition, results of operations and prospects are affected significantly by economic, political and legal developments in China. The Chinese economy differs from the economies of most developed countries in many respects, including:

- the amount of government involvement;
- the level of development;
- the growth rate;
- the control of foreign exchange; and
- the allocation of resources.

While the Chinese economy has grown significantly in the past 20 years, the growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures benefit the overall Chinese economy, but may also have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations that are applicable to us.

The Chinese economy has been transitioning from a planned economy to a more market-oriented economy. Although in recent years the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of sound corporate governance in business enterprises, a substantial portion of the productive assets in China is still owned by the Chinese government. The continued control of these assets and other aspects of the national economy by the Chinese government could materially and adversely affect our business. The Chinese government also exercises significant control over Chinese economic growth through the allocation of resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Efforts by the Chinese government to slow the pace of growth of the Chinese economy could result in decreased capital expenditure by solar energy users, which in turn could reduce demand for our products.

Any adverse change in the economic conditions or government policies in China could have a material adverse effect on the overall economic growth and the level of renewable energy investments and expenditures in China, which in turn could lead to a reduction in demand for our products and consequently have a material adverse effect on our businesses.

Fluctuation in the value of the Renminbi may have a material adverse effect on your investment.

The change in value of the Renminbi against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions. On July 21, 2005, the Chinese government changed its decade-old policy of pegging the value of the Renminbi to the U.S. dollar. Under the new policy, the Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy has resulted in approximately 2.1% appreciation of Renminbi against U.S. dollar. While the international reaction to the Renminbi revaluation has generally been positive, there remains significant international pressure on the Chinese government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollar. As a portion of our costs and expenses is denominated in Renminbi, the revaluation in July 2005 and potential future revaluation has and could further increase our costs. In addition, as we rely entirely on dividends paid to us by our operating subsidiaries, any significant revaluation of the Renminbi may have a material adverse effect on our revenues and financial condition, and the value of, and any of our dividends payable on our ordinary shares in foreign currency terms. For example, to the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Restrictions on currency exchange may limit our ability to receive and use our revenues effectively.

All of our revenues and most of our expenses are denominated in Renminbi. If our revenues denominated in Renminbi increase or expenses denominated in Renminbi decrease in the future, we may need to convert a portion of our revenues into other currencies to meet our foreign currency obligations, including, among others, payment of dividends declared, if any, in respect of our ordinary shares. Under China's existing foreign exchange regulations, our Chinese subsidiary, Moral Star China, is able to pay dividends in foreign currencies, without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. However, we cannot assure you that that the Chinese government will not take further measures in the future to restrict access to foreign currencies for current account transactions.

Foreign exchange transactions by Moral Star China under the capital account continue to be subject to significant foreign exchange controls and require the approval of China's governmental authorities, including the SAFE. In particular, if Moral Star China borrows foreign currency loans from us or other foreign lenders, these loans must be registered with the SAFE, and if we finance Moral Star China by means of additional capital contributions, these capital contributions must be approved by certain government authorities including the Ministry of Commerce or its local counterparts. These limitations could affect the ability of Moral Star China to obtain foreign exchange through debt or equity financing.

We do not carry property or casualty insurance and as a result any business disruption, litigation or natural disaster might result in substantial costs and diversion of resources.

The insurance industry in China is still at an early stage of development. Insurance companies in China offer limited business insurance products, and do not, to our knowledge, offer business liability insurance. As a result, we do not have any business liability insurance coverage for our operations. Any business property loss, natural disaster or litigation might result in substantial costs and diversion of resources.

Capital outflow policies in The People's Republic of China may hamper our ability to remit income to the United States.

The People's Republic of China has adopted currency and capital transfer regulations. These regulations may require that we comply with complex regulations for the movement of capital and as a result we may not be able to remit all income earned and proceeds received in connection with our operations or from the sale of our operating subsidiary to the U.S. or to our stockholders.

Our operations and assets in the China are subject to significant political and economic uncertainties.

Government policies are subject to rapid change and the government of the China may adopt policies which have the effect of hindering private economic activity and greater economic decentralization. There is no assurance that the government of the China will not significantly alter its policies from time to time without notice in a manner with reduces or eliminates any benefits from its present policies of economic reform. In addition, a substantial portion of productive assets in China remains government-owned. For instance, all lands are state owned and leased to business entities or individuals through governmental granting of state-owned land use rights. The granting process is typically based on government policies at the time of granting, which could be lengthy and complex. This process may adversely affect our business. The government of China also exercises significant control over China's economic growth through the allocation of resources, controlling payment of foreign currency and providing preferential treatment to particular industries or companies. Uncertainties may arise with changing of governmental policies and measures. In addition, changes in laws and regulations, or their interpretation, or the imposition of confiscatory taxation, restrictions on currency conversion, imports and sources of supply, devaluations of currency, the nationalization or other expropriation of private enterprises, as well as adverse changes in the political, economic or social conditions in China, could have a material adverse effect on our business, results of operations and financial condition.

A downturn in the economy of China may slow our growth and profitability.

The growth of the Chinese economy has been uneven across geographic regions and economic sectors. There can be no assurance that growth of the Chinese economy will be steady or that any downturn will not have a negative effect on our business.

Because Chinese law governs almost all of our material agreements, we may not be able to enforce our legal rights within China or elsewhere, which could result in a significant loss of business, business opportunities, or capital.

Chinese law governs almost all of our material agreements. We cannot assure you that we will be able to enforce any of our material agreements or that remedies will be available outside of China. The system of laws and the enforcement of existing laws in China may not be as certain in implementation and interpretation as in the United States. The Chinese judiciary is relatively inexperienced in enforcing corporate and commercial law, leading to a higher than usual degree of uncertainty as to the outcome of any litigation. The inability to enforce or obtain a remedy under any of our future agreements could result in a significant loss of business, business opportunities or capital.

It will be extremely difficult to acquire jurisdiction and enforce liabilities against our officers, directors and assets based in China.

Substantially all of our assets will be located outside of the United States and our officers and directors will reside outside of the United States. As a result, it may not be possible for United States investors to enforce their legal rights, to effect service of process upon our directors or officers or to enforce judgments of United States courts predicated upon civil liabilities and criminal penalties of our directors and officers under Federal securities laws. Moreover, we have been advised that China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the United States. Further, it is unclear if extradition treaties now in effect between the United States and China would permit effective enforcement of criminal penalties of the Federal securities laws.

We may have difficulty establishing adequate management, legal and financial controls in China, which could impair our planning processes and make it difficult to provide accurate reports of our operating results.

China historically has not followed Western style management and financial reporting concepts and practices, and its access to modern banking, computer and other control systems has been limited. Although we will be required to implement internal controls, we may have difficulty in hiring and retaining a sufficient number of qualified employees to work in China in these areas. As a result of these factors, we may experience difficulty in establishing the required controls and instituting business practices that meet Western standards, making it difficult for management to forecast its needs and to present the results of our operations accurately at all times.

Because our funds are held in banks which do not provide insurance, the failure of any bank in which we deposit our funds could affect our ability to continue in business.

Banks and other financial institutions in the PRC do not provide insurance for funds held on deposit. As a result, in the event of a bank failure, we may not have access to funds on deposit. Depending upon the amount of money we maintain in a bank that fails, our inability to have access to our cash could impair our operations, and, if we are not able to access funds to pay our suppliers, employees and other creditors, we may be unable to continue in business.

Failure to comply with the United States Foreign Corrupt Practices Act could subject us to penalties and other adverse consequences.

We are subject to the United States Foreign Corrupt Practices Act, which generally prohibits United States companies from engaging in bribery or other prohibited payments to foreign officials for the purpose of obtaining or retaining business. Foreign companies, including some that may compete with us, are not subject to these prohibitions. Corruption, extortion, bribery, pay-offs, theft and other fraudulent practices occur from time-to-time in the PRC. We can make no assurance, however, that our employees or other agents will not engage in such conduct for which we might be held responsible. If our employees or other agents are found to have engaged in such practices, we could suffer severe penalties and other consequences that may have a material adverse effect on our business, financial condition and results of operations.

Imposition of trade barriers and taxes may reduce our ability to do business internationally, and the resulting loss of revenue could harm our profitability.

We may experience barriers to conducting business and trade in our targeted emerging markets in the form of delayed customs clearances, customs duties and tariffs. In addition, we may be subject to repatriation taxes levied upon the exchange of income from local currency into foreign currency, substantial taxes of profits, revenues, assets and payroll, as well as value-added tax. The markets in which we plan to operate may impose onerous and unpredictable duties, tariffs and taxes on our business and products, and there can be no assurance that this will not reduce the level of sales that we achieve in such markets, which would reduce our revenues and profits.

Risks Related to Our Securities

There is a limited market for our common stock which may make it more difficult to dispose of your stock.

Our common stock is currently quoted on the Over the Counter Bulletin Board under the symbol " CNSI." There is a limited trading market for our common stock. Accordingly, there can be no assurance as to the liquidity of any markets that may develop for our common stock, the ability of holders of our common stock to sell our common stock, or the prices at which holders may be able to sell our common stock.

Our common stock is subject to the "Penny Stock" rules of the SEC and the trading market in our securities is limited, which makes transactions in our stock cumbersome and may reduce the value of an investment in our stock.

The SEC has adopted Rule 3a51-1 which establishes the definition of a "penny stock," for the purposes relevant to us, as any equity security that has a market price of less than $5.00 per share or with an exercise price of less than $5.00 per share, subject to certain exceptions. For any transaction involving a penny stock, unless exempt, Rule 15g-9 requires:

- that a broker or dealer approve a person's account for transactions in penny stocks; and
- the broker or dealer receive from the investor a written agreement to the transaction, setting forth the identity and quantity of the penny stock to be purchased.

In order to approve a person's account for transactions in penny stocks, the broker or dealer must:

- obtain financial information and investment experience objectives of the person; and
- make a reasonable determination that the transactions in penny stocks are suitable for that person and the person has sufficient knowledge and experience in financial matters to be capable of evaluating the risks of transactions in penny stocks.

The broker or dealer must also deliver, prior to any transaction in a penny stock, a disclosure schedule prescribed by the SEC relating to the penny stock market, which, in highlight form:

- sets forth the basis on which the broker or dealer made the suitability determination; and
- that the broker or dealer received a signed, written agreement from the investor prior to the transaction.

Disclosure also has to be made about the risks of investing in penny stocks in both public offerings and in secondary trading and about the commissions payable to both the broker-dealer and the registered representative, current quotations for the securities and the rights and remedies available to an investor in cases of fraud in penny stock transactions. Finally, monthly statements have to be sent disclosing recent price information for the penny stock held in the account and information on the limited market in penny stocks.

Generally, brokers may be less willing to execute transactions in securities subject to the "penny stock" rules. This may make it more difficult for investors to dispose of our common stock and cause a decline in the market value of our stock.

Description of Business

In the description of our business, the terms “we,” “us,” and “our” and words of like import refer to Fuda Faucet Works, Inc. and the other members of the Fuda Group. References to “Capital Solutions” relate to the business of Capital Solutions prior to the reverse merger

We develop, manufacture, distribute and market a wide range of brass faucets and related spouts and fittings. Our products fall within three categories - kitchen and bar faucets, bathroom faucets and bathroom accessories. We produce all of our products in China and export most of them in the international markets, primarily in the Middle East, Europe, and Africa. We began our business by focusing on copper re-processing when Fuda was formed in 1995. In 2002, we began producing and selling the European style brass faucets, spouts and fillings to the Chinese local market, and in 2004, we began to sell our products internationally. We sell our products to distributors of bathroom and kitchen faucets.

Fuda Faucet Works, Inc. was incorporated in 1969 in Delaware as Magnum Communications Corp. It subsequently changed its name to Vacation Ownership Marketing, Inc., whereupon it engaged in the development and marketing of time-shared condominiums. In 1983, the company ceased operations due to continued financial difficulties and adverse litigation. From 1983 until August 29, 2001, the Company was not engaged in any business. On August 29, 2001, the Company acquired Encore Builders, Inc., a construction company, through what was then a subsidiary of the Company. Beginning on August 29, 2001 the Company was engaged in the construction of Conquistador Plaza Apartments in Miami, Florida, pursuant to a lump sum construction contract with Conquistador Plaza. These operations ceased with the separation of Encore Builders from the Company in the first quarter of 2002. On January 21, 2004, the Company took the following actions in lieu of an annual meeting of the stockholders pursuant to Section 228 of the Delaware General Corporation Law:

- Re-election of directors,
- Increased its authorized common stock from 50 million to 1 billion shares,
- Ratification of the issuance of common stock,
- Ratification of the assignment of Encore Builders common stock, and
- Approval of the Amended and Restated Certificate of Incorporation, which Certificate was filed with the Delaware Secretary of State on January 22, 2004.

Prior to the Closing of the Exchange Agreement, Capital was not engaged in any active business. In an effort to preserve and enhance stockholder value, Capital then sought to identify, evaluate and consider various companies and compatible or alternative business opportunities pursuant to which Capital would acquire a target company with an operating business and continue the acquired company's business as a publicly-held entity. After evaluation of various alternatives by our Board and management, our Board approved and we entered into the Agreement with Moral Star BVI and the Moral Star BVI Stockholders on December 3, 2007. From and after the Closing Date, Moral Star BVI became our wholly owned subsidiary, and effective December 3, 2007, Capital Solutions I, Inc., changed it named to Fuda Faucet Works, Inc by merging with its wholly owned subsidiary Fuda Faucet Works, Inc.

Moral Star BVI is a limited liability company incorporated under the laws of the British Virgin Islands on August 22, 2007. Moral Star BVI was organized to own the capital stock of Moral Star China. Moral Star China is a wholly foreign owned enterprise under the laws of the PRC, established on September 27, 2007. All of the issued and outstanding shares of Moral Star China are held by Moral Star BVI. Moral Star China's sole business is to manage, hold and own rights in the business of Fuda. Fuda was incorporated as a limited liability company under the laws of the PRC on November 20, 1995.

PRC law currently has limits on foreign ownership of certain companies. To comply with these foreign ownership restrictions, we operate our businesses in China through Fuda, which is a limited liability company headquartered in China and organized under the laws of China. Fuda has the licenses and approvals necessary to operate our business in China. We have contractual arrangements with Fuda and its respective stockholders pursuant to which we own and operate the business of Fuda. Through these contractual arrangements, we also have the ability to substantially influence Fuda's daily operations and financial affairs, appoint its senior executives and approve all matters requiring stockholder approval. As a result of these contractual arrangements, which enable us to control Fuda, we are considered the primary beneficiary of Fuda. Accordingly, we consolidate the results, asset and liabilities of Fuda in our financial statements.

Contractual Agreements with Fuda and its Stockholders

Prior to the reverse acquisition our business was conducted by Fuda. Fuda is a separate corporation organized under the laws of the PRC and is owned by Wu Yiting. Under the laws of the PRC, we cannot acquire Fuda directly. As a result, Moral Star China entered into a series of agreements with Fuda which we believe give us effective control over the business of Fuda. The business described in this Form 8-K is the business that was conducted by Fuda prior to the reverse merger.

Our relationships with Fuda and its stockholders are governed by a series of contractual arrangements between Moral Star China, Moral Star BVI's wholly foreign owned enterprise in the PRC, and Fuda, the operating company in the PRC. Under PRC laws, each of Moral Star China and Fuda is an independent legal person and none of them is exposed to liabilities incurred by the other parties. Each of the contractual arrangements and the rights and obligations of the parties thereto are enforceable and valid in accordance with the laws of the PRC. On December 3, 2007, we entered into the following contractual arrangements with each of Fuda:

Management Agreement

Pursuant to the management agreement, Moral Star China manages and operates Fuda's business. In implementing this agreement, Moral Start manages the operations of Fuda, including, but not limited to, nominating and replacing members of Fuda's board, determining compensation and controlling management and day-to-day operation. All revenue (total profit (if any) after deduction of necessary expenses) generated by Fuda is paid to Moral Star China and Moral Star China is responsible for paying Fuda's obligations incurred in connection with its business. In addition, Moral Star shall manage and control all of the funds of Fuda.

Related Transactions Agreement

Under the related transactions agreement, Fuda, Moral Star China, and Yiyang Kunpeng [Worn Metal]Recycle Co., Ltd. ("Kunpeng"), a company also owned by Wu Yiting, agreed that Kunpeng shall supply Fuda and Moral Star China on an exclusive basis with recycled copper at its original cost, which will be not greater than the local market price. When the price of worn copper fluctuates in the local market by 20%, Kunpeng must notify Fuda and Moral Star China. This agreement does not prohibit Fuda or Moral Star from obtaining recycled copper from other sources. Kunpeng is presently our largest supplier of raw materials. The agreement also provides that from January 1, 2008, Kunpeng will enter into a management agreement with Moral Star China that gives Moral Star China the right to operate Kunpeng and receive Kunpeng's profit, if any.

Purchase Agreement

Pursuant to the purchase agreement, Moral Star China has a right to purchase the entire business of Fuda. Moral Star China controls all of the operations of Fuda and under the Purchase Agreement, agreed to purchase Fuda's equipment and patents and lease Fuda's manufacturing plants, land, and remaining equipment. The Purchase Agreement is designed so that Moral Star China can conduct its business in China.

Stockholders' Voting Proxy Agreement

Pursuant to the proxy agreement, Wu Yiting, sole stockholder of Fuda, agreed to irrevocably grant a person to be designated by Moral Star China with the right to exercise the stockholder voting rights among other rights, including the attendance at and the voting of the Fuda shares at stockholder meetings (or by written consent in lieu of such meetings) in accordance with applicable laws and its articles of association, including but not limited to the rights to sell or transfer all or any of her equity interests of Fuda, and appoint and vote for the directors and chairman as the authorized representative of the stockholders of Fuda.

Shares Pledge Agreement

Under the pledge agreement, Wu Yiting pledged all of her equity interests in Fuda to Moral Star China to guarantee the Fuda's performance of its obligations under all related agreements by and between Moral Star China and Fuda. Neither Wu Yiting nor Fuda may transfer any of the pledged shares without the permission of Moral Star China

Exclusive Option Agreement

Under the option agreement between the Wu Yiting and Moral Star China, Ms. Wu irrevocably granted Moral Star China or its designated person an exclusive option to purchase, to the extent permitted under PRC law, all or part of the equity interests in Fuda, or to purchase the real estate and land used currently owned by Fuda, at a price agreed upon by all parties. This agreement may not be terminated without the unanimous consent of all the parties, except that Moral Star China may, by giving thirty (30) days prior notice to the parties, may terminate this agreement.

Patent Transfer Agreement

Under the patent transfer agreement, Fuda will transfer its patent certificate of utility model named Bending Water Pipe, designed by Yu Zeshi, patent number ZL 99 2 59230.5, certificate number 427197 to Moral Star China. Moral Star China is to pay an assignment fee for the patent of RMB 10,000. If Fuda does not transfer the patent without reason, Fuda is to pay a penalty fee to Moral Star China. If Fuda delays the transfer for more than two (2) months, Moral Star China has the right to terminate this agreement and request a return of the assignment fee.

Trademark Transfer Agreement

Under the trademark transfer agreement, Fuda transferred its trademark, "FURDHER" to Moral Star China for RMB 10,000 Yuan. The registration is valid until January 1, 2015 in China. The trademark is registered with Serial No. 11, which includes bathroom equipment, flushing device and washing equipment.

Our Business

Our business is to develop, manufacture, distribute and market brass faucets and related spouts and fittings. We produce all of our products in China and export most of them in the international markets, specifically in the Middle East, Europe, and Africa.

We began our business by focusing on copper re-processing when the Company was formed in 1995. In 2002, we began producing and selling the European style brass faucets, spouts and fillings to the Chinese local market, and in 2004, we began to sell our products internationally.

Our principal executive offices are currently located at No.93, Ge Jia Ba, Hua Ying, Yiyang, Jiangxi, People's Republic of China. Our telephone number at that location is (86) 793-5887178. Our website is www.jxfuda.com. Information contained on the website is not a part of this report.

Principle Products and Services

We have four categories of products:

Our Product	Percentage of Sales
Bathroom Faucet	34.95%
Bath Accessories	13.94%
Kitchen/Bar Faucet	51.11%

Principal Suppliers

The Fuda factory manufactures the main part of the faucet, such as faucet body. The Company utilizes the services of other manufacturers for the fittings and/or components to the faucet. These products are readily available to us via the suppliers market. The follow table is our main fittings suppliers.

Main fittings suppliers in 2006 fiscal year

Supplier	Fittings
Wenzhou Haicheng Yongshi Valve Core Company	Valve core
Zhejiang Changhe Jinyi Plumbing Factory	SHOWER SERIES
Zhejiang Aifeiling Plumbing Company	Downcomer
Yutao Lufu Ciwa Valve Factory	Hose, Valve core
Wenzhou Huamei Copper Tube Company	Hose
Zhejiang Changjiang Chaohong Plumbing Factory	SHOWER SERIES

The faucet body is usually made of brass, which is an alloy of copper and zinc. The proportions of zinc and copper can be varied to create a range of brasses with varying properties. Brass is the most widely used material for faucets due to its resistance to soft-water corrosion and hard-water calcification.

Jiangxi province, the location of Fuda factory, is rich in copper mines. In 2006, the production volume of copper in Jiangxi province was about 500,000 tons, according to rhe Analysis Report Of China Copper Market on July 31st, 2007. There are many copper processing factories located around the Fuda factory and it is very easy for Fuda obtain scrap copper when needed. The follow table is our main copper suppliers.

The main copper Suppliers in 2006 fiscal year:

No.	name
1	Yiyang Kunpeng metal scrap recycling Company
2	Yiyang Tengfei Electric ware Company

The Chairman of our Company, Ms. Yiting Wu holds 75% equity of Yiyang KunPeng Metal Recycling Co., Ltd. (“KunPeng”). Ms. Yiting Wu is also the Chairman of KunPeng.

The two suppliers above accounted for 56.4%, and 38.5% of our raw material purchase for the twelve months ended December 31, 2006, respectively. Kunpeng accounted for 95.6% of our raw material purchase for the fiscal year ended December 31, 2005. No other single supplier accounted for more than 3% of our purchases for both periods. KunPeng was the biggest supplier for the fiscal year 2006 and 2005.
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During the fiscal year of 2006 and 2005, the amount of raw materials we purchased from KunPeng was $5,808,538 and $7,898,280, representing 56.4% and 95.6% of the total raw material purchase amount, respectively.

Principal Customers

A significant percentage of our business is generated from a small number of customers. For the twelve months ended December 31, 2006, three customers accounted for 24.7%, 9.9% and 8.1% of our net sales, respectively and no other single customer accounted for more than 5% of our net sales. For the fiscal year ended December 31, 2005, three customers accounted for 18.9%, 12.7% and 7.6% of our net sales, respectively and no other single customer accounted for more than 5% of our net sale.

Fuda has set up sales offices in Dubai, which is the center of retail and wholesales for faucets in the Middle East. The following are our distributors that are located in Dubai.

Customer name	Order volume In Dollars (estimated)	Percentage %	Year
VNS	3.4 million	24%	2006
MKL	2.4 million	17%	2006
ALA	2.4 million	16.8%	2006
TAM	2.2 million	15.65%	2006
TEQ	0.5 million	3.78%	2006

Manufacturing Process

The basic process consists of molding & forming the main body of the faucet, applying a finish, and then assembling the various components, followed by inspection and packaging.

Molding & Forming

Our faucet manufacturers use hot forging instead of machining, since this method can produce a near-net shape in about three seconds with little waste. Forging is the process of shaping metals by deforming them in some way. In hot forging, heated metal is forced results in a shape similar to the faucet body.

Mechanical Machining

Only minor mechanical machining is required to produce the exact dimensions needed, such as drilling homes like the valve core, inlet and outlet.

Polishing

After machining, the faucet body is polished in an eight step process.

Plating

After polishing, the parts are ready for the plating process. Those components that come into contact with water may first require a special surface treatment to remove any remaining. This involves a leaching process that eliminates remaining molecules from the brass surface. The conventional plating is nickel and chrome since these materials are most resistant to corrosion. First, a base coating of electroplated nickel is applied, followed by a thin coating of electroplated chromium. The chrome layer is deposited from a plating bath containing certain additives that improve corrosion resistance.

Our plating facility and relevant water treatment system are built under rigorous government criterion, and we received a manufacturing license from the government department of environmental protection.

Assembling

Finally, the faucets and other components are sent for final assembly. This process takes place on rotary assembly machines, which are precisely controlled. The sprout, if separate, is first installed, followed by the ceramic cartridge. This cartridge is screwed in place with a brass using a pneumatic gun, and then the handle is attached by hand.

After assembly, the faucets are packaged in boxes along with any other components that are needed for final installation.

Quality Control

Our products are checked against the blueprints to ensure it matches all dimensions. A go-no-go gauge is used to make sure the interior and exterior threads fit together.

Before plating, parts are visually checked for surface imperfections, which are removed by sanding. After final assembly, every faucet is pressure tested with air and water for leaks and tested for durability.

The lab will sample some faucets, make use of special devices to test the thickness of plating, carry out a punished/forcing test to evaluate the working life of faucet, and ultimately approve for final installation.

Overview of the Copper and Faucet Industry

Copper is the leading raw material used in the faucet industry. As a result of higher living standards of homes worldwide, the brass faucet industry is in higher demand and as such, the copper re-processing industry is in higher demand.

According to data from Britain BSRIA and US SCOUT SURVEY, the global market of faucets, valve and other plumbing sets are strong in demand. The global market volume of plumbing works is up to $30 billion. There will be annual increases at a rate of 20% in the next five years.

China will become increasingly important as the manufacturing base of plumbing works in the future. China, the United States and Italy manufacture 80% of the world's faucets. According to customs statistics from the United States, the faucet imports reached $2.5 billion in 2005, 20% of which was imported from China. U.S. imports of bathroom accessories reached almost $1 billion in 2005.

As a result of the increased urbanization of China's residential and commercial communities, there is an increased demand in China's local market for medium high wuality products. The sales volume of plumbing works in 2005 was about $1.33 billion in the Chinese local market. China exported about $700 million worth of plumbing works in 2004 with over annual 20% increase rate according to The Analysis Report of China Plumbing Works Market.

Net Sales Per Region

The following tables describe net sales in the major geographic areas in which our customers are located:

	Year ended December 31,	
Item	2006	2005
China	$1,620,319	$2,081,856
U.S.	-	-
Middle East	9,889,880	5,376,993
Total	$11,510,199	$7,458,849

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
China	$-	$3,331,628	$3,899	$4,238,058
U.S.	-	-	-	-
Middle East	7,018,677	0	17,886,493	2,307,423
Total	$7,018,677	$3,331,628	$17,890,392	$6,545,481

Sales and Marketing

Fuda produces, markets and sells medium-class European style brass faucets, spouts and fittings to the international market. Fuda began its business by focusing on copper re-processing when it was formed in 1995. In 2002, Fuda began producing and selling European standard brass faucets, spouts and fillings to the Chinese local market. In 2004, Fuda began to sell its products internationally.

The Company is based in China, but conducts business in the Middle East, Europe and Africa and exports our products into Dubai, Spain, Turkey, Israel, Saudi Arabia, Italy, Iran, Libya, and Russia. Through distributors and wholesalers in Dubai, Fuda's products are resold into different countries.

In September 2007, Fuda opened sales offices in Moscow and Nigeria to extend its business into Russia and Africa.

The Company plans to buy out a old-line trademark and set up a research and development center in Italy in order to improve its sales and marketing in Europe.

The Company's growth is dependent on expanding its manufacturing capacity, upgrading the products, improving quality, and improving international sales and service.

Intellectual Property

We rely on a combination of trademark, copyright and trade secret protection laws in China and other jurisdictions, as well as confidentiality procedures and contractual provisions to protect our intellectual property and our brand. The following table describes our intellectual property:

Type	Name	Issued by	Duration	Description
Trademark	"FURDHER" Registration No. 3512752	Trademark Bureau of the People's Republic of China	Ten years, expiring on January 27, 2015 (and renewable within six months prior to the end of each ten-year term for additional ten-year periods)	Company's trademark registered on product Serial No. 11: Bathroom equipment, flushing device and washing equipment.
Patent	Bending Water Pipe Patent No. ZL 99 2 59230.5 Certificate No. 427197	Intellectual Property Bureau of the People's Republic of China	Ten years, expiring on Februaary 3, 2011	

On July 15, 2007, the Company entered into a Technology (Patent Right) Transfer Agreement with Yiyang Xinxin Hardware Products Co., Ltd. (“Xinxin”) to transfer two patents to Xinxin. The consideration was $609,401 (RMB 4.6 million) in total. As of September 30, 2007, Xinxin has paid full amount of the purchase price.

Competition

The table below represents our primary competition:

Competitor name	standard	product	Scale sets	Revenue in Dollars estimated
Guangzhou Huayi sanitation company	Europe	faucet	1 million	21.4 million
Wenzhou Suerda Plumbing Company	Europe	faucet	1 million	21.4 million
Ningbo Haiba Plumbing Company	Europe	faucet	2.5 million	35.7 million
Wenzhou Aoleishi Plumbing Company	Europe	faucet	0.7 million	14.3 million
Fujian Nanan Luda Plumbing Company	Europe	faucet	1 million	28.6 million

Employees

As of December 1, 2007, we had 718 full time employees.

Legal Proceedings

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. However, litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm its business. We are currently not aware of any such legal proceedings or claims that they believe will have, individually or in the aggregate, a material adverse affect on its business, financial condition or operating results.

Forward Looking Statements

Some of the statements contained in this Form 8-K that are not historical facts are “forward-looking statements” which can be identified by the use of terminology such as “estimates,” “projects,” “plans,” “believes,” “expects,” “anticipates,” “intends,” or the negative or other variations, or by discussions of strategy that involve risks and uncertainties. We urge you to be cautious of the forward-looking statements, that such statements, which are contained in this Form 8-K, reflect our current beliefs with respect to future events and involve known and unknown risks, uncertainties and other factors affecting our operations, market growth, services, products and licenses. No assurances can be given regarding the achievement of future results, as actual results may differ materially as a result of the risks we face, and actual events may differ from the assumptions underlying the statements that have been made regarding anticipated events. Factors that may cause actual results, our performance or achievements, or industry results, to differ materially from those contemplated by such forward-looking statements include without limitation our ability to obtain the necessary financing to continue and expand our operations, our ability to market our products in new markets and to offer products at competitive pricing, our ability to attract and retain management, and to integrate and maintain technical information and management information systems;, our compliance with laws and regulations of the PRC, the effects of currency policies and

fluctuations, general economic conditions and other factors described under “Risk Factors” and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

All written and oral forward-looking statements made in connection with this Form 8-K that are attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements. Given the uncertainties that surround such statements, you are cautioned not to place undue reliance on such forward-looking statements.

Management's Discussion and Analysis of Financial Conditions and Results of Operations

The following discussion of the results of our operations and financial condition should be read in conjunction with our financial statements and the related notes, which appear elsewhere in this report. The following discussion includes forward-looking statements. For a discussion of important factors that could cause actual results to differ from results discussed in the forward-looking statements, see "Forward Looking Statements."

Overview

Jiangxi Yiyang Fuda Copper Co., Ltd. was organized under the laws of the Peoples' Republic of China ("China") in Yiyang County, Jiangxi Province of China on November 20, 1995. Unless otherwise indicated or the context otherwise requires, all references below in this document to the "Company", "us", "our" and "we" refer to Jiangxi Yiyang Fuda Copper. Co. Ltd.

Prior to the reverse acquisition, our business was conducted by Fuda, and this discussion relates to the business, financial condition and results of operations of Fuda. We develop, manufacture, distribute and market high-quality brass faucets and related spouts and fittings. We produce all our products in China and export most of them to international markets primarily in the Middle East, Europe and Africa.

We generate revenue primarily through the sale of our products to distributors in the international market. We do not sell to retail accounts and substantially all of our sales are outside of China. Although we sold approximately 14% of our products in the PRC in 2006, for the nine months ended September 30, 2006, our sales in the PRC were not significant. Our sales are dependent upon both the price and quality of our products. To the extent that fluctuation in Chinese currency against other international currencies makes our products more expensive, our competitive position will be impaired. We do not have long term contracts with any of our customers.

Since our principal operations are conducted in China and the Middle East, we are subject to special considerations and significant risks not typically associated with companies in North America and Western Europe. These risks include, among others, risks associated with the political, economic and legal environments and foreign currency exchange limitations encountered in China and Middle East. Our results of operations may be adversely affected by changes in the political and social conditions in China and Middle East, and by changes in governmental policies with respect to laws and regulations, among other things.

In accordance with the relevant Chinese rules and regulations on management of foreign exchanges, the foreign exchanges generated from sales of our products out of China shall be brought back into China and sold to designated banks instead of being deposited out of China without authorization. In addition, we have to buy foreign exchanges from designated banks upon the strength of valid vouchers and commercial bills when paying current expenditures with foreign exchanges. In addition, all of our transactions undertaken in China are denominated in RMB, which must be converted into other currencies before remittance out of China. Both the conversion of RMB into foreign currencies and the remittance of foreign currencies abroad require the approval of the Chinese government.

Our principal raw materials for our products are raw copper, which we obtain from domestic Chinese suppliers. A significant portion of our copper is recycled copper which we purchase from a company which is 80% owned by Wu Yiting, our chief executive officer and the sole stockholder of Fuda, and 20% owned by Kun Yang, vice president of Fuda. The contract provides that we purchase the copper at cost, but not more than market price.

Any increase in prices of raw material, including copper, will affect the price at which we can sell our product. We have no long term supply contracts, so the prices at which we purchase raw materials are based on the market price at the time. If we are not able to raise our prices to pass on increased costs, we would be unable to maintain our margins. The laws of the PRC give the government broad power to fix and adjust prices. Although the government has not imposed price controls on our raw materials or on our products, it is possible that such controls may be implemented in the future. Since we do not presently sell our products in the PRC, we do not believe that we would be affected in any material respect if price controls are imposed.

We plan to expand our operations into Russia and Africa, which was we view as a significant potential markets for our products. Although we anticipate that these new markets will generate additional revenue and earnings in the long term, it is possible that our start up expenses may have an initial adverse impact until our operations are fully developed. We cannot assure you that we will be successful in entering these new markets.

Prior to December 3, 2007, we were a private company, and we did not have the expenses which are associated with being a public company. As a result, we expect to incur significantly greater legal, accounting and other professional expenses relating to our status as a public company and compliance with SEC rules, including the development and implementation of internal controls.

Significant Accounting Estimates and Policies

The discussion and analysis of our financial condition and results of operations is based upon our financial statements which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets and liabilities. On an on-going basis, we evaluate our estimates including the allowance for doubtful accounts, the salability and recoverability of our products, income taxes and contingencies. We base our estimates on historical experience and on other assumptions that we believe to be reasonable under the circumstances, the results of which form our basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition - We recognizes sales of our products in accordance with Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements" as amended by SAB No. 104, "Revenue Recognition." Sales represent the invoiced value of goods, net of value added tax ("VAT"), if any, and are recognized upon delivery of goods and passage of title. Pursuant to China's VAT rules and regulations, the as an ordinary VAT taxpayer we are subject to a tax rate of 17% ("output VAT"). Such output VAT is payable after offsetting VAT paid by us on purchases ("input VAT").

Comprehensive Income (Loss) - We have adopted Statements of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income," which establishes standards for reporting and presentation of comprehensive income (loss) and its components in a full set of general-purpose financial statements. We have has chosen to report comprehensive income (loss) in the statements of operations and comprehensive income.

Income Taxes - We account for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes," which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are measured using the enacted tax rate expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company establishes a valuation allowance when it is more likely than not that the assets will not be recovered.

With the approvals of the County Government of Yiyang, the Company was exempt from corporate income taxes from the fiscal year 2005 to 2008. Simultaneously the Local Tax Bureau of Yiyang County has also confirmed the abovesaid preferential tax treatment.

On March 16, 2007, China's parliament, the National People's Congress, adopted the Enterprise Income Tax Law, which will take effect on January 1, 2008. The new income tax law sets unified income tax rate for domestic and foreign companies at 25 percent except a 15 percent corporate income tax rate for qualified high and new technology enterprises. In accordance with this new income tax law, low preferential tax rate in accordance with both the tax laws and administrative regulations prior to the promulgation of this Law shall gradually transit to the new tax rate within five years after the implementation of this law.

Inventories - Inventories are stated at the lower of cost, determined on a weighted average basis, and net realizable value. Work in progress and finished goods are composed of direct material, direct labor and a portion of manufacturing overhead. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs to complete and dispose. Management believes that there was no obsolete inventory as of September 30, 2007 and December 31, 2006.

Property, Plant and Equipment - Property, plant and equipment are stated at cost. Major expenditures for betterments and renewals are capitalized while ordinary repairs and maintenance costs are expensed as incurred. Depreciation and amortization is provided using the straight-line method over the estimated useful life of the assets after taking into account the estimated residual value.

There is no private ownership of land in China. All land ownership is held by the government of China, its agencies and collectives. Land use rights are obtained from government, and are typically renewable. Land use rights can be transferred upon approval by the land administrative authorities of China (State Land Administration Bureau) upon payment of the required transfer fee. Under three “State-owned Land Use Right Certificates,” issued in September 23, 1999, November 23, 1999 and July 19, 2001**,** we owns the use right of two blocks of industrial-use land (covering 261,669 square feet) for the term of 50 years, beginning from issuance date of the certificates, respectively. We record the property subject to land use rights as property.

Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, “The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115”. This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board’s long-term measurement objectives for accounting for financial instruments. We are required to adopt SFAS No. 159 in the first quarter of 2008 and are currently evaluating the impact that SFAS No. 159 will have on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on our present or future consolidated financial statements.

Results of Operations

The following table sets forth information from our statements of operations for the years ended December 31, 2006 and 2005 and the nine months ended September 30, 2007 and 2006, in dollars and as a percentage of sales (dollars in thousands):

	Nine Months Ended September 30,						Year Ended December 31,					
	2007			2006			2006			2005		
Net sales	$17,890	100.00	%	$6,545	100.00	%	$11,510	100.00	%	$7,459	100.00	%
Cost of sales	14,366	80.3	%	4,958	75.8	%	9,211	80.0	%	6,189	83.0	%
Gross profit	3,524	19.7	%	1,587	24.2	%	2,299	20.0	%	1,270	17.0	%
Operating expenses	591	3.3	%	140	2.1	%	210	1.8	%	152	2.0	%
Operating income	2,933	16.4	%	1,447	22.1	%	2,088	18.1	%	1,118	15.0	%
Interest expense	265	1.5	%	195	3.0	%	263	2.3	%	170	2.3	%
Net income	3,243	18.1	%	1,251	19.1	%	1,825	15.9	%	948	12.7	%
Comprehensive income	3,560	19.9	%	1,331	20.3	%	2,013	17.5	%	1,021	13.7	%

Nine Months Ended September 30, 2007 and 2006

Net sales. During the nine months ended September 30, 2007, we had revenues of $17,890,000 as compared to revenues of $6,545,000 during the nine months ended September 30, 2006, an increase of approximately 173%. This increase is the result of the net sales growth for the nine months ended September 30, 2007 compared to the nine-months ended September 30, 2006, reflecting the effect of our increased marketing effort directed in the Middle East which resulted in strong sales in Dubai, United Arab Emirates and additional sales to other countries.

Cost of sales; gross margin. During the nine-months ended September 30, 2007, our cost of sales was $14,366,000 as compared to cost of sales of $4,958,000 during the nine months ended September 30, 2006, an increase of 189.8%. The increase in cost of sales reflected the increase in sales. Gross profit increased by $1,936,000 to $3,524,000, for the nine months ended September 30, 2007 from $1,588,000 in the nine months ended September 30, 2006. Our gross margin decreased from 24.2% for the nine months ended September 30, 2006 to 19.7% for the nine months ended September 30, 2007.

Operating income and expenses. Operating expenses, which consist of selling, general and administrative expenses, officers compensation and depreciation and amortization, totaled $591,000 during the nine months ended September 30, 2007 as compared to $140,000 during the nine months ended September 30, 2006. Operating Income was $2,933,000 during the nine months ended September 30, 2007 as compared to $1,447,000 during the nine months ended September 30, 2006. Selling, general and administrative expenses and officer's compensation consist of marketing, salaries, advertising, trade show and overhead expenses, totaled $455,000 during the nine months ended September 30, 2007 as compared to $134,000 during the nine months ended September 30, 2006, a increase of approximately 239.4%. This increase is primarily attributable to an increase in selling expenses and general and administrative expenses. In addition, during the nine months ended September 30, 2007, we incurred $111,000 in consulting and professional fees relating to the proposed reverse acquisition and our future status as a public company. We did not incur any comparable expenses in the nine months ended September 30, 2006.

Depreciation and amortization expense totaled $135,000 during the nine months ended September 30, 2007, as compared to $96,000 during the nine months ended September 30, 2006. The increase in depreciation increased due to the purchase of additional property, plant and equipment in 2007.

Net Income. We had a net income of $3,244,000 for the nine months ended September 30, 2007 as compared to $1,252,000 for the nine months ended September 30, 2006.

Years Ended December 31, 2006 and 2005

Net sales. During the year ended December 31, 2006, we had net sales of $11,510,000 as compared to net sales of $7,459,000 during the year ended December 31, 2005, an increase of approximately 54.3%. The increase is attributable to the results of our marketing efforts in Dubai, United Arab Emirates, which is a retail and wholesale center of plumbing supplies in the Middle East.

Cost of sales; gross margin. During 2006, we had cost of sales of $9,211,533 as compared to cost of sales of $6,188,575 during 2005, an increase of 48.8%. The increase was principally due to the increase in revenues. The gross profit rose to $2,298,666, or an 81% increase for the year ended December 31, 2006 compared to the prior year. Our gross margin increased from 17.0% in 2005 to 20.0% in 2006. The improvement in margin resulted from our increase in sales, which enabled us to reduce the unit cost, and our ability to improve our pricing in our overseas sales.

Operating Expenses. Operating expenses totaled $210,000 for 2006 as compared to $151,749 for the 2005, an increase of $59,000, or approximately 38.7%. The increase in operating expenses was principally due to an increase in selling expenses and officer's compensation. Operating income was $2,088,000 for 2006 as compared to $1,118,000 for 2005. Selling, general and administrative and officer's compensation, which consist of salaries, advertising, and overhead expenses, totaled $202,000 for 2006 as compared to $115,000 for 2005, an increase of $86,000, or approximately 74.8%. The increase is primarily attributable to increases in officer's compensation, advertising, trade shows and marketing costs associated with our expanded marketing effort.

Depreciation and amortization expense totaled $154,000 and $142,000 for 2006 and 2005, respectively. Depreciation declined because assets became fully depreciated.

Net Income. We had a net income of $1,825,000 for 2006 as compared to $948,000 for 2005.

Liquidity and Capital Resources

At September 30, 2007, we had working capital of $4,522,000. During the nine months we generated cash flow from operations of $76,000. Historically, we have used significant cash in our operations. For 2006 and 2005, our business used $1,619,000 and $1,067,000 respectively.

We have financed our operations principally through short term bank loans and, to a lesser extent, through accounts payable to a company controlled by Wu Yiting, our chief executive officer, that sells us most of our copper. The bank loans, which are secured by a mortgage on one of our parcels of land, typically have terms of two or three months. Although the loans have been extended for period of two or three months in the past, we cannot assure you that we will not be required to pay any or all of the notes on their present maturity date. At September 30, 2007, these loans totaled approximately $5,118,000, and the payable to the related company was $603,000.

In December 2007, in connection with the reverse acquisition, we sold shares of preferred stock and warrants for $3,400,000. The net proceeds, after payment of $625,000 to our former principal stockholders, $170,000 as a finders' fee, $85,000 in due diligence fees to our principal investor, and legal and accounting fees of $152,000, we received net proceeds of $2,368,000. We intend to use the proceeds to purchase new equipment to expand our manufacturing facilities.

We believe that our working capital, together with our ongoing business will be sufficient to enable us to meet our cash requirements for the next 12 months. However, we may incur additional expenses as we seek to expand our business to offer services in other markets, including Russia and Africa, it is possible that we may require additional funding for that purpose. Although we do not have any current plans to make any acquisitions, it is possible that we may seek to acquire one or more businesses in the education field, and we may require financing for that purpose. We cannot assure you that funding will be available if and when we require funding.

The securities purchase agreement for our December 2007 private placement prohibits us (i) from issuing convertible debt or preferred stock until the earlier of December 2010 or until the investors have converted or exercised and sold the securities issued in the private placement or (ii) from having debt in an amount greater than twice our EBITDA until December 2010 or until 90% of the securities have been converted or exercised and sold. The investors in the private placement also have a right of first refusal on future financings. These provisions may make it difficult for us to raise money for our operations or for acquisitions.

Description of Property

The total gross amount of property, plant and equipment was $3,178,767 and $3,064,940 as of December 31, 2006 and 2005, respectively, net of impairment of $146,209 for workshops and machinery and equipments thereinto which have been left unused since December 31, 2004. The increase was mainly due to appreciation of RMB.

Under three "State-owned Land Use Right Certificates", the Company owns the use right of two blocks of industrial-use land (covering 24,309.86 square meters) for the term of 50 years, beginning from issuance date of the certificates, respectively. In China, all land is owned by the government and there is no private ownership of land. The government issues a certificate of use right, which is transferable, and permits the holder to use the land.

Among above-said property and plant, one block of land and 10 workshops had been used as collateral from September 6, 2004 to September 5, 2007, which was extended to September 5, 2010 in accordance with a Maximum Amount Mortgage Contract with a commercial bank dated on September 6, 2007.

The Company previously leased an office in Dubai under an operating lease that expired in September 2007 with an aggregate monthly lease payment of approximately $1,313. This operating lease was replaced by another operating lease expiring in September 2008 with the same rent. Rent expense under the operating leases for the fiscal year ended December 31, 2006 and 2005was $13,130 and nil, respectively.

Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth certain information concerning the number of our common shares owned beneficially as of December 4, 2007 by: (i) each person (including any group) known to us to own more than five percent (5%) of any class of our voting securities, (ii) each of our directors and named executive officers, and (iii) officers and directors as a group. Unless otherwise indicated, our stockholders listed possess sole voting and investment power with respect to the common shares shown.

Name	Shares of Common Stock Beneficially Owned (2)	Percentage
Jibrin Issa Jibrin ALJibrin (3)	7,017,620	65.4 %
Ms. Wu Yiting (3)	7,017,620	65.4 %
Ms. Wu Yaxu	0	0 %
Mr. Shu Shaohua	0	0 %
All officers and directors as a group (3)	7,017,620	65.4 %

(1) Unless otherwise noted, the address for each of the named beneficial owners and directors and officers is c/o Fuda Faucet Works, Inc., Ge Jia Ba, Hua Ting, Yiyang, Jiangxi, PRC 334400

(2) Under Rule 13d-3, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares: (i) voting power, which includes the power to vote, or to direct the voting of shares; and (ii) investment power, which includes the power to dispose or direct the disposition of shares. Certain shares may be deemed to be beneficially owned by more than one person (if, for example, persons share the power to vote or the power to dispose of the shares). In addition, shares are deemed to be beneficially owned by a person if the person has the right to acquire the shares (for example, upon exercise of an option) within 60 days of the date as of which the information is provided. In computing the percentage ownership of any person, the amount of shares outstanding is deemed to include the amount of shares beneficially owned by such person (and only such person) by reason of these acquisition rights. As a result, the percentage of outstanding shares of any person as shown in this table does not necessarily reflect the person's actual ownership or voting power with respect to the number of shares of common stock actually outstanding on December 3, 2007. As of December 3, 2007, there were 10,725,440 common shares issued and outstanding.

(3) Jibrin Issa Jibrin ALJibrin is trustee to the Ms, Wu Yiting Stock Trust. Ms. Wu Yiting is our Chief Executive Officer and Chairman of our Board of Directors.

Barron Partners owns series A preferred stock and warrants which, if fully converted and exercised, would result in the ownership of more than 5% of our outstanding common stock. However, the series A preferred stock may not be converted and the warrants may not be exercised if such conversion or exercise would result in Barron Partners and its affiliates owning more than 4.9% of our outstanding common stock. This limitation may not be waived.

Management

Appointment of New Officers and Directors

In connection with the Share Exchange, Richard and Christopher Astrom tendered their resignation as the members of our Board, and our Board appointed three (3) successor directors, namely, Ms. Wu Yiting, Ms. WuYaxu and Mr. Shau Shaohua (collectively the "Successor Directors"). Upon compliance with the provisions of Section 14(f) of the Securities Act of 1933, as amended (the "Act"), and Rule 14(f)-1 thereunder, the resignation of Richard and Christopher Astrom and the appointments of the Successor Directors as new members of our Board will also become effective. Furthermore, concurrent with the Closing of the Exchange Agreement, Richard and Christopher Astrom resigned from their positions as Capital Solutions' s President, Vice President, Chief Financial Officer, Treasurer and Secretary, and we appointed two (2) new officers (collectively the "Current Officers"). Descriptions of the Successor Directors and the Current Officers can be found below in the section titled "New Management."

New Management

The following table sets forth the names and ages of the Current Officers, who assumed their positions on the Closing Date of the Exchange Agreement, and of the Successor Directors, who will become members of our Board upon the expiration of the 10-day period following the delivery and/or mailing of the Schedule 14f-1 Information Statement to our stockholders as required under Rule 14(f)-1:

Name	Age	Position
Ms. Wu Yiting	44	Chief Executive Officer and Chairman of the Board of Directors
Ms. Wu Yaxu	42	Chief Financial Officer, Director
Shu Shaohua	44	Director

Below are the names and certain information regarding our executive officers of the Company

WU Yi Ting

Ms. WU Yi Ting, 44, is now the current Chief Executive Officer and chairman of Fuda Faucet's board of directors. From 1995 to the present, Ms Yi Ting founded Jiangxi Yiyang Fuda Copper Co. Ltd. ("Fuda"), a limited liability company headquartered in, and organized under the laws of, the PRC. Ms. Wu majored in economy management and graduated from Central China Political University in 2000. Ms. Wu is a registered accountant in China.

WU Yaxu

Wu Yaxu, 42, is now the Chief Financial Officer and a director of Fuda Faucet. She worked as accountant supervisor in Jiangxi Gandongbei Bushing Factory from 1983 to 1994. Ms. Wu has been working at Fuda since 1995 until the present. Ms. Wu majored in Corporation Management and graduated from Beijing Academy of Social Science in 1989. Ms. Wu is registered accountant in China.

Shu Shaohua

Su Shaohua, 44, is a director ofFuda Faucet. Mr.Shu worked as Manager of Engineering Department in Shenzhen Sight Decoration Led from 1984 to 2001. Mr. Shu joined Fuda since 2002 as Vice General Manager for manufacturing and buyers. Mr. Shu majored in mechanical designing and manufacturing, and graduated from Jiangxi University of Technology in 1983. Mr. Shu is an engineer.

Code of Ethics

We have not adopted a code of ethics as of the date of this current report. Prior to the Closing, we only had two individuals acting as a directors and executive officers of the company, and it had no employees. However, we plan to adopt a code of ethics in the upcoming fiscal year.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires our executive officers and directors, and persons who beneficially own more than 10% of a registered class of our equity securities to file with the Securities and Exchange Commission initial statements of beneficial ownership, reports of changes in ownership and annual reports concerning their ownership of our common shares and other equity securities, on Forms 3, 4 and 5 respectively. Executive officers, directors and greater than 10% stockholders are required by the Securities and Exchange Commission regulations to furnish us with copies of all Section 16(a) reports they file. Based on our review of the copies of such forms received by us, and to the best of our knowledge, other than reported in our annual report on Form 10-KSB filed on September 13, 2007, all executive officers, directors and greater than 10% stockholders filed the required reports in a timely manner.

Board of Directors, Board Meetings and Committees

At the expiration of the 10-day period following the delivery and/or mailing of the Schedule 14f-1 Information Statement to our stockholders as required under Rule 14(f)-1, our Board will comprise of three members. All members of the Board serve in this capacity until their terms expire or until their successors are duly elected and qualified.

Ms. WU Yiting has been appointed as the Chairman of the Board of Directors. In this capacity she is responsible for meeting with our Chief Financial Officer to review our financial and operating results, agendas and minutes of board and committee meetings, and presiding at the meetings of the committees of the Board.

Our Board held no formal meetings during the most recently completed fiscal year. All proceedings of the Board were conducted by resolutions, consented to in writing by all the directors and filed with the minutes of the proceedings of the directors. Such resolutions consented to in writing by the directors entitled to vote on that resolution at a meeting of the directors are, according to the corporate laws of the State of Delaware and our By-laws, as valid and effective as if they had been passed at a meeting of the directors duly called and held.

Executive Compensation

Summary Compensation Table

The following table sets forth all compensation paid in respect of Capital Solutions' Chief Executive Officer and those individuals who received compensation in excess of $100,000 per year (collectively, the "Named Executive Officers") for the Company's last two completed fiscal years.

Name and principal position	Year	Salary ($)	Bonus ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan ($)	Non-qualified Deferred Compensation Earnings ($)	All other compensation ($)	Total ($)
WU Yiting	2005	$8,571	--	--	--	--	--	--	$8,571
CEO and President	2006	$8,571	--	--	--	--	--	--	$8,571

Outstanding Equity Awards

None.

Employment Agreements

None.

Stock Option Plans

None.

Compensation of Directors

Our directors receive no compensation for their service on the board of directors.

Certain Relationships and Related Transactions

See Item 1.01

Description of Securities

Capital Solutions' authorized capital stock consists of 900,000,000 shares of common stock which have a par value of $.0000001 per share, and 20,000000 shares of preferred stock which have a par value of $.0000001 per share. After the Closing of the Financing, we have agreed to amend our Certificate of Incorporation to authorize changing the par value of both our common stock and preferred stock to $.001 per share.

As of December 4, 2007, we have approximately 10,725,440 shares of our common stock issued and outstanding, and approximately 13,816,349 shares of our preferred stock issued and outstanding.

Market for Common Equity and Related Stockholder Matters

Our common stock is listed on the Over the Counter Bulletin Board under the symbol CSNI. However, there is currently no regular market or trading in the Company's common stock, and we cannot give an assurance that such a market will develop. Our agreement with the Investors under the Purchase Agreement prohibits our payment of dividends while the Series A Preferred Stock are outstanding.

As of December 4, 2007, we had a total of 19,998,167 shares of common stock reserved for issuance as follows:

- 13,816,349 shares issuable upon conversion of the series A preferred stock issued to the Investors under the Purchase Agreement.
- 6,181,818 shares issuable upon exercise of the warrants issued to the Investors under the Purchase Agreement.

We do not have any equity compensation plan.

Legal Proceedings

None.

Recent Sales of Unregistered Securities

Reference is made to Item 3.02 of this Current Report on Form 8-K for a description of recent sales of unregistered securities, which is hereby incorporated herein by reference.

Indemnification of Directors and Officers

Our Articles of Incorporation, as amended and restated, provide to the fullest extent permitted by Section 145 of the General Corporation Law of the State of Delaware, that our directors or officers shall not be personally liable to us or our stockholders for damages for breach of such director's or officer's fiduciary duty. The effect of this provision of our Articles of Incorporation, as amended and restated, is to eliminate our rights and our stockholders (through stockholders' derivative suits on behalf of our company) to recover damages against a director or officer for breach of the fiduciary duty of care as a director or officer (including breaches resulting from negligent or grossly negligent behavior), except under certain situations defined by statute. We believe that the indemnification provisions in our Articles of Incorporation, as amended, are necessary to attract and retain qualified persons as directors and officers.

Our By Laws also provide that the Board of Directors may also authorize the company to indemnify our employees or agents, and to advance the reasonable expenses of such persons, to the same extent, following the same determinations and upon the same conditions as are required for the indemnification of and advancement of expenses to our directors and officers. As of the date of this Registration Statement, the Board of Directors has not extended indemnification rights to persons other than directors and officers.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, or otherwise, we have been advised that in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable.

Item 5.01 Changes in Control of Company.

See Item 1.01 of this Form 8-K

Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

(b) Resignation of Officers and Directors

Pursuant to the terms of the Exchange Agreement, Christopher Accent resigned as Capital Solutions' Chief Executive and Chief Financial Officer, effective December 3, 2007, the Closing Date of the Exchange Agreement. In addition, Richard Astrom tendered his resignation from our Board on the Closing Date, which resignation will become effective upon our compliance with the provisions of Section 14(f) of the Act, and Rule 14(f)-1 thereunder.

(c) Appointment of Officers

In connection with the Share Exchange Transaction, effective November *, 2007, the following persons were appointed as our officers (individually, a "Current Officer" and collectively, the "Current Officers"):

Name	Age	Position
WU Yiting	44	Chief Executive Officer, President and Director
WU Yaxu	42	Chief Financial Officer and Director

Descriptions of our Current Officers can be found in Item 2.01 above, in the section titled "New Management."

(d) Appointment of Directors

In connection with the Share Exchange Transaction, the following persons were appointed as new members of our Board (individually, a "New Director" and collectively, the "New Directors"), effective upon our compliance with the provisions of Section 14(f) of the Act, and Rule 14(f)-1 thereunder:

Name	Age	Position
WU Yiting	44	Chief Executive Officer, President and Director
WU Yaxu	42	Chief Financial Officer and Director
Shu Shaohua	44	Director

Descriptions of our New Directors can be found in Item 2.01 above, in the section titled "New Management."

Item 5.06 Change in Shell Company Status

As explained more fully in Item 2.01 above, Capital Solutions was a "shell company" (as such term is defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended) immediately before the Closing of the Exchange. As a result of the Exchange, Moral Star China became the wholly owned subsidiary and main operating business of Capital Solutions. Consequently, Company believes that the Exchange has caused it to cease to be a shell company. For information about the Exchange, please see the information set forth above under Item 2.01 of this Current Report on Form 8-K above, which information is incorporated herein by reference.

Item 9.01 Financial Statement and Exhibits

(a) Financial statements of businesses acquired.

Please see Page F-1.

(b) Pro forma financial information.

The Pro Forma Financial Information is filed as Exhibit 99.9 to this Current Report and is incorporated herein by reference.

(c) Shell company transactions.

Reference is made to Items 9.01(a) and 9.01(b) above and the exhibits referred to therein, which are incorporated herein by reference.

(d) Exhibits

Exhibit Number	Description
3.1	Certificate of Incorporation for Fuda Faucet Works, Inc.
3.2	Certificate of Ownership and Merger of Fuda Faucet Works, Inc. and Capital Solutions I, Inc., dated December 3, 2007
99.1	Securities Purchase Agreement, dated December 3, 2007
99.2	Certificate of Designation of Series A Preferred Stock
99.3	Form of $1.80 Warrants, dated December 3, 2007
99.4	Form of $3.00 Warrants, dated December 3, 2007
99.5	Registration Rights Agreement, dated December 3, 2007
99.6	Closing Escrow Agreement, dated December 3, 2007
99.7	Share Exchange Agreement, dated December 3, 2007
99.8	BuyBack Agreement. Dated December 3, 2007
99.9	Frequently Related Transactions Structural Agreement between Moral Star China, Fuda, and Kunpeng
99.10	Purchase Agreement between Moral Star China and Fuda

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FUDA FAUCET WORKS, INC.

Dated: December 7, 2007

By: /s/ WU Yiting

Name: WU Yiting

Title: Chief Executive Officer

JIANXI YIYANG FUDA COPPER CO., LTD.

Index to Financial Statements

JIANGXI YIYANG FUDA COPPER CO., LTD.
BALANCE SHEETS
September 30, 2007
(UNAUDITED)

Item	(US dollars)
ASSETS	
Current assets	
Cash and cash equivalents	205,442
Accounts receivable	6,486,509
Due from related parties	80,917
Prepayments to suppliers	28,310
Inventories	5,962,427
Other current assets	15,485
Total current assets	12,779,090
Property, plant and equipment	
Land use right	845,387
Buildings	1,326,185
Machinery and equipment	1,059,581
Automobiles	124,967
Office equipment	57,522
Property plant and equipment - total	3,413,642
Less: accumulated depreciation	(709,864)
Property plant and equipment - net	2,703,778
Construction in progress	1,773,968
Total assets	17,256,836
LIABILITIES AND OWNERS' EQUITY	
Current liabilities	
Short-term bank loans	5,117,545
Accounts payable	2,067,811
Advances from customers	234,078
Due to related parties-trade	603,038
Due to related parties- non-trade	133,658
Accrued expenses	94,780
Other payables	26,033
Total current liabilities	8,276,943
Total Liabilities	8,276,943
Commitments and Contingencies	
Owners'equity	
Registered capital	603,321
Surplus reserve	260,430
Retained earnings	7,536,832
Accumulated other comprehensive income	579,310
Total owners'equity	8,979,893

Total liabilities and owners'equity	17,256,836

See notes to financial statements.

JIANGXI YIYANG FUDA COPPER CO., LTD.
STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME
(UNAUDITED)

Item	(US dollars) Three months ended September 30,		(US dollars) Nine months ended September 30,	
	2007	2006	2007	2006
Net sales	7,018,677	3,331,628	17,890,392	6,545,481
Cost of sales	5,592,999	2,490,508	14,366,466	4,957,851
Gross profit	1,425,678	841,120	3,523,926	1,587,630
Operating expenses:				
Selling expenses	54,036	18,713	182,721	40,929
General and administrative	81,761	23,187	184,225	54,924
Officers' compensation	37,533	16,270	88,547	38,391
Depreciation and amortization	18,417	2,445	24,689	6,170
Consulting and professional fees	110,940	-	110,940	-
Total operating expenses	302,687	60,615	591,122	140,414
Operating income	1,122,991	780,505	2,932,804	1,447,216
Income from Transfer of patents - net	576,493	-	576,493	-
Interest expenses	(96,220)	(77,512)	(265,540)	(195,428)
Net income	1,603,264	702,993	3,243,757	1,251,788
Other comprehensive income				
Foreign currency translation adjustment	119,836	10,415	316,772	79,178
Comprehensive income	1,723,100	713,408	3,560,529	1,330,966

See notes to financial statements.

JIANGXI YIYANG FUDA COPPER CO., LTD.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

Item	(US dollars) Nine months ended September 30, 2007	2006
Cash flows from operating activities:		
Net income	3,243,757	1,251,788
Adjustments to reconcile net income to		
net cash used in operating activities:		
Depreciation and amortization	134,923	95,538
Gain from transfer of patents	(576,493)	-
(Increase) decrease in:		
Accounts receivable	(3,313,712)	824,554
Prepayments to suppliers	343,624	(824,484)
Inventories	(854,987)	(1,659,371)
Other current assets	67,993	(108,819)
Increase (decrease) in:		
Accounts payable	1,350,582	394,673
Due to related parties-trade	(565,925)	(121,564)
Advances from customers	234,078	(54,141)
Accrued expenses	59,024	(12,830)
Other payables	(46,366)	(7,777)
Net cash provided by (used in) operating activities:	76,498	(222,433)
Cash flows from investing activities:		
Purchase of fixed assets	(1,933,706)	(109,496)
Transfer of patents	612,451	-
Net cash used in investing activities	(1,321,255)	(109,496)
Cash flows from financing activities:		
Proceeds from short-term bank loans	8,961,847	4,589,882
Repayment of short-term bank loans	(7,787,957)	(4,879,437)
Proceeds from related parties	1,581,793	650,872
Repayment to related parties	(2,083,805)	(63,222)
Proceeds from empolyees	932,657	-
Repayment to employees	(932,657)	-
Net cash provided by (used in) financing activities	671,878	298,095
Effect of exchange rate changes on cash and cash equivalents:	397,607	145,136
Cash and equivalents		
Net increase (decrease) in cash and equivalents	(175,272)	111,302
Cash and equivalents, beginning of period	380,714	862,912
Cash and equivalents, end of period	205,442	974,214
Supplemental Disclosures of Cash flow Information:		

Cash paid for interest	206,473	195,176
Cash paid for income taxes	-	-

See notes to financial statements.

1. Background and Basis of Presentation

Organization -Jiangxi Yiyang Fuda Copper Co., Ltd, hereinafter referred to as the "Company", "us", "our" and "we", was organized under the laws of the Peoples' Republic of China ("China") in Yiyang County, Jiangxi Province of China on November 20, 1995.

Business - Our business is to develop, manufacture, distribute and market high-quality brass faucets and related spouts and fittings. We produce all our products in China and export most of them to international markets primarily in the Middle East, Europe and Africa.

Basis of Presentation - The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP). We compile our daily accounts in accordance with accounting principles generally accepted in China (PRC GAAP) and convert our financial statements to make them comply with US GAAP when reporting.

Use of Estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounting estimates include bad debt provision, impairment of inventory and long-lived assets, depreciation and amortization, etc.

Country Risk - As the Company's principal operations are conducted in China and the Middle East, the Company is subject to special considerations and significant risks not typically associated with companies in North America and/or Western Europe. These risks include, among others, risks associated with the political, economic and legal environments and foreign currency exchange limitations encountered in China and Middle East. The Company's results of operations may be adversely affected by changes in the political and social conditions in China and Middle East, and by changes in governmental policies with respect to laws and regulations, among other things.

In accordance with the relevant Chinese rules and regulations on management of foreign exchanges, the foreign exchanges generated from sales of our products out of China shall be brought back into China and sold to designated banks instead of being deposited out of China without authorization. On the other hand, the Company have to buy foreign exchanges from designated banks upon the strength of valid vouchers and commercial bills when paying current expenditures with foreign exchanges. In addition, all of the Company's transactions undertaken in China are denominated in Renminbi ("RMB"), which must be converted into other currencies before remittance out of China. Both the conversion of RMB into foreign currencies and the remittance of foreign currencies abroad require the approval of the Chinese government.

Credit Risk - The Company performs ongoing credit evaluations of its customers and intends to establish an allowance for doubtful accounts when outstanding balances are not considered fully collectable. According to the Company's credit policy, the Company generally provides 100% bad debt provision for the amounts outstanding over 180 days after the deduction of the amount subsequently settled after the balance sheet date, which management believes is consistent with industry practice.

The amount of payment we require our customers to pay when placing an order varies from partial payment to noneôdepending on the credit evaluation results of each individual customer. We provide our customers with a credit period based on our credit evaluation prior to delivery. Credit period will not be more than three months unless other terms are authorized by management. We maintain a policy that all sales are final and we do not allow returns. No return occurred for the nine months ended September 30, 2007. Based on industry practice and the credit history of customers, management believes the accounts receivable as of September 30, 2007 are fully collectable.

Foreign Currency Translation - The functional currency of the Company is China RMB, which is the primary medium of exchange where the Company operates. The Company reports its financial results in United States dollars ("U.S. dollars" or "US$").

The Company translates its assets and liabilities into U.S. dollars using the rate of exchange prevailing at the balance sheet date, and the statement of operations is translated at the average rates over each month during the reporting period. Equity items are translated at historical exchange rates. Adjustments resulting from the translation from RMB into U.S. dollars are recorded in owners' equity as part of accumulated comprehensive income (loss). Gains or losses resulting from transactions in currencies other than RMB are reflected in the statement of operations and comprehensive income. The translation rates from RMB to US dollars as of and for the three months ended September 30, 2007 and 2006 are as follows:

Translation rate for assets and liabilities as of September 30, 2007	7.5108:1
Translation rate for registered capital and surplus as of September 30, 2007	8.2875:1
Translation rate for profit & loss items for the three months ended September 30, 2007	7.5484:1
Translation rate for profit & loss items for the three months ended September 30, 2006	7.9468:1
Translation rate for profit & loss items for the nine months ended September 30, 2007	7:6678:1
Translation rate for profit & loss items for the nine months ended September 30, 2006	7.9990:1

Revenue Recognition - The Company recognizes sales of its products in accordance with Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements", as amended by SAB No. 104, "Revenue Recognition". Sales represent the invoiced value of goods, net of value added tax ("VAT"), if any, and are recognized upon delivery of goods and passage of title.

Pursuant to China's VAT rules and regulations, the Company as an ordinary VAT taxpayer is subject to a tax rate of 17% ("output VAT"). Such output VAT is payable after offsetting VAT paid by us on purchases ("input VAT").

Advertising - The Company expenses all advertising costs as incurred.

Research and Development - Research and development costs are charged to expense as incurred.

Comprehensive Income (Loss) - The Company has adopted Statements of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", which establishes standards for reporting and presentation of comprehensive income (loss) and its components in a full set of general-purpose financial statements. The Company has chosen to report comprehensive income (loss) in the statements of operations and comprehensive income.

Income Taxes -The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes", which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are measured using the enacted tax rate expected to apply to taxable income in the years in which those temporary

differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company establishes a valuation allowance when it is more likely than not that the assets will not be recovered.

With the approvals of the County Government of Yiyang, the Company was exempt from corporate income taxes from the fiscal year 2005 to 2008. Simultaneously the Local Tax Bureau of Yiyang County has also confirmed the abovesaid preferential tax treatment. (For more details, see Note 16 below).

On March 16, 2007, China's parliament, the National People's Congress, adopted the Enterprise Income Tax Law, which will take effect on January 1, 2008. The new income tax law sets unified income tax rate for domestic and foreign companies at 25 percent except a 15 percent corporate income tax rate for qualified high and new technology enterprises. In accordance with this new income tax law, low preferential tax rate in accordance with both the tax laws and administrative regulations prior to the promulgation of this Law shall gradually transit to the new tax rate within five years after the implementation of this law.

Cash and Cash Equivalents - Highly liquid investments with a maturity of three months or less at the time of acquisition are considered to be cash equivalents.

Inventories - Inventories are stated at the lower of cost, determined on a weighted average basis, and net realizable value. Work in progress and finished goods are composed of direct material, direct labour and a portion of manufacturing overhead. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs to complete and dispose. Management believes that there was no obsolete inventory as of September 30, 2007 and December 31, 2006.

Property, Plant and Equipment - Property, plant and equipment are stated at cost. Major expenditures for betterments and renewals are capitalized while ordinary repairs and maintenance costs are expensed as incurred. Depreciation and amortization is provided using the straight-line method over the estimated useful life of the assets after taking into account the estimated residual value. The estimated useful life of property, plant and equipment are as follows:

Land use rights	50 years
Buildings	30 years
Machinery and equipment	10 years
Automobiles	5 years
Office equipment	5 years

Construction in progress represents factory and office buildings under construction. No interest was capitalized during all reporting periods.

We periodically evaluate our investment in long-lived assets, including property and equipment, for recoverability whenever events or changes in circumstances indicate the net carrying amount may not be recoverable. Our judgments regarding potential impairment are based on legal factors, market conditions and operational performance indicators, among others. In assessing the impairment of property and equipment, we make assumptions regarding the estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or the related assumptions change in the future, we may be required to record impairment charges for these assets. From December 2004 to present, fixed assets amounted of $454,991 were left unused, including land, workshop building and equipments. Since value of land in similar sections of the city were increasing, therefore no impairment on land use right should be charged. Meanwhile, workshop buildings were maintained in good condition, most of the equipments will be transported and reinstalled into our new workshop building, which is now under construction. A provision for impairment of certain idle assets in the amount of $146,209 was made previously when they were turned into idle status.

2. Recent Accounting Pronouncements

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115". This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. We are required to adopt SFAS No. 159 in the first quarter of 2008 and are currently evaluating the impact that SFAS No. 159 will have on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

3. Accounts Receivable

As of September 30, 2007 the balance of accounts receivable was $6,486,509. Management believes all these accounts are fully collectible and no allowance for doubtful accounts is required. There are no accounts receivable outstanding over 180 days.

4. Inventories

Inventories consisted of the following as of September 30, 2007:

	September 30, 2007
Raw materials	$3,577,864
Work in progress	1,213,050
Finished goods	1,171,513
Total	$5,962,427

Management believes that no inventory was obsolete on each balance sheet date thus no impairment on inventories was provided during all reporting periods.

5. Property, Plant and Equipment

The total gross amount of property, plant and equipment was $3,413,642 as of September 30, 2007.

Under three "State-owned Land Use Right Certificates", the Company owns the use right of two blocks of industrial-use land (covering 24,309.86 square meters) for the term of 50 years, beginning from issuance date of the certificates, respectively. In China, all land is owned by the government and there is no private ownership of land. The government issues a certificate of use right, which is transferable, and permits the holder to use the land.

Depreciation expense was $134,923 and $95,538 for the nine months ended September 30, 2007 and 2006 respectively.

Among above-said property and plant, one block of land and 10 workshops had been given as collateral from September 6, 2004 to September 5, 2007, which was extended to September 5, 2010 in accordance with a Maximum Amount Mortgage Contract with a commercial bank dated on September 6, 2007. The net book value of these collaterals as of September 30, 2007 was $1,633,792.

6. Construction in progress

As of September 30, 2007, the balance of construction in progress was $1,773,968, which represents the construction of new workshop buildings to expand current production capability. The construction started in the early 2007.

The use right of the land (covering 261,669square feet) , on which the above-said new workshop buildings are being constructed, is under the name of Ms. Yiting Wu, the Company's only owner and current chairman. She has agreed to transfer the use right of this block of land to the Company before the construction is finished.

7. Short-term bank loans

The balance of short-term bank loans as of September 30, 2007 was $5,117,545 as follows:

Loan Bank	Main Terms		September 30, 2007
Industrial and Commercial Bank of China Ltd., YiYang Branch	Two or theree-month-term loans, bearing benchmark interest rate announced by People's Bank of China	$	3,364,488
Bank of China, YiYang Branch[(1)]	Two or theree-month-term secured loans, bearing benchmark interest rate announced by People's Bank of China		1,753,057
Total		$	5,117,545

(1) Each loan from Bank of China, Yiyang Branch was secured by one block of land and 10 workshops under an accessory Maximum Amount Mortgage Contract with the bank dated September 6, 2004, and on September 6, 2007, this mortgage contract was replaced by another one, which will expire on September 5, 2010.

8. Short-term loans from employees.

During the nine months ended September 30, 2007, five employees lent $932,657 to the Company. These loans bear no interest or definitive due date. The Company repaid all these loans as of September 30, 2007.

9. Accounts Payable

The balance of accounts payable was $2,067,811 as of September 30, 2007 all of which were payable to material suppliers.

10. Advances from customers

The balance of advances from customers was $234,078 as of September 30, 2007 all of which were prepayments made by our customers before delivery of goods.

11. Related party transactions

The transactions between the Company and related parties are classified into two categories: non-trade and trade.

(1) Non-trade balances with related parties.

Related party	Category	September 30, 2007
Zeshi Yu	Due from related party	$ 80,917
Yiting Wu	Due to related party	133,658

(i) Zeshi Yu

Mr. Yu was in possession of 51% of our equity from the establishment of the Company to April 8, 2007. He was also Chairman of the Board during the same period. On April 8, 2007, Mr. Yu transferred all of his equity to another owner of the Company and resigned as Chairman of the Board and Director. Mr. Yu is the husband of the Company's only stockholder and current Chairman, Ms. Yiting Wu.

During the nine months ended September 30, 2007, Mr. Yu lent to the Company $186,462 and the Company repaid Mr. Yu $775,306. The excess repayment $80,918 is the balance Mr. Yu owed the Company as of September 30, 2007. All abovementioned loans bear no interest. As of October 10, 2007, Mr. Yu settled the balance.

(ii) Yiting Wu

Ms. Yiting Wu is the Company's only owner and current Chairman.

In the first quarter of 2006, Yiting Wu advanced $38,419 to the Company as working capital for the representative office in Dubai, which is still outstanding as of September 30, 2007. The increase was due to appreciation of RMB.

(iii) Yaxu Wu

Ms. Yaxu Wu is the Chief Financial Officer since the establishment of the Company. She is also the sister of the Company's current Chairman.

During the nine months ended September 30, 2007, Ms. Yaxu Wu borrowed $1,302,083 from the Company, which didn't bear any interest. As of September 30, 2007, Ms. Yaxu Wu has repaid all of her outstanding balance to the Company.

(2) Trade transactions with Yiyang KunPeng Metal Recycling Co., Ltd.

The Chairman of our Company, Ms. Yiting Wu holds 80% equity of Yiyang KunPeng Metal Recycling Co., Ltd. ("KunPeng"). Ms. Yiting Wu is also the Chairman of KunPeng. Mr. Kun Yang, the Vice-President of our Company holds the rest 20% equity of KungPeng.

We purchased part of our raw materials from KunPeng. During the nine months ended September 30, 2007, the amount of raw materials we purchased from KunPeng was $10,803,800, representing 66.8% of the total raw material purchase amount.

As of September 30, 2007 and December 31, 2006, the amount due to Kunpeng in connection with above-said trade transactions was $603,038 and $1,168,963, respectively.

12. Accrued expenses

As of September 30, 2007 the accrued expenses were $94,780. Accrued expenses mainly consist of accrued salaries and legal fees.

13. Owners' equity

From January 1, 2005 to April 2007, our Company's amount of registered capital was $603,321 owned by two owners, among which Mr. Zeshi Yu owned 51% and Ms. Yiting Wu owned 49%.

In April 2007, Mr. Zeshi Yu transferred all his equity to Ms. Yiting Wu thus Ms. Yiting Wu became the only owner of the Company.

14. Concentration of Suppliers and Customers

Two suppliers accounted for 66.8% and 24.1% of our raw material purchase during the nine months ended September 30, 2007 respectively. During such period, no other single supplier accounted for more than 2% of our purchases and KunPeng was the biggest supplier. (See Note 11 above)

Two suppliers accounted for 81.0% and 5.8% of our raw material purchase during the three months ended September 30, 2007 respectively. During such period, no other single supplier accounted for more than 2% of our purchases and KunPeng was the biggest supplier. (See Note 11 above)

For the nine months ended September 30, 2007, two customers accounted for 69.7% and 13.1% of our net sales, respectively and no other single customer accounted for more than 8% of our net sales.

For the three months ended September 30, 2007, two customers accounted for 69.8% and 18.7% of our net sales, respectively and no other single customer accounted for more than 9% of our net sales.

15. Segment Reporting

Since January 1, 2005, we have been operating as only one segment - producing and distributing brass faucets and related spouts and fittings, no business segment information is presented. Management believes that the following table highlights relevant information to the chief operation decision makers for measuring business performances and financing needs and preparing the corporate budget and other items. Net sales, classified by the major geographic areas in which our customers are located, were as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
China	$-	$3,331,628	$3,899	$4,238,058
U.S.	-	-	-	-
Middle East	7,018,677	0	17,886,493	2,307,423
Total	$7,018,677	$3,331,628	$17,890,392	$6,545,481

16. Income Tax

Pursuant to the approval on income tax of the People's Government of Yiyang County dated December 10, 2004, we were eligible for exemptions of income tax for the fiscal years 2005 and 2006. Pursuant to the similar approval dated July 17, 2007, we continue to be eligible for exemption of income tax for 2007 and 2008. Therefore, we paid no income tax during the nine months ended September 30, 2007. The Local Tax Bureau of Yiyang County also confirmed the abovesaid preferential tax treatment on September 30, 2007. The difference between the effective income tax rate and the statutory rate for the Company was as follows:

	Year ended December 31,	
	2007	2006
Statutory rate	33.0%	33.0%
Income tax holiday	(33.0%)	(33.0%)
Effective income tax rate	-	-

On March 16, 2007, China's parliament, the National People's Congress, adopted the Enterprise Income Tax Law, which will take effective on January 1, 2008. The new income tax law sets unified income tax rate for domestic and foreign companies at 25 percent with exception that a 15 percent corporate income tax rate for qualified high and new technology enterprises. In accordance with this new income tax law, low preferential tax rate in accordance with both the tax laws and administrative regulations prior to the promulgation of this Law shall gradually transit to the tax rate provided herein within five years of the implementation of this Law.

17. Transfer of Patents

On July 15, 2007, the Company entered into a Technology (Patent Right) Transfer Agreement with Yiyang Xinxin Hardware Products Co., Ltd. (“Xinxin”) to transfer two patents to Xinxin. The consideration was $609,401 (RMB 4.6 million) in total. As of September 30, 2007, Xinxin has paid full amount of the purchase price.

The research expenses of these two patents had been charged into expenses as incurred and had not been capitalized, therefore their book value were both nil when transferring. We recognized income $576,493, net of relating taxes and expenses.

18. Commitments and Contingencies

The Company previously leased an office in Dubai under an operating lease that expired in September 2007 with an aggregate monthly lease payment of approximately $1,313. This operating lease was replaced by another operating lease expiring in September 2008 with the same rent. Rent expense under the operating leases for the nine months ended September 30, 2007 and 2006 was $11,817 and $7,878, respectively.

19. Subsequent Event

In November 2007, the Company entered into a structural agreement with KunPeng, a related party (see note 10), and another related party, whereby KunPeng is obligated to sell copper raw materials to the Company and the other related party at cost, which should not exceed the local market price. Under the terms of the agreement, KunPeng is only permitted to sell to the Company and the other related party.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Jiangxi Yiyang Fuda Copper Co., Ltd.

We have audited the accompanying balance sheets of Jiangxi Yiyang Fuda Copper Co., Ltd. ("Fuda") as of December 31, 2006 and 2005, and the related statements of income and comprehensive income, changes in owners' equity, and cash flows for each of the years in the two-year period ended December 31, 2006. Fuda's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Fuda as of December 31, 2006 and 2005, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2006 in conformity with accounting principles generally accepted in the United States of America.

/s/ Bernstein & Pinchuk LLP

New York, New York

September 29, 2007

Jiangxi Yiyang Fuda Copper Co., Ltd.

Balance Sheets

Item	(US dollars)	
	December 31, 2006	December 31, 2005
ASSETS		
Current assets		
Cash and cash equivalents	380,714	862,912
Accounts receivable	3,172,797	1,379,998
Due from related parties	-	48,326
Prepayments to suppliers	371,934	10,445
Inventories	5,107,440	3,017,595
Other current assets	83,478	52,386
Total current assets	9,116,363	5,371,662
Property, Plant and Equipment:		
Land use right	813,136	786,788
Buildings	1,275,591	1,234,258
Machinery and equipment	1,002,401	969,250
Automobiles	84,617	73,341
Office equipment	3,022	1,303
Property plant and equipment - total	3,178,767	3,064,940
Less: accumulated depreciation	(574,941)	(420,463)
Property plant and equipment - net	2,603,826	2,644,477
Total assets	11,720,189	8,016,139
LIABILITIES AND OWNERS' EQUITY		
Current liabilities		
Short-term bank loans	3,793,205	3,325,816
Accounts payable	717,229	119,454
Due to related parties-trade	1,168,963	1,113,681
Due to related parties- non-trade	546,345	-
Accrued expenses	35,756	43,872
Other payables	39,327	7,336
Total current liabilities	6,300,825	4,610,159
Total Liabilities	6,300,825	4,610,159
Commitments and Contingencies øsee Note 14)		
Owners'equity		
Registered capital	603,321	603,321
Surplus reserve	260,430	260,430
Retained earnings	4,293,075	2,467,963
Accumulated other comprehensive income	262,538	74,266
Total owners'equity	5,419,364	3,405,980

Total liabilities and owners' equity	11,720,189	8,016,139

See notes to financial statements

Jiangxi Yiyang Fuda Copper Co., Ltd.
Statements of Operations and Comprehensive Income

Item	(US dollars) Year ended December 31, 2006	2005
Net sales	11,510,199	7,458,849
Cost of sales	9,211,533	6,188,757
Gross profit	2,298,666	1,270,092
Operating expenses:		
Selling expenses	72,335	40,043
General and administrative	73,094	62,471
Officers' compensation	56,363	12,945
Depreciation and amortization	8,701	36,290
Total operating expenses	210,493	151,749
Operating income	2,088,173	1,118,343
Interest expenses	(263,061)	(170,355)
Net income	1,825,112	947,988
Other comprehensive income		
Foreign currency translation adjustment	188,272	73,467
Comprehensive income	2,013,384	1,021,455

See notes to financial statements

Jiangxi Yiyang Fuda Copper Co., Ltd.
Statements of Cash Flows

Item	(US dollars) Year ended December 31, 2006	2005
Cash flows from operating activities:		
Net income	1,825,112	947,988
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	154,478	142,326
(Increase) decrease in:		
Accounts receivable	(1,792,799)	(149,275)
Prepayments to suppliers	(361,489)	(3,092)
Inventories	(2,089,845)	(2,737,172)
Other current assets	(31,092)	(52,085)
Increase (decrease) in:		
Accounts payable	597,775	68,908
Due to related parties-trade	55,282	1,065,709
Advances from customers	-	(375,710)
Accrued expenses	(8,116)	17,776
Other payables	31,991	7,336
Net cash used in operating activities:	(1,618,703)	(1,067,291)
Cash flows from investing activities:		
Purchase of fixed assets	-	(2,270)
Net cash used in investing activities	-	(2,270)
Cash flows from financing activities:		
Proceeds from short-term bank loans	6,462,023	3,367,698
Repayment of short-term bank loans	(6,106,010)	(2,025,724)
Proceeds from related parties	658,702	416,464
Repayment to related parties	(64,031)	(261,573)
Net cash from financing activities	950,684	1,496,865
Effect of exchange rate changes on cash and cash equivalents:	185,821	41,513
Cash and equivalents		
Net increase (decrease) in cash and equivalents	(482,198)	468,817
Cash and equivalents, beginning of year	862,912	394,095
Cash and equivalents, end of year	380,714	862,912
Supplemental Disclosures of Cash flow Information:		
Cash paid for interest	268,164	167,105
Cash paid for income taxes	-	-
Non-cash investing and financing activities:		

Appropriation of surplus reserve	-	139,606

See notes to financial statements

Jiangxi Yiyang Fuda Copper Co., Ltd.
Statements of Changes in Owners' Equity

Item	(US dollars) Registered capital	Surplus reserve	Retained earnings	Other comprehensive income	Total owners' equity
Balance, January 1, 2005	603,321	120,824	1,659,581	799	2,384,525
Appropriation of reserve fund	-	139,606	(139,606)	-	-
Net income for the year ended December 31, 2005	-	-	947,988	-	947,988
Other Comprehensive income (loss)- Foreign currency translation adjustment	-	-		73,467	73,467
Balance as of December 31, 2005	603,321	260,430	2,467,963	74,266	3,405,980
Net income for the year ended December 31, 2006	-	-	1,825,112	-	1,825,112
Other Comprehensive income (loss)- Foreign currency translation adjustment	-	-		188,272	188,272
Balance as of December 31, 2006	603,321	260,430	4,293,075	262,538	5,419,364

See notes to financial statements

Jiangxi Yiyang Fuda Copper Co., Ltd.
Notes to Financial Statements
December 31, 2006 and 2005

1. Background and Basis of Presentation

Organization -Jiangxi Yiyang Fuda Copper Co., Ltd, hereinafter referred to as the "Company", "us", "our" and "we", was organized under the laws of the Peoples' Republic of China ("China") in Yiyang County, Jiangxi Province of China on November 20, 1995.

Business - Our business is to develop, manufacture, distribute and market high-quality brass faucets and related spouts and fittings. We produce all our products in China and export most of them to international markets primarily in the Middle East, Europe and Africa.

Basis of Presentation - The financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP). We compile our daily accounts in accordance with accounting principles generally accepted in China (PRC GAAP) and convert our financial statements to make them comply with US GAAP when reporting.

Use of Estimates - The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant accounting estimates include bad debt provision, impairment of inventory and long-lived assets, depreciation and amortization, etc.

Country Risk - As the Company's principal operations are conducted in China and the Middle East, the Company is subject to special considerations and significant risks not typically associated with companies in North America and/or Western Europe. These risks include, among others, risks associated with the political, economic and legal environments and foreign currency exchange limitations encountered in China and Middle East. The Company's results of operations may be adversely affected by changes in the political and social conditions in China and Middle East, and by changes in governmental policies with respect to laws and regulations, among other things.

In accordance with the relevant Chinese rules and regulations on management of foreign exchanges, the foreign exchanges generated from sales of our products out of China shall be brought back into China and sold to designated banks instead of being deposited out of China without authorization. On the other hand, the Company have to buy foreign exchanges from designated banks upon the strength of valid vouchers and commercial bills when paying current expenditures with foreign exchanges. In addition, all of the Company's transactions undertaken in China are denominated in Renminbi ("RMB"), which must be converted into other currencies before remittance out of China. Both the conversion of RMB into foreign currencies and the remittance of foreign currencies abroad require the approval of the Chinese government.

Credit Risk - The Company performs ongoing credit evaluations of its customers and intends to establish an allowance for doubtful accounts when outstanding balances are not considered fully collectable. According to the Company's credit policy, the Company generally provides 100% bad debt provision for the amounts outstanding over 180 days after the deduction of the amount subsequently settled after the balance sheet date, which management believes is consistent with industry practice.

The amount of payment we require our customers to pay when placing an order varies from partial payment to noneôdepending on the credit evaluation results of each individual customer. We provide our customers with a credit period based on our credit evaluation prior to delivery. Credit period will not be more than three months unless other terms are authorized by management. We maintain a policy that all sales are final and we do not allow returns. No return occurred in the fiscal year of 2006 and 2005. Based on industry practice and the credit history of customers, the management believes the accounts receivable as of December 31, 2006 and 2005 are fully collectable.

Foreign Currency Translation - The functional currency of the Company is China RMB, which is the primary medium of exchange where the Company operates. The Company reports its financial results in United States dollars ("U.S. dollars" or "US$").

The Company translates its assets and liabilities into U.S. dollars using the rate of exchange prevailing at the balance sheet date, and the statement of operations is translated at the average rates over each month during the reporting period. Equity items are translated at historical exchange rates. Adjustments resulting from the translation from RMB into U.S. dollars are recorded in owners' equity as part of accumulated comprehensive income (loss). Gains or losses resulting from transactions in currencies other than RMB are reflected in the statement of operations and comprehensive income. The translation rates from RMB to US dollars for the fiscal years of 2006 and 2005 are as follows:

	2006	2005
Translation rate for assets and liabilities as of December 31,	7.8087:1	8.0702:1
Translation rate for equity items as of December 31,	8.2875:1	8.2875:1
Translation rate for profit & loss items for the fiscal year of	7.9602:1	8.1835:1

Revenue Recognition - The Company recognizes sales of its products in accordance with Securities and Exchange Commission ("SEC") Staff Accounting Bulletin ("SAB") No. 101, "Revenue Recognition in Financial Statements", as amended by SAB No. 104, "Revenue Recognition". Sales represent the invoiced value of goods, net of value added tax ("VAT"), if any, and are recognized upon delivery of goods and passage of title.

Pursuant to China's VAT rules and regulations, the Company as an ordinary VAT taxpayer is subject to a tax rate of 17% ("output VAT"). Such output VAT is payable after offsetting VAT paid by us on purchases ("input VAT").

Advertising - The Company expenses all advertising costs as incurred.

Research and Development - Research and development costs are charged to expense as incurred.

Comprehensive Income (Loss) - The Company has adopted Statements of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", which establishes standards for reporting and presentation of comprehensive income (loss) and its components in a full set of general-purpose financial statements. The Company has chosen to report comprehensive income (loss) in the statements of operations and comprehensive income.

Income Taxes -The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes", which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are recognized for the future tax consequence attributable to the difference between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are measured using the enacted tax rate expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The Company establishes a valuation allowance when it is more likely than not that the assets will not be recovered.

With the approvals of the County Government of Yiyang, the Company was exempt from corporate income taxes for the fiscal year 2005 to 2008. Simultaneously the Local Tax Bureau of Yiyang County also retroactively confirmed the above-said preferential tax treatment. (For more details, see Note 13 below).

On March 16, 2007, China's parliament, the National People's Congress, adopted the Enterprise Income Tax Law, which will take effect on January 1, 2008. The new income tax law sets unified income tax rate for domestic and foreign companies at 25 percent except a 15 percent corporate income tax rate for qualified high and new technology enterprises. In accordance with this new income tax law, low preferential tax rate in accordance with both the tax laws and administrative regulations prior to the promulgation of this Law shall gradually transit to the new tax rate within five years after the implementation of this law.

Cash and Cash Equivalents - Highly liquid investments with a maturity of three months or less at the time of acquisition are considered to be cash equivalents.

Inventories - Inventories are stated at the lower of cost, determined on a weighted average basis, and net realizable value. Work in progress and finished goods are composed of direct material, direct labour and a portion of manufacturing overhead. Net realizable value is the estimated selling price, in the ordinary course of business, less estimated costs to complete and dispose. Management believes that there was no obsolete inventory as of December 31, 2006 and 2005.

Property, Plant and Equipment - Property, plant and equipment are stated at cost. Major expenditures for betterments and renewals are capitalized while ordinary repairs and maintenance costs are expensed as incurred. Depreciation and amortization is provided using the straight-line method over the estimated useful life of the assets after taking into account the estimated residual value. The estimated useful life of property, plant and equipment are as follows:

Land use rights	50 years
Buildings	30 years
Machinery and equipment	10 years
Automobiles	5 years
Office equipment	5 years

Construction in progress represents factory and office buildings under construction. No interest was capitalized during all reporting periods.

We periodically evaluate our investment in long-lived assets, including property and equipment, for recoverability whenever events or changes in circumstances indicate the net carrying amount may not be recoverable. Our judgments regarding potential impairment are based on legal factors, market conditions and operational performance indicators, among others. In assessing the impairment of property and equipment, we make assumptions regarding the estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or the related assumptions change in the future, we may be required to record impairment charges for these assets. From December 2004 to present, fixed assets amounted of $454,991 were left unused, including land, workshop building and equipments. Since value of land in similar sections of the city were increasing, therefore no impairment on land use right should be charged. Meanwhile, workshop buildings were maintained in good condition, most of the equipments will be transported and reinstalled into our new workshop building, which is now under construction. A provision for impairment of certain idle assets in the amount of $146,209 was made previously when they were turned into idle status.

2. Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments-an amendment of FASB Statements No. 133 and 140." SFAS No. 155 amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" to permit fair value remeasurement for any hybrid financial instrument with an embedded derivative that otherwise would require bifurcation, provided that the whole instrument is accounted for on a fair value basis. SFAS No. 155 amends SFAS No. 140, "Accounting for the Impairment or Disposal of Long-Lived Assets", to allow a qualifying special-purpose entity ("SPE") to hold a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 applies to all financial instruments acquired or issued after the beginning of an entity's first fiscal year that begins after September 15, 2006, with earlier application allowed. The Company has not any financial instruments at the present and does not expect the adoption of SFAS No. 155 to have a material impact on its consolidated results of operations and financial condition.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets-an amendment of FASB Statement No. 140." SFAS No. 156 requires that all separately recognized servicing rights be initially measured at fair value, if practicable. In addition, this Statement permits an entity to choose between two measurement methods (amortization method or fair value measurement method) for each class of separately recognized servicing assets and liabilities. This new accounting standard is effective January 1, 2007. The adoption of SFAS 156 is expected to have no material impact on our financial statements.

In April 2006, the FASB issued FASB Staff Position ("FSP") FIN 46(R)-6, "Determining the Variability to Be Considered in Applying FASB Interpretation No. 46(R)", that became effective beginning July 2006. FSP FIN No. 46(R)-6 clarifies that the variability to be considered in applying Interpretation 46(R) shall be based on an analysis of the design of the variable interest entity. The Company has not any variable interest entity which shall be consolidated, and the adoption of this FSP is not expected to have a material effect on our consolidated financial statements.

In June 2006, the FASB issued FASB Interpretation No. 48, Accounting for Uncertain Income Taxes ("FIN 48"). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. FIN 48 prescribes a comprehensive model for how a company should recognize, measure, present, and disclose in its financial statements uncertain tax positions that the company has taken or expects to take on a tax return. FIN 48 is effective for fiscal years beginning after December 16, 2006. Management evaluated the impact of the tax exempt treatments enjoyed by the Company that were approved by the local government and also confirmed by the local tax bureau (For more details, see Note 13 below). Management believe that for the fiscal year 2005 and 2006, no uncertainty of income tax shall be taken into consideration.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principle and expands disclosures of fair value measurement. In application, this statement does not require any new fair value measurements. It shall be effective for fiscal years beginning after November 15, 2007, and all interim periods within those fiscal years. Earlier application is permitted if the entity has not yet issued interim or annual financial statements for that fiscal year. The Company is currently evaluating the impact that the adoption of this statement will have on the Company's consolidated financial position, results of operations or cash flows.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans", This statement improves financial reporting by requiring an employer to recognize the overfunded or underfunded status of a defined benefit postretirement plan (other than a multiemployer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income or business entity. For an employer with publicly traded equity securities, the requirement to recognize the funded status of a benefit plan and the disclosure requirements are effective

as of the end of the fiscal year ending after December 15, 2006. The Company is currently evaluating the impact that the adoption of this statement will have on the Company's consolidated financial position, results of operations or cash flows.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities - Including an amendment of FASB Statement No. 115". This Statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. This Statement is expected to expand the use of fair value measurement, which is consistent with the Board's long-term measurement objectives for accounting for financial instruments. We are required to adopt SFAS No. 159 in the first quarter of 2008 and are currently evaluating the impact that SFAS No. 159 will have on our consolidated financial statements.

Other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the AICPA, and the SEC did not or are not believed by management to have a material impact on the Company's present or future consolidated financial statements.

3. Accounts Receivable

As of December 31, 2006 and 2005, the balance of accounts receivable was $3,172,797 and $1,379,998, respectively. Based on the Company's credit policy and valuation, management believes the balance on each balance sheet date herein was fully collectable therefore no bad debt allowance was provided.

4. Inventories

Inventories consisted of the following as of December 31, 2006 and 2005:

	December 31,	
	2006	2005
Raw materials	$3,381,948	$2,290,717
Finished goods	982,850	276,111
Work in progress	742,642	450,767
Total	$5,107,440	$3,017,595

Management believes that no inventory was obsolete on each balance sheet date thus no impairment on inventories was provided.

5. Property, Plant and Equipment

The total gross amount of property, plant and equipment was $3,178,767 and $3,064,940 as of December 31, 2006 and 2005, respectively, net of impairment of $146,209 for workshops and machinery and equipments thereinto which have been left unused since December 31, 2004. The increase was mainly due to appreciation of RMB.

Under three "State-owned Land Use Right Certificates", the Company owns the use right of two blocks of industrial-use land (covering 24,309.86 square meters) for the term of 50 years, beginning from issuance date of the certificates, respectively. In China, all land is owned by the government and there is no private ownership of land. The government issues a certificate of use right, which is transferable, and permits the holder to use the land.

Depreciation expense was $154,478 and $142,326 for the fiscal year of 2006 and 2005, respectively.

Among above-said property and plant, one block of land and 10 workshops had been used as collateral from September 6, 2004 to September 5, 2007, which was extended to September 5, 2010 in accordance with a Maximum Amount Mortgage Contract with a commercial bank dated on September 6, 2007. The net book value of this collateral as of December 31, 2006 and 2005 was $1,596,383 and $1,575,696, respectively.

6. Short-term bank loans

The balance of short-term bank loans as of December 31, 2006 and 2005 was $3,793,205 and $3,325,816, respectively as follows:

Loan Bank	Main Terms	December 31, 2006	December 31, 2005
Industrial and Commercial Bank of China Ltd., YiYang Branch	Two or theree-month-term loans, bearing benchmark interest rate announced by People's Bank of China	$2,699,553	$2,543,927
Bank of China, YiYang Branch(1)	Two or theree-month-term secured loans, bearing benchmark interest rate announced by People's Bank of China	1,093,652	781,889
Total		$3,793,205	$3,325,816

(1) Each loan from Bank of China, Yiyang Branch was secured by one block of land and 10 workshops under an accessory Maximum Amount Mortgage Contract with the bank dated September 6, 2004, and on September 6, 2007, this mortgage contract was replaced by another one, which will expire on September 5, 2010.

7. Accounts Payable

The balances of accounts payable was $717,229 and $119,454 as of December 31, 2006 and 2005, respectively, all of which were the payables to material suppliers.

8. Related party transactions

The transactions between the Company and related parties are classified into two categories: non-trade and trade.

(1) Non-trade transactions with related parties.

	December 31

Related party	Catergory	2006	2005
Zeshi Yu	Due from related party	$-	$48,326
Zeshi Yu	Due to related party	507,926	-
Yi Ting Wu	Due to related party	38,419	-

Mr. Yu was in possession of 51% of our equity from the establishment of the Company to April 8, 2007. He was also Chairman of the Board during the same period. On April 8, 2007, Mr. Yu transferred all of his equity to another owner of the Company and resigned as Chairman of the Board and Director. Mr. Yu is the husband of the Company's only owner and current Chairman, Ms. Yiting Wu.

As of January 1, 2005, the amount Mr. Yu owed the Company was $203,217. During 2005, Mr. Yu borrowed $261,573 from the Company and repaid $416,464. As of December 31, 2005, the balance Mr. Yu owed the Company was $48,326. Mr. Yu lent to the Company $620,283 during 2006, after offsetting the outstanding balance that Mr. Yu owed the Company, the Company repaid $64,031 to Mr. Yu. As of December 31, 2006, the balance the Company owed Mr. Yu was $507,926. All abovementioned loans bear no interest.

(i) Yiting Wu

Ms. Yiting Wu is the Company's only stockholder and current Chairman.

In the first quarter of 2006, Yiting Wu advanced $38,419 to the Company as working capital for the representative office in Dubai, which is still outstanding as of October 31, 2007.

(2) Trade transactions with Yiyang KunPeng Metal Recycling Co., Ltd.

The Chairman of our Company, Ms. Yiting Wu holds 80% equity of Yiyang KunPeng Metal Recycling Co., Ltd. ("KunPeng"). Ms. Yiting Wu is also the Chairman of KunPeng. Mr. Kun Yang, the Vice-President of our Company holds the rest 20% equity of KungPeng.

We purchased part of our raw materials from KunPeng. During the fiscal year of 2006 and 2005, the amount of raw materials we purchased from KunPeng was $5,808,538 and $7,898,280, representing 56.4% and 95.6% of the total raw material purchase amount, respectively.

As of December 31, 2006 and 2005, the amount due to Kunpeng in connection with above-said trade transactions was $1,168,963 and $1,113,681, respectively.

9. Accrued expenses

As of December 31, 2006 and 2005, the accrued expenses were $35,756 and $43,872 respectively. Accrued expenses mainly consist of accrued salaries.

10. Owners' equity

From January 1, 2005 to December 31, 2006, our Company's amount of registered capital was $603,321 owned by two owners, among which Mr. Zeshi Yu owned 51% and Ms. Yiting Wu owned 49%.

In April 2007, Mr. Zeshi Yu transferred all his equity to Ms. Yiting Wu thus Ms. Yiting Wu became the only owner of the Company.

In 2005, the Board of Directors and owners' meeting ratified a proposal of profit distribution, according to which we appropriated surplus reserve of $139,606.

11. Concentration of Suppliers and Customers

Two suppliers accounted for 56.4%, and 38.5% of our raw material purchase for the twelve months ended December 31, 2006. One supplier accounted for 95.6% of our raw material purchase for the fiscal year ended December 31, 2005. No other single supplier accounted for more than 3% of our purchases for both periods. KunPeng (a related party) was the biggest supplier for the fiscal year 2006 and 2005. (See Note 8 above)

For the twelve months ended December 31, 2006, three customers accounted for 24.7%, 9.9% and 8.1% of our net sales, respectively and no other single customer accounted for more than 5% of our net sales. For the fiscal year ended December 31, 2005, three customers accounted for 18.9%, 12.7% and 7.6% of our net sales, respectively and no other single customer accounted for more than 5% of our net sale.

12. Segment Reporting

Since January 1, 2005, we have been operating as only one segment - producing and distributing brass faucets and related spouts and fittings, no business segment information is presented. Management believes that the following table highlights relevant information to the chief operation decision makers for measuring business performances and financing needs and preparing the corporate budget and other items. Net sales, classified by the major geographic areas in which our customers are located, were as follows:

	Year ended December 31,	
Item	2006	2005
China	$1,620,319	$2,081,856
U.S.	-	-
Middle East	9,889,880	5,376,993
Total	$11,510,199	$7,458,849

13. Income Tax

Pursuant to the approval on income tax of the People's Government of Yiyang County dated December 10, 2004, we were eligible for exemptions of income tax for the fiscal years 2005 and 2006. The Local Tax Bureau of Yiyang County also retroactively confirmed the above-said preferential tax treatment on September 30, 2007. The difference between the effective income tax rate and the statutory rate for the Company was as follows:

	Year ended December 31,	
	2006	2005
Statutory rate	33.0 %	33.0 %
Income tax holiday	(33.0 %)	(33.0 %)
Effective income tax rate	-	-

On March 16, 2007, China's parliament, the National People's Congress, adopted the Enterprise Income Tax Law, which will take effective on January 1, 2008. The new income tax law sets a unified income tax rate for domestic and foreign companies at 25 percent with an exception of 15 percent corporate income tax rate for qualified high and new technology enterprises. In accordance with this new income tax law, low preferential tax rate in accordance with both the tax laws and administrative regulations prior to the promulgation of this Law shall gradually transit to the tax rate provided herein within five years of the implementation of this Law.

14. Commitments and Contingencies

The Company previously leased an office in Dubai under an operating lease that expired in September 2007 with an aggregate monthly lease payment of approximately $1,313. This operating lease was replaced by another operating lease expiring in September 2008 with the same rent. Rent expense under the operating leases for the fiscal year ended December 31, 2006 and 2005was $13,130 and nil, respectively.

15. Subsequent Event

On July 15, 2007, the Company entered into a Technology (Patent Right) Transfer Agreement with Yiyang Xinxin Hardware Products Co., Ltd. ("Xinxin") to transfer two patents to Xinxin with the price of $ 612,450 (RMB 4.6 million yuan) in total. Xinxin has paid full amount of the purchase price as of September 30, 2007.

CERTIFICATE OF INCORPORATION
OF
Fuda Faucet Works, Inc.

ARTICLE ONE
NAME

The name of this corporation (the "Corporation") shall be Fuda Faucet Works, Inc.

ARTICLE II
REGISTERED OFFICE

The address, including street, number, city, and county, of the registered office of the Corporation in the State of Delaware is The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle; and the name of the registered agent of the Corporation in the State of Delaware at such address is The Corporation Trust Company.

ARTICLE III
PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

ARTICLE IV
CAPITAL STOCK

The total number of shares of capital stock which the Corporation shall have authority to issue is one thousand (1,000) shares of common stock, having a par value of $0.01 per share.

ARTICLE V
DIRECTOR LIABILITY

No director shall be personally liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty by such director as a director. Notwithstanding the foregoing sentence, a director shall be liable to the extent provided by applicable law, (i) for breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit. If the General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation, in addition to the limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended General Corporation Law. No amendment to or repeal of this Article V shall apply to or have any effect on the liability or alleged liability of any director of the Corporation for or with respect to any acts or omissions of such director occurring prior to such amendment**.**

ARTICLE VI
INDEMNIFICATION

The Corporation shall indemnify, to the fullest extent permitted by Section 145 of the General Corporation Law, as amended from time to time, each person that such section grants the Corporation the power to indemnify.

ARTICLE VII
BY-LAWS

The Board of Directors shall have the power to adopt, amend or repeal the by-laws of the Corporation.

ARTICLE VIII
INCORPORATOR

The name and mailing address of the sole incorporator is as follows:

Jared Daniel Verteramo
Sichenzia Ross Friedman Ference LLP
61 Broadway
New York, New York 10006

I, THE UNDERSIGNED, being the incorporator, for the purpose of forming a corporation under the laws of the State of Delaware, do make, file and record this Certificate of Incorporation and, accordingly, have hereto set my hand this 3rd day of December, 2007.

/s/ Jared Daniel Verteramo
Jared Daniel Verteramo

CERTIFICATE OF OWNERSHIP AND MERGER

OF

FUDA FAUCET WORKS, INC.
(a Delaware corporation)

INTO

CAPITAL SOLUTIONS I, INC.
(a Delaware corporation)

Under Section 253 of the Delaware General Corporation Law

The undersigned corporation does hereby certify as follows:

FIRST: Capital Solutions I, Inc. (the "Corporation") is a business corporation of the State of Delaware.

SECOND: The Corporation is the owner of all of the outstanding shares of the stock of Fuda Faucet Works, Inc., which is also a business corporation of the State of Delaware.

THIRD: On December 3, 2007, the Board of Directors of the Corporation adopted the following resolutions to merge Fuda Faucet Works, Inc. into the Corporation:

> RESOLVED that Fuda Faucet Works, Inc. be merged into this Corporation, and that all of the estate, property, rights, privileges, powers and franchises of Fuda Faucet Works, Inc. be vested in and held and enjoyed by this Corporation as fully and entirely and without change or diminution as the same were before held and enjoyed by Fuda Faucet Works, Inc. in its name; and further
>
> RESOLVED that this Corporation shall assume all of the obligations of Fuda Faucet Works, Inc.; and further
>
> RESOLVED, that the officers of this Corporation be, and they and each of them hereby is, authorized, empowered and instructed to file a Certificate of Ownership and Merger of Fuda Faucet Works, Inc. into this Corporation pursuant to Section 253 of the Delaware General Corporation Law and to take such other action as they may deem necessary or advisable in order to effect the merger of Fuda Faucet Works, Inc. into this Corporation, the taking of such action to be conclusive evidence as to the necessity or advisability therefor; and further

RESOLVED, that this Corporation shall change its name to Fuda Faucet Works, Inc. upon the effectiveness of the Merger; and further

RESOLVED, that the merger of Fuda Faucet Works, Inc. into this Corporation shall be effective upon filing of the Certificate of Ownership and Merger with the Secretary of State of the State of Delaware; and further

RESOLVED, that the officers of this Corporation be, and they hereby are, authorized and empowered to certify as to the adoption of any or all of the foregoing resolutions.

Dated: December 3, 2007

CAPITAL SOLUTIONS I, INC.

By: /s/ Wu Yiting

Wu Yiting

Chief Executive Officer

SECURITIES PURCHASE AGREEMENT

BETWEEN

CAPITAL SOLUTIONS I, INC.

AND

BARRON PARTNERS LP

AND

THE OTHER INVESTORS NAMED HEREIN

DATED

December 3, 2007

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (the "**Agreement**") is made and entered into as of the 3rd day of December, 2007, between **Capital Solutions I, Inc.**, a Delaware corporation (the "Company"), and **Barron Partners LP,** a Delaware limited partnership ("**Barron**"), and any other investors named on the signature page of this Agreement (together with Barron, the "**Investors**" and each an "**Investor**").

RECITALS:

WHEREAS, the Investors wish to purchase from the Company, upon the terms and subject to the conditions of this Agreement, for the Purchase Price, as hereinafter defined, (a) an aggregate of 3,090,090 shares of the Company's Series A Convertible Preferred Stock ("**Series A Preferred Stock**"), with each share of Series A Preferred Stock being initially convertible into one share of the Company's Common Stock, subject to adjustment, (b) common stock purchase warrants (the "**Warrants**") to purchase 2,060,606 shares of Common Stock at $1.80 per share, (c) Warrants to purchase 4,121,212 shares of Common Stock at $3.00 per share, all shares and per share information reflecting the Share Distribution, as hereinafter defined; and

WHEREAS, each Investor is purchasing Series A Preferred Stock and Warrants in the principal amount set forth in Schedule A of this Agreement; and

WHEREAS, contemporaneously with the Closing, the Company is acquiring all of the issued and outstanding capital stock of Moral Star Development Limited, a British Virgin Islands corporation ("BVI Company"), which is the sole stockholder of Jiangxi Moral Star Copper Technology Co., Ltd., a corporation organized under the laws of the Peoples' Republic of China as a wholly foreign owned enterprise ("Moral Star"); and

WHEREAS, Moral Star is a party to agreements with Jiangxi Yiyang Fuda Copper Co., Ltd. ("**Fuda**"), pursuant to which Moral Star has the right to advise, consult, manage and operate Fuda and collect and own all of their net profits, and, pursuant to a proxy and voting agreement and a voting trust and escrow agreement, the stockholders of Fuda have vested their voting control over Fuda to Moral Star; and

WHEREAS, the parties intend to memorialize the terms on which the Company will sell to the Investors and the Investors will purchase the Securities;

NOW, THEREFORE, in consideration of the mutual covenants and premises contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby conclusively acknowledged, the parties hereto, intending to be legally bound, agree as follows:

Article 1

INCORPORATION BY REFERENCE AND DEFINITIONS

1.1 **Incorporation by Reference**. The foregoing recitals and the Exhibits and Schedules attached hereto and referred to herein, are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2 **Supersedes Other Agreements**. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties, shall supersede such instrument or understanding to the fullest extent permitted by law. A copy of this Agreement shall be filed at the Company's principal office.

1.3 **Certain Definitions**. For purposes of this Agreement, the following capitalized terms shall have the following meanings (all capitalized terms used in this Agreement that are not defined in this Article 1 shall have the meanings set forth elsewhere in this Agreement):

1.3.1 "**4.9% Limitation**" has the meaning set forth in Section 2.1.3 of this Agreement.

1.3.2 "**1933 Act**" means the Securities Act of 1933, as amended.

1.3.3 "**1934 Act**" means the Securities Exchange Act of 1934, as amended.

1.3.4 "**Adjustment Percentage**" shall have the meaning set forth in Section 6.15.5 of this Agreement.

1.3.5 "**Affiliate**" means a Person or Persons directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with the Person(s) in question. The term "control," as used in the immediately preceding sentence, means, with respect to a Person that is a corporation, the right to the exercise, directly or indirectly, of more than 50% of the voting rights attributable to the shares of such controlled corporation and, with respect to a Person that is not a corporation, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such controlled Person.

1.3.6 "**Articles**" means the certificate of incorporation of the Company, as the same may be amended from time to time.

1.3.7 "**Authorized Stock Proviso**" has the meaning set forth in Section 4.4.3 of this Agreement.

1.3.8 "**Bylaws**" means the bylaws of the Company, as the same may be amended from time to time.

1.3.9 "**Certificate of Designation**" means the certificate of the rights, preferences and privileges, subject to the limitations, with respect to the Series A Preferred Stock. The Certificate of Designation shall be in substantially the form of **Exhibit A** to this Agreement.

1.3.10 "**Closing**" means the consummation of the transactions contemplated by this Agreement, all of which transactions shall be consummated contemporaneously with the Closing.

1.3.11 "**Closing Date**" means the date on which the Closing occurs.

1.3.12 "**Closing Escrow Agreement**" shall mean the agreement between the Company, the Investors and the Escrow Agent pursuant to which securities are deposited into escrow to be held as provided in Section 6 of this Agreement. The Closing Escrow Agreement shall be in substantially the form of **Exhibit B** to this Agreement.

1.3.13 "**Common Stock**" means the Company's common stock, which is presently designated as the common stock, par value $.0000001 per share. Pursuant to the Restated Certificate, the par value will be changed to $.001 per share.

1.3.14 "**Company's Governing Documents**" means the Articles and Bylaws.

1.3.15 "**Delaware Law**" shall mean the Delaware General Corporation Law.

1.3.16 "**EBIT**" means income before income taxes and interest, determined in accordance with GAAP plus (a) any charges which are reflected under GAAP in the Company's financial statements which relate to the transaction contemplated by this Agreement and the Registration Rights Agreement and the other Transaction Documents, including the issuance of the Series A Preferred Stock and Warrants and any other securities issuable pursuant to this Agreement, the Registration Rights Agreement and the other Transaction Documents, minus (b) the amount, if any, by which all non-recurring losses or expenses exceed all non-recurring items or income or gain. EBIT shall not be adjusted if all non-recurring items of income or gain exceed all non-recurring losses or expenses. Items shall be deemed to be non-recurring only if they qualify as non-recurring pursuant to GAAP.

1.3.17 "**EBITDA**" means consolidated earnings before interest, taxes, depreciation and amortization, determined in accordance with GAAP.

1.3.18 "**Exempt Issuance**" means the issuance of (a) shares of Common Stock or options to employees, officers, directors of and consultants (other than consultants whose services relate to the raising of funds) of the Company pursuant to any stock or option plan that was or may be adopted by a majority of independent members of the Board of Directors of the Company or a majority of the members of a committee of independent directors established for such purpose, including the shares of Common Stock issuable upon exercise of options granted pursuant to this clause (a), (b) securities upon the exercise of or conversion of any securities issued hereunder and pursuant to the Registration Rights Agreement, the Warrants and the Certificate of Designation, or any other options, warrants or convertible securities which are outstanding on after completion of the Closing, (c) warrants issued to an investor relations firm and the shares of Common Stock issuable upon exercise of such warrants; and (d) securities issued pursuant to acquisitions, licensing agreements, or other strategic transactions, provided any such issuance shall only be to a Person which is, itself or through its subsidiaries, an operating company in a business which the Company's board of directors believes is beneficial to the Company and in which the Company receives benefits in addition to the investment of funds, but shall not include a transaction in which the Company is issuing securities primarily for the purpose of raising capital or to an entity whose primary business is investing in securities.

1.3.19 "**GAAP**" means United States generally accepted accounting principles consistently applied.

1.3.20 "**Information Statement**" means an information statement pursuant to Section 14(c) of the 1934 Act advising stockholders that the holders of a majority of the shares of Common Stock have approved the Restated Certificate, whichever shall be appropriate.

1.3.21 "**Material Adverse Effect**" means any adverse effect on the business, operations, properties or financial condition of the Company or any of its Subsidiaries that is material and adverse to the Company and its Subsidiaries taken as a whole and/or any condition, circumstance, or situation that would prohibit or otherwise materially interfere with the ability of the Company or any Subsidiary to perform any of its material obligations under this Agreement, the Registration Rights Agreement or the Warrants or to perform its obligations under any other material agreement.

1.3.22 "**Person**" means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

1.3.23 "**PRC Agreements**" shall mean the agreements between Moral Star and Fuda.

1.3.24 "**PRC Company Stockholders**" shall mean the stockholders of Fuda, which, as of the date of this Agreement, is WU Yiting.

1.3.25 "**Preferred Stock**" means the preferred stock, par value $.000001 per share, as created by the Restated Certificate. Pursuant to the Restated Certificate, the par value will be changed to $.001 per share.

1.3.26 "**Purchase Price**" means the $3,400,000 to be paid by the Investors to the Company for the Securities.

1.3.27 "**Registration Rights Agreement**" means the registration rights agreement between the Investor and the Company in substantially the form of **Exhibit C** to this Agreement.

1.3.28 "**Registration Statement**" means the registration statement under the 1933 Act to be filed with the SEC for the registration of the Shares pursuant to the Registration Rights Agreement.

1.3.29 "**Related Companies**" shall mean BVI Company, Moral Star and Fuda, each of which is a "**Related Company**."

1.3.30 "**Restated Certificate**" means the restated certificate of incorporation, which is in substantially the form of **Exhibit D** to this Agreement.

1.3.31 "**Restricted Stockholders**" shall have the meaning set forth in Section 6.16 of this Agreement.

1.3.32 "**Restriction Termination Date**" shall mean the date on which the Investors shall have (a) converted all shares of Series A Preferred Stock and exercised all Warrants (other than Warrants that shall have expired unexercised) and (b) sold the underlying Shares in the public market.

1.3.33 "**Restriction Termination Date at 90%**" shall mean the date on which the Investors shall have (a) converted shares of Series A Preferred Stock and exercised Warrants (other than Warrants that shall have expired unexercised) and (b) sold 90% of the Total Shares.

1.3.34 "**Securities**" means the shares of Series A Preferred Stock, the Warrants and the Shares.

1.3.35 "**SEC**" means the Securities and Exchange Commission.

1.3.36 "**SEC Documents**" means, at any given time, the Company's latest Form 10-K or Form 10-KSB and all Forms 10-Q or 10-QSB and 8-K and all proxy statements or information statements filed between the date the most recent Form 10-K or Form 10-KSB was filed and the date as to which a determination is being made.

1.3.37 "**Series A Preferred Stock**" means the shares of Series A Preferred Stock having the rights, preferences and privileges and subject to the limitations set forth in the Certificate of Designation.

1.3.38 "**Share Distribution**" shall mean the 3.2-for-one share distribution whereby each outstanding share of Common Stock becomes and is converted into 3.2 shares of Common Stock, with cash being paid for fractional shares.

1.3.39 "**Shares**" means, collectively, the shares of Common Stock issued or issuable (i) upon conversion of the Series A Preferred Stock and (ii) upon exercise of the Warrants.

1.3.40 "**Subsidiary**" means an entity in which the Company and/or one or more other Subsidiaries directly or indirectly own either 50% of the voting rights or 50% of the equity interests.

1.3.41 "**Subsequent Financing**" means any offer and sale of shares of Preferred Stock or debt that is initially convertible into shares of Common Stock or otherwise senior or superior to the Series A Preferred Stock.

1.3.42 "**Target Number**" has the meaning set forth in Section 6.15.2 of this Agreement.

1.3.43 "**Total Shares**" means the number of shares of Common Stock as have been or would be issued upon conversion of the Series A Preferred Stock and Warrants. The number of Total Shares shall be adjusted to reflect any change in the conversion price of the Series A Preferred Stock and the expiration of any Warrants.

1.3.44 "**Transaction Documents**" means this Agreement, all Schedules and Exhibits attached hereto, the Certificate of Designation, the Warrants, the Registration Rights Agreement, the Closing Escrow Agreement and all other documents and instruments to be executed and delivered by the parties in order to consummate the transactions contemplated hereby.

1.3.45 "**Unsold Shares**" means the difference between (a) the number of shares of Series A Preferred Stock which were initially issued at the Closing and (b) the number of shares of Series A Preferred Stock, regardless of when such shares were issued, which have been converted into Common Stock with the Common Stock having been sold.

1.3.46 "**Warrants**" means the common stock purchase warrants in substantially the forms of **Exhibits E-1 and E-2** to this Agreement.

1.4 References. All references in this Agreement to "herein" or words of like effect, when referring to preamble, recitals, article and section numbers, schedules and exhibits shall refer to this Agreement unless otherwise stated.

1.5 Value of Series A Preferred Stock. Wherever this Agreement provides for the delivery of shares of Series A Preferred Stock in satisfaction of an obligation under this Agreement, a share of Series A Preferred Stock shall have a value equal to its liquidation preference as set forth in the Certificate of Designation.

Article 2

SALE AND PURCHASE OF NOTES; PURCHASE PRICE

2.1 Sale of Securities.

2.1.1 Upon the terms and subject to the conditions set forth herein, and in accordance with applicable law, the Company agrees to sell to the Investors, and each Investor severally agrees to purchase from the Company, on the Closing Date, the shares of Series A Preferred Stock and Warrants set forth after the Investor's name on Schedule A to this Agreement for that portion of the Purchase Price as it set forth in said Schedule A. At or prior to the Closing each Investor shall wire the Investor's portion of the Purchase Price to the Escrow Agent, who shall release the Purchase Price to the Company upon receipt of instructions from the Investor and the Company as provided in the Escrow Agreement. The Company shall cause the shares to Series A Preferred Stock and Warrants to be issued to the Investors upon the release of the Purchase Price to the Company by the Escrow Agent.

2.1.2 The Series A Preferred Stock shall be convertible into Common Stock in the manner set forth in the first introductory paragraph of this Agreement, all as set forth in the Certificate of Designation.

2.1.3 Except as expressly provided in the Certificate of Designation and the Warrants, an Investor shall not be entitled to convert the Series A Preferred Stock into shares of Common Stock or to exercise the Warrants to the extent that such conversion or exercise would result in beneficial ownership by the Investor and its Affiliates of more than 4.9% of the then outstanding number of shares of Common Stock on such date after giving effect to such conversion or exercise. For the purposes of this Agreement beneficial ownership shall be determined in accordance with Section 13(d) of the 1934 Act, and Regulation 13d-3 thereunder. The limitation set forth in this Section 2.1.3 is referred to as the "**4.9% Limitation**." As a result of the 4.9% Limitation, no Investor will have 5% of the voting power of the Company; provided, however, that this sentence shall not affect any of an Investor's rights under the Certificate of Designation.

Article 3

CLOSING DATE AND DELIVERIES AT CLOSING

3.1 Closing Date. The Closing of the transactions contemplated by this Agreement, unless expressly determined herein, shall be held at the offices of the Sichenzia Ross Friedman Ference LLP, 61 Broadway, New York, New York 10006, at 2:00 P.M. local time, on the Closing Date or on such other date and at such other place as may be mutually agreed by the parties, including closing by facsimile with originals to follow.

3.2 Deliveries by the Company. In addition to and without limiting any other provision of this Agreement, the Company agrees to deliver, or cause to be delivered, to the escrow agent under the Escrow Agreement, the following:

(a) At or prior to Closing, an executed Agreement with all exhibits and schedules attached hereto;

(b) At the Closing, certificates for the Series A Preferred Stock in the names of the Investors for the number of shares set forth in Schedule A to this Agreement;

(c) The executed Registration Rights Agreement;

(d) The executed Closing Escrow Agreement;

(e) Evidence that the Company has acquired all of the outstanding shares of BVI Company.

(f) Copies of all SEC correspondence since last Form 10-KSB and any correspondence which was issued prior to the last Form 10-KSB which has not been resolved to the satisfaction of the SEC.

(g) Schedule of all amounts owed (cash and stock) to officers, consultants and key employees (salary, bonuses, etc.).

(h) Certifications in form and substance acceptable to the Company and the Investors from any and all brokers or agents involved in the transactions contemplated hereby as to the amount of commission or compensation payable to such broker or agent as a result of the consummation of the transactions contemplated hereby and from the Company or Investor, as appropriate, to the effect that reasonable reserves for any other commissions or compensation that may be claimed by any broker or agent have been set aside;

(i) Management letter from the Company's registered independent accounting firm or confirmation from such firm that no such letter were issued in connection with the Company's most recent audit;

(j) Evidence of approval of the Board of Directors of the Company of the Transaction Documents, the Share Distribution and the transactions contemplated hereby and thereby;

(k) Evidence of the filing of the Certificate of Designation with the Secretary of State of the State of Delaware;

(l) Agreements from the Restricted Stockholders pursuant to Section 6.16 of this Agreement.

(m) Evidence that the Restated Certificate has been approved by the directors, and that the board of directors has authorized the filing of the Information Statement with the SEC.

(n) Good standing certificate from the Secretary of State of the State of Delaware;

(o) Copy of the Company's Articles, as currently in effect, certified by the Secretary of State of the State of Delaware;

(p) An opinion from the Company's counsel concerning the Transaction Documents and the transactions contemplated hereby in form and substance reasonably acceptable to Investors;

(q) An opinion from the Company's PRC counsel that (i) each of the Related Companies is legally established and validly existing as an independent legal entity; (ii) each of the Related Companies is an independent legal person and none of them is exposed to liabilities incurred by the other party; (iii) the PRC Agreements constitute valid and binding obligations of the parties to such agreements, and (iv) each of the PRC Agreements and the rights and obligations of the parties thereto are enforceable and valid in accordance with the laws of the PRC;

(r) An agreement between Moral Star and Fuda pursuant to which Fuda transfer to Moral Star all of the patent, trademark and other intellectual property rights and other intangible assets;

(s) Evidence that all agreement between Moral Star and Fuda are executed and are satisfactory in all material respects to the Investors;

(t) The executed disbursement instructions pursuant to the Escrow Agreement, which shall provide that the Escrow Agent continue to hold $100,000 to pay the Company's anticipated obligations to its investor relations company;

(u) Copies of all executive employment agreements, all past and present financing documentation or other documentation where stock could potentially be issued or issued as payment, all past and present litigation documents;

(v) Copies of the non-competition agreements provided in Section 4.17 of this Agreement;

(w) Such other documents or certificates as shall be reasonably requested by Investors or their counsel; and

(x) The Company must be current in its filings with the SEC, and the Company's Common Stock must be trading on the OTC Bulletin Board.

3.3 **Deliveries by Investors.** In addition to and without limiting any other provision of this Agreement, the Investors agree to deliver, or cause to be delivered, to the Escrow Agent under the Escrow Agreement, the following:

(a) A deposit from each Investor as to the Investor's portion of the Purchase Price;

(b) The executed Agreement with all Exhibits and Schedules attached hereto;

(c) The executed Registration Rights Agreement;

(d) The executed Closing Escrow Agreement;

(e) The executed disbursement instructions pursuant to the Escrow Agreement; and

(f) Such other documents or certificates as shall be reasonably requested by the Company or its counsel.

3.4 **Delivery of Original Documents**. In the event any document provided to the other party in Paragraphs 3.2 and 3.3 herein are provided by facsimile, the party shall forward an original document to the other party within seven (7) business days.

3.5 **Further Assurances**. The Company and each Investor shall, upon request, on or after the Closing Date, cooperate with each other (specifically, the Company shall cooperate with the Investors, and each Investor shall cooperate with the Company) by furnishing any additional information, executing and delivering any additional documents and/or other instruments and doing any and all such things as may be reasonably required by the parties or their counsel to consummate or otherwise implement the transactions contemplated by this Agreement.

3.6 **Waiver**. An Investor may waive any of the requirements of Section 3.2 of this Agreement, and the Company may waive any of the provisions of Section 3.3 of this Agreement. The Investors may also waive any of the requirements of the Company under the Escrow Agreement.

Article 4

REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company represents and warrants to the Investors as of the date hereof and as of Closing Date (which warranties and representations shall survive the Closing regardless of any examinations, inspections, audits and other investigations the Investors have heretofore made or may hereinafter make with respect to such warranties and representations) as follows:

4.1 **Organization and Qualification**. Each of the Company, each Subsidiary and each of the Related Companies is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and has the requisite corporate power and authority to own, lease and operate its properties and to carry on its business as it is now being conducted and is duly qualified to do business in any other jurisdiction by virtue of the nature of the businesses conducted by it or the ownership or leasing of its properties, except where the failure to be so qualified will not, when taken together with all other such failures, have a Material Adverse Effect on the business, operations, properties, assets, financial condition or results of operation of the Company, its Subsidiaries and the Related Companies taken as a whole.

4.2 **Company's Governing Documents**. The complete and correct copies of the Company's Governing Documents (a) have been provided to the Investor and (b) have been filed with the SEC in accordance with the regulations of the SEC and (c) will be in full force and effect on the Closing Date.

4.3 **Capitalization**.

4.3.1 The authorized and outstanding capital stock of the Company as of the date of this Agreement and as adjusted to reflect the issuance and sale of the Securities pursuant to this Agreement is set forth in Schedule 4.3.l to this Agreement. Schedule 4.3.1 lists all shares and potentially dilutive events, including shares issuable pursuant to employment, consulting and other services agreements, acquisition agreements, options and equity-based incentive plans, debt securities, convertible securities, financing or business relationships as well as each agreement, plan, arrangement or understanding pursuant to which any shares of any class of capital stock may be issued, a copy of each of which has been provided to the Investors.

4.3.2 All shares of capital stock issuable pursuant to this Agreement, the Registration Rights Agreement and upon conversion of the Series A Preferred Stock and upon exercise of the Warrants have been duly authorized and when issued, will be validly issued, fully paid and non-assessable and free of preemptive rights.

4.3.3 Except pursuant to this Agreement and as set forth in Schedule 4.3.1, there are no outstanding options, warrants, rights to subscribe for, calls or commitments of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, shares of any class of capital stock of the Company, or agreements, understandings or arrangements to which the Company is a party, or by which the Company is or may be bound, to issue additional shares of its capital stock or options, warrants, scrip or rights to subscribe for, calls or commitment of any character whatsoever relating to, or securities or rights convertible into or exchangeable for, any shares of any class of its capital stock. The Company agrees to inform the Investors in writing of any additional warrants granted prior to the Closing Date.

4.3.4 None of Fuda, or Moral Star or BVI COMPANY has any agreement or understanding, whether formal or informal, which could result in the issuance of any equity securities or right to purchase or otherwise acquire equity securities of such corporation.

4.4 **Authority**.

4.4.1 The Company has all requisite corporate power and authority to execute and deliver this Agreement, the Series A Preferred Stock and Warrants issuable pursuant to this Agreement, the Registration Rights Agreement, the Closing Escrow Agreement and any other Transaction Documents to which the Company is a party, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery of this Agreement, the Securities issuable pursuant to this Agreement and upon conversion of the Series A Preferred Stock and exercise of the Warrant, the Registration Rights Agreement, the Closing Escrow Agreement and any other Transaction Documents to which the Company is a party have been duly authorized by all necessary corporate action and no other corporate proceedings on the part of the Company is necessary to authorize this Agreement or to consummate the transactions contemplated hereby and thereby except as disclosed in this Agreement. This Agreement has been duly executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights and except that any the granting of equitable relief is in the discretion of the court.

4.4.2 Series A Preferred Stock will, when issued pursuant to this Agreement, be duly and validly authorized and issued, fully paid and non-assessable and the Warrants will be the valid and binding obligations of the Company, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency and other laws of general application affecting the enforcement of creditors' rights and except that any the granting of equitable relief is in the discretion of the court. The Common Stock issuable upon conversion of the Series A Preferred Stock and exercise of the Warrants issuable pursuant to this Agreement will, when so issued, be duly and validly authorized and issued, fully paid and non-assessable. All such Securities, when so issued, will be free and clear of all liens, charges, claims, options, pledges, restrictions, preemptive rights, rights of first refusal and encumbrances whatsoever (other than those incurred by the Investor).

4.4.3 Notwithstanding any contrary representations and warranties, no representation is made with respect to the ability of any Investor to convert the Series A Preferred Stock or exercise any Warrant if and to the extent that the conversion price of the Series A Preferred Stock, as defined in the Certificate of Designation, or the number of Shares issuable upon exercise of the Warrants would result in the issuance of a number of shares of Common Stock which is greater than the amount by which the authorized Common Stock exceeds the sum of the outstanding Common Stock and the shares of Common Stock reserved for issuance pursuant to outstanding agreements and outstanding options, warrants, rights, convertible securities and other securities upon the exercise or conversion of which or pursuant to the terms of which additional shares of Common Stock may be issuable (the foregoing proviso being referred to as the "**Authorized Stock Proviso**").

4.4.4 Each Related Company is legally established, and validly existing as an independent legal entities; (ii) each Related Company is an independent legal person and none of them is exposed to liabilities incurred by the other party; (iii) the PRC Agreements constitute valid and binding obligations of the parties to such agreements, and (iv) each of the PRC Agreements and the rights and obligations of the parties thereto are enforceable and valid in accordance with the laws of the PRC.

4.5 **No Conflict; Required Filings and Consents**. Neither the execution and delivery of this Agreement by the Company nor the issuance of the Securities as contemplated by this Agreement, nor any other Transaction Documents, and the performance by the Company of its obligations hereunder and thereunder will: (i) conflict with or violate the Company's or any Subsidiary's Governing Instruments; (ii) conflict with, breach or violate any federal, state, foreign (including the Peoples' Republic of China) or local law, statute, ordinance, rule, regulation, order, judgment or decree (collectively, "**Laws**") in effect as of the date of this Agreement and applicable to the Company or any Subsidiary; or (iii) result in any breach of, constitute a default (or an event that with notice or lapse of time or both would become a default) under, give to any other entity any right of termination, amendment, acceleration or cancellation of, require payment under, or result in the creation of a lien or encumbrance on any of the properties or assets of the Company or any Subsidiary pursuant to, any note, bond, mortgage, indenture, contract, agreement, lease, license, permit, franchise or other instrument or obligation to which the Company or any Subsidiary is a party or by which the Company or any Subsidiary or any of their respective properties or assets is bound, other than such violations, conflicts, breaches, defaults, terminations, accelerations or creations of liens that would not, in the aggregate, have a Material Adverse Effect except to the extent that stockholder approval may be required as a result of the Authorized Stock Proviso, in which event, the Company will seek stockholder approval to an increase in the authorized Common Stock sufficient to enable the Company to be in compliance with this Section 4.5. Neither the execution of this Agreement nor the consummation of the terms contemplated by this Agreement will impair Moral Star's rights under the PRC Agreements.

4.6 **Reports and Financial Statements**.

4.6.1 The consolidated financial statements of the Related Companies for the years ended December 31, 2006 and 2005, including consolidated balance sheets, statements of operations, stockholders' equity and cash flows, together with the notes thereon, certified by Bernstein & Pinchuk LLP ("**Bernstein**"), the Company's independent registered accounting firm, together with the unaudited consolidated financial statements for the nine months ended September 30, 2007 and 2007, consisting of a balance sheet at September 30, 2007, statement of stockholders' equity for the six months ended September 30, 2007, and statements of operations and cash flows for the six months ended September 30, 2007 and 2006, which have been reviewed by Bernstein have been delivered to the Investors. Each of the consolidated balance sheets fairly presents the financial position of the Related Companies, as of its date, and each of the consolidated statements of income, stockholders' equity and cash flows (including any related notes and schedules thereto) fairly presents the results of operations, cash flows and changes in stockholders' equity, as the case may be, of the Related Companies for the periods to which they relate, in each case in accordance with GAAP consistently applied during the periods involved. Bernstein is independent as to the Company and each of the Related Companies in accordance with the rules and regulations of the SEC. The books and records of the Related Companies have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transaction. Neither the Company nor any of the Related Companies has received any advice from Bernstein to the effect that there is any significant deficiency or material weakness in the Company's or any Related Party's controls or recommending any corrective action on the part of the Company or any Related Party. Neither the Company nor any Related Party has any contingent liability that is not reflected in the financial statements. To the extent that the consolidated financial statements of BVI Company do not include the financial condition or results of operations of Fuda, separate statements for Fuda, conforming to the delivery requirements of this Section 4.6.1, shall have been delivered.

4.6.2 The Company's Form 10-KSB for the year ended April 30, 2007, contains the audited financial statements of the Company, certified by Bagell, Josephs, Levine & Company, L.L.C., ("**BJL**"), the Company's independent registered accounting firm, for the years ended May 31, 2007 and 2006, and the Company's Form 10-QSB for the quarter ended August 31, 2007 contains the unaudited financial statements of the Company which have been reviewed by BJL. The balance sheets fairly present the financial position of the Company, as of their respective dates, and each of the consolidated statements of income, stockholders' equity and cash flows (including any related notes and schedules thereto) fairly presents the results of operations, cash flows and changes in stockholders' equity, as the case may be, of the Company for the periods to which they relate, in each case in accordance with GAAP consistently applied during the periods involved. BJL is independent as to the Company in accordance with the rules and regulations of the SEC. The books and records of the Company have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transaction. The Company has not received any letters of comments from the SEC relating to any filing made by the Company with the SEC which has not been addressed by an amended filing, and each amended filing fully responds to the questions raised by the staff of the SEC. The Company maintains disclosure controls and procedures that are effective to ensure that information required to be disclosed by the Company in its annual and quarterly reports filed with the SEC is accumulated and communicated to the Company's management, including its principal executive and financial officers as appropriate, to allow timely decisions regarding required disclosure. There were no significant changes in the Company's internal controls or other factors that could significantly affect such controls subsequent to May 31, 2007. The Company has not received any advice from BJL to the effect that there is any significant deficiency or material weakness in the Company's controls or recommending any corrective action on the part of the Company or any Subsidiary. The Company does not have any contingent liabilities.

4.7 **Compliance with Applicable Laws**. Neither the Company nor any Subsidiary nor any Related Party is in violation of, or, to the knowledge of the Company is under investigation with respect to or has been given notice or has been charged with the violation of, any Law of a governmental agency, except for violations which individually or in the aggregate do not have a Material Adverse Effect.

4.8 **Brokers.** Except as set forth on Schedule 4.8, no broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of the Company.

4.9 **SEC Documents**. The Investors acknowledge that the Company is a publicly held company and has made available to the Investors upon request true and complete copies of any requested SEC Documents. The Company has registered its Common Stock pursuant to Section 12(d) of the 1934 Act, and the Common Stock is quoted and traded on the OTC Bulletin Board of the National Association of Securities Dealers, Inc. The Company has received no notice, either oral or written, with respect to the continued quotation or trading of the Common Stock on the OTC Bulletin Board. The Company has not provided to the Investor any information that, according to applicable law, rule or regulation, should have been disclosed publicly prior to the date hereof by the Company, but which has not been so disclosed. As of their respective dates, the SEC Documents complied in all material respects with the requirements of the 1934 Act, and rules and regulations of the SEC promulgated thereunder and the SEC Documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

4.10 **Litigation**. To the knowledge of the Company, no litigation, claim, or other proceeding before any court or governmental agency is pending or to the knowledge of the Company, threatened against the Company or any of the Related Companies, the prosecution or outcome of which may have a Material Adverse Effect.

4.11 **Employment Agreements**. Except as disclosed in the Company's Form 10-KSB for the year ended May 31, 2007 or as otherwise disclosed pursuant to this Agreement, the Company does not have any agreement or understanding with any officer or director, and there has been no material change in the compensation of any officer and director from that shown in said Form 10-KSB.

4.12 **Exemption from Registration**. Subject to the accuracy of the Investors' representations in Article V of this Agreement, except as required pursuant to the Registration Rights Agreement, the issuance of Series A Preferred Stock and Warrants pursuant to this Agreement or the issuance of the Common Stock upon conversion of the Series A Preferred Stock or exercise of the Warrants will not require registration under the 1933 Act. When issued upon conversion of the Series A Preferred Stock or upon exercise of the Warrants in accordance with their terms, the Shares underlying the Preferred Stock and the Warrants will be duly and validly authorized and issued, fully paid, and non-assessable. The Company is issuing the Preferred Stock and the Warrants in accordance with and in reliance upon the exemption from securities registration afforded, inter alia, by Rule 506 under Regulation D as promulgated by the SEC under the 1933 Act, and/or Section 4(2) of the 1933 Act.

4.13 **No General Solicitation or Advertising in Regard to this Transaction**. Neither the Company nor any of its Affiliates nor, to the knowledge of the Company, any Person acting on its or their behalf (i) has conducted or will conduct any general solicitation (as that term is used in Rule 502(c) of Regulation D as promulgated by the SEC under the 1933 Act) or general advertising with respect to the sale of the Preferred Stock or Warrants, or (ii) made any offers or sales of any security or solicited any offers to buy any security under any circumstances that would require registration of the, Series A Preferred Stock, Common Stock or Warrants, under the 1933 Act, except as required herein.

4.14 **No Material Adverse Effect**. Since December 31, 2006, no event or circumstance resulting in a Material Adverse Effect has occurred or exists with respect to the Company, any Subsidiary or any Related Party. No material supplier or customer has given notice, oral or written, that it intends to cease or reduce the volume of its business with the Company, any Subsidiary or any Related Party from historical levels. Since December 31, 2006, no event or circumstance has occurred or exists with respect to the Company, any Subsidiary or any Related Party, that, under any applicable law, rule or regulation, requires or would require, public disclosure or announcement prior to the date hereof by the Company but which has not been so publicly announced or disclosed in writing to the Investor.

4.15 **Material Non-Public Information**. The Company has not disclosed to the Investors any material non-public information that (i) if disclosed, would reasonably be expected to have a material effect on the price of the Common Stock or (ii) according to applicable law, rule or regulation, should have been disclosed publicly by the Company prior to the date hereof but which has not been so disclosed.

4.16 **Internal Controls And Procedures**. The Company and its Subsidiaries and each of the Related Parties maintain books and records and internal accounting controls which provide reasonable assurance that (i) all transactions to which the Company or any Subsidiary or any Related Party is a party or by which their respective properties are bound are executed with management's authorization; (ii) the recorded accounting of the Company's, any Subsidiary's or any Related Party's consolidated assets is compared with existing assets at regular intervals; (iii) access to the Company's, any Subsidiary's or any Related Party's consolidated assets is permitted only in accordance with management's authorization; and (iv) all transactions to which the Company or any Subsidiary or any Related Party is a party or by which any of their respective properties are bound are recorded as necessary to permit preparation of the financial statements of the Company and the Related Companies individually (unless the financial condition and results of operations and cash flows are consolidated with those of the Company under GAAP) in accordance with GAAP.

4.17 **Non-Competition Agreement**. Each of the Company's executive officers shall have entered into an agreement with the Company pursuant to which they agree that, to the maximum extent permitted by law, the Company's executive officers shall not be involved in any business venture, whether as an officer, director, partner, manager, lender, guarantor, consultant or any other capacity in any business which competes with or is similar in nature to the Company in China. To the extent that the provisions of this Section 4.17 are not enforceable under applicable law, the non-competition agreement shall provide that it shall be deemed to restrict the executive officers only to the maximum extent permitted by law. A copy of a true and correct English translation of each of these agreements has been provided to the Investors.

4.18 **Full Disclosure**. No representation or warranty made by the Company in this Agreement and no certificate or document furnished or to be furnished to the Investor pursuant to this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading.

Article 5

REPRESENTATIONS AND WARRANTIES OF THE INVESTORS

Each Investor severally and not jointly represents and warrants to the Company that:

5.1 **Concerning the Investors.** The state in which any offer to purchase shares hereunder was made or accepted by such Investor is the state shown as such Investor's address. The Investor was not formed for the purpose of investing solely in the Securities.

5.2 **Authorization and Power**. The Investor has the requisite power and authority to enter into and perform this Agreement and to purchase the securities being sold to it hereunder. The execution, delivery and performance of this Agreement by the Investor and the consummation by the Investor of the transactions contemplated hereby have been duly authorized by all necessary partnership action where appropriate. This Agreement, the Registration Rights Agreement and the Closing Escrow Agreement have been duly executed and delivered by such Investor and at the Closing shall constitute valid and binding obligations of such Investor enforceable against the Investor in accordance with their terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation, conservatorship, receivership or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application.

5.3 **No Conflicts**. The execution, delivery and performance of this Agreement and the consummation by such Investor of the transactions contemplated hereby or relating hereto do not and will not (i) result in a violation of such Investor's charter documents or bylaws where appropriate or (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of any agreement, indenture or instrument to which such Investor is a party, or result in a violation of any law, rule, or regulation, or any order, judgment or decree of any court or governmental agency applicable to such Investor or its properties (except for such conflicts, defaults and violations as would not, individually or in the aggregate, have a Material Adverse Effect on such Investor). The Investor is not required to obtain any consent, authorization or order of, or make any filing or registration with, any court or governmental agency in order for it to execute, deliver or perform any of such Investor's obligations under this Agreement or to purchase the securities from the Company in accordance with the terms hereof, provided that for purposes of the representation made in this sentence, the Investor is assuming and relying upon the accuracy of the relevant representations and agreements of the Company herein.

5.4 **Financial Risks**. Such Investor acknowledges that such Investor is able to bear the financial risks associated with an investment in the securities being purchased by such Investor from the Company and that it has been given full access to such records of the Company and its Subsidiaries and to the officers of the Company and its Subsidiaries as it has deemed necessary or appropriate to conduct its due diligence investigation. Such Investor is capable of evaluating the risks and merits of an investment in the securities being purchased by the Investor from the Company by virtue of its experience as an investor and its knowledge, experience, and sophistication in financial and business matters and the Investor is capable of bearing the entire loss of its investment in the securities being purchased by the Investor from the Company.

5.5 **Accredited Investor**. The Investor is (i) an "accredited investor" as that term is defined in Rule 501 of Regulation D promulgated under the 1933 Act by reason of Rule 501(a)(3) and (6), (ii) experienced in making investments of the kind described in this Agreement and the related documents, (iii) able, by reason of the business and financial experience of its officers (if an entity) and professional advisors (who are not affiliated with or compensated in any way by the Company or any of its affiliates or selling agents), to protect its own interests in connection with the transactions described in this Agreement, and the related documents, and (iv) able to afford the entire loss of its investment in the securities being purchased by the Investor from the Company.

5.6 **Brokers**. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or Commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of such Investor. Such Investor understands that any obligations under agreements or arrangements with brokers disclosed in Schedule 4.8 are obligations of the Company.

5.7 **Knowledge of Company.** Such Investor and such Investor's advisors, if any, have been, upon request, furnished with all materials relating to the business, finances and operations of the Company and materials relating to the offer and sale of the securities being purchased by such Investor from the Company. Such Investor and such Investor's advisors, if any, have been afforded the opportunity to ask questions of the Company and have received complete and satisfactory answers to any such inquiries.

5.8 **Risk Factors.** Each Investor understands that such Investor's investment in the securities being purchased by such Investor from the Company involves a high degree of risk. Such Investor understands that no United States federal or state agency or any other government or governmental agency has passed on or made any recommendation or endorsement of the securities being purchased by the Investor from the Company. Such Investor warrants that such Investor is able to bear the complete loss of such Investor's investment in the securities being purchased by the Investor from the Company.

5.9 **Full Disclosure**. No representation or warranty made by such Investor in this Agreement and no certificate or document furnished or to be furnished to the Company pursuant to this Agreement contains or will contain any untrue statement of a material fact, or omits or will omit to state a material fact necessary to make the statements contained herein or therein not misleading. Except as set forth or referred to in this Agreement, Investor does not have any agreement or understanding with any person relating to acquiring, holding, voting or disposing of any equity securities of the Company.

Article 6

COVENANTS OF THE COMPANY

6.1 **Registration Rights**. The Company shall cause the Registration Rights Agreement to remain in full force and effect according to the provisions of the Registration Rights Agreement and the Company shall comply in all material respects with the terms thereof. The Company does not have any agreement or obligation which would enable any Person to include securities in any registration statement required to be filed on behalf of the Investors pursuant to the Registration Rights Agreement and will not take any action which will give any Person any right to include securities in any such registration statement. Except as contemplated by the Registration Rights Agreement, no Person has any demand or piggyback registration right with respect to any securities of the Company. The Company will not file any registration statement covering any shares of Common Stock issuable to any officers, directors, Affiliates of or consultants to the Company until the earlier of (a) thirty (30) months from the Closing Date or (b) the Restriction Termination Date at 90%; provided, however, that the Company may file a registration statement on Form S-8 for shares issued or issuable pursuant to employee stock option plans for employees who are not officers, directors or Affiliates of the Company.

6.2 **Reservation of Common Stock**. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, the maximum number of shares of Common Stock for the purpose of enabling the Company to issue the shares of Common Stock underlying the Series A Preferred Stock and Warrants.

6.3 **Compliance with Laws**. The Company hereby agrees to comply and to cause each Subsidiary and each Related Party to comply in all respects with the Company's reporting, filing and other obligations under the Laws.

6.4 **Exchange Act Registration**. The Company will continue its obligation to report to the SEC under Section 12 of the 1934 Act and will use its best efforts to comply in all respects with its reporting and filing obligations under the 1934 Act, and will not take any action or file any document (whether or not permitted by the 1934 Act or the rules thereunder) to terminate or suspend any such registration or to terminate or suspend its reporting and filing obligations under the 1934 until the Investors have disposed of all of their Shares.

6.5 **Corporate Existence; No Conflicting Agreements**. The Company will take all steps necessary to preserve and continue the corporate existence of the Company. The Company shall not enter into any agreement, the terms of which agreement would restrict or impair the right or ability of the Company to perform any of its obligations under this Agreement or any of the other agreements attached as exhibits hereto.

6.6 **Listing, Securities Exchange Act of 1934 and Rule 144 Requirements**.

6.6.1 The Company shall not take any action that would cause its Common Stock not to be traded on the OTC Bulletin Board, except that the Company may list the Common Stock on the Nasdaq Stock Market or the American or New York Stock Exchange if it meets the applicable listing requirements. If, for any time after the Closing, the Company is no longer in compliance with this Section 6.6.1, then the Company shall pay to the Investors as liquidated damages and not as a penalty, an amount equal to twelve percent (12%) per annum, based on the lesser of (a) the Purchase Price or (b) that percentage of the Purchase Price which the Unsold Shares bears to the number of shares of Common Stock initially issuable upon conversion of the Series A Preferred Stock sold pursuant to this Agreement. Such damages shall be payable quarterly on the tenth (10^{th}) day of the following calendar quarter, and shall cease at the time the Company begins complying with the provisions of this Section 6.6.1.

6.6.2 Commencing not later than eighteen months from the Closing Date, the Company shall made application for the listing of its Common Stock on the Nasdaq Global Market or Nasdaq Capital Market or the New York or American Stock Exchange, and, from and after the date of such listing, the Common stock shall continue to be listed on one of such markets or exchanges until the Restriction Termination Date at 90%. If, for any time after the Closing and prior to the Restriction Termination Date at 90%, the Company is not in compliance with this Section 6.6.2, then the Company shall pay to the Investors as liquidated damages and not as a penalty, an amount equal to six percent (6%) per annum, based on the lesser of (a) the Purchase Price or (b) that percentage of the Purchase Price which the Unsold Shares bears to the number of shares of Common Stock initially issuable upon conversion of the Series A Preferred Stock. Notwithstanding the foregoing, no liquidated damages shall be payable pursuant to this Section 6.6.2 during any period for which liquidated damages are payable pursuant to Section 6.6.1.

6.6.3 Liquidated damages payable pursuant to Sections 6.6.1 and 6.6.2 shall be payable in shares of Series A Preferred Stock or cash, as the Investors may request. In no event shall the total liquidated damages payable pursuant to Sections 6.6.1 and 6.6.2, whether in cash or Series A Preferred Stock, exceed in the aggregate twelve percent (12%) of the Purchase Price of the Unsold Shares that are outstanding as of the date on which a computation is being made.

6.7 **No Convertible Debt or Preferred Stock.** On or prior to the Closing Date, the Company will cause to be cancelled or paid all convertible debt in the Company. Until the earlier of (a) three years from the Closing Date or (b) the Restriction Termination Date, the Company will not issue any convertible debt or any shares of any class or series of Preferred Stock. This Section 6.7 will not prohibit the Company from obtaining funding from the sale of Common Stock, subject to the provisions of Section 6.8, Section 6.9, Section 6.13, Section 6.14 and Section 6.15.

6.8 **Debt Limitation.** The Company agrees until the earlier of (a) three years after Closing Date or (b) the Restriction Termination Date at 90%, it will not have outstanding any debt in an amount greater than twice the sum of the EBITDA from continuing operations for the past four quarters. Nothing in this Section 6.8 shall be construed to prohibit the Company from borrowing from the Chinese government or from Chinese banks as long as such loans do not result in the Company being in default of any of its covenants set forth in this Article 6.

6.9 **Reset Equity Deals.** On or prior to the Closing Date, the Company will cause to be cancelled any and all reset features related to any shares outstanding that could result in additional shares being issued. Until the earlier of (a) five years from the Closing Date or (b) the Restriction Termination Date, the Company will not enter into any transactions that have any reset features that could result in additional shares being issued.

6.10 **Independent Directors**.

6.10.1 The Company shall have caused the appointment of the majority of the board of directors, which shall not consist of more than nine members, to be independent directors, as defined by the rules of the Nasdaq Stock Market, not later than the ninety (90) days after the Closing Date.

6.10.2 If, at any time subsequent to ninety (90) days after the Closing Date until the earlier of (a) three years from the Closing or (b) the Restriction Termination Date at 90%, the board of directors shall not be composed of a majority of independent directors:

6.10.2.1 for a reason other than for an Excused Reason, the Company shall have 60 days to take such steps as are necessary so that a majority of the Company's directors are independent directors, and

6.10.2.2 for an Excused Reason, the Company shall have 75 days from the date that the Company becomes aware of the event (or the last event if there are more than one such event) giving rise to the Excused Reason, to take such steps as are necessary so that a majority of the Company's directors are independent directors.

6.10.3 The term "Excused Reason" shall mean the death or resignation of an independent director or the occurrence of an event whereby an independent director ceases to be independent.

6.10.4 From and after the Closing Date, the Company shall have a chief financial officer who speaks fluently and understands both English and Chinese, is familiar with GAAP and has experience in preparing and filing annual and quarterly reports with the SEC and professional experience such as being a manager or partner at an auditing firm that requires knowledge of SEC filings or holding a senior accounting position with a public company (a "qualified CFO"). In the event that at any time subsequent to the Closing Date the Company fails to have a qualified CFO, the Company shall, within 60 days from the date that the Company ceases to have a qualified CFO, hire a qualified CFO. If the Company shall not be able to hire a qualified CFO promptly upon the resignation or termination of employment of the former chief financial officer, the Company may engage an accountant or accounting firm to perform the duties of the chief financial officer until a qualified CFO can be hired. In no event shall the Company either (i) fail to file an annual, quarterly or other report in a timely manner because of the absence of a qualified CFO, or (ii) not have a person who can make the statements and sign the certifications required to be filed in an annual or quarterly report under the 1933 Act. Notwithstanding the foregoing, the Company shall, within thirty (30) days after the Closing, engage an accounting consultant, which may be an accounting firm, that has experience in preparing financial statements for public companies and in advising public companies on the implementation of internal controls as required by the 1934 Act, and shall continue to engage such firm as a consultant until not earlier than the date on which the Company shall have both (i) filed two consecutive annual or quarterly reports with the SEC on time and without requesting an extension, and (ii) filed a registration statement pursuant to the Registration Rights Agreement and shall have responded to all accounting comments raised by the staff of the SEC to the satisfaction of the accounting examiner at the SEC.

6.10.5 If, at the time set forth in Section 6.10.1, or during the period referred to in Section 6.10.2 of this Agreement, the Company shall have failed to have a board of directors composed of a majority of independent directors after the date by which such situation was to have been cured pursuant to Section 6.10.2.1 or Section 6.10.2.2 of this Agreement, whichever shall apply, or if the Company shall have failed to file an annual or quarterly report in a timely manner, the Company shall pay to the Investors, as liquidated damages and not as a penalty, an amount equal to twelve percent (12%) per annum of the Purchase Price of the then outstanding shares of Series A Preferred Stock, payable monthly on the tenth (10^{th}) day of the following month, in cash or in Series A Preferred Stock at the option of the Investors, based on the number of days that such condition exists beyond the applicable grace period. The parties agree that the only damages payable for a violation of such provisions shall be such liquidated damages. The parties hereto agree that the liquidated damages provided for in this Section 6.10.5 constitute a reasonable estimate of the damages that may be incurred by the Investors by reason of the failure of the Company to have a majority of directors as independent directors or to make the required SEC filings. If the Company fails to comply with Section 6.10.1, the period for measuring liquidated damages pursuant to this Section 6.10.5 shall commence at the end of the 90 day period referred to therein and continue until the Company shall have a majority of independent directors, and the grace periods allowed by Section 6.10.2 shall not apply.

6.10.6 In no event shall the total payments made pursuant to this Section 6.10 and Section 6.11, whether in cash or Series A Preferred Stock exceed in the aggregate twelve percent (12%) of the Purchase Price of the Unsold Shares as of the date on which the computation is being made.

6.11 **Independent Directors; Committees.** No later than ninety (90) days after the Closing Date, the Company will have an audit committee comprised solely of not less than three independent directors and a compensation committee comprised of not less than three directors, a majority of whom are independent directors. Further, if the Company shall form an executive or nominating committee or any other committee, a majority of the members of such committee shall be independent directors. If at any time subsequent to the Closing Date during the period when the Company is required to have a majority of independent directors pursuant to Section 6.10 of this Agreement, independent directors do not comprise all of the members of the audit committee and a majority of the members of the compensation committee or any other committee within the grace periods provided in Section 6.10, the Company shall pay to the Investors, as liquidated damages and not as a penalty, an amount equal to twelve percent (12%) per annum of the Purchase Price of the then outstanding Series A Preferred Stock payable in the manner and at the time provided in Section 6.10, such payment shall be based on the number of days that such condition exists. The parties agree that the only damages payable for a violation of the terms of this Agreement with respect to which liquidated damages are expressly provided shall be such liquidated damages. Notwithstanding the foregoing, no liquidated damages shall be payable pursuant to this Section 6.11 during any period for which liquidated damages are payable pursuant to Section 6.10.

6.12 **Use of Proceeds**. The Company will use the net proceeds from the sale of the Securities, after payment of legal fees and other closing costs, including a payment of not more than $625,000 in connection with the reverse acquisition, and of the balance of the net proceeds, not less than 75% shall be used to purchase new equipment in accordance with a schedule previously provided to the Investors. The Company shall also allocate $200,000 which will be retained in escrow, of which $100,000 shall be allocated to pay the Company's anticipated obligations to its investor relations firm and $100,000 shall be retained for the payment of professional fees payable subsequent to the Closing. In addition, not less than 50% of the proceeds from the exercise of warrants shall be used by Moral Star to purchase scheduled assets and equipment for use in its business, with the balance being used for working capital and corporate purposes. All equipment required for the business shall be purchased by Moral Star with Fuda having the right to use the equipment without charge in connection with Moral Star's business. Neither the Company nor any Subsidiary shall use any portion of the proceeds from the sale of the Series A Preferred Stock and the exercise of the Warrants to make any payment to Fuda except for the purchase of capital in a transaction in which all of the proceeds of such purchase are used by Fuda for the manufacture of products to be sold by Moral Star.

6.13 **Right of First Refusal.**

6.13.1 Until the earlier of (i) three years from the date of this Agreement or (ii) such time as the Investors, as a group, cease to own at least five percent (5%) of the total number of shares of Common Stock that were issued or are issuable upon conversion of Series A Preferred Stock that were initially issued to the Investors, in the event that the Company seeks to raise additional funds through a private placement of its securities (a "Proposed Financing"), other than Exempt Issuances, each Investor shall have the right to participate in any subsequent funding by the Company of the offering price on a pro rata basis, based on the percentage that (a) the number of such Investor's Percentage Shares, without regard to the 4.9% Limitation but excluding shares of Common Stock issuable upon exercise of Warrants, bears to (b) the total number of shares of Common Stock outstanding plus the number of Shares issuable upon conversion of the Series A Preferred Stock and any other series of convertible preferred stock or debt securities, without regard to the 4.9% Limitations any other limitations on exercise such other convertible preferred stock or debt securities. This Section 6.13 shall apply to each such offering based on the total purchase price of the securities being offered by the Company. This right is personal to the Investors and is not transferable, whether in connection with the sale of stock or otherwise.

6.13.2 The terms on which the Investors shall purchase securities pursuant to Proposed Financing shall be the same as such securities are purchased by other investors. The Company shall give the Investors the opportunity to participate in the offering by giving the Investors not less than ten (10) days notice setting forth the terms of the Proposed Financing. In the event that the terms of the Proposed Financing are changed in a manner which is more favorable to the potential investor, the Company shall provide the Investors, at the same time as the notice is provided to the other potential investors, with a new ten (10) day notice setting forth the revised terms that are provided to the other potential investors.

6.13.3 In the event that the Investors does not exercise its right to participate in the Proposed Financing within the time limits set forth in Section 6.13.2 of this Agreement, the Company may sell the securities in the Proposed Financing at a price and on terms which are no more favorable to the investors than the terms provided to the Investors. If the Company subsequently changes the price or terms so that the price is more favorable to the investors or so the terms are more favorable to the investors, the Company shall provide the Investors with the opportunity to purchase the securities on the revised terms in the manner set forth in Section 6.13.2 of this Agreement.

6.14 **Price Adjustment.** From the Closing Date until such time as the Restriction Termination Date, except for Exempt Issuances, as to which this Section 6.14 does not apply, if the Company closes on the sale or issuance of Common Stock at a price, or warrants, options, convertible debt or equity securities with a exercise price per share or exercise price per share which is less than the Conversion Price, as defined in the Certificate of Designation, then in effect (such lower sales price, conversion or exercise price, as the case may be, being referred to as the "Lower Price"), the Conversion Price in effect from and after the date of such transaction shall be reduced to the Lower Price. For purpose of determining the exercise price of warrants issued by the Company, the price, if any, paid per share for the warrants shall be added to the exercise price of the warrants. A similar provision shall be included in the Warrants.

6.15 **Deliveries from Escrow Based on EBIT Per Share.**

6.15.1 At the Closing, the Company shall deliver to the Escrow Agent 3,000,000 shares of Series A Preferred Stock to be held pursuant to the Closing Escrow Agreement.

6.15.2 In the event the Company's consolidated EBIT per share, on a fully-diluted basis, for the year ended December 31, 2007 or 2008 is less than the amount per share hereinafter provided (the "**Target Number**"), the percentage shortfall shall be determined by dividing the amount of the shortfall by the applicable Target Number. The Target Number for 2007 shall be RMB¥1.665 per share. The Target Number for 2008 shall be (a) RMB¥2.3152 per share if neither clause (b) or clause (c) of this Section 6.15.2 shall be applicable; (b) RMB¥2.6152 per share if all of the $1.80 Warrants are exercised by June 30, 2008 and 50% of the $3.00 warrants are exercised by September 30, 2008, and (c) RMB¥3.0653 per share if all of the $1.80 Warrants are exercised by June 30, 2008 and all of the $3.00 Warrants are exercised by September 30, 2008.

6.15.3 If the percentage shortfall for 2007 is equal to or greater than fifty percent (50%), then the Escrow Agent shall deliver the 3,000,000 shares of Series A Preferred Stock to the Investors in the ratio of their initial purchase of Securities.

6.15.4 If the percentage shortfall for 2007 is less than fifty percent (50%), then the Adjustment Percentage shall be determined as provided in Section 6.15.5. The Escrow Agent shall deliver to the Investors in the ratio of their initial purchase of Securities such number of shares of Series A Preferred Stock as is determined by multiplying the Adjustment Percentage by 3,000,000 shares and retain the balance.

6.15.5 The Adjustment Percentage shall mean the percentage that is determined by the following formula: Adjustment percentage equals (1/(1-P)) - 1, where P equals the percentage shortfall, expressed as a decimal. By way of example, the following table shows the Adjustment Percentage, based on several assumptions as to the shortfall from the Target Number.

Percentage Shortfall	Adjustment Percentage
10%	11.11 %
25%	33.33 %
40%	66.67 %
50%	100.00 %

6.15.6 If the percentage shortfall for 2008 is equal to or greater than fifty percent (50%), then the Escrow Agent shall deliver all of the shares of Series A Preferred Stock then held by the Escrow Agent to the Investors in the ratio of their initial purchase of Securities.

6.15.7 If the percentage shortfall for 2008 is less than fifty percent (50%), then the Adjustment Percentage for 2008 shall be determined. The maximum number of shares to be delivered shall be determined by multiplying the Adjustment Percentage by 3,000,000 shares. The number of shares to be delivered to the Investors shall be the lesser of the number of shares of Series A Preferred Stock then held by the Escrow Agent or the number of shares determined by the preceding sentence. The Escrow Agent shall deliver to the Investors the number of shares of Series A Preferred Stock as is determined pursuant to this Section 6.15.7 in the ratio of their initial purchase of Securities.

6.15.8 For purpose of determining EBIT per share on a fully-diluted basis, all shares of Common Stock issuable upon conversion of convertible securities and upon exercise of warrants and options (whether or not vested) shall be deemed to be outstanding, regardless of whether (i) such shares are treated as outstanding for determining diluted earnings per share under GAAP, (ii) such securities are "in the money," or (iii) such shares may be issued as a result of the 4.9% Limitation; provided, however, that none of the shares of Series A Preferred Stock held in escrow pursuant to this Section 6.15 nor the shares of Common Stock issuable upon conversion of such Series A Preferred Stock shall be deemed outstanding for purpose of this Section 6.15. The number of fully-diluted shares of Common Stock on the date of this Agreement is 19,998,167. The EBIT per share for either 2007 or 2008 shall be based on the number of fully-diluted shares on December 31, 2007 and 2008, respectively.

6.15.9 The distribution of shares of Series A Preferred Stock pursuant to this Section 6.15 shall be made within five (5) business days after the Company files its Form 10-KSB with the SEC for the applicable year. In the event that the Company does not file its Form 10-KSB for the year ended December 31, 2007 or 2008 with the SEC within thirty (30) days after the date that filing was required, after giving effect to any extension pursuant to Rule 12b-25 of the Exchange Act, all of the shares of Series A Preferred Stock then held pursuant to the Closing Escrow Agreement shall be delivered to the Investors.

6.15.10 The parties understand that, pursuant to the Closing Escrow Agreement, the Escrow Agent will not make any deliveries of shares without the signed written instructions from the Company and the Investors.

6.15.11 All references to shares of Common Stock and per share information in this Section 6.15 shall be adjusted to reflect any stock dividends, distributions, splits, reverse splits, combination of shares or other recapitalizations.

6.16 **Insider Selling.** No Restricted Stockholders may sell any shares of Common Stock in the public market prior to the earlier of 27 months from the Closing Date or the Restriction Termination Date; provided, however, that if any Restricted Stockholder who is director and not an executive officer of the Company shall cease to be a director, such Person may sell not more than a total of 50,000 shares of Common Stock in the public market during the period set forth in this sentence; and provided further, that, commencing one year from the Closing Date and for the balance of the 27 month period, Li Qin, Zhao Yi Meng and Shanda International Capital Investment Limited may sell, on a non-cumulative basis, 10% of the shares of Common Stock per month then owned by such Person. Restricted Stockholders shall mean any Person who is an officer, director or Affiliate of the Company or who becomes an officer or director of the Company subsequent to the Closing Date. Without limiting the generality of the foregoing, the Restricted Stockholders shall not to directly or indirectly offer to sell, grant an option for the purchase or sale of, transfer, pledge assign, hypothecate, distribute or otherwise encumber or dispose of any securities in the Company in a transaction which is not in the public market unless the transferee agrees to be bound by the provisions of this Section 6.16. The Company shall require any newly elected officer or director to agree to the restriction set forth in this Section 6.16. Andrew Barron Worden and the Investors shall not be considered Restricted Stockholders. The restrictions in this Section 6.16 shall not apply to shares issued pursuant to a stock option or long-term incentive plans which may be approved by the Compensation Committee provided that such committee is comprised of a majority of independent directors.

6.17 **Employment and Consulting Contracts.** Until the earlier of (a) the Restriction Termination Date at 90% or (b) three years after the Closing, the Company shall have a unanimous approval from the Compensation Committee that any awards other than salary are usual, appropriate and reasonable for any officer, director or consultants whose compensation is more than $100,000 per annum. This Section 6.17 does not apply to attorneys, accountants and other persons who provide professional services to the Company.

6.18 **Subsequent Equity Sales.** From the date hereof until the Restriction Termination Date, the Company shall be not effect or enter into an agreement to effect any Subsequent Financing involving a "Variable Rate Transaction" or an "MFN Transaction" (each as defined below). The term "Variable Rate Transaction" shall mean a transaction in which the Company issues or sells (i) any debt or equity securities that are convertible into, exchangeable or exercisable for, or include the right to receive additional shares of Common Stock either (A) at a conversion, exercise or exchange rate or other price that is based upon and/or varies with the trading prices of or quotations for the shares of Common Stock at any time after the initial issuance of such debt or equity securities, or (B) with a conversion, exercise or exchange price that is subject to being reset at some future date after the initial issuance of such debt or equity security or upon the occurrence of specified or contingent events directly or indirectly related to the business of the Company or the market for the Common Stock. The term "MFN Transaction" shall mean a transaction in which the Company issues or sells any securities in a capital raising transaction or series of related transactions which grants to an investor the right to receive additional shares based upon future transactions of the Company on terms more favorable than those granted to such investor in such offering. Any Investor shall be entitled to obtain injunctive relief against the Company to preclude any such issuance, which remedy shall be in addition to any right to collect damages. Notwithstanding the foregoing, this Section 6.18 shall not apply in respect of an Exempt Issuance, except that no Variable Rate Transaction or MFN Transaction shall be an Exempt Issuance.

6.19 **Restated Certificate.** The Company's board of directors has approved the Restated Certificate. The Company shall promptly, but not later than thirty (30) days after the Closing Date, file the Information Statement with the SEC, and shall mail the Information Statement to stockholders within five (5) business days after the SEC has completed its review of the Information Statement, of, if the SEC does not review the Information Statement, within fifteen (15) business days after the Information Statement is filed with the SEC.

6.20 **Stock Splits**. All forward and reverse stock splits shall effect all equity and derivative holders proportionately.

6.21 **Retention of Investor Relations Firm**. The Company shall instruct the Escrow Agent to retain $100,000 of the proceeds of the sale of the Securities to be utilized for payment to investor relations firms. The Company shall retain an investor relations firm within 30 days after the Closing Date.

6.22 **Payment of Due Diligence Expenses**. At Closing the Escrow Agent shall disperse to Barron the sum of $85,000.00 for its due diligence expenses.

6.23 **No Outside Interests**. Until the Restriction Termination Date, the Company's chairman and chief executive officer will devote their full time and attention to the business of the Company and shall not have any business interests or activities other than as chairman or chief executive officer, as the case may be, except that he or she may devote time, which shall not be material and which shall not interfere with his or her duties as the Company's chairman or chief executive officer, as the case may be, to personal passive investments and charitable and community activities. Furthermore, none of the PRC Company Stockholders shall have any interests or engage in any business that is directly or indirectly competitive with that of the Company or any Related Party.

6.24 **No Waiver of Non-Competition Obligations**. Until the Restriction Termination Date, the Company shall not waive the obligations of its executive officers pursuant to the non-competition agreements described in Section 4.17 of this Agreement.

6.25 **No Loans or Advances**. Until the first to occur of three years from the Closing Date or the Restriction Termination Date at 90%, the Company and its Subsidiaries will not make, and will use their commercially reasonable best efforts to ensure that no PRC Company shall make, any loans, advances or other extensions of credit to the executive officers or directors of the Company, any Subsidiary or any Related Company or any family member or Affiliate of any of such executive officers or directors.

6.26 **Related Party Agreement**. Wu Yiting shall cause Yiyang Kunpeng Worn Metal Recycle Co., Ltd. ("Kunpeng") to sell raw materials, including recycled copper, exclusively to the PRC Company and/or Moral Star and only at a price equal to Kunpeng's cost, but not more than local spot market price.

Article 7

COVENANTS OF THE INVESTOR

Each Investor, severally and not jointly, covenants and agrees with the Company as follows:

7.1 **Compliance with Law**. Each Investor's trading activities with respect to shares of the Company's Common Stock will be in compliance with all applicable state and federal securities laws, rules and regulations and rules and regulations of any public market on which the Company's Common Stock is listed.

7.2 **Transfer Restrictions**. The Investor's acknowledge that (a) the Preferred Stock, Warrants and Shares underlying the Preferred Stock and Warrants have not been registered under the provisions of the 1933 Act, and may not be transferred unless (i) subsequently registered thereunder or (ii) the Investor shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the Preferred Stock, Warrants and Shares to be sold or transferred may be sold or transferred pursuant to an exemption from such registration; and (b) any sale of the Shares underlying the Preferred Stock and Warrants made in reliance on Rule 144 promulgated under the 1933 Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such securities under circumstances in which the seller, or the person through whom the sale is made, may be deemed to be an underwriter, as that term is used in the 1933 Act, may require compliance with some other exemption under the 1933 Act or the rules and regulations of the SEC thereunder. Each Investor agrees that until the Restriction Termination Date it will not sell the Common Stock short or effect any sales based upon market-based metrics.

7.3 **Restrictive Legend**. Each Investor acknowledges and agrees that the Securities and the Shares shall bear a restrictive legend and a stop-transfer order may be placed against transfer of any such Securities except that the requirement for a restrictive legend shall not apply to Shares sold pursuant to a current and effective registration statement or a sale pursuant Rule 144 or any successor rule.

Article 8

CONDITIONS PRECEDENT TO THE COMPANY'S OBLIGATIONS

The obligation of the Company to consummate the transactions contemplated hereby shall be subject to the fulfillment, on or prior to Closing Date, of the following conditions:

8.1 **No Termination**. This Agreement shall not have been terminated pursuant to Article 10 hereof.

8.2 **Representations True and Correct**. The representations and warranties of the Investors contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on as of the Closing Date.

8.3 **Compliance with Covenants**. The Investors shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied by it prior to or at the Closing Date.

8.4 **No Adverse Proceedings**. On the Closing Date, no action or proceeding shall be pending by any public authority or individual or entity before any court or administrative body to restrain, enjoin, or otherwise prevent the consummation of this Agreement or the transactions contemplated hereby or to recover any damages or obtain other relief as a result of the transactions proposed hereby.

Article 9

CONDITIONS PRECEDENT TO INVESTOR'S OBLIGATIONS

The obligation of the Investors to consummate the transactions contemplated hereby shall be subject to the fulfillment, on or prior to Closing Date unless specified otherwise, of the following conditions:

9.1 **No Termination**. This Agreement shall not have been terminated pursuant to Article 10 hereof.

9.2 **Representations True and Correct**. The representations and warranties of the Company contained in this Agreement shall be true and correct in all material respects on and as of the Closing Date with the same force and effect as if made on as of the Closing Date.

9.3 **Compliance with Covenants** . The Company shall have performed and complied in all material respects with all covenants, agreements, and conditions required by this Agreement to be performed or complied by it prior to or at the Closing Date.

9.4 **No Adverse Proceedings**. On the Closing Date, no action or proceeding shall be pending by any public authority or individual or entity before any court or administrative body to restrain, enjoin, or otherwise prevent the consummation of this Agreement or the transactions contemplated hereby or to recover any damages or obtain other relief as a result of the transactions proposed hereby.

Article 10

TERMINATION, AMENDMENT AND WAIVER

10.1 **Termination**. This Agreement may be terminated at any time prior to the Closing Date

10.1.1 by mutual written consent of the Investor and the Company;

10.1.2 by the Company upon a material breach of any representation, warranty, covenant or agreement on the part of any Investor set forth in this Agreement, or any Investor upon a material breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement, or if any representation or warranty of the Company or the Investor, respectively, shall have become untrue, in either case such that any of the conditions set forth in Article 8 or Article 9 hereof would not be satisfied (a "**Terminating Breach**"), and such breach shall, if capable of cure, not have been cured within five (5) business days after receipt by the party in breach of a notice from the non-breaching party setting forth in detail the nature of such breach.

10.2 **Effect of Termination**. Except as otherwise provided herein, in the event of the termination of this Agreement pursuant to Section 10.1 hereof, there shall be no liability on the part of the Company or any Investor or any of their respective officers, directors, agents or other representatives and all rights and obligations of any party hereto shall cease.

10.3 **Amendment and Waiver**.

10.3.1 This Agreement may be amended by the parties hereto any time prior to the Closing Date by an instrument in writing signed by the parties hereto, subject to the provisions of Section 10.3.3; provided, however that the 4.9% Limitation may not be amended or waived.

10.3.2 At any time prior to the Closing Date, the Company or the Investors, as appropriate, may: (a) extend the time for the performance of any of the obligations or other acts of other party or; (b) waive any inaccuracies in the representations and warranties contained herein or in any document delivered pursuant hereto which have been made to it or them; or (c) waive compliance with any of the agreements or conditions contained herein for its or their benefit other than the 4.9% Limitation which may not be waived. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the party or parties to be bound thereby, subject to Section 10.3.3 of this Agreement.

10.3.3 Any amendment or waiver signed by the holders of 75% of the then outstanding shares of Series A Preferred Stock or, after the conversion of all shares of Series A Preferred Stock, the holders of Warrants to purchase a majority of the shares of Common Stock then issuable upon exercise of the Warrants, shall be deemed to be approval of the Investors; provided, that any amendment or waiver which changes the conversion rate or conversion price of the Series A Preferred Stock or the exercise price of the Warrants shall require the approval of all of the holders of the Warrants.

Article 11

GENERAL PROVISIONS

11.1 **Transaction Costs** Except as otherwise provided herein, each of the parties shall pay all of his or its costs and expenses (including attorney fees and other legal costs and expenses and accountants' fees and other accounting costs and expenses) incurred by that party in connection with this Agreement; provided, the Company shall pay Investor such due diligence expenses as described in Section 6.22.

11.2 **Indemnification**. The Investor agrees to indemnify, defend and hold the Company (following the Closing Date) and its officers and directors harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney's fees, that it shall incur or suffer, which arise out of or result from any breach of this Agreement by the Investors or failure by the Investors to perform with respect to the representations, warranties or covenants contained in this Agreement or in any exhibit or other instrument furnished or to be furnished under this Agreement. The Company agrees to indemnify, defend and hold the Investors (following the Closing Date) harmless against and in respect of any and all claims, demands, losses, costs, expenses, obligations, liabilities or damages, including interest, penalties and reasonable attorney's fees, that it shall incur or suffer, which arise out of, result from or relate to any breach of this Agreement or failure by the Company to perform with respect to the representations, warranties or covenants contained in this Agreement or in any exhibit or other instrument furnished or to be furnished under this Agreement. In no event shall the Company or the Investors be entitled to recover consequential or punitive damages resulting from a breach or violation of this Agreement nor shall any party have any liability hereunder in the event of gross negligence or willful misconduct of the indemnified party. In the event of the failure of the Company to issue the Series A Preferred Stock and Warrants in violation of the provisions of this Agreement, the Investors, as their sole remedy, shall be entitled to pursue a remedy of specific performance upon tender into the Court an amount equal to the Purchase Price hereunder. The indemnification by the Investors shall be limited to $50,000.00. This Section 11.2 shall not relate to indemnification under the Registration Rights Agreement.

11.3 **Headings.** The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

11.4 **Entire Agreement.** This Agreement (together with the Schedule, Exhibits, Warrants and documents referred to herein) constitute the entire agreement of the parties and supersede all prior agreements and undertakings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof.

11.5 **Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the third business day after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

Capital Solutions I, Inc.
c/o Jiangxi Moral Star Copper Technology Co., Ltd.
Ge Jia Ba, Hua Ting, Yiyang
Jiangxi, PRC 334400
Attention: Ms.Wu Yiting, Chief Executive Officer
E-mail: wyt1645@163.com
Fax: 86 793 5883661

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway
New York, New York 10006
Attention: Asher S. Levitsky PC
E-mail: alevitsky@srff.com
Fax: (212) 930-9725

If to Barron:

Barron Partners L.P.
c/o Barron Capital Advisors, LLC
730 Fifth Avenue, 25th Floor
New York, New York 10019
Attn: Andrew Barron Worden
E-mail: abw@barronpartners.com and onf@barronpartners.com
Fax: (212) 359-0222

If to the other Investors, at their addresses set forth on Appendix A.

11.6 **Severability.** If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any such term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

11.7 **Binding Effect.** All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

11.8 **Preparation of Agreement.** This Agreement shall not be construed more strongly against any party regardless of who is responsible for its preparation. The parties acknowledge each contributed and is equally responsible for its preparation. In resolving any dispute regarding, or construing any provision in, this Agreement, there shall be no presumption made or inference drawn because of the drafting history of the Agreement, or because of the inclusion of a provision not contained in a prior draft or the deletion or modification of a provision contained in a prior draft.

11.9 **Governing Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to applicable principles of conflicts of law.

11.10 **Jurisdiction; Waiver of Jury Trial. If any action is brought among the parties with respect to this Agreement or otherwise, by way of a claim or counterclaim, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury.** Exclusive jurisdiction and venue for any such action shall be the federal and state courts situated in the City, County and State of New York. In the event suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys fees to be fixed by the arbitrator, trial court, and/or appellate court if such party prevails on substantially all issues in dispute.

11.11 **Preparation and Filing of Securities and Exchange Commission filings.** The Investors shall reasonably assist and cooperate with the Company in the preparation of all filings with the SEC after the Closing Date due after the Closing Date.

11.12 **Further Assurances, Cooperation**. Each party shall, upon reasonable request by the other party, execute and deliver any additional documents necessary or desirable to complete the transactions herein pursuant to and in the manner contemplated by this Agreement. The parties hereto agree to cooperate and use their respective best efforts to consummate the transactions contemplated by this Agreement.

11.13 **Survival**. The representations, warranties, covenants and agreements made herein shall survive the Closing of the transaction contemplated hereby.

11.14 **Third Parties.** Except as disclosed in this Agreement, nothing in this Agreement, whether express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the parties hereto and their respective administrators, executors, legal representatives, heirs, successors and assignees. Nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third persons to any party to this Agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this Agreement.

11.15 **Failure or Indulgence Not Waiver; Remedies Cumulative.** No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall nay single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

11.16 **Counterparts.** This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Investors and the Company have as of the date first written above executed this Agreement.

THE COMPANY:

CAPITAL SOLUTIONS I, INC.

By: /s/ Wu Yiting
Wu Yiting, CEO

INVESTORS:

BARRON PARTNERS LP
By: Barron Capital Advisors, LLC, its General Partner

/s/ Andrew Barron Worden
Andrew Barron Worden, President

EOS HOLDINGS

By: /s/ Jon R. Carnes
Jon R.Carnes, President

SILVER ROCK I, LTD.

By: /s/ Rima Salam
Rima Salam

Jiangxi Yiyang Fuda Copper Co., Ltd. hereby agrees to the provisions of Section 6.25 of this Agreement.

JIANGXI YIYANG FUDA COPPER CO., LTD.

By: /s/ Wu Yiting
Wu Yiting, CEO

The undersigned hereby agrees to be bound by the provisions of Sections 6.16 and 6.23 of this Agreement.

/s/ Wu Yaxu
Wu Yaxu

/s/ Wu Yiting
Wu Yiting

SECURITIES PURCHASE AGREEMENT BETWEEN
CAPITAL SOLUTIONS I, INC. AND BARRON PARTNERS LP

The undersigned hereby agrees to be bound by the provisions of Sections 6.26 of this Agreement.

YIYANG KUNPENG WORN METAL RECYCLE CO., LTD.

/s/ Wu Yiting
Wu Yiting

By: /s/ Wu Yiting
Wu Yiting, CEO

SECURITIES PURCHASE AGREEMENT BETWEEN
CAPITAL SOLUTIONS I, INC. AND BARRON PARTNERS LP

Schedule A

Name and Address	Amount of Investment	Shares of Series A Preferred Stock	Number of Shares of Preferred Stock into Which Note is Convertible	Number of Shares Underlying $1.80 Warrants/ $3.00 Warrants
Barron Partners LP 730 Fifth Avenue, 25th Floor New York, New York 10019 Attn: Andrew Barron Worden abw@barronpartners.com	$3,125,000	2,840,909	2,840,909	1,893,939/ 3,787,879
Eos Holdings 2560 Highvale Dr. Las Vegas, NV 89134 Attn: Jon R. Carnes, President jcarnes@eosfunds.com	$100,000	90,909	90,909	60,606/ 121,212
Silver Rock I, Ltd 4th Floor, Rodus Building Road Reef P.O. Box 765 Road Town, Tortola , British Virgin Islands Attn: Rima Salam ejallad@silverstoneadvisors.com	$175,000	159,091	159,091	106,061/ 212,121
	$3,400,000	3,090,909	3,090,909	2,060,060/ 4,121,212

Schedule 4.3.1

FUDA - Capital Solutions Capitalization Table

		3.2-for-1 stk distrib	Percent		% w/ Preferred		% w/ Pref. & Wts	
Outstanding shares	66,732							
Purchase from controlling s/h	50,001							
Public float	16,731	53,539	0.50	%	0.39	%	0.27	%
Belmont	33,517	107,254	1.00	%	0.78	%	0.54	%
Trustee and Wu transferees	3,137,389	10,039,645	93.61	%	72.66	%	50.20	%
Trustee Transferees	164,063	525,002	4.89	%	3.80	%	2.63	%
Total	3,351,700	10,725,440	100.00	%				
Barron Preferred		3,090,909			22.37	%	15.46	%
Total w/ Barron Preferred		13,816,349			100.00	%		
Barron Warrants $1.80		2,060,606					10.30	%
Barron Warrants $3.00		4,121,212					20.61	%
Total w/ Barron Preferred and Wts		19,998,167					100.00	%

RMB Exchange Rate	RMB7.4 to US$1.00		
$500K reduction in targets	3,700,000		
Period	RMB	per share	USD/sh
2007	33,300,000	1.66515	$0.22502
2008(a)	46,300,000	2.31521	$0.31287
2008(b)	52,300,000	2.61524	$0.35341
2008(c)	61,300,000	3.06528	$0.41423

(a) applies is none of the conditions in (b) or (c) apply

(b) applies if all of the $1.80 warrants are exercised by 6/30/08 and 50% of the $3.00 warrants are exercised by 9/30/08

(c) applies if all of the $1.80 warrants are exercised by 6/30/08 and all of the $3.00 warrants are exercised by 9/30/08

Investor	**Percentage**	**Purchase Price**	**Series A Preferred**	**$1.80 Warrants**	**$3.00 Warrants**
Barron Partners	91.91 %	$3,125,000	2,840,909	1,893,939	3,787,879
Silver Rock I, Ltd.	5.15 %	$175,000	159,091	106,061	212,121
Eos Holdings	2.94 %	$100,000	90,909	60,606	121,212
		$3,400,000	3,090,909	2,060,606	4,121,212
Jibrin Issa Jibrin AlJibrin, Trustee		7,017,620			
WU Wei-Hong		350,250			
HE Liu-Qin		265,780			
XU Min		350,325			
ZHENG Jin-E		475,000			
YU Yan-Xia		475,000			
ZUO Su-Hua		322,350			

CHENG Ming-Chang	333,320
WU Wen-Quan	100,000
ZHANG Ning	100,000
LIU Ji-Cheng	100,000
TAO Xiao-Yong	100,000
YU Zeshi	50,000
	10,039,645
LI, Qin	140,000
ZHAO, Yi Meng	70,000
Shanda International Capital Investment Limited	315,002
	525,002
Total	**10,564,647**

Schedule 4.8

Schedule of Brokers

Li Sheng shall receive a financing commission at the rate of 5%, of which $170,000 at the closing, based on $3,400,000 financing, an additional $185,455 when all of the $1.80 warrants are exercised and $618,182 when all of the $3.00 warrants are exercised.

CAPITAL SOLUTIONS I, INC.

Certificate of Designation

of

Series A Convertible Preferred Stock

Pursuant to Section 151(g) of the Delaware General Corporation Law, Capital Solutions I, Inc., a Delaware corporation (the "Corporation"), does hereby certify as follows:

1. The following resolutions were duly adopted by the Board of Directors of the Corporation on December 3, 2007:

RESOLVED, that whereas the previously authorized series of preferred stock, designated as the Series A Preferred Stock, was not reauthorized following the filing of a restated certificate of incorporation of this Corporation and the shares formerly designated as series A preferred stock have the status of authorized but unissued shares of Preferred Stock, par value $.0000001 per share, without designation as to series; and

RESOLVED, that pursuant to Article Fourth (c) of the Certificate of Incorporation of this Corporation, there be created a series of the Preferred Stock, par value $.0000001 per share ("Preferred Stock"), consisting of twenty million (20,000,000) shares, to be designated as the Series A Convertible Preferred Stock ("Series A Preferred Stock"), and that the holders of shares the Series A Preferred Stock shall have the rights, preferences and privileges set forth in the Statement of Designation set forth in Exhibit A to this Resolution ("Certificate of Designation"); and it was further

RESOLVED, that the Chief Executive Officer of this Corporation be, and he hereby is, authorized and empowered to execute and file with the Secretary of State of the State of Delaware, the Certificate of Designation setting forth the rights, preferences and privileges of the holders of the Series A Preferred Stock.

2. Set forth as Exhibit A to this Certificate of Designation is a true and correct copy of the Statement of Designations relating to the Series A Preferred Stock.

IN WITNESS WHEREOF, Capital Solutions I, Inc. has caused this certificate to be signed by its president this 3rd day of December, 2007.

By: /s/ Wu Yiting
Wu Yiting,
Chief Executive Officer

STATEMENT OF DESIGNATIONS

Section 1. **Definitions**. Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement (as defined below) shall have the meanings given such terms in the Purchase Agreement. For the purposes hereof, the following terms shall have the following meanings:

"Bankruptcy Event" means any of the following events: (a) the Company or any Significant Subsidiary (as such term is defined in Rule 1.02(s) of Regulation S-X) thereof commences a case or other proceeding under any bankruptcy, reorganization, arrangement, adjustment of debt, relief of debtors, dissolution, insolvency or liquidation or similar law of any jurisdiction relating to the Company or any Significant Subsidiary thereof; (b) there is commenced against the Company or any Significant Subsidiary thereof any such case or proceeding that is not stayed or dismissed within 90 days after commencement; (c) the Company or any Significant Subsidiary thereof is adjudicated insolvent or bankrupt or any order of relief or other order approving any such case or proceeding is entered; (d) the Company or any Significant Subsidiary thereof suffers any appointment of any custodian or the like for it or any substantial part of its property that is not discharged or stayed within 90 days; (e) the Company or any Significant Subsidiary thereof makes a general assignment for the benefit of creditors; (f) the Company or any Significant Subsidiary thereof calls a meeting of its creditors with a view to arranging a composition, adjustment or restructuring of its debts; or (g) the Company or any Significant Subsidiary thereof, by any act or failure to act, expressly indicates its consent to, approval of or acquiescence in any of the foregoing or takes any corporate or other action for the purpose of effecting any of the foregoing.

"Closing Date" means the Closing Date, as defined in the Purchase Agreement.

"Commission" means the Securities and Exchange Commission.

"Common Stock" means the Company's common stock, par value $.0000001 per share, and stock of any other class into which such shares may hereafter have been reclassified or changed. Pursuant to a proposed restated certificate of incorporation, the par value will be changed to $.001 per share.

"Common Stock Equivalents" means any securities of the Company or the Subsidiaries which would entitle the holder thereof to acquire at any time Common Stock, including without limitation, any debt, preferred stock, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Common Stock.

"Conversion Date" shall have the meaning set forth in Section 6(a).

"Conversion Rate" shall mean the Liquidation Value divided by the Conversion Price.

"Conversion Price" shall have the meaning set forth in Section 6(a) of this Statement of Designation, subject to adjustment as hereinafter provided.

"Conversion Shares" means, collectively, the shares of Common Stock into which the shares of Series A Preferred Stock are convertible in accordance with the terms hereof.

"Conversion Shares Registration Statement" means a registration statement that meets the requirements of the Registration Rights Agreement and registers the resale of all Conversion Shares by the Holder, who shall be named as a "selling stockholder" thereunder, all as provided in the Registration Rights Agreement.

"Dilutive Issuance" shall have the meaning set forth in Section 7(b) hereof.

"Effective Date" means the date that the Conversion Shares Registration Statement is declared effective by the Commission.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exempt Issuance" shall have the meaning set forth in Section 1.3.18 of the Purchase Agreement.

"Fundamental Transaction" shall have the meaning set forth in Section 7(f)(iv) hereof.

"Holder" shall have the meaning given such term in Section 2 hereof.

"Junior Securities" means the Common Stock and all other equity or equity equivalent securities of the Company other than those securities that are explicitly senior in rights or liquidation preference to the Series A Preferred Stock.

"Original Issue Date" shall mean the date of the first issuance of any shares of the Series A Preferred Stock regardless of the number of transfers of any particular shares of Series A Preferred Stock and regardless of the number of certificates which may be issued to evidence such Series A Preferred Stock.

"Person" means a corporation, an association, a partnership, a limited liability company, a business association, an individual, a trust, a government or political subdivision thereof or a governmental agency.

"Purchase Agreement" means the Preferred Stock Purchase Agreement, dated as of December 3, 2007, to which the Company and the original Holders are parties, as amended, modified or supplemented from time to time in accordance with its terms, a copy of which is on file at the principal offices of the Company.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the Closing Date, to which the Company and the original Holder are parties, as amended, modified or supplemented from time to time in accordance with its terms.

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Series A Preferred Stock" shall have the meaning set forth in Section 2.

"Subsidiary" shall mean a corporation, limited liability company, partnership, joint venture or other business entity of which the Company owns beneficially or of record more than a majority of the equity interest.

"Trading Day" means a day on which the Common Stock is traded on a Trading Market.

"Trading Market" means the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the Nasdaq SmallCap Market, the American Stock Exchange, the New York Stock Exchange, the Nasdaq National Market or the OTC Bulletin Board.

"Transaction Documents" shall have the meaning set forth in the Purchase Agreement.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on a Trading Market, the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the primary Trading Market on which the Common Stock is then listed or quoted as reported by Bloomberg Financial L.P. (based on a Trading Day from 9:30 a.m. EST to 4:02 p.m. Eastern Time) using the VAP function; (b) if the Common Stock is not then listed or quoted on the Trading Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; or (c) in all other cases, the fair market value of a share of Common Stock as determined by a nationally recognized-independent appraiser selected in good faith by Purchasers holding a majority of the principal amount of Series A Preferred Stock then outstanding.

"Warrants" shall have the meaning set forth in the Purchase Agreement.

Section 2. **Designation, Amount and Par Value**. The series of preferred stock, par value $.0000001 per share ("Preferred Stock"), consisting of twenty million (20,000,000 shares) shares shall be designated as the Company's Series A Convertible Preferred Stock (the "Series A Preferred Stock") and the number of shares so designated shall be (which shall not be subject to increase without the consent of all of the holders of 75% of the then outstanding shares of Series A Preferred Stock (each a "Holder" and collectively, the "Holders")). In the event of the conversion of shares of Series A Preferred Stock into this Company's Common Stock, pursuant to Section 6 hereof, or in the event that the Company shall otherwise acquire and cancel any shares of Series A Preferred Stock, the shares of Series A Preferred Stock so converted or otherwise acquired and canceled shall have the status of authorized but unissued shares of preferred stock, without designation as to series until such stock is once more designated as part of a particular Series by the Company's Board of Directors. In addition, if the Company shall not issue the maximum number of shares of Series A Preferred Stock, the Company may, from time to time, by resolution of the Board of Directors and the approval of the holders of a majority of the outstanding shares of Series A Preferred Stock, reduce the number of shares of Series A Preferred Stock authorized, provided, that no such reduction shall reduce the number of authorized shares to a number which is less than the number of shares of Series A Preferred Stock then issued or reserved for issuance. The number of shares by which the Series A Preferred Stock is reduced shall have the status of authorized but unissued shares of Preferred Stock, without designation as to series, until such stock is once more designated as part of a particular Series by the Company's Board of Directors. The Board of Directors shall cause to be filed with the Secretary of State of the State of Delaware such certificate as shall be necessary to reflect any reduction in the number of shares constituting the Series A Preferred Stock.

Section 3. **Dividends and Other Distributions**. No dividends shall be payable with respect to the Series A Preferred Stock. No dividends shall be payable with respect to the Common Stock while the Series A Preferred Stock is outstanding. The Company shall not redeem or repurchase any shares of Common Stock while the Series A Preferred Stock is outstanding; except for the purchase of 50,001 shares of Common Stock at or about the time that first shares of Series A Preferred Stock are issued.

Section 4. **Voting Rights**. The Series A Preferred Stock shall have no voting rights. However, so long as any shares of Series A Preferred Stock are outstanding, the Company shall not, without the affirmative approval of the Holders of 75% of the shares of the Series A Preferred Stock then outstanding, (a) alter or change adversely the powers, preferences or rights given to the Series A Preferred Stock or alter or amend this Certificate of Designation, (b) authorize or create any class of stock ranking as to dividends or distribution of assets upon a Liquidation (as defined in Section 5) senior to or otherwise pari passu with the Series A Preferred Stock, or any of preferred stock possessing greater voting rights or the right to convert at a more favorable price than the Series A Preferred Stock, (c) amend its certificate or articles of incorporation or other charter documents in breach of any of the provisions hereof, (d) increase the authorized number of shares of Series A Preferred Stock, or (e) enter into any agreement with respect to the foregoing. The holders of the Series A Preferred Stock will not be entitled to vote as a class with respect to the increase or decrease in the number of authorized shares of preferred stock; provided, however, that the provisions of Section 6(c) of this Certificate of Designation may not be amended or waived.

Section 5. **Liquidation**. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), the Holders shall be entitled to receive out of the assets of the Company, whether such assets are capital or surplus, for each share of Series A Preferred Stock an amount equal to $1.10 (the "Liquidation Value") before any distribution or payment shall be made to the holders of any Junior Securities and after any distributions or payments made to holders of any class or series of securities which are senior to the Series A Preferred Stock upon voluntary or involuntary liquidation, dissolution or winding up, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the Holders shall be distributed among the Holders ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. In the event the assets of the Company available for distribution to the holders of shares of Series A Preferred Stock upon dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such holders are entitled pursuant to Section 5, no such distribution shall be made on account of any shares of any other class or series of capital stock of the Company ranking on a parity with the shares of Series A Preferred Stock upon such dissolution, liquidation or winding up unless proportionate distributive amounts shall be paid on account of the shares of Series A Preferred Stock, ratably, in proportion to the full distributable amounts for which holders of all such parity shares are respectively entitled upon such dissolution, liquidation or winding up. At the election of a Holder made by written notice delivered to the Company at least two (2) business days prior to the effective date of the subject transaction, as to the shares of Series A Preferred Stock held by such Holder, a Fundamental Transaction (excluding for purposes of this Section 5 any Fundamental Transaction described in Section 7(f)(iv)(A) or 7(f)(iv)(B)) or Change of Control shall be treated as a Liquidation as to such Holder.

Section 6. **Conversion**.

a) Conversions at Option of Holder. Each share of Series A Preferred Stock shall be initially convertible (subject to the limitations set forth in Section 6(c)), into one (1) share of Common Stock (as adjusted as provided below, the "Conversion Rate") at the option of the Holders, at any time and from time to time from and after the Original Issue Date. The Conversion Rate reflects a 3.2-for-one stock distribution whereby each share of common stock becomes and is converted into 3.2 shares of Common Stock (the "Stock Distribution"). Holders shall effect conversions by providing the Company with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion") as fully and originally executed by the Holder, together with the delivery by the Holder to the Company of the stock certificate(s) representing the number of shares of Series A Preferred Stock so converted, with such stock certificates being duly endorsed in full for transfer to the Company or with an applicable stock power duly executed by the Holder in the manner and form as deemed reasonable by the transfer agent of the Common Stock. Each Notice of Conversion shall specify the number of shares of Series A Preferred Stock to be converted, the number of shares of Series A Preferred Stock owned prior to the conversion at issue, the number of shares of Series A Preferred Stock owned subsequent to the conversion at issue, the stock certificate number and the shares of Series A Preferred Stock represented thereby which are accompanying the Notice of Conversion, and the date on which such conversion is to be effected, which date may not be prior to the date the Holder delivers such Notice of Conversion and the applicable stock certificates to the Company by overnight delivery service (the "Conversion Date"). If no Conversion Date is specified in a Notice of Conversion, the Conversion Date shall be the Trading Day immediately following the date that such Notice of Conversion and applicable stock certificates are received by the Company. The calculations and entries set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. Shares of Series A Preferred Stock converted into Common Stock in accordance with the terms hereof shall be canceled and may not be reissued. The initial Conversion Price of the Series A Preferred Stock shall be equal to $1.10 per share. The initial Conversion Price reflects the Stock Distribution. If the initial Conversion Price is adjusted pursuant to Section 7 or as otherwise provided herein, the Conversion Rate shall likewise be adjusted and the new Conversion Rate shall equal the Liquidation Value divided by the new Conversion Price. Thereafter, subject to any further adjustments in the Conversion Price, each share of Series A Preferred Stock shall be initially convertible into that number of shares of Common Stock equal to the new Conversion Rate.

b) Automatic Conversion Upon Change of Control. Subject to Section 5, all of the outstanding shares of Series A Preferred Stock shall be automatically converted into the Conversion Shares upon the close of business on the business day immediately preceding the date fixed for consummation of any transaction resulting in a Change of Control of the Company (an "Automatic Conversion Event"). A "Change in Control" means a consolidation or merger of the Company with or into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company in a transaction or series of transactions. The Company shall not be obligated to issue certificates evidencing the Conversion Shares unless certificates evidencing the shares of Series A Preferred Stock so converted are either delivered to the Company or its transfer agent or the holder notifies the Company or its transfer agent in writing that such certificates have been lost, stolen, or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection therewith. Upon the conversion of the Series A Preferred Stock pursuant to this Section 6(b), the Company shall promptly send written notice thereof, by hand delivery or by overnight delivery, to the holder of record of all of the Series A Preferred Stock at its address then shown on the records of the Company, which notice shall state that certificates evidencing shares of Series A Preferred Stock must be surrendered at the office of the Company (or of its transfer agent for the Common Stock, if applicable).

c) Beneficial Ownership Limitation. Except as provided in Section 6(b) of this Statement of Designation, which shall apply as stated therein if an Automatic Conversion Event shall occur, the Company shall not effect any conversion of the Series A Preferred Stock, and the Holder shall not have the right to convert any portion of the Series A Preferred Stock to the extent that after giving effect to such conversion, the Holder (together with the Holder's affiliates), as set forth on the applicable Notice of Conversion, would beneficially own in excess of 4.9% of the number of shares of the Common Stock outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon conversion of the Series A Preferred Stock with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) conversion of the remaining, nonconverted shares of Series A Preferred Stock beneficially owned by the Holder or any of its affiliates, so long as such shares of Series A Preferred Stock are not convertible within sixty (60) days from the date of such determination, and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including the Warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates, so long as such other securities of the Company are not exercisable nor convertible within sixty (60) days from the date of such determination. For purposes of this Section 6(c), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in the most recent of the following: (A) the Company's most recent quarterly reports, Form 10-Q, Form 10-QSB, Annual Reports, Form 10-K, or Form 10-KSB, as the case may be, as filed with the Commission under the Exchange Act (B) a more recent public announcement by the Company or (C) any other written notice by the Company or the Company's transfer agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of the Holder, the Company shall within two (2) Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including the Series A Preferred Stock, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was publicly reported by the Company. This Section 6(c) may not be waived or amended. For purposes of this Section 6(c), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act.

d) Mechanics of Conversion

i. Delivery of Certificate Upon Conversion. Except as otherwise set forth herein, not later than three Trading Days after each Conversion Date (the "Share Delivery Date"), the Company shall deliver to the Holder (A) a certificate or certificates which, after the Effective Date, shall be free of restrictive legends and trading restrictions (other than those required by the Purchase Agreement) representing the number of shares of Common Stock being acquired upon the conversion of shares of Series A Preferred Stock, and (B) a bank check in the amount of accrued and unpaid dividends (if the Company has elected or is required to pay accrued dividends in cash). After the Effective Date, the Company shall, upon request of the Holder, deliver any certificate or certificates required to be delivered by the Company under this Section electronically through the Depository Trust Company or another established clearing Company performing similar functions if the Company's transfer agent has the ability to deliver shares of Common Stock in such manner. If in the case of any Notice of Conversion such certificate or certificates are not delivered to or as directed by the applicable Holder by the third Trading Day after the Conversion Date, the Holder shall be entitled to elect by written notice to the Company at any time on or before its receipt of such certificate or certificates thereafter, to rescind such conversion, in which event the Company shall immediately return the certificates representing the shares of Series A Preferred Stock tendered for conversion.

ii. Obligation Absolute; Partial Liquidated Damages. The Company's obligations to issue and deliver the Conversion Shares upon conversion of Series A Preferred Stock in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by the Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by the Holder or any other person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to the Holder in connection with the issuance of such Conversion Shares. In the event a Holder shall elect to convert any or all of its Series A Preferred Stock, the Company may not refuse conversion based on any claim that such Holder or any one associated or affiliated with the Holder of has been engaged in any violation of law, agreement or for any other reason (other than the inability of the Company to issue shares of Common Stock as a result of the limitation set forth in Section 6(c) hereof) unless, an injunction from a court, on notice, restraining and or enjoining conversion of all or part of this Series A Preferred Stock shall have been sought and obtained and the Company posts a surety bond for the benefit of the Holder in the amount of 150% of the Conversion Price of Series A Preferred Stock outstanding, which is subject to the injunction, which bond shall remain in effect until the completion of arbitration/litigation of the dispute and the proceeds of which shall be payable to such Holder to the extent it obtains judgment. In the absence of an injunction precluding the same, the Company shall issue Conversion Shares or, if applicable, cash, upon a properly noticed conversion. If the Company fails to deliver to the Holder such certificate or certificates pursuant to Section 6(d)(i) within two Trading Days of the Share Delivery Date applicable to such conversion, the Company shall pay to such Holder, in cash, as liquidated damages and not as a penalty, for each $5,000 of Conversion Price of Series A Preferred Stock being converted, $50 per Trading Day (increasing to $100 per Trading Day after three (3) Trading Days and increasing to $200 per Trading Day six (6) Trading Days after such damages begin to accrue) for each Trading Day after the Share Delivery Date until such certificates are delivered. Nothing herein shall limit a Holder's right to pursue actual damages for the Company's failure to deliver certificates representing shares of Common Stock upon conversion within the period specified herein and such Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief.

iii. Compensation for Buy-In on Failure to Timely Deliver Certificates Upon Conversion. If the Company fails to deliver to the Holder such certificate or certificates pursuant to Section 6(d)(i) by a Share Delivery Date, and if after such Share Delivery Date the Holder purchases (in an open market transaction or otherwise) Common Stock to deliver in satisfaction of a sale by such Holder of the Conversion Shares which the Holder was entitled to receive upon the conversion relating to such Share Delivery Date (a "Buy-In"), then the Company shall pay in cash to the Holder the amount by which (x) the Holder's total purchase price (including brokerage commissions, if any) for the Common Stock so purchased exceeds (y) the product of (1) the aggregate number of shares of Common Stock that such Holder was entitled to receive from the conversion at issue multiplied by (2) the price at which the sell order giving rise to such purchase obligation was executed. For example, if the Holder purchases Common Stock having a total purchase price of $11,000 to cover a Buy-In with respect to an attempted conversion of shares of Series A Preferred Stock with respect to which the aggregate sale price giving rise to such purchase obligation is $10,000, under clause (A) of the immediately preceding sentence the Company shall be required to pay the Holder $1,000. The Holder shall provide the Company written notice indicating the amounts payable to the Holder in respect of the Buy-In, together with applicable confirmations and other evidence reasonably requested by the Company. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver certificates representing shares of Common Stock upon conversion of the shares of Series A Preferred Stock as required pursuant to the terms hereof.

iv. Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued shares of Common Stock solely for the purpose of issuance upon conversion of the Series A Preferred Stock, each as herein provided, free from preemptive rights or any other actual contingent purchase rights of persons other than the Holders, not less than such number of shares of the Common Stock as shall (subject to any additional requirements of the Company as to reservation of such shares set forth in the Purchase Agreement) be issuable (taking into account the adjustments and restrictions of Section 7) upon the conversion of all outstanding shares of Series A Preferred Stock. The Company covenants that all shares of Common Stock that shall be so issuable shall, upon issue, be duly and validly authorized, issued and fully paid, nonassessable and, if the Conversion Shares Registration Statement is then effective under the Securities Act, registered for public sale in accordance with such Conversion Shares Registration Statement.

v. Fractional Shares. Upon a conversion hereunder, the Company shall not be required to issue stock certificates representing fractions of shares of the Common Stock. All fractional shares shall be carried forward and any fractional shares which remain after a Holder converts all of his or her Series A Preferred Stock shall be dropped and eliminated.

vi. Transfer Taxes. The issuance of certificates for shares of the Common Stock on conversion of the Series A Preferred Stock shall be made without charge to the Holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the Holder of such shares of Series A Preferred Stock so converted and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

vii. Absolute Obligation. Except as expressly provided herein, no provision of this Certificate of Designation shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the liquidated damages (if any) on, the shares of Series A Preferred Stock at the time, place, and rate, and in the coin or currency, herein prescribed.

Section 7. **Certain Adjustments**.

a) Stock Dividends and Stock Splits. If the Company, at any time while the Series A Preferred Stock is outstanding: (A) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock or any other equity or equity equivalent securities payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company pursuant to this Series A Preferred Stock), (B) subdivide outstanding shares of Common Stock into a larger number of shares, (C) combine (including by way of reverse stock split) outstanding shares of Common Stock into a smaller number of shares, or (D) issue by reclassification of shares of the Common Stock any shares of capital stock of the Company, then the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or re-classification. This Section 7(a) shall not relate to the Stock Distribution.

b) Price Adjustment. If, within the 36 months following the Closing Date, the Company issues a note or notes, shares of Common Stock, or shares of any class of Preferred Stock at a price per share of Common Stock, or convertible securities or warrants, options or rights with a conversion right to acquire Common Stock at a price per share of Common Stock (other than (x) an Exempt Issuance or (y) an issuance covered by Sections 7(a) and 7(c) hereof or (z) an issuance of Common Stock upon exercise or upon conversion of warrants, options or other convertible securities for which an adjustment has already been made pursuant to this Section 7, that is less than the Conversion Price in effect at the time of such sale (such lower price being referred to as the "Lower Price"), the Conversion Price shall be adjusted immediately thereafter so that it shall equal the Lower Price. The "Conversion Rate" is the number of shares of Common Stock issuable upon conversion of one (1) share of Preferred Stock. The initial Conversion Rate is one share of Common Stock per share of Preferred Stock and the initial Conversion Price is $1.10, such rate and price reflecting the Stock Distribution. Such adjustment shall be made successively whenever such an issuance is made.

c) Pro Rata Distributions. If the Company, at any time while Series A Preferred Stock is outstanding, shall distribute to all holders of Common Stock (and not to Holders) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security, then in each such case the Conversion Price shall be determined by multiplying such Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the VWAP determined as of the record date mentioned above, and of which the numerator shall be such VWAP on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of the Common Stock as determined by the Board of Directors in good faith. In either case the adjustments shall be described in a statement provided to the Holders of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

d) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. The number of shares of Common Stock outstanding at any given time shall not include shares owned or held by or for the account of the Company. For purposes of this Section 7, the number of shares of Common Stock deemed to be issued and outstanding as of a given date shall be the sum of the number of shares of Common Stock (excluding treasury shares, if any) actually issued and outstanding.

e) Notice to Holders.

i. Adjustment to Conversion Price. Whenever the Conversion Price is adjusted pursuant to any of this Section 7, the Company shall promptly mail to each Holder a notice setting forth the Conversion Price after such adjustment and setting forth a brief statement of the facts requiring such adjustment. If the Company issues a variable rate security, despite the prohibition thereon in the Purchase Agreement, the Company shall be deemed to have issued Common Stock or Common Stock Equivalents at the lowest possible conversion or exercise price at which such securities may be converted or exercised in the case of a Variable Rate Transaction (as defined in the Purchase Agreement), or the lowest possible adjustment price in the case of an MFN Transaction (as defined in the Purchase Agreement).

ii. Notices of Other Events. If (A) the Company shall declare a dividend (or any other distribution) on the Common Stock; (B) the Company shall authorize the granting to all holders of the Common Stock rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; (C) the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock or any Fundamental Transaction, (D) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company; then in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of the Series A Preferred Stock, and shall cause to be mailed to the Holders at their last addresses as they shall appear upon the stock books of the Company, at least 30 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined or (y) the date on which such reclassification is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of the Common Stock for securities, cash or other property deliverable upon such reclassification or Fundamental Transaction; provided, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice.

iii. Exempt Issuance. Notwithstanding the foregoing, no adjustment will be made under this Section 7 in respect of an Exempt Issuance.

iv. Fundamental Transaction. If, at any time while this Series A Preferred Stock is outstanding, (A) the Company effects any merger or consolidation of the Company with or into another Person, (B) the Company effects any sale of all or substantially all of its assets in one or a series of related transactions, (C) any tender offer or exchange offer (whether by the Company or another Person) is completed pursuant to which holders of Common Stock are permitted to tender or exchange their shares for other securities, cash or property, or (D) the Company effects any reclassification of the Common Stock or any compulsory share exchange pursuant to which the Common Stock is effectively converted into or exchanged for other securities, cash or property (in any such case, a "Fundamental Transaction"), then upon any subsequent conversion of this Series A Preferred Stock, the Holder shall have the right to receive, for each Conversion Share that would have been issuable upon such conversion absent such Fundamental Transaction, the same kind and amount of securities, cash or property as it would have been entitled to receive upon the occurrence of such Fundamental Transaction if it had been, immediately prior to such Fundamental Transaction, the holder of one share of Common Stock (the "Alternate Consideration"). For purposes of any such conversion, the determination of the Conversion Price shall be appropriately adjusted to apply to such Alternate Consideration based on the amount of Alternate Consideration issuable in respect of one share of Common Stock in such Fundamental Transaction, and the Company shall apportion the Conversion Price among the Alternate Consideration in a reasonable manner reflecting the relative value of any different components of the Alternate Consideration. If holders of Common Stock are given any choice as to the securities, cash or property to be received in a Fundamental Transaction, then the Holder shall be given the same choice as to the Alternate Consideration it receives upon any conversion of this Series A Preferred Stock following such Fundamental Transaction. To the extent necessary to effectuate the foregoing provisions, any successor to the Company or surviving entity in such Fundamental Transaction shall file a new Certificate of Designation with the same terms and conditions and issue to the Holder new preferred stock consistent with the foregoing provisions and evidencing the Holder's right to convert such preferred stock into Alternate Consideration. The terms of any agreement pursuant to which a Fundamental Transaction is effected shall include terms requiring any such successor or surviving entity to comply with the provisions of this paragraph (f)(iv) and insuring that this Series A Preferred Stock (or any such replacement security) will be similarly adjusted upon any subsequent transaction analogous to a Fundamental Transaction. Notwithstanding the foregoing or any other provisions of this Certificate of Designation, in the event that the agreement relating to a Fundamental Transaction provides for the conversion or exchange of the Series A Preferred Stock into equity or debt securities, cash or other consideration and the agreement is approved by the holders of a majority of the. then-outstanding shares of Series A Preferred Stock, then the holders of the Series A Preferred Stock shall have only the rights set forth in such agreement.

Section 8. Miscellaneous.

a) Notices. Any and all notices or other communications or deliveries to be provided by the Holders hereunder, including, without limitation, any Notice of Conversion, shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service, addressed to the Company, at its principal address as reflected in its most recent filing with the Commission. Any and all notices or other communications or deliveries to be provided by the Company hereunder shall be in writing and delivered personally, by facsimile, sent by a nationally recognized overnight courier service addressed to each Holder at the facsimile telephone number or address of such Holder appearing on the books of the Company, or if no such facsimile telephone number or address appears, at the principal place of business of the Holder. Any notice or other communication or deliveries hereunder shall be deemed given when received, and any notice by telecopier shall be effective if confirmation of receipt is given by the party to whom the notice is transmitted.

b) Lost or Mutilated Preferred Stock Certificate. If a Holder's Series A Preferred Stock certificate shall be mutilated, lost, stolen or destroyed, the Company shall execute and deliver, in exchange and substitution for and upon cancellation of a mutilated certificate, or in lieu of or in substitution for a lost, stolen or destroyed certificate, a new certificate for the shares of Series A Preferred Stock so mutilated, lost, stolen or destroyed but only upon receipt of evidence of such loss, theft or destruction of such certificate, and of the ownership thereof, and indemnity, if requested, all reasonably satisfactory to the Company.

c) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

d) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Designation and shall not be deemed to limit or affect any of the provisions hereof.

e) Rank of Series. For purposes of this Certificate of Designation, any stock of any series or class of the Company shall be deemed to rank

(i) prior to the shares of Series A Preferred Stock, as to dividends or upon liquidation, dissolution or winding up, as the case may be, if the holders of such class or classes shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Company, as the case may be, in preference or priority to the holders of shares of Series A Preferred Stock;

(ii) on a parity with shares of Series A Preferred Stock, as to dividends or upon liquidation, dissolution or winding up, as the case may be, whether or not the dividend rates, dividend payment dates or redemption or liquidation prices per share or sinking fund provisions, if any, be different from those of Series A Preferred Stock, if the holders of such stock shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Company, as the case may be, in proportion to their respective dividend rates or liquidation prices, without preference or priority, one over the other, as between the holders of such stock and the holders of shares of Series A Preferred Stock; and

(iii) junior to shares of Series A Preferred Stock as to dividends or upon liquidation, dissolution or winding up, as the case may be, if such class shall be Common Stock or if the holders of shares of Series A Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Company, as the case may be, in preference or priority to the holders of shares of such class or classes.

f) Amendment. This Certificate of Designation may be amended with the approval of the Company's board of directors and the consent of the holders of seventy-five percent (75%) of the outstanding shares of Series A Preferred Stock, except that any amendment to the conversion limitation set forth in Section 6.2(b) shall also require the consent of the holders of a majority of the Company's Common Stock.

ANNEX A

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER IN ORDER TO CONVERT SHARES OF SERIES A PREFERRED STOCK)

The undersigned hereby elects to convert the number of shares of Series A Convertible Preferred Stock indicated below, into shares of common stock, par value $0.0000001 per share (the "Common Stock"), of Capital Solutions I, Inc., a Delaware corporation (the "Company"), according to the conditions hereof, as of the date written below. If shares are to be issued in the name of a person other than undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Holder for any conversion, except for such transfer taxes, if any.

Conversion calculations:

Date to Effect Conversion: _____

Number of shares of Common Stock owned prior to Conversion: _____

Number of shares of Series A Preferred Stock to be Converted: _____

Value of shares of Series A Preferred Stock to be Converted: _____

Number of shares of Common Stock to be Issued: _____

Certificate Number of Series A Preferred Stock attached hereto: _____

Number of Shares of Series A Preferred Stock represented by attached certificate: _____

Number of shares of Series A Preferred Stock subsequent to Conversion: _____

[HOLDER]

By: _____

Name: _____

Title: _____

NEITHER THE WARRANTS REPRESENTED BY THIS CERTIFICATE NOR THE SHARES OF COMMON STOCK HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AS TO SUCH EXEMPTION.

IN ADDITION, A SECURITIES PURCHASE AGREEMENT DATED AS OF DECEMBER 3, 2007, (THE "PURCHASE AGREEMENT"), A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICE, CONTAINS CERTAIN ADDITIONAL AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

CAPITAL SOLUTIONS I, INC.

COMMON STOCK PURCHASE WARRANT "A"

Number of Shares:_____ Holder:
Original Issue Date: December 3, 2007
Expiration Date: December 3, 2012
Exercise Price per Share: $1.80

Capital Solutions I, Inc., a Delaware corporation (the "**Company**"), hereby certifies that, for value received, _____**,** or registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to _____ shares (as adjusted from time to time as provided in Section 7 of this Warrant, the "**Warrant Shares**") of common stock, $.001 par value (the "**Common Stock**"), of the Company at a price of one dollar and eighty cents ($1.80) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. New York City time on December 3, 2012 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

2. **Investment Representation.** The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate that is an accredited investor which has been identified to and approved by (such approval not to be unreasonably withheld or delayed) for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the 1933 Act, and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution compliance period (as defined in Regulation S) following the date hereof. **"Person"** means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

3. **Validity of Warrant and Issue of Shares.** The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof other than those incurred by the Holder. The Company further warrants and agrees that during the Exercise Period, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. **Registration of Transfers and Exchange of Warrants.**

a. Subject to compliance with the federal and state securities laws, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 12. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 9 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. **Exercise of Warrants.**

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, by wire transfer or by certified or official bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time during the Exercise Period for such number of Warrant Shares as is indicated in the attached Form of Election To Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. (i) Notwithstanding anything contained herein to the contrary, but subject to Section 5(e) and Section 6, the holder of this Warrant may, at its election exercised in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "**Net Number**" of shares of Common Stock determined according to the following formula (a "**Cashless Exercise**"):

Net Number = (A x (B - C))/B

(ii) For purposes of the foregoing formula:

A= the total number shares with respect to which this Warrant is then being exercised.

B= the last reported sale price (as reported by Bloomberg) of the Common Stock on the trading day immediately preceding the date of the Exercise Notice.

C= the Warrant Exercise Price then in effect at the time of such exercise.

e. The holder of this Warrant shall have the right, in its sole discretion, to receive, in lieu of any or all of the shares of Common Stock determined pursuant to Section 5(d) of this Warrant, such number of shares of Series A Preferred Stock as has a liquidation preference equal to A x (B-C).

f. The holder of this Warrant may not make a Cashless Exercise (i) during the six (6) months following the Original Issue Date and (ii) thereafter if the sale by the Holder of the Warrant Shares is covered by an effective registration statement.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on the Date of Exercise, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an Date of Exercise, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 4.9% of the outstanding shares of Common Stock on such date. This Section 6 may not be waived or amended. As used in this Warrant, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulation 13d-3 thereunder.

7. **Adjustment of Exercise Price and Number of Shares**. The Exercise Price and the number of shares of Common Stock set forth in the Warrant reflect a 3.2-for-one whereby each share of common stock became converted into 3.2 shares of Common Stock which was approved by the Company's board of directors on or about the Original Issuance Date (the "3.2-for-one Distribution"). The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence any of the following events which shall have occurred or which shall occur at any time on or after the Closing Date, as defined in the Purchase Agreement and regardless of whether any Warrants were issued on the Closing Date but shall not include the 3.2-for-one Distribution, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, stock distribution, combination of shares, reverse split, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Sales of Common Stock at less than the Exercise Price.** From the date hereof until such time as the Investors, as defined in the Purchase Agreement, hold no Securities, as defined in the Purchase Agreement, except for (i) Exempt Issuances, as defined in the Purchase Agreement, (ii) issuances covered by Sections 7(a), 7(b) and 7(e) hereof or (iii) an issuance of Common Stock upon exercise or upon conversion of warrants, options or other convertible securities for which an adjustment has already been made pursuant to this Section 7, as to all of which this Section 7(d) does not apply, if the Company closes on the sale or issuance of Common Stock at a price, or warrants, options, convertible debt or equity securities with an exercise price per share or a conversion price which is less than the Exercise Price then in effect, the Exercise Price shall be adjusted immediately thereafter so that it shall equal the price determined by multiplying the Exercise Price in effect immediately prior thereto by a fraction, the numerator of which shall be the sum of the number of shares of Common Stock outstanding immediately prior to the issuance of such additional shares and the number of shares of Common Stock which the aggregate consideration received or receivable for the issuance of such additional shares would purchase at the Exercise Price then in effect, and the denominator of which shall be the number of shares of Common Stock outstanding immediately after the issuance of such additional shares (including the exercise or conversion of all options, warrants and other convertible securities). Such adjustment shall be made successively whenever such an issuance is made. An adjustment pursuant to this Section 7(d) shall not result in any change in the number of shares of Common Stock issuable upon exercise of this Warrant.

e. **Price Adjustments Based on EBIT per Share.**

i. In the event the Company's consolidated EBIT, as defined in the Purchase Agreement, on a per-share basis for the year ended December 31, 2007 is less than the Target Number per share, as defined in the Purchase Agreement, for 2007, on a fully-diluted basis, then the Exercise Price shall be reduced by the percentage shortfall, up to a maximum reduction of 90%. Thus, if EBIT for the year ended December 31, 2007 is 30% per share on a fully-diluted basis less than the Target Number, the Exercise Price shall be reduced by 30%. Such reduction shall be made at the time the Company files its Form 10-KSB for the year ended December 31, 2007, and shall apply to the Warrants which are outstanding on the date the Form 10-KSB is filed, or, if not filed on time, on the date that filing was required, after giving effect to any extension pursuant to Rule 12b-25 of the Exchange Act. In the event that the Form 10-KSB is not filed with the SEC within thirty (30) days after the date that filing was required, the Exercise Price shall automatically be reduced by 90%.

ii. In the event the Company's consolidated EBIT per share for the year ended December 31, 2008 is less than the Target Number per share for 2008, on a fully-diluted basis, then the Exercise Price then in effect shall be reduced by the percentage shortfall, up to a maximum reduction of 90%. Thus, if EBIT for the year ended December 31, 2008 is 30% per share on a fully-diluted basis less than the Target Number, the Exercise Price shall be reduced by 30%. Such reduction shall be made at the time the Company files its Form 10-KSB for the year ended December 31, 2008, and shall apply to the Warrants which are outstanding on the date the Form 10-KSB is filed, or, if not filed on time, on the date that filing was required, after giving effect to any extension pursuant to Rule 12b-25 of the Exchange Act. In the event that the Form 10-KSB is not filed with the SEC within thirty (30) days after the date that filing was required, the Exercise Price shall automatically be reduced by 90%.

iii. For purpose of determining EBIT per share on a fully-diluted basis, all shares of Common Stock issuable upon conversion of convertible securities and upon exercise of warrants and options (whether or not vested) shall be deemed to be outstanding, regardless of whether (i) such shares are treated as outstanding for determining diluted earnings per share under GAAP, (ii) such securities are "in the money," or (iii) such shares may be issued as a result of the 4.9% Limitation; provided, however, that neither the shares of Common Stock or Series A Preferred Stock held in escrow pursuant to Section 6.15 of the Purchase Agreement nor the shares of Common Stock issuable upon conversion of such Series A Preferred Stock shall be deemed outstanding for purpose of this Section 7(e) unless such shares were required to have been transferred to the Investors pursuant to the Closing Escrow Agreement, as defined in the Purchase Agreement.

iv. An adjustment pursuant to Sections 7(d) or 7(e) of this Warrant shall not affect the number of shares of Common Stock issuable upon exercise of this Warrant.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Merger Transaction, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Merger Transaction. For purposes of this Warrant, the term "Merger Transaction" shall mean a consolidation or merger of the Company into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder ten (10) business days notice before any Merger Transaction.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company. However, in the event that the Company does not issue a substitute warrant, the number and class of Warrant Shares or other securities and the Exercise Price shall be adjusted as provided in this Warrant, and this Warrant shall relate the adjusted number of Warrant Shares and Exercise Price.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the date of delivery after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

Capital Solutions I, Inc.
c/o Jiangxi Moral Star Copper Technology Co., Ltd.
Ge Jia Ba, Hua Ting, Yiyang
Jiangxi, PRC 334400
Attention: Ms.Wu Yiting
E-mail: wyt1645@163.com
Fax: 86 793 5883661

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32 Floor
New York, New York 10006
Attention: Asher S. Levitsky PC
E-mail: alevitsky@srff.com
Fax: (212) 930-9725

If to the Warrant Holder:

at the address or telecopier number and to the attention of the person shown on the Company's warrant register.:

13. **Miscellaneous.**

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of New York without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonably substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a stockholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

Date: December 3, 2007

Capital Solutions I, Inc.

By: /s/ Wu Yi Ting

Name: Wu Yi Ting

Title: Chief Executive Officer

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: **Capital Solutions I, Inc.:**

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), $.001 par value, of Capital Solutions I, Inc. and encloses the warrant and $____ for each Warrant Share being purchased or an aggregate of $_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

_____

_____

_____

(Please print name and address)

_____

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

_____

_____

_____

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of

Warrant Holder as specified on the face of the Warrant

NEITHER THE WARRANTS REPRESENTED BY THIS CERTIFICATE NOR THE SHARES OF COMMON STOCK HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), OR ANY STATE SECURITIES LAWS AND NEITHER SUCH SHARES NOR ANY INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, ASSIGNED OR OTHERWISE TRANSFERRED UNLESS (1) A REGISTRATION STATEMENT WITH RESPECT THERETO IS EFFECTIVE UNDER THE 1933 ACT, OR (2) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT AND ANY APPLICABLE STATE SECURITIES LAWS AND THE COMPANY SHALL HAVE RECEIVED AN OPINION OF COUNSEL ACCEPTABLE TO THE COMPANY AS TO SUCH EXEMPTION.

IN ADDITION, A SECURITIES PURCHASE AGREEMENT DATED AS OF DECEMBER 3, 2007, (THE "PURCHASE AGREEMENT"), A COPY OF WHICH MAY BE OBTAINED FROM THE COMPANY AT ITS PRINCIPAL EXECUTIVE OFFICE, CONTAINS CERTAIN ADDITIONAL AGREEMENTS BETWEEN THE PARTIES WITH RESPECT TO THIS WARRANT.

CAPITAL SOLUTIONS I, INC.

COMMON STOCK PURCHASE WARRANT "B"

Number of Shares: _____ Holder:

Original Issue Date: December 3, 2007
Expiration Date: December 3, 2012
Exercise Price per Share: $3.00

Capital Solutions I, Inc., a Delaware corporation (the "**Company**"), hereby certifies that, for value received, _____**,** or registered assigns (the "**Warrant Holder**"), is entitled, subject to the terms set forth below, to purchase from the Company up to _____ shares (as adjusted from time to time as provided in Section 7 of this Warrant, the "**Warrant Shares**") of common stock, $.001 par value (the "**Common Stock**"), of the Company at a price of three dollars ($3.00) per Warrant Share (as adjusted from time to time as provided in Section 7, the "**Exercise Price**"), at any time and from time to time from and after the date thereof and through and including 5:00 p.m. New York City time on December 3, 2012 (the "Expiration Date"), and subject to the following terms and conditions:

1. **Registration of Warrant.** The Company shall register this Warrant upon records to be maintained by the Company for that purpose (the "**Warrant Register**"), in the name of the record Warrant Holder hereof from time to time. The Company may deem and treat the registered Warrant Holder of this Warrant as the absolute owner hereof for the purpose of any exercise hereof or any distribution to the Warrant Holder, and for all other purposes, and the Company shall not be affected by notice to the contrary.

2. **Investment Representation.** The Warrant Holder by accepting this Warrant represents that the Warrant Holder is acquiring this Warrant for its own account or the account of an affiliate that is an accredited investor which has been identified to and approved by (such approval not to be unreasonably withheld or delayed) for investment purposes and not with the view to any offering or distribution and that the Warrant Holder will not sell or otherwise dispose of this Warrant or the underlying Warrant Shares in violation of applicable securities laws. The Warrant Holder acknowledges that the certificates representing any Warrant Shares will bear a legend indicating that they have not been registered under the 1933 Act, and may not be sold by the Warrant Holder except pursuant to an effective registration statement or pursuant to an exemption from registration requirements of the 1933 Act and in accordance with federal and state securities laws. If this Warrant was acquired by the Warrant Holder pursuant to the exemption from the registration requirements of the 1933 Act afforded by Regulation S thereunder, the Warrant Holder acknowledges and covenants that this Warrant may not be exercised by or on behalf of a Person during the one year distribution

compliance period (as defined in Regulation S) following the date hereof. **"Person"** means an individual, partnership, firm, limited liability company, trust, joint venture, association, corporation, or any other legal entity.

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3. **Validity of Warrant and Issue of Shares.** The Company represents and warrants that this Warrant has been duly authorized and validly issued and warrants and agrees that all of Common Stock that may be issued upon the exercise of the rights represented by this Warrant will, when issued upon such exercise, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof other than those incurred by the Holder. The Company further warrants and agrees that during the Exercise Period, the Company will at all times have authorized and reserved a sufficient number of Common Stock to provide for the exercise of the rights represented by this Warrant.

4. **Registration of Transfers and Exchange of Warrants.**

a. Subject to compliance with the federal and state securities laws, the Company shall register the transfer of any portion of this Warrant in the Warrant Register, upon surrender of this Warrant with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 12. Upon any such registration or transfer, a new warrant to purchase Common Stock, in substantially the form of this Warrant (any such new warrant, a "**New Warrant**"), evidencing the portion of this Warrant so transferred shall be issued to the transferee and a New Warrant evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the transferring Warrant Holder. The acceptance of the New Warrant by the transferee thereof shall be deemed the acceptance of such transferee of all of the rights and obligations of a Warrant Holder of a Warrant.

b. This Warrant is exchangeable, upon the surrender hereof by the Warrant Holder to the office of the Company specified in or pursuant to Section 9 for one or more New Warrants, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder. Any such New Warrant will be dated the date of such exchange.

5. **Exercise of Warrants.**

a. Upon surrender of this Warrant with the Form of Election to Purchase attached hereto duly completed and signed to the Company, at its address set forth in Section 13, and upon payment and delivery of the Exercise Price per Warrant Share multiplied by the number of Warrant Shares that the Warrant Holder intends to purchase hereunder, in lawful money of the United States of America, by wire transfer or by certified or official bank check or checks, to the Company, all as specified by the Warrant Holder in the Form of Election to Purchase, the Company shall promptly (but in no event later than 7 business days after the Date of Exercise (as defined herein)) issue or cause to be issued and cause to be delivered to or upon the written order of the Warrant Holder and in such name or names as the Warrant Holder may designate (subject to the restrictions on transfer described in the legend set forth on the face of this Warrant), a certificate for the Warrant Shares issuable upon such exercise, with such restrictive legend as required by the 1933 Act. Any person so designated by the Warrant Holder to receive Warrant Shares shall be deemed to have become holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

b. A "Date of Exercise" means the date on which the Company shall have received (i) this Warrant (or any New Warrant, as applicable), with the Form of Election to Purchase attached hereto (or attached to such New Warrant) appropriately completed and duly signed, and (ii) payment of the Exercise Price for the number of Warrant Shares so indicated by the Warrant Holder to be purchased.

c. This Warrant shall be exercisable at any time and from time to time during the Exercise Period for such number of Warrant Shares as is indicated in the attached Form of Election To Purchase. If less than all of the Warrant Shares which may be purchased under this Warrant are exercised at any time, the Company shall issue or cause to be issued, at its expense, a New Warrant evidencing the right to purchase the remaining number of Warrant Shares for which no exercise has been evidenced by this Warrant.

d. (i) Notwithstanding anything contained herein to the contrary, but subject to Section 5(e) and Section 6, the holder of this Warrant may, at its election exercised in its sole discretion, exercise this Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price, elect instead to receive upon such exercise the "**Net Number**" of shares of Common Stock determined according to the following formula (a "**Cashless Exercise**"):

Net Number = (A x (B - C))/B

(ii) For purposes of the foregoing formula:

A= the total number shares with respect to which this Warrant is then being exercised.

B= the last reported sale price (as reported by Bloomberg) of the Common Stock on the trading day immediately preceding the date of the Exercise Notice.

C= the Warrant Exercise Price then in effect at the time of such exercise.

e. The holder of this Warrant shall have the right, in its sole discretion, to receive, in lieu of any or all of the shares of Common Stock determined pursuant to Section 5(d) of this Warrant, such number of shares of Series A Preferred Stock as has a liquidation preference equal to A x (B-C).

f. The holder of this Warrant may not make a Cashless Exercise (i) during the twelve (12) months following the Original Issue Date and (ii) thereafter if the sale by the Holder of the Warrant Shares is covered by an effective registration statement.

6. **Maximum Exercise.** The Warrant Holder shall not be entitled to exercise this Warrant on a Date of Exercise in connection with that number of shares of Common Stock which would be in excess of the sum of (i) the number of shares of Common Stock beneficially owned by the Warrant Holder and its affiliates on the Date of Exercise, and (ii) the number of shares of Common Stock issuable upon the exercise of this Warrant with respect to which the determination of this limitation is being made on an Date of Exercise, which would result in beneficial ownership by the Warrant Holder and its affiliates of more than 4.9% of the outstanding shares of Common Stock on such date. This Section 6 may be not be waived or amended. As used in this Warrant, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Regulation 13d-3 thereunder.

7. **Adjustment of Exercise Price and Number of Shares**. The Exercise Price and the number of shares of Common Stock set forth in the Warrant reflect a 3.2-for-one whereby each share of common stock became converted into 3.2 shares of Common Stock which was approved by the Company's board of directors on or about the Original Issuance Date (the "3.2-for-one Distribution"). The character of the shares of stock or other securities at the time issuable upon exercise of this Warrant and the Exercise Price therefore, are subject to adjustment upon the occurrence any of the following events which shall have occurred or which shall occur at any time on or after the Closing Date, as defined in the Purchase Agreement and regardless of whether any Warrants were issued on the Closing Date but shall not include the 3.2-for-one Distribution, and all such adjustments shall be cumulative:

a. **Adjustment for Stock Splits, Stock Dividends, Recapitalizations, Etc.** The Exercise Price of this Warrant and the number of shares of Common Stock or other securities at the time issuable upon exercise of this Warrant shall be appropriately adjusted to reflect any stock dividend, stock split, stock distribution, combination of shares, reverse split, reclassification, recapitalization or other similar event affecting the number of outstanding shares of stock or securities.

b. **Adjustment for Reorganization, Consolidation, Merger, Etc.** In case of any consolidation or merger of the Company with or into any other corporation, entity or person, or any other corporate reorganization, in which the Company shall not be the continuing or surviving entity of such consolidation, merger or reorganization (any such transaction being hereinafter referred to as a "**Reorganization**"), then, in each case, the holder of this Warrant, on exercise hereof at any time after the consummation or effective date of such Reorganization (the "**Effective Date**"), shall receive, in lieu of the shares of stock or other securities at any time issuable upon the exercise of the Warrant issuable on such exercise prior to the Effective Date, the stock and other securities and property (including cash) to which such holder would have been entitled upon the Effective Date if such holder had exercised this Warrant immediately prior thereto (all subject to further adjustment as provided in this Warrant).

c. **Certificate as to Adjustments.** In case of any adjustment or readjustment in the price or kind of securities issuable on the exercise of this Warrant, the Company will promptly give written notice thereof to the holder of this Warrant in the form of a certificate, certified and confirmed by the Board of Directors of the Company, setting forth such adjustment or readjustment and showing in reasonable detail the facts upon which such adjustment or readjustment is based.

d. **Sales of Common Stock at less than the Exercise Price.** From the date hereof until such time as the Investors, as defined in the Purchase Agreement, hold no Securities, as defined in the Purchase Agreement, except for (i) Exempt Issuances, as defined in the Purchase Agreement, (ii) issuances covered by Sections 7(a), 7(b) and 7(e) hereof or (iii) an issuance of Common Stock upon exercise or upon conversion of warrants, options or other convertible securities for which an adjustment has already been made pursuant to this Section 7, as to all of which this Section 7(d) does not apply, if the Company closes on the sale or issuance of Common Stock at a price, or warrants, options, convertible debt or equity securities with an exercise price per share or a conversion price which is less than the Exercise Price then in effect (such price being referred to as a "Lower Price"), the Exercise Price shall be adjusted immediately thereafter so that it shall equal the Lower Price. An adjustment pursuant to this Section 7(d) shall not result in any change in the number of shares of Common Stock issuable upon exercise of this Warrant.

e. **Price Adjustments Based on EBIT per Share.**

i. In the event the Company's consolidated EBIT, as defined in the Purchase Agreement, for the year ended December 31, 2007 is less than the Target Number per share, as defined in the Purchase Agreement, on a per share basis for 2007, on a fully-diluted basis, then the Exercise Price shall be reduced by the percentage shortfall, up to a maximum reduction of 90%. Thus, if EBIT for the year ended December 31, 2007 is 30% per share on a fully-diluted basis less than the Target Number, the Exercise Price shall be reduced by 30%. Such reduction shall be made at the time the Company files its Form 10-KSB for the year ended December 31, 2007, and shall apply to the Warrants which are outstanding on the date the Form 10-KSB is filed, or, if not filed on time, on the date that filing was required, after giving effect to any extension pursuant to Rule 12b-25 of the Exchange Act. In the event that the Form 10-KSB is not filed with the SEC within thirty (30) days after the date that filing was required, the Exercise Price shall automatically be reduced by 90%.

ii. In the event the Company's consolidated EBIT for the year ended December 31, 2008 is less than the Target Number per share, on a fully-diluted basis, then the Exercise Price then in effect shall be reduced by the percentage shortfall, up to a maximum reduction of 90%. Thus, if EBIT for the year ended December 31, 2008 is 30% per share on a fully-diluted basis less than the Target Number, the Exercise Price shall be reduced by 30%. Such reduction shall be made at the time the Company files its Form 10-KSB for the year ended December 31, 2008, and shall apply to the Warrants which are outstanding on the date the Form 10-KSB is filed, or, if not filed on time, on the date that filing was required, after giving effect to any extension pursuant to Rule 12b-25 of the Exchange Act. In the event that the Form 10-KSB is not filed with the SEC within thirty (30) days after the date that filing was required, the Exercise Price shall automatically be reduced by 90%.

iii. For purpose of determining EBIT per share on a fully-diluted basis, all shares of Common Stock issuable upon conversion of convertible securities and upon exercise of warrants and options (whether or not vested) shall be deemed to be outstanding, regardless of whether (i) such shares are treated as outstanding for determining diluted earnings per share under GAAP, (ii) such securities are "in the money," or (iii) such shares may be issued as a result of the 4.9% Limitation; provided, however, that neither the shares of Common Stock or Series A Preferred Stock held in escrow pursuant to Section 6.15 of the Purchase Agreement nor the shares of Common Stock issuable upon conversion of such Series A Preferred Stock shall be deemed outstanding for purpose of this Section 7(e) unless such shares were required to have been transferred to the Investors pursuant to the Closing Escrow Agreement, as defined in the Purchase Agreement.

iv. An adjustment pursuant to Sections 7(d) or 7(e) of this Warrant shall not affect the number of shares of Common Stock issuable upon exercise of this Warrant.

8. **Fractional Shares.** The Company shall not be required to issue or cause to be issued fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares that shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrants Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall, at its option, (i) pay an amount in cash equal to the Exercise Price multiplied by such fraction or (ii) round the number of Warrant Shares issuable, up to the next whole number.

9. **Sale or Merger of the Company.** Upon a Merger Transaction, the restriction contained in Section 6 shall immediately be released and the Warrant Holder will have the right to exercise this Warrant concurrently with such Merger Transaction. For purposes of this Warrant, the term "Merger Transaction" shall mean a consolidation or merger of the Company into another company or entity in which the Company is not the surviving entity or the sale of all or substantially all of the assets of the Company to another company or entity not controlled by the then existing stockholders of the Company.

10. **Notice of Intent to Sell or Merge the Company.** The Company will give Warrant Holder ten (10) business days notice before any Merger Transaction.

11. **Issuance of Substitute Warrant.** In the event of a merger, consolidation, recapitalization or reorganization of the Company or a reclassification of Company shares of stock, which results in an adjustment to the number of shares subject to this Warrant and/or the Exercise Price hereunder, the Company agrees to issue to the Warrant Holder a substitute Warrant reflecting the adjusted number of shares and/or Exercise Price upon the surrender of this Warrant to the Company. However, in the event that the Company does not issue a substitute warrant, the number and class of Warrant Shares or other securities and the Exercise Price shall be adjusted as provided in this Warrant, and this Warrant shall relate the adjusted number of Warrant Shares and Exercise Price.

12. **Notice.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given (i) on the date they are delivered if delivered in person; (ii) on the date initially received if delivered by facsimile transmission followed by registered or certified mail confirmation; (iii) on the date delivered by an overnight courier service; or (iv) on the date of delivery after it is mailed by registered or certified mail, return receipt requested with postage and other fees prepaid as follows:

If to the Company:

Capital Solutions I, Inc.
c/o Jiangxi Moral Star Copper Technology Co., Ltd.
Ge Jia Ba, Hua Ting, Yiyang
Jiangxi, PRC 334400
Attention: Ms.Wu Yiting
E-mail: wyt1645@163.com
Fax: 86 793 5883661

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32 Floor
New York, New York 10006
Attention: Asher S. Levitsky PC
E-mail: alevitsky@srff.com
Fax: (212) 930-9725

If to the Warrant Holder:

at the address or telecopier number and to the attention of the person shown on the Company's warrant register.:

13. **Miscellaneous.**

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns. This Warrant may be amended only by a writing signed by the Company and the Warrant Holder.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company and the Warrant Holder any legal or equitable right, remedy or cause of action under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company and the Warrant Holder.

c. This Warrant shall be governed by, construed and enforced in accordance with the internal laws of the State of New York without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonably substitute therefore, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

f. The Warrant Holder shall not, by virtue hereof, be entitled to any voting or other rights of a stockholder of the Company, either at law or equity, and the rights of the Warrant Holder are limited to those expressed in this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by the authorized officer as of the date first above stated.

Date: December 3, 2007

CAPITAL SOLUTIONS I, INC.

By: /s/ Wu Yi Ting

Name: Wu Yi Ting

Title: Chief Executive Officer

FORM OF ELECTION TO PURCHASE

(To be executed by the Warrant Holder to exercise the right to purchase shares of Common Stock under the foregoing Warrant)

To: **Capital Solutions I, Inc.:**

In accordance with the Warrant enclosed with this Form of Election to Purchase, the undersigned hereby irrevocably elects to purchase _____ shares of Common Stock ("Common Stock"), $.001 par value, of Capital Solutions I, Inc. and encloses the warrant and $____ for each Warrant Share being purchased or an aggregate of $_____ in cash or certified or official bank check or checks, which sum represents the aggregate Exercise Price (as defined in the Warrant) together with any applicable taxes payable by the undersigned pursuant to the Warrant.

The undersigned requests that certificates for the shares of Common Stock issuable upon this exercise be issued in the name of:

_____

_____

_____

(Please print name and address)

_____

(Please insert Social Security or Tax Identification Number)

If the number of shares of Common Stock issuable upon this exercise shall not be all of the shares of Common Stock which the undersigned is entitled to purchase in accordance with the enclosed Warrant, the undersigned requests that a New Warrant (as defined in the Warrant) evidencing the right to purchase the shares of Common Stock not issuable pursuant to the exercise evidenced hereby be issued in the name of and delivered to:

_____

_____

_____

(Please print name and address)

Dated: _____

Name of Warrant Holder:

(Print) _____

(By:) _____

(Name:) _____

(Title:) _____

Signature must conform in all respects to name of

Warrant Holder as specified on the face of the Warrant

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT (the "Agreement") is made and entered into as of the 3rd day of December, 2007, by and among Capital Solutions I, Inc., a Delaware corporation (the "Company"), and Barron Partners LP, a Delaware limited partnership ("Barron"), and any other investor who executes this Agreement (collectively, the "Investors" and each, an "Investor"). Unless defined otherwise, capitalized terms herein shall have the identical meaning as in the Securities Purchase Agreement of even date herewith (the "Purchase Agreement"), by and among the Company and the Investors.

PRELIMINARY STATEMENT

WHEREAS, pursuant to the Purchase Agreement, the Investors are purchasing Notes in the principal amount of $3,400,000, which are convertible into shares of Series A Convertible Preferred Stock and Warrants, shares of Common Stock and Warrants or shares of Common Stock, all as set forth in the Notes, which entitle the Investor to receive shares of Common Stock upon conversion or exercise thereof, such shares being referred to as the "Shares"; and

WHEREAS, the ability of the Investors to sell their Shares is subject to certain restrictions under the 1933 Act; and

WHEREAS, as a condition to purchase of the Series A Preferred Stock and Warrants pursuant to the Purchase Agreement, the Company has agreed to provide the Investors with a mechanism that will permit the Investors to sell the Shares in the future.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements, and subject to the terms and conditions herein contained, the parties hereto hereby agree as follows:

ARTICLE I

INCORPORATION BY REFERENCE

1.1. **Incorporation by Reference**. The foregoing recitals and the Exhibits attached hereto and referred to herein, are hereby acknowledged to be true and accurate, and are incorporated herein by this reference.

1.2. **Supersedes Other Agreements**. This Agreement, to the extent that it is inconsistent with any other instrument or understanding among the parties relating to the subject matter of this Agreement, shall supersede such instrument or understanding to the fullest extent permitted by law. A copy of this Agreement shall be filed at the Company's principal office.

1.3. **Definitions**. All terms defined in the Purchase Agreement and used in this Agreement shall have the same meanings in this Agreement as in the Purchase Agreement. As used in this Agreement the following terms shall have the meanings hereinafter set forth.

(a) "Excusable Reason" shall have the meaning set forth in Section 2.6 of this Agreement.

(b) "Filing Date" shall mean, with respect to the Initial Registration Statement, the 60th calendar day following the date hereof and, with respect to any Subsequent Registration Statements, the later of (a) ninety (90) days after the Company receives a demand for registration of additional Registrable Securities or (b) the earliest practical date on which the Company is permitted by SEC Guidance to file such additional Registration Statement related to the Registrable Securities. If any Filing Date or Required Effectiveness Date occurs on a date which is either (x) a Saturday, Sunday or day on which banks in the State or New York are authorized or required to be closed on all or part of the normal business day or (y) the SEC is closed for all or a portion of the business day, the Filing Date or Required Effective Date, as the case may be, shall the next day which is not a day described in clauses (x) or (y).

(c) "Initial Registration Statement" shall mean the Registration Statement filed pursuant to Section 2.2 of this Agreement.

(d) "Subsequent Registration Statements" shall mean one or more Registration Statements filed pursuant to Section 2.3 of this Agreement.

(e) "Registrable Securities" shall mean and include the Shares issuable upon conversion of the Notes or the Series A Preferred Stock and upon exercise or conversion the Warrants issued pursuant to the Purchase Agreement or the Notes. As to any particular Registrable Securities, such securities will cease to be Registrable Securities when (a) they have been effectively registered under the 1933 Act and disposed of in accordance with the registration statement covering them, (b) they are or may be freely traded without registration pursuant to Rule 144, or (c) they have been otherwise transferred and new certificates for them not bearing a restrictive legend have been issued by the Company and the Company shall not have "stop transfer" instructions against them.

(f) "Registration Expenses" shall mean all expenses incident to the Company's performance of or compliance with its obligations under this Agreement, including, without limitation, all registration, filing, listing, stock exchange and NASD fees, all fees and expenses of complying with state securities or blue sky laws (including fees, disbursements and other charges of counsel for the underwriters only in connection with blue sky filings), all word processing, duplicating and printing expenses, messenger and delivery expenses, the fees, disbursements and other charges of counsel for the Company and of its independent public accountants, including the expenses incurred in connection with "cold comfort" letters required by or incident to such performance and compliance, any fees and disbursements of underwriters customarily paid by the issuer of securities, but excluding from the definition of Expenses underwriting and discounts and brokerage commissions and applicable transfer taxes, if any, or legal and other expenses incurred by any sellers, which discounts, commissions, transfer taxes and legal and other expenses shall be borne by the seller or sellers of Registrable Securities in all cases.

(g) "Registration Statement" shall mean the registration statement required to be filed pursuant to Section 2.2 of this Agreement hereunder and any additional registration statements contemplated by Section 2.3, including (in each case) the Prospectus, amendments and supplements to such registration statement or Prospectus, including pre- and post-effective amendments, all exhibits thereto, and all material incorporated by reference or deemed to be incorporated by reference in such registration statement.

(h) "Required Effective Date" shall mean the first to occur of (i) 150 days following the Filing Date with respect to the Registration Statement, (ii) ten (10) days following the receipt of a "No Review" or similar letter from the SEC or (iii) the third (3rd) business day following the day the Company receives notice from the SEC that the SEC has determined that the Registration Statement eligible to be declared effective without further comments by the SEC; provided, however, that in no event shall the Required Effective Date of a Subsequent Registration Statement be earlier than the earliest date on which, based on SEC Guidance, the SEC will declare effective such Additional Registration Statement.

(i) "Rule 144" means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

(j) "Rule 415" means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

(k) "Rule 424" means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended or interpreted from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same purpose and effect as such Rule.

(l) "SEC Guidance" means (i) any publicly-available written or oral guidance, comments, requirements or requests of the Commission staff and (ii) the Securities Act.

ARTICLE II

REQUIRED REGISTRATION OF REGISTRABLE SECURITIES

2.1. **Registrable Securities**. The Company shall file one or more Registration Statements covering the Registrable Securities as provided in Sections 2.2 and 2.3 of this Agreement.

2.2. **Registration of Registrable Securities**. The Company shall prepare and file the Initial Registration Statement covering the sale of such number of shares of the Registrable Securities as the Investors shall elect by written notice to the Company, and absent such election, covering the sale of all of the Registrable Securities. The Company shall use its best efforts to cause the Registration Statement to be declared effective by the SEC on the Required Effective Date. Subject to SEC Guidance on the number of Shares which may be registered pursuant to Rule 415, nothing contained in this Agreement shall be deemed to limit the number of Registrable Securities to be registered by the Company hereunder. As a result, should the Registration Statement not relate to the maximum number of Registrable Securities acquired by (or potentially acquirable by) the holders of the Shares of the Company issued to the Investor pursuant to the Purchase Agreement and the Warrants, other than as a result of the election by the holder thereof not to have Shares included in the Registration Statement (unless such election was made with a view to meeting the SEC Guidance relating to Rule 415), the Company shall be required to promptly file a separate registration statement (utilizing Rule 462 promulgated under the 1933 Act, if applicable, to the extent that it may do so) relating to such Registrable Securities which then remain unregistered, subject to the SEC Guidance on the earliest day on which such Registration Statement may be filed. The provisions of this Agreement shall relate to any such separate registration statement as if it were an amendment to the Registration Statement. No shares of Common Stock or other securities shall be included in the Initial or any Subsequent Registration Statement other than Shares issued or issuable to the Investors and their transferees who hold Registrable Securities; it being understood that the Initial and Subsequent Registration Statements shall relate solely to Registrable Securities, and the Company shall not file any registration statement with respect to other securities if the effect thereof would be to impair the ability of the Investors to have registered the maximum number of Registrable Securities which are permitted based on SEC Guidance. The Investors have advised the Company that, to the extent that all of the Registrable Securities cannot be registered based on SEC Guidance relating to Rule 415, as long as the Investors shall be able so sell the shares of Common Stock issuable upon conversion of the Series A Preferred Stock pursuant to Rule 144(k), or subsequent similar rule, six months after the Closing Date, the registration statement filed pursuant to this Section 2.1 shall only include Registrable Securities issuable upon exercise of the Warrants.

2.3. **Subsequent Registration**. Subject to the limitations of Section 2.2, at any time and from time to time, the Investors may request the registration under the 1933 Act on a Subsequent Registration Statement of all or part of the Registrable Securities nor previously sold or subject to an effective registration statement. Subject to the conditions of Section 2.6 of this Agreement, the Company shall use its commercially reasonable best efforts to file such registration statement under the 1933 Act by the Filing Date and have the Subsequent Registration Statement declared effective by the Required Effective Date. The Company shall notify the Investor promptly when any such Registration Statement has been declared effective. The parties intend that all Registrable Securities are to be registered pursuant to this Section 2.2, and that this Section 2.3 is intended to provide the Investors with registration rights in the event that all of the Registrable Securities are not included in the Registration Statement required by Section 2.2, either because the number of Registrable Securities had to be reduced in order for the offering to be deemed a secondary offering under Rule 415 based on SEC Guidance or because the Investors believed that the SEC Guidance would not permit the registration of all of the Registrable Securities. If more than eighty percent (80%) of the Shares have been registered and sold (either pursuant to the Registration Statement or Rule 144, the Company's obligations under this Article II shall terminate.

2.4. **Registration Statement Form**. Registrations under Section 2.2 and Section 2.3 shall be on the appropriate registration form of the SEC as shall permit the disposition of such Registrable Securities in accordance with the intended method or methods of disposition specified in the Registration Statement; provided, however, such intended method of disposition shall not include an underwritten offering of the Registrable Securities.

2.5. **Expenses**. The Company will pay all Registration Expenses in connection with any Initial or Subsequent Registration Statement or any registration statement in which Registrable Securities are included pursuant to Article III of this Agreement.

2.6. **Effective Registration Statement**. An Initial or Subsequent Registration Statement shall not be deemed to have been effected, other than for an Excusable Reason, as hereinafter defined, (i) unless a registration statement with respect thereto has become effective, provided that a registration which does not become effective after the Company filed a registration statement with respect thereto solely by reason of the refusal to proceed of any holder of Registrable Securities (other than a refusal to proceed based upon the advice of counsel in the form of a letter signed by such counsel and provided to the Company relating to a disclosure matter unrelated to such holder) shall be deemed to have been effected by the Company, (ii) if, after it has become effective, such registration statement becomes subject to any stop order, injunction or other order or extraordinary requirement of the SEC or other governmental agency or court for any reason and such stop order or other action continues in effect for five trading days or (iii) if, after it has become effective, such registration ceases to be effective other than for an Excusable Reason. An "Excusable Reason" means the occurrence of negotiations with respect to a material agreement prior to either the announcement of the execution of the agreement or the termination of the negotiations with respect to such proposed agreement and other similar material corporate events to which the Company is a party or expects to be a party if, in the reasonable judgment of the Company, disclosure of the negotiations or other event would be adverse to the best interests of the Company provided that the Company is continuing to treat such negotiations as confidential and provided further that the period during which the Company is precluded from filing the registration statement (or suspended the use of an effective registration statement) as a result thereof has not exceeded twenty (20) trading days in the aggregate, and provided further that the Company shall not be permitted to avoid filing a registration statement (or to suspend the use of an effective registration statement) for an Excusable Reason more than twice in any one-year period. An Excusable Reason shall also include acts of God and closure of the SEC.

2.7. **Plan of Distribution**. The Company hereby agrees that the Registration Statement shall include a plan of distribution section reasonably acceptable to the Investors; provided, however, such plan of distribution section shall be modified by the Company so as to not provide for the disposition of the Registrable Securities on the basis of an underwritten offering.

2.8. **Liquidated Damages**.

(i) In the event (a) the Registration Statement is not declared effective by the Required Effectiveness Date, or (b) if the Registrable Securities are registered pursuant to an effective Registration Statement and such Registration Statement or other Registration Statement(s) demanded by Investor including the Registrable Securities is not effective in the period from the Required Effective Date through two years following the date hereof other than for an Excusable Reason, the Company shall, for each such day (x) after the Required Effectiveness Date that the Registration Statement shall not have been declared effective, or (y) during which the Registration Statement is not effective as required by clause (c) of this Section 2.8(i), issue to the Investor, as liquidated damages and not as a penalty, 1,000 shares of Series A Preferred Stock for any such day (based on a 365 day working calendar year), such issuance shall be made no later than the tenth business day of the calendar month next succeeding the month in which such day occurs; provided, however, that if the Registration Statement does not cover, or registration has not been requested for, whether as a result of SEC Guidance with respect to Rule 415 or otherwise, the Registrable Securities issuable upon conversion of all of the shares of Series A Preferred Stock that were issued by the Company, the liquidated damages per day shall be the percentage of 1,000 shares that the number of Registrable Securities then subject to, or proposed to be include in, the Registration Statement bears to the total number Registrable Securities issued or issuable upon exercise of all of the Warrants that were initially issued to the Investors. However, in no event shall the Company be required to pay any liquidated damages under this Section 2.8 in an amount exceeding 370,000 shares of Series A Preferred Stock in the aggregate (as adjusted pursuant to the terms of the Certificate of Designation). Any Registrable Securities which have been sold pursuant to a Registration Statement shall not be deemed to be Shares covered by the Registration Statement.

(ii) Notwithstanding the provisions of Section 2.8(i):

(a) No fractional shares shall be issued. Any fractional shares which would otherwise be issued on any date on which Preferred Stock is to be issued pursuant to Section 2.8(i) of this Agreement, shall be carried forward; provided, however, that if, at the expiration of the period during which liquidated damages is payable there remains a fractional shall which has not been applied to liquidated damages, the Company shall have no further obligation to issue such fractional share.

(iii) In no event shall the Company be required to pay any liquidated damages in the event that the failure of the registration statement to be declared effective on the Required Effective Date results in whole or in part from either (a) the failure of any Investor to provide information relating to the Investor and its proposed method of sale or any other information concerning the Investor that is required to be included in the registration statement or (b) any delays resulting from questions raised by the SEC or any other regulatory agency, market or exchange concerning any Investor or the affiliates of any Investor, it being understood that SEC comments relating to compliance with Rule 415 shall not be deemed a delay covered by this clause (b).

(iv) The parties hereto agree that the liquidated damages provided for in this Section 2.8 constitute a reasonable estimate of the damages that may be incurred by the Investor by reason of the failure of the Registration Statement(s) to be filed or declared effective in accordance with the provisions hereof.

(v) The obligation of the Company terminates when the Investor no longer holds more than five percent (5%) of the Registrable Securities, based on the number of Registrable Securities initially issuable pursuant to the Purchase Agreement and any shares issued due to adjustments in these transaction documents and the Warrants.

ARTICLE III

INCIDENTAL REGISTRATION RIGHTS

3.1. **Right To Include ("Piggy-Back") Registrable Securities**. Provided that the Registrable Securities have not been registered, if at any time after the date hereof but before the second anniversary of the date hereof, the Company proposes to register any of its securities under the 1933 Act (other than by a registration in connection with an acquisition in a manner which would not permit registration of Registrable Securities for sale to the public, on Form S-8, or any successor form thereto, on Form S-4, or any successor form thereto and other than pursuant to Section 2), on an underwritten basis (either best-efforts or firm-commitment), then, the Company will each such time give prompt written notice to all holders of Registrable Securities of its intention to do so and of such holders of Registrable Securities' rights under this Section 3.1. Upon the written request of any such holders of Registrable Securities made within ten (10) days after the receipt of any such notice (which request shall specify the Registrable Securities intended to be disposed of by such holders of Registrable Securities and the intended method of disposition thereof), the Company will, subject to the terms of this Agreement, use its commercially reasonable best efforts to effect the registration under the 1933 Act of the Registrable Securities, to the extent requisite to permit the disposition (in accordance with the intended methods thereof as aforesaid) of such Registrable Securities so to be registered, by inclusion of such Registrable Securities in the registration statement which covers the securities which the Company proposes to register, provided that if, at any time after written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason either not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to each holders of Registrable Securities and, thereupon, (i) in the case of a determination not to register, shall be relieved of this obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), without prejudice, however, to the rights of any holder or holders of Registrable Securities entitled to do so to request that such registration be effected as a registration under Section 2, and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities, for the same period as the delay in registering such other securities. No registration effected under this Section 3.1 shall relieve the Company of its obligation under Section 2 of this Agreement other than with respect to Registrable Securities registered and sold pursuant to such registration statement. The Company will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 3.1.

3.2. **Priority In Incidental Registrations**. If the managing underwriter of the underwritten offering contemplated by this Section 3 shall inform the Company and holders of the Registrable Securities requesting such registration by letter of its belief that the number of securities requested to be included in such registration exceeds the number which can be sold in such offering, then the Company will include in such registration, to the extent of the number which the Company is so advised can be sold in such offering, (i) first securities proposed by the Company to be sold for its own account, and (ii) second to holders of securities having demand registration rights and exercising such rights in connection with such registration statement, (iii) third Registrable Securities, and for (iv) fourth to securities of other selling security holders (including officers, directors and 5% stockholders, subject to any lock-up agreements with such persons) who requested to be included in such registration.

ARTICLE IV

REGISTRATION PROCEDURES

4.1. **Registration Procedures**. If and whenever the Company is required to effect the registration of any Registrable Securities under the 1933 Act as provided in Section 2.2 and, as applicable, 2.3, the Company shall, as expeditiously as possible:

(i) prepare and file with the SEC the Registration Statement, or amendments thereto, to effect such registration (including such audited financial statements as may be required by the 1933 Act or the rules and regulations promulgated thereunder) and thereafter use its commercially reasonable best efforts to cause such registration statement to be declared effective by the SEC, as soon as practicable, but in any event no later than the Required Effectiveness Date (with respect to a registration pursuant to Section 2.2); provided, however, that before filing such registration statement or any amendments thereto, the Company will furnish to the counsel selected by the holders of Registrable Securities which are to be included in such registration, copies of all such documents proposed to be filed;

(ii) with respect to any Initial or Subsequent Registration Statement, prepare and file with the SEC such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective and to comply with the provisions of the 1933 Act with respect to the disposition of all Registrable Securities covered by such registration statement until the earlier to occur of thirty six (36) months after the date of this Agreement (subject to the right of the Company to suspend the effectiveness thereof for an Excusable Reason (each a "Black-Out Period")) or such time as all of the securities which are the subject of such registration statement cease to be Registrable Securities (such period, in each case, the "Registration Maintenance Period"). The Company shall notify the Investors within twenty four (24) hours prior to any Black-Out Period;

(iii) furnish to each holder of Registrable Securities covered by such registration statement such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus contained in such registration statement (including each preliminary prospectus and any summary prospectus) and any other prospectus filed under Rule 424 under the 1933 Act, in conformity with the requirements of the 1933 Act, and such other documents, as such holder of Registrable Securities and underwriter, if any, may reasonably request in order to facilitate the public sale or other disposition of the Registrable Securities owned by such holder of Registrable Securities;

(iv) use its commercially reasonable best efforts to register or qualify all Registrable Securities and other securities covered by such registration statement under such other U.S. federal or state securities laws or U.S. state blue sky laws as any U.S. holder of Registrable Securities thereof shall reasonably request, to keep such registrations or qualifications in effect for so long as such registration statement remains in effect, and take any other action which may be reasonably necessary to enable such holder of Registrable Securities to consummate the disposition in such jurisdictions of the securities owned by such holder of Registrable Securities, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction wherein it would not but for the requirements of this subdivision (iv) be obligated to be so qualified or to consent to general service of process in any such jurisdiction;

(v) use its commercially reasonable best efforts to cause all Registrable Securities covered by such registration statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the U.S. holder of Registrable Securities thereof to consummate the disposition of such Registrable Securities;

(vi) furnish to each holder of Registrable Securities who requests, a signed counterpart, addressed to such holder of Registrable Securities, and the underwriters, if any, of an opinion of counsel for the Company, dated the effective date of such registration statement (or, if such registration includes an underwritten public offering, an opinion dated the date of the closing under the underwriting agreement), such opinion to be in the form filed as Exhibit 5 to the registration statement, and

(vii) notify the Investors and their counsel promptly and confirm such advice in writing promptly after the Company has knowledge thereof:

(a) when the Registration Statement, the prospectus or any prospectus supplement related thereto or post-effective amendment to the Registration Statement has been filed, and, with respect to the Registration Statement or any post-effective amendment thereto, when the same has become effective;

(b) of any request by the SEC for amendments or supplements to the Registration Statement or the prospectus or for additional information;

(c) of the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement or the initiation of any proceedings by any Person for that purpose; and

(d) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Securities for sale under the securities or blue sky laws of any jurisdiction or the initiation or threat of any proceeding for such purpose;

(viii) notify each holder of Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the 1933 Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material facts required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such holder of Registrable Securities promptly prepare and furnish to such holder of Registrable Securities a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(ix) use its commercially reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of the Registration Statement at the earliest possible moment;

(x) otherwise use its commercially reasonable best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve months, but not more than eighteen months, beginning with the first full calendar month after the effective date of such registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the 1933 Act and Rule 158 thereunder;

(xi) enter into such agreements and take such other actions as the Investors shall reasonably request in writing (at the expense of the requesting or benefiting Investors) in order to expedite or facilitate the disposition of such Registrable Securities; and

(xii) use its commercially reasonable best efforts to list all Registrable Securities covered by such registration statement on any securities exchange on which any of the Registrable Securities are then listed.

(xiii) The Company may require each holder of Registrable Securities as to which any registration is being effected to furnish the Company such information regarding such holder of Registrable Securities and the distribution of such securities as the Company may from time to time reasonably request in writing. In this connection, the Investors shall:

(a) furnish the information as to any shares of Common Stock or other securities of the Company owned by the holder, the holder's proposed plan of distribution, any relationship between the holder and the Company and any other information which the Company reasonably requests in connection with the preparation of the registration statement and update such information immediately upon the occurrence of any events or condition which make the information concerning the Seller inaccurate in any material respect;

(b) not sell any Registrable Securities pursuant to the registration statement except in the manner set forth in the Registration Statement;

(c) comply with the prospectus delivery requirements and the provisions of Regulation M of the SEC pursuant to the 1933 Act to the extent that such regulation is applicable to the holder;

(d) not sell or otherwise transfer or distribute any Registrable Securities if the holder possesses any material nonpublic information concerning the Company.

4.2. The Company will not file any registration statement pursuant to Section 2.2 or Section 2.3, or amendment thereto or any prospectus or any supplement thereto to which the Investors shall reasonably object, provided that the Company may file such documents in a form required by law or upon the advice of its counsel.

4.3. The Company represents and warrants to each holder of Registrable Securities that it has obtained all necessary waivers, consents and authorizations necessary to execute this Agreement and consummate the transactions contemplated hereby other than such waivers, consents and/or authorizations specifically contemplated by the Purchase Agreement.

4.4. Each holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the occurrence of any event of the kind described in subdivision (viii) of Section 4.1, such Holder will forthwith discontinue such holder of Registrable Securities' disposition of Registrable Securities pursuant to the Registration Statement relating to such Registrable Securities until such holder of Registrable Securities' receipt of the copies of the supplemented or amended prospectus contemplated by subdivision (viii) of Section 4.1 and, if so directed by the Company, will deliver to the Company (at the Company's expense) all copies, other than permanent file copies, then in such Holder's possession of the prospectus relating to such Registrable Securities current at the time of receipt of such notice.

ARTICLE V

UNDERWRITTEN OFFERINGS

5.1. **Incidental Underwritten Offerings**. If the Company at any time proposes to register any of its securities under the 1933 Act as contemplated by Section 3.1 and such securities are to be distributed by or through one or more underwriters, the Company will, if requested by any holder of Registrable Securities as provided in Section 3.1 and subject to the provisions of Section 3.2, use its commercially reasonable best efforts to arrange for such underwriters to include all the Registrable Securities to be offered and sold by such holder among the securities to be distributed by such underwriters. In no event shall any Investors be deemed an underwriter for purposes of this Agreement. This Article V shall not apply to any Registrable Securities theretofore registered pursuant to Article II of this Agreement.

5.2. **Participation In Underwritten Offerings**. No holder of Registrable Securities may participate in any underwritten offering under Section 3.1 unless such holder of Registrable Securities (i) agrees to sell such Person's securities on the basis provided in any underwriting arrangements approved, subject to the terms and conditions hereof, by the holders of a majority of Registrable Securities to be included in such underwritten offering and (ii) completes and executes all questionnaires, indemnities, underwriting agreements and other documents (other than powers of attorney) required under the terms of such underwriting arrangements. Notwithstanding the foregoing, no underwriting agreement (or other agreement in connection with such offering) shall require any holder of Registrable Securities to make a representation or warranty to or agreements with the Company or the underwriters other than representations and warranties contained in a writing furnished by such holder of Registrable Securities expressly for use in the related registration statement or representations, warranties or agreements regarding such holder of Registrable Securities, such holder's Registrable Securities and such holder's intended method of distribution and any other representation required by law.

5.3. **Preparation; Reasonable Investigation**. In connection with the preparation and filing of each registration statement under the 1933 Act pursuant to this Agreement, the Company will give the holders of Registrable Securities registered under such registration statement, and their respective counsel and accountants, the opportunity to participate in the preparation of such registration statement, each prospectus included therein or filed with the SEC, and each amendment thereof or supplement thereto, and will give each of them such access to its books and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified its financial statements as shall be necessary, in the reasonable opinion of such holders' and such underwriters' respective counsel, to conduct a reasonable investigation within the meaning of the 1933 Act.

ARTICLE VI

INDEMNIFICATION

6.1. **Indemnification by the Company**. In the event of any registration of any securities of the Company under the 1933 Act, the Company will, and hereby does agree to indemnify and hold harmless the holder of any Registrable Securities covered by such registration statement, its directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such holder or any such underwriter within the meaning of the 1933 Act against any losses, claims, damages or liabilities, joint or several, to which such holder or any such director or officer or underwriter or controlling person may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings, whether commenced or threatened, in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the 1933 Act, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and the Company will reimburse such holder and each such director, officer, underwriter and controlling person for any legal or any other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, liability, action or proceeding, provided that the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability, (or action or proceeding in respect thereof) or expense arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement, any such preliminary prospectus, final prospectus, summary prospectus, amendment or supplement in reliance upon and in conformity with written information furnished to the Company by such holder or underwriter stating that it is for use in the preparation thereof and, provided further that the Company shall not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or to any other Person, if any, who controls such underwriter within the meaning of the 1933 Act, in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of such Person's failure to send or give a copy of the final prospectus, as the same may be then supplemented or amended, within the time required by the 1933 Act to the Person asserting the existence of an untrue statement or alleged untrue statement or omission or alleged omission at or prior to the written confirmation of the sale of Registrable Securities to such Person if such statement or omission was corrected in such final prospectus or an amendment or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such holder or any such director, officer, underwriter or controlling person and shall survive the transfer of such securities by such holder.

6.2. **Indemnification by the Investor**. The Company may require, as a condition to including any Registrable Securities in any registration statement filed pursuant to this Agreement, that the Company shall have received an undertaking satisfactory to it from the prospective holder of such Registrable Securities, to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 6.1) the Company, each director of the Company, each officer of the Company and each other Person, if any, who controls the Company within the meaning of the 1933 Act, with respect to any statement or alleged statement in or omission or alleged omission from such registration statement, any preliminary prospectus, final prospectus or summary prospectus contained therein, or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such holder of Registrable Securities specifically stating that it is for use in the preparation of such registration statement, preliminary prospectus, final prospectus, summary prospectus, amendment or supplement. Any such indemnity shall remain in full force and effect, regardless of any investigation made by or on behalf of the Company or any such director, officer or controlling person and shall survive the transfer of such securities by the Investor. The indemnification by the Investor shall be limited to Fifty Thousand ($50,000) Dollars.

6.3. **Notices Of Claims, Etc**. Promptly after receipt by an indemnified party of notice of the commencement of any action or proceeding involving a claim referred to in Sections 6.1 and Section 6.2, such indemnified party will, if claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action, provided that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations under Sections 6.1 and Section 6.2, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an indemnified party, unless in such reasonable judgment of counsel to the indemnified party, a conflict of interest, as hereinafter defined, between such indemnified and indemnifying parties may exist in respect of such claim, the indemnifying party shall be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified, to the extent that the indemnifying party may wish, with counsel reasonably satisfactory to such indemnified party, and after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the consent of the indemnified party, consent to entry of any judgment or enter into any settlement of any such action which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability, or a covenant not to sue, in respect to such claim or litigation. No indemnified party shall consent to entry of any judgment or enter into any settlement of any such action the defense of which has been assumed by an indemnifying party without the consent of such indemnifying party. If the defendants in any action covered by this Section 6.3 include both the indemnified party and the indemnifying party and counsel for the indemnified party shall have reasonably concluded that there may be reasonable defenses available to it which are different from or additional to those available to the indemnifying party or if the interests of the indemnified party reasonably may be deemed to conflict with the interests of the indemnifying party (collectively, a "conflict of interest"), the indemnified parties, as a group, shall have the right to select one separate counsel and to assume such legal defenses and otherwise to participate in the defense of such action, with the reasonable expenses and fees of such separate counsel and other expenses related to such participation to be reimbursed by the indemnifying party. Such counsel shall be selected by the holders of a majority of the shares of Common Stock having an indemnity claim against the Company, whether pursuant to this Agreement or any other agreements which provide such or similar indemnity.

6.4. **Other Indemnification**. Indemnification similar to that specified in Sections 6.1 and Section 6.2 (with appropriate modifications) shall be given by the Company and each holder of Registrable Securities (but only if and to the extent required pursuant to the terms herein) with respect to any required registration or other qualification of securities under any Federal or state law or regulation of any governmental authority, other than the 1933 Act.

6.5. **Indemnification Payments**. The indemnification required by Sections 6.1 and Section 6.2 shall be made by periodic payments of the amount thereof during the course of the investigation or defense, as and when bills are received or expense, loss, damage or liability is incurred.

6.6. **Contribution**.

(i) If the indemnification provided for in Sections 6.1 and Section 6.2 is unavailable to an indemnified party in respect of any expense, loss, claim, damage or liability referred to therein, then each indemnifying party, in lieu of indemnifying such indemnified party, shall contribute to the amount paid or payable by such indemnified party as a result of such expense, loss, claim, damage or liability (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the holder of Registrable Securities or underwriter, as the case may be, on the other from the distribution of the Registrable Securities or (ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company on the one hand and of the holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the statements or omissions which resulted in such expense, loss, damage or liability, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the holder of Registrable Securities or underwriter, as the case may be, on the other in connection with the distribution of the Registrable Securities shall be deemed to be in the same proportion as the total net proceeds received by the Company from the initial sale of the Registrable Securities by the Company to the purchasers bear to the gain, if any, realized by all selling holders participating in such offering or the underwriting discounts and commissions received by the underwriter, as the case may be. The relative fault of the Company on the one hand and of the holder of Registrable Securities or underwriter, as the case may be, on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission to state a material fact relates to information supplied by the Company, by the holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information supplied by the Company, by the holder of Registrable Securities or by the underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, provided that the foregoing contribution agreement shall not inure to the benefit of any indemnified party if indemnification would be unavailable to such indemnified party by reason of the provisions contained herein, and in no event shall the obligation of any indemnifying party to contribute under this Section 6.6 exceed the amount that such indemnifying party would have been obligated to pay by way of indemnification if the indemnification provided for hereunder had been available under the circumstances.

(ii) The Company and the holders of Registrable Securities agree that it would not be just and equitable if contribution pursuant to this Section 6.6 were determined by pro rata allocation (even if the holders of Registrable Securities and any underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in the immediately preceding paragraph. The amount paid or payable by an indemnified party as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth herein, any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

(iii) Notwithstanding the provisions of this Section 6.6, no holder of Registrable Securities or underwriter shall be required to contribute any amount in excess of the amount by which (i) in the case of any such holder, the net proceeds received by such holder from the sale of Registrable Securities in the applicable Registration Statement or (ii) in the case of an underwriter, the total price at which the Registrable Securities purchased by it and distributed to the public were offered to the public exceeds, in any such case, the amount of any damages that such holder or underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

ARTICLE VII

RULE 144

7.1. **Rule 144**. The Company shall use its commercially reasonable efforts to file in a timely manner the reports required to be filed by the Company under the 1933 Act and the 1934 Act (including but not limited to the reports under Sections 13 and 15(d) of the 1934 Act referred to in subparagraph (c) of Rule 144) and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, will, upon the request of any holder of Registrable Securities, make publicly available other information) and will take such further action as any holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such holder to sell Registrable Securities without registration under the 1933 Act within the limitation of the exemptions provided by (a) Rule 144, or (b) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any holder of Registrable Securities, the Company will deliver to such holder a written statement as to whether it has complied with the requirements of this Section 7.1.

ARTICLE VIII

MISCELLANEOUS

8.1. **Amendments And Waivers**. This Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the holder or holders of fifty-one percent (51%) or more of the sum of the Shares issued at such time, plus Shares issuable upon conversion of the Series A Preferred Stock or exercise of the Warrants (if such Securities were not fully exercised or converted in full as of the date such consent if sought without regard to the 4.9% Limitation, as defined in the Purchase Agreement). Each holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 8.1, whether or not such Registrable Securities shall have been marked to indicate such consent.

8.2. **Nominees For Beneficial Owners**. In the event that any Registrable Securities are held by a nominee for the beneficial owner thereof, the beneficial owner thereof shall be treated as the holder of such Registrable Securities for purposes of any request or other action by any holder or holders of Registrable Securities pursuant to this Agreement or any determination of any number of percentage of shares of Registrable Securities held by a holder or holders of Registrable Securities contemplated by this Agreement. The Company may require assurances reasonably satisfactory to it of such owner's beneficial ownership or such Registrable Securities.

8.3. **Notices.** Except as otherwise provided in this Agreement, all notices, requests and other communications to any Person provided for hereunder shall be in writing and shall be given to such Person (a) in the case of a party hereto other than the Company, addressed to such party in the manner set forth in the Purchase Agreement or at such other address as such party shall have furnished to the Company in writing, or (b) in the case of any other holder of Registrable Securities, at the address that such holder shall have furnished to the Company in writing, or, until any such other holder so furnishes to the Company an address, then to and at the address of the last holder of such Registrable Securities who has furnished an address to the Company, or (c) in the case of the Company, at the address set forth on the signature page hereto, to the attention of its President, or at such other address, or to the attention of such other officer, as the Company shall have furnished to each holder of Registrable Securities at the time outstanding. Each such notice, request or other communication shall be effective (i) upon receipt after such communication is deposited in the mail with first class postage prepaid, addressed as aforesaid or (ii) if given by any other means (including, without limitation, by fax or air courier), when delivered at the address specified above, provided that any such notice, request or communication shall not be effective until received, and provided, further, that notice by fax shall not be deemed received unless receipt is acknowledged.

8.4. **Assignment**. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Company shall also be for the benefit of and enforceable by any subsequent holder of any Registrable Securities. Each of the Holders of the Registrable Securities agrees, by accepting any portion of the Registrable Securities after the date hereof, to the provisions of this Agreement including, without limitation, appointment of a representative (the "Investor's Representative") to act on behalf of such Holder pursuant to the terms hereof which such actions shall be made in the good faith discretion of the Investor's Representative and be binding on all persons for all purposes.

8.5. **Descriptive Headings**. The descriptive headings of the several sections and paragraphs of this Agreement are inserted for reference only and shall not limit or otherwise affect the meaning hereof.

8.6. **Governing Law**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to applicable principles of conflicts of law.

8.7. **Jurisdiction**. If any action is brought among the parties with respect to this Agreement or otherwise, by way of a claim or counterclaim, the parties agree that in any such action, and on all issues, the parties irrevocably waive their right to a trial by jury. Exclusive jurisdiction and venue for any such action shall be the State or Federal Courts serving the City, County and State of New York. In the event suit or action is brought by any party under this Agreement to enforce any of its terms, or in any appeal therefrom, it is agreed that the prevailing party shall be entitled to reasonable attorneys fees to be fixed by the arbitrator, trial court, and/or appellate court if such party prevails on substantially all disputed matters.

8.8. **Entire Agreement**. This Agreement, together with the Purchase Agreement, embodies the entire agreement and understanding between the Company and each other party hereto relating to the subject matter hereof and supersedes all prior agreements and understandings relating to such subject matter.

8.9. **Severability**. If any provision of this Agreement, or the application of such provisions to any Person or circumstance, shall be held invalid, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

8.10. **Binding Effect**. All the terms and provisions of this Agreement whether so expressed or not, shall be binding upon, inure to the benefit of, and be enforceable by the parties and their respective administrators, executors, legal representatives, heirs, successors and assignees.

8.11. **Preparation of Agreement**. This Agreement shall not be construed more strongly against any party regardless of who is responsible for its preparation. The parties acknowledge each contributed and is equally responsible for its preparation.

8.12. **Failure or Indulgence Not Waiver; Remedies Cumulative**. No failure or delay on the part of any party hereto in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement herein, nor shall nay single or partial exercise of any such right preclude other or further exercise thereof or of any other right. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

8.13. **Counterparts**. This Agreement may be executed in one or more counterparts, and by the different parties hereto in separate counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same agreement. A facsimile transmission of this signed Agreement shall be legal and binding on all parties hereto.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Investor and the Company have as of the date first written above executed this Agreement.

CAPITAL SOLUTIONS I, INC.

By: /s/ Wu Yiting

Wu Yiting
Chief Executive Officer

BARRON PARTNERS LP
By: Barron Capital Advisors, LLC, its General Partners

By: /s/ Andrew Barron Worden

Andrew Barron Worden
President
730 Fifth Avenue, 25th Floor
New York NY 10019

EOS HOLDINGS

By: /s/ Jon R. Carnes

Jon R.Carnes, President
2560 Highvale Dr.
Las Vegas, NV 89134

SILVER ROCK I, LTD.

By:/s/ Rima Salam

Rima Salam
4th Floor, Rodus Building
Road Reef
P.O. Box 765
Road Town, Tortola ,
British Virgin Islands

December 3, 2007

Sichenzia Ross Friedman Ference LLP
61 Broadway, 32nd Floor
New York, New York 10006

Attention of Asher S. Levitsky P.C.

Re: Closing Escrow Agreement

Gentlemen:

This agreement will set forth the terms pursuant to which Capital Solutions I, Inc., a Delaware corporation (the "Company"), will deposit into escrow with you (the "Escrow Agent") 3,000,000 shares (the "Preferred Shares") of Series A Convertible Preferred Stock ("Series A Preferred Stock"), which is in that certain securities purchase agreement (the "Purchase Agreement"), dated December 3, 2007, among the Company, Barron Partners L.P. ("Barron Partners") and the other investors named therein. The Preferred Shares and any proceeds thereof are collectively referred to as the "Escrow Property."

1. The Escrow Agent agrees to hold the Escrow Property on and subject to the terms of this Agreement. The parties acknowledge that the Escrow Agent is not and will not be a party to the Purchase Agreement. The Escrow Agent has and will have no obligations under the Purchase Agreement, and the Escrow Agent's only obligations are those expressly set forth in this Escrow Agreement.

2. The Preferred Shares will be issued in the name of Sichenzia Ross Friedman Ference LLP, as escrow agent. In any meeting at which approval of the holders of the Series A Preferred Stock is required or requested, the Escrow Agent, if requested by the Company and Barron Partners shall vote the Preferred Shares, as the case may be, in the same proportion that other holders of Series A Preferred Stock or Common Stock, as the case may be, vote on such matter. Notwithstanding the foregoing, the Escrow Agent shall execute a written consent of holders of the Series A Preferred Stock if the holders of record of at least 80% of the outstanding shares of Series A Preferred Stock shall have executed such a consent.

3. Section 6.15 of the Purchase Agreement provides for the transfer of some or all of the Preferred Shares to the Investors named in the Purchase Agreement. If the Escrow Agent receives the joint written notice from Barron Partners, on behalf of the Investors, and the Company as to the disposition of any or all of the Escrow Property, the Escrow Agent shall distribute the Escrow Property in accordance with the joint written instructions. Such instructions may be sent be PDF or e-mail.

4. If the Escrow Agent receives written instructions signed by some but not both of Barron Partners and the Company, the Escrow Agent shall, within five (5) business days from its receipt of such instructions, send a copy of such instructions to the other party by overnight courier service which provides evidence of delivery. If, by the close of business on the fifteenth (15th) business day after delivery of the instructions to the other party, the Escrow Agent shall not have received notice from any of the other Interested Parties either disputing the instructions or otherwise instructing the Escrow Agent to take action inconsistent with the original instructions, the Escrow Agent shall distribute the Escrow Property in accordance with the instructions initially received by it.

5. If the Escrow Agent shall have received notice from the other Party by the close of business on the fifteenth (15th) business day after delivery of the instructions disputing or conflicting with the initial instructions, the Escrow Agent shall retain the Escrow Property until it shall have received either (a) joint written instructions from the Company and Barron Partners or (b) a court order, final beyond right of review, as to the disposition of the Escrow Property, in which event the Escrow Agent shall distribution the Escrow Property in accordance with such instructions or court order.

6. In the event that the Escrow Agent shall be uncertain as to its obligations with respect to the Escrow Property, or shall receive instructions, claims or demands which, in the Escrow Agent's opinion, are in conflict with each other or with any of the provisions of this Agreement, the Escrow Agent shall refrain from taking any action other than to keep safely all Escrow Property until the Escrow Agent shall have written instructions from all Interested Parties as to the disposition of Escrow Property or until the Escrow Agent is directed by a final judgment of a court of competent jurisdiction final beyond right of review. In addition, in such circumstances, the Escrow Agent may deposit the Escrow Property into court, there to abide a decision of the court. In this connection, each of the parties consents to the exclusive jurisdiction of the federal and state courts located in the City, County and State of New York.

7. This Agreement shall terminate upon a distribution of all of the Escrow Property pursuant to Section 3, 4, 5 or 6 of this Agreement.

8. The Interested Parties shall jointly and severally (i) reimburse the Escrow Agent for all reasonable expenses incurred by the Escrow Agent in connection with its duties hereunder and (ii) indemnify and hold harmless the Escrow Agent against any and all losses, claims, liabilities, costs, payments and expenses, including reasonable legal fees for counsel who may be selected by the Escrow Agent, which may be imposed upon or incurred by the Escrow Agent hereunder, except as a result of the gross negligence or willful misconduct of the Escrow Agent.

9. The Escrow Agent shall have no duties or responsibilities except those expressly set forth in this Agreement. The Escrow Agent shall have no liability under, or duty to inquire into the terms and provisions of, any agreement between the parties, including the Purchase Agreement. No person, firm or corporation will be recognized by the Escrow Agent as a successor or assignee of any party until there shall be presented to the Escrow Agent evidence satisfactory to it of such succession or assignment. The Escrow Agent may rely upon any instrument in writing believed in good faith by it to be genuine and sufficient and properly presented and shall not be liable or responsible for any action taken or omitted in accordance with the provisions thereof. The Escrow Agent shall not be liable or responsible for any act it may do or omit to do in connection with the performance of its duties as Escrow Agent, except for its gross negligence or willful misconduct. The Escrow Agent may consult with counsel, including partners or associates of and attorneys who are of counsel to the Escrow Agent, and shall be fully protected with respect to any action taken or omitted by it in good faith on written advice of counsel.

10. The Escrow Agent may at any time resign hereunder by giving written notice of its resignation to the other parties hereto, at their addresses set forth below, at least twenty (20) business days prior to the date specified for such resignation to take effect. If the Escrow Agent shall resign, and upon the effective date of the resignation of the Escrow Agent, all property then held by the Escrow Agent pursuant to this Agreement shall be delivered by the Escrow Agent to such person as may be designated in writing by the joint instructions of the Interested Parties, whereupon all such Escrow Agent's obligations hereunder shall cease and terminate. If no such person shall have been designated by such date, all of the Escrow Agent's obligations hereunder shall, nevertheless, cease and terminate. The Escrow Agent's sole responsibility thereafter shall be to keep safely all Escrow Property then held by the Escrow Agent and to deliver the same to a person jointly designated as provided in this Agreement or, if the parties shall have failed to designate a successor escrow agent, the Escrow Agent may deposit the Escrow Property into a court of competent jurisdiction as provided in Section 6 of this Agreement.

11. Any notice, request, demand and other communication hereunder shall be in writing and shall be deemed to have been duly given if delivered by facsimile or e-mail (if receipt is confirmed by the recipient) or sent by messenger or overnight courier service which provides evidence of delivery or by certified or registered mail, return receipt requested, postage prepaid, and shall be deemed given when delivered, if to the Company or Barron Partners at their addresses set forth on the signature page of this Agreement. If any party refuses to accept delivery (other than notice given by telecopier), notice shall be deemed to have been given on the date of attempted delivery. Any party may, by like notice, change the person, address or telecopier number to which notice should be sent.

12. This Agreement shall in all respects be construed and interpreted in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York applicable to contracts executed and to be performed wholly within such State. Each party hereby (a) consents to the exclusive jurisdiction of the United States district court for the Southern District of New York and Supreme Court of the State of New York in the County of New York in any action relating to or arising out of this Agreement, (b) agrees that any process in any action commenced in such court under this Agreement may be served upon either (i) by certified or registered mail, return receipt requested, or by messenger or courier service which obtains evidence of delivery, with the same full force and effect as if personally served upon him in New York City or (ii) by any other method of service permitted by law and (c) waives any claim that the jurisdiction of any such tribunal is not a convenient forum for any such action and any defense or lack of in personam jurisdiction with respect thereto.

13. Section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

14. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, personal representatives, successors and assigns; provided, that any assignment of this Agreement or their rights hereunder by any party hereto without the written consent of the other parties shall be void. Nothing in this Agreement is intended to confer upon any other person any rights or remedies under or by reason of this Agreement.

15. This Agreement may be executed and delivered in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

16. No modification, waiver or discharge of any provisions of this Agreement shall bind any party unless it is in writing, specifically refers to this Agreement and is signed by or on behalf of the party to be bound or affected thereby.

17. Barron and the Company acknowledges that the Sichenzia Ross Friedman Ference LLP is also acting as counsel for the Company in connection with the Purchase Agreement, and such firm shall have the right to represent the Company in any action relating to or arising out of the Purchase Agreement any other agreement between the Company, on the one hand, and Barron Partners, on the other hand.

[Signatures on following page]

Very truly yours,

Address	Signature
c/o Barron Capital Advisors LLC Managing Partner Attn: Andrew Barron Worden 730 Fifth Avenue, 9th Floor New York NY 10019 fax: (212) 359-0222 e-mail: abw@barronpartners.com	BARRON PARTNERS, L.P. By: BARRON CAPITAL ADVISORS LLC Managing Partner By: /s/ Andrew Barron Worden Andrew Barron Worden, CEO
2560 Highvale Dr. Las Vegas, NV 89134 Attn: Jon R. Carnes, President jcarnes@eosfunds.com	EOS HOLDINGS By: /s/ Jon Carnes Jon Carnes, President
Silver Rock I, Ltd 4th Floor, Rodus Building Road Reef P.O. Box 765 Road Town, Tortola , British Virgin Islands Attn: Rima Salam ejallad@silverstoneadvisors.com c/o Jiangxi Moral Star Copper Technology Co., Ltd. Ge Jia Ba, Hua Ting, Yiyang Jiangxi, PRC 334400 Attention: Ms.Wu Yiting E-mail: wyt1645@163.com Fax: 86 793 5883661	Silver Rock I, Ltd. /s/ Rima Salam Rima Salam Capital Solutions I, Inc. By: /s/ Wu Yi Ting Wu Yi Ting, CEO
61 Broadway, 32 Floor New York, New York 10006 Attn: Asher S. Levitsky P.C. fax: (212) 930-9725 e-mail: alevitsky@srff.com	AGREED TO AND ACCEPTED: SICHENZIA ROSS FRIEDMAN FERENCE LLP By: /s/ Asher S. Levitsky P.C. Asher S. Levitsky P.C., of counsel

SHARE EXCHANGE AGREEMENT

This Agreement dated as of the 3rd day of December, 2007, by and among Capital Solutions I, Inc., a Delaware corporation having its offices at One N.E. First Avenue, Suite 306, Ocala, Florida 34470 (the "Issuer"), and Jibrin Issa Jibrin Al Jibrin, trustee of the Wu Yiting Stock Trust, having at office at 205 Nad Building, Al Musalla Road, Baniyas (Nasser) Square, Dubai-United Arab Emirates (the "Shareholder").

WITNESSETH:

WHEREAS, the Shareholder is the holder of all of the issued and outstanding capital stock (the "Acquisition Shares") of Moral Star Development Limited, a British Virgin Islands corporation ("BVI Company"), which is the sole stockholder of Jiangxi Moral Star Copper Technology Limited, a corporation organized under the laws of the Peoples' Republic of China as a wholly foreign owned enterprise ("Moral Star");

WHEREAS, the Shareholder is acquiring a controlling interest in the Issuer;

WHEREAS, the Issuer is willing to issue shares of its common stock, par value $.0000001 per share ("Common Stock"), to the Shareholder and its designees listed on Schedule I hereto (the "Designees") in consideration for the Acquisition Shares.

NOW, THEREFORE, for the mutual consideration set out herein, the parties agree as follows:

1. Exchange of Shares.

(a) Issuance of Shares by Issuer. On and subject to the conditions set forth in this Agreement, the Issuer will issue to the Shareholder and the Designees, in exchange for all of the Acquisition Shares, which represents all of the issued and outstanding capital stock of BVI Company, which is the sole stockholder of Moral Star, an aggregate of 3,301,452 shares of Common Stock (the "Shares"). The Shares will be issued to the Shareholder and the Designees in the amounts set forth after their respective names in Schedule I to this Agreement.

(b) Transfer of Acquisition Shares by the Shareholder. On and subject to the conditions set forth in this Agreement, the Shareholder will transfer to the Issuer all of the Acquisition Shares, free and clear of any and all liens, claims, encumbrances, preemptive rights, right of first refusal and adverse interests of any kind, in exchange for the Shares to be issued to the Shareholder and the Designees.

(c) Closing. The issuance of the Shares to the Shareholder and the Designees and the transfer of the Acquisition Shares to the Issuer will take place at a closing (the "Closing") to be held at the office of Sichenzia Ross Friedman Ference, LLP, 61 Broadway, 32nd Floor, New York, New York 10006 as soon as possible after or contemporaneously with the satisfaction or waiver of all of the conditions to closing set forth in Section 4 of this Agreement.

2. Representations and Warranties of the Issuer. The Issuer hereby represents, warrants, covenants and agrees as follows:

(a) General.

(i) The Issuer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Issuer has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified and in good standing would have a material adverse effect on the Issuer. The Issuer is not in violation of any provisions of its certificate of incorporation or its bylaws. No consent, approval or agreement of any individual or entity is required to be obtained by the Issuer in connection with the execution and performance by the Issuer of this Agreement or the execution and performance by the Issuer of any agreements, instruments or other obligations entered into in connection with this Agreement. The Issuer does not have any equity investment or other interest, direct or indirect, in, or any outstanding

loans, advances or guarantees to or on behalf of, any domestic or foreign corporation, limited liability company, association, partnership, joint venture or other entity.

(ii) The Issuer provided to the Shareholder true, correct and complete copies of the Issuer's articles of incorporation, including all amendments thereto, and the Issuer's bylaws, including all amendments thereto, as such articles of incorporation and bylaws are in effect on the date hereof.

(iii) The Issuer has full power and authority to carry out the transactions provided for in this Agreement, and this Agreement constitutes the legal, valid and binding obligations of the Issuer, enforceable in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency and other laws of general application affecting the enforcement of creditor's rights and except that any remedies in the nature of equitable relief are in the discretion of the court. All necessary action required to be taken by the Issuer for the consummation of the transactions contemplated by this Agreement has been taken.

(iv) The Shares, when issued pursuant to this Agreement, will be duly and validly authorized and issued, fully paid and non-assessable. The issuance of the Shares to Shareholder and Designees is exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to an exemption provided by Regulation S promulgated by the Securities and Exchange Commission ("SEC") thereunder ("Regulation S").

(v) The Issuer has authorized capital stock consisting of 900,000,000shares of Issuer Common Stock, and 20,000,000 shares of preferred stock, no par value (the "Preferred Stock"), of which 66,732 shares of Common Stock (subject to adjustment in the event of a reverse split of the Common Stock), and 50,000 shares of Preferred Stock are presently issued and outstanding. The Issuer has not created or authorized any other series of Preferred Stock and has no obligation or understanding to do so, except as contemplated in that certain securities purchase agreement to be executed in connection with a proposed reverse acquisition transaction between the Issuer and the Investors named therein (the "Purchase Agreement"). The presently outstanding shares of preferred stock will be conveyed to the Company and cancelled on or prior to the Closing Date.

(vi) The Issuer is not party to any agreement or understanding pursuant to which any securities of any class of capital stock are to be issued or created or transferred. Except as contemplated in the Purchase Agreement, neither the Issuer nor any officer, director or 5% stockholder of the Issuer has any agreements, plans, understandings or proposals, whether formal or informal or whether oral or in writing, pursuant to which it or he granted or may have issued or granted any individual or entity any Convertible Security or any interest in the Issuer or the Issuer's earnings or profits, however defined. As used in this Agreement, the term "Convertible Securities" shall mean any options, rights, warrants, convertible debt, equity securities or other instrument or agreement upon the exercise or conversion of which or upon the exchange of which or pursuant to the terms of which additional shares of any class of capital stock of the Issuer may be issued.

(vii) There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or, to the Issuer's Best Knowledge, threatened against the Issuer or any of its properties or any of its officers or directors (in their capacities as such). There is no judgment, decree or order against the Issuer that could prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. The term "Best Knowledge" of the Issuer shall mean and include (i) actual knowledge and (ii) that knowledge which a prudent businessperson would reasonably have obtained in the management of such Person's business affairs after making due inquiry and exercising the due diligence which a prudent businessperson should have made or exercised, as applicable, with respect thereto.

(viii) There are no material claims, actions, suits, proceedings, inquiries, labor disputes or investigations (whether or not purportedly on behalf of the Issuer) pending or, to the Issuer's Best Knowledge, threatened against the Issuer or any of its assets, at law or in equity or by or before any governmental entity or in arbitration or mediation. No bankruptcy, receivership or debtor relief proceedings are pending or, to the best of the Issuer's knowledge, threatened against the Issuer.

(ix) The Issuer has complied with, is not in violation of, and has not received any notices of violation with respect to, any federal, state, local or foreign Law, judgment, decree, injunction or order, applicable to it, the conduct of its business, or the ownership or operation of its business. References in this Agreement to "Laws" shall refer to any laws, rules or regulations of any federal, state or local government or any governmental or quasi-governmental agency, bureau, commission, instrumentality or judicial body (including, without limitation, any federal or state securities law, regulation, rule or administrative order).

(x) The Issuer has properly filed all tax returns required to be filed and has paid all taxes shown thereon to be due. All tax returns previously filed are true and correct in all material respects.

(xi) The Issuer has no outstanding liabilities or obligations to any party except as reflected on the Issuer's Form 10-QSB for the quarter ended August 31, 2007, other than charges since such date similar to those incurred in past periods and consistent with past practice, all of which will be paid in full or otherwise satisfied on or prior to the Closing Date.

(xii) The Issuer's Form 10-KSB for the year ended May 30, 2007, contains the audited financial statements of the Issuer, certified by Bagell, Josephs, Levine & Company, L.L.C. ("Bagell"), the Issuer's independent registered accounting firm, and the Issuer's Form 10-QSB for the quarter ended August 31, 2007 contains the unaudited financial statements of the Issuer which have been reviewed by Bagell. The balance sheets fairly present the financial position of the Issuer, as of their respective dates, and each of the consolidated statements of income, stockholders' equity and cash flows (including any related notes and schedules thereto) fairly presents the results of operations, cash flows and changes in stockholders' equity, as the case may be, of the Issuer for the periods to which they relate, in each case in accordance with generally accepted accounting principles ("GAAP") consistently applied during the periods involved. Bagell is independent as to the Issuer in accordance with the rules and regulations of the SEC. The books and records of the Issuer have been, and are being, maintained in all material respects in accordance with GAAP and any other applicable legal and accounting requirements and reflect only actual transaction. The Issuer has not received any letters of comments from the SEC relating to any filing made by the Issuer with the SEC which has not been addressed by an amended filing, and each amended filing fully responds to the questions raised by the staff of the SEC. The Issuer maintains disclosure controls and procedures that are effective to ensure that information required to be disclosed by the Issuer in its annual and quarterly reports filed with the SEC is accumulated and communicated to the Issuer's management, including its principal executive and financial officers as appropriate, to allow timely decisions regarding required disclosure. There were no significant changes in the Issuer's internal controls or other factors that could significantly affect such controls subsequent to December 31, 2006. The Issuer has not received any advice from Bagell to the effect that there is any significant deficiency or material weakness in the Issuer's controls or recommending any corrective action on the part of the Issuer or any subsidiary of the Issuer. The Issuer does not have any contingent liabilities.

(xiii) The execution and delivery of this Agreement by the Issuer and the consummation of the transactions contemplated by this Agreement will not result in any material violation of the Issuer's certificate of incorporation or by-laws, or any applicable Law.

(b) SEC Documents. The Issuer's Common Stock is registered pursuant to Section 12(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The Issuer is current with its reporting obligations under the Exchange Act. The Common Stock is listed on the OTC Bulletin Board. The Issuer has received no notice, either oral or written, with respect to the continued listing of the Common Stock on the OTC Bulletin Board. The Issuer has not provided to any investor any information that, according to applicable law, rule or regulation, should have been disclosed publicly prior to the date hereof by the Issuer, but which has not been so disclosed. As of their respective dates, the Issuer's filings made pursuant to the Exchange Act (the "Issuer SEC Documents") complied in all material respects with the requirements of the Exchange Act, and rules and regulations of the SEC promulgated thereunder and the Issuer SEC Documents did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

3. Representations and Warranties of Shareholder. The Shareholder hereby represents, warrants, covenants and agrees as follows:

(a) The Shareholder understands that the offer and sale of the Shares is being made only by means of this Agreement and understands that the Issuer has not authorized the use of, and the Shareholder confirms that he or she is not relying upon, any other information, written or oral, other than material contained in this Agreement. The Shareholder is aware that the purchase of the Shares involves a high degree of risk and that the Shareholder may sustain, and has the financial ability to sustain, the loss of his entire investment, understands that no assurance can be given that the Issuer will be profitable in the future, that there is no public market for the Common Stock, and the Issuer can give no assurance that there will ever be a public market for the Common Stock. Furthermore, in subscribing for the Shares, the Shareholder acknowledges it is not relying upon any projections or any statements of any kind relating to future revenue, earnings, operations or cash flow in making an investment in the Shares.

(b) The Shareholder is not acquiring the Shares as a result of, and will not itself engage in, any "directed selling efforts" (as defined in Regulation S) in the United States in respect of the Shares which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Shares; provided, however, that the Shareholder may sell or otherwise dispose of the Shares pursuant to registration thereof under the Securities Act and any applicable state and provincial securities laws or under an exemption from such registration requirements;

(c) The Shareholder acknowledges and agrees that none of the Shares have been registered under the Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold in the United States or, directly or indirectly, to U.S. Persons, as that term is defined in Regulation S, except in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in each case in accordance with applicable state and provincial securities laws;

(d) The Shareholder acknowledges and agrees that the Issuer will refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act and in accordance with applicable state and provincial securities laws;

(e) The Shareholder represents and warrants that no broker or finder was involved directly or indirectly in connection with his or her purchase of the Shares pursuant to this Agreement. The Shareholder shall indemnify the Issuer and hold it harmless from and against any manner of loss, liability, damage or expense, including fees and expenses of counsel, resulting from a breach of the Shareholder's warranty contained in this Paragraph 3(e).

(f) The Shareholder understands that he or she has no registration rights with respect to the Shares.

(g) Neither the Shareholder nor any of the Designees is a citizen or resident of the United States.

(h) The Shareholder is acquiring the Shares for investment only and not with a view to resale or distribution and, in particular, it has no intention to distribute either directly or indirectly any of the Shares in the United States or to U.S. Persons;

(i) The Shareholder is acquiring the Shares as principal for the Shareholder's own account (except for the circumstances outlined in paragraph 3(k)), for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof, in whole or in part, and no other person has a direct or indirect beneficial interest in such Shares;

(j) The Shareholder is not an underwriter of, or dealer in, the common stock of the Issuer, nor is the Shareholder participating, pursuant to a contractual agreement or otherwise, in the distribution of the Shares;

(k) If the Shareholder is acquiring the Shares as a fiduciary or agent for one or more investor accounts, the investor accounts for which the Shareholder acts as a fiduciary or agent satisfy the definition of an "Accredited Investor," as the term is defined in Regulation D promulgated by the SEC under the Securities Act or satisfies the requirements of Regulation S.

(l) The Shareholder is not aware of any advertisement of any of the Shares; and

(m) No person has made to the Shareholder any written or oral representations:

(i) that any person will resell or repurchase any of the Shares;

(ii) that any person will refund the purchase price of any of the Shares;

(iii) as to the future price or value of any of the Shares; or

(iv) that any of the Shares will be listed and posted for trading on any stock exchange or automated dealer quotation system or that application has been made to list and post any of the Shares of the Issuer on any stock exchange or automated dealer quotation system.

(n) The Shareholder represents he has such knowledge and experience in financial and business matters as to enable the Shareholder to understand the nature and extent of the risks involved in purchasing the Shares. The Shareholder is fully aware that such investments can and sometimes do result in the loss of the entire investment. The Shareholder has engaged his or her own counsel and accountants to the extent that the Shareholder deems it necessary.

(o) Moral Star is a corporation duly organized, validly existing and in good standing under the laws of the British Virgin Islands. Moral Star has the full power and authority to own all its assets and to conduct its business as and where its business is presently conducted.

(p) The authorized capital stock of Moral Star consists of 50,000 shares of capital stock, all of which are outstanding and owned by the Shareholder. All the issued and outstanding capital stock of Moral Star is duly authorized, validly issued, fully paid and nonassessable.

4. Conditions to the Obligation of Shareholder and the Issuer. The obligations of Shareholder and the Issuer under this Agreement are subject to the following conditions:

(a) the completion of the sale of preferred stock and warrants to an investor group pursuant to an agreement between the Issuer and the investor contemporaneously with the exchange contemplated by this Agreement;

(b) the entry into a buy-back agreement with Christopher Astrom and Richard Astrom for the purchase of 50,001 shares of the Company's common stock for $625,000, which shall is paid from the proceeds of the sale of preferred stock and warrants.

(c) the issuance of 33,517 shares of the Company's common stock to Belmont Partners LLC.

(d) The confirmation of the cancellation of all outstanding shares of all classes or series of preferred stock.

(e) the delivery by the Issuer of a legal opinion from counsel to the Company in a form reasonably satisfactory to the Shareholder that: (i) the Shares, when issued pursuant to this Agreement, will be duly and validly authorized and issued, fully paid and non-assessable and (ii) all of the outstanding shares of capital stock of the Issuer have been duly and validly authorized and issued, fully paid and non-assessable and were either (x) registered pursuant to the Securities Act of 1933, as amended, or (y) were issued in transactions exempt from the registration requirements of such Act pursuant to Section 4(2) and/or Rule 505 or 506 of the Securities and Exchange Commission under such Act; and

(f) the delivery by each Designee of a Regulation S letter in the form of Exhibit A hereto; provided, that if any such letter shall not have been received on the closing, the Issuer's obligation to issue the shares shall be deferred until receipt of such letter.

5. Miscellaneous.

(a) This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, superseding any and all prior or contemporaneous oral and prior written agreements, understandings and letters of intent. This Agreement may not be modified or amended nor may any right be waived except by a writing that expressly refers to this Agreement, states that it is a modification, amendment or waiver and is signed by all parties with respect to a modification or amendment or the party granting the waiver with respect to a waiver. No course of conduct or dealing and no trade custom or usage shall modify any provisions of this Agreement.

(b) This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State.

(c) This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns.

(d) This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same document.

(e) The various representations, warranties, and covenants set forth in this Agreement or in any other writing delivered in connection therewith shall survive the issuance of the Shares.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Capital Solutions I, Inc.

By: /s/ Richard Astrom

Richard Astrom, Chief Executive Officer

/s/ Jibrin Issa Jibrin Al Jibrin

Jibrin Issa Jibrin Al Jibrin, as Trustee

Schedule I

Name	No. of Shares*
Jibrin Issa Jibrin AlJibrin, Trustee of Wu Yiting Stock Trust	7,017,620
WU Wei-Hong	350,250
HE Liu-Qin	265,780
XU Min	350,325
ZHENG Jin-E	475,000
YU Yan-Xia	475,000
ZUO Su-Hua	322,350
CHENG Ming-Chang	333,320
WU Wen-Quan	100,000
ZHANG Ning	100,000
LIU Ji-Cheng	100,000
TAO Xiao-Yong	100,000
YU,Ze Shi	50,000
LI, Qin	140,000
ZHAO, Yi Meng	70,000
Shanda International Capital Investment Limited	315,002
Total	10,564,647

* The number of shares reflects the 3.2-for-one stock distribution.

Exhibit A

In connection with the issuance to the undersigned of shares of common stock of Capital Solutions I, Inc. (the “Issuer”) pursuant to the Share Exchange Agreement (the “Agreement”), dated as of December 3, 2007, the Issuer and Jibrin Issa Jibrin Al Jibrin, trustee of the Wu Yiting Stock Trust, the undersigned hereby represents and warrants:

(a) I am not acquiring the shares of common stock of the Issuer (the “Shares”) as a result of, and will not itself engage in, any "directed selling efforts" (as defined in Regulation S (“Regulations S”) promulgated by the Securities and Exchange Commission (“SEC”) under the Securities Act of 1933, as amended (the “Securities Act”)) in the United States in respect of the Shares which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Shares; provided, however, that I may sell or otherwise dispose of the Shares pursuant to registration thereof under the Securities Act and any applicable state and provincial securities laws or under an exemption from such registration requirements;

(b) I acknowledge and agree that none of the Shares have been registered under the Securities Act, or under any state securities or "blue sky" laws of any state of the United States, and, unless so registered, may not be offered or sold in the United States or, directly or indirectly, to U.S. Persons, as that term is defined in Regulation S, except in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in each case in accordance with applicable state and provincial securities laws;

(c) I acknowledge and agree that the Issuer will refuse to register any transfer of the Shares not made in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act or pursuant to an available exemption from the registration requirements of the Securities Act and in accordance with applicable state and provincial securities laws;

(d) No broker or finder was involved directly or indirectly in connection with my acquisition of the Shares pursuant to the Agreement. I shall indemnify the Issuer and hold it harmless from and against any manner of loss, liability, damage or expense, including fees and expenses of counsel, resulting from a breach of the warranty contained in this Paragraph (d).

(e) I understand that I have no registration rights with respect to the Shares.

(f) I am resident of the country set forth below;

(g) I am acquiring the Shares for investment only and not with a view to resale or distribution and, in particular, I have no intention to distribute either directly or indirectly any of the Shares in the United States or to U.S. Persons;

(h) I am acquiring the Shares as principal for my own account (except for the circumstances outlined in paragraph (j)), for investment purposes only, and not with a view to, or for, resale, distribution or fractionalization thereof, in whole or in part, and no other person has a direct or indirect beneficial interest in such Shares;

(i) I am not an underwriter of, or dealer in, the common shares of the Issuer, nor am I participating, pursuant to a contractual agreement or otherwise, in the distribution of the Shares;

(j) If I am acquiring the Shares as a fiduciary or agent for one or more investor accounts:

(i) I have sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account, and

(ii) the investor accounts for which I act as a fiduciary or agent satisfy the definition of an "Accredited Investor", as the term is defined in Regulation D promulgated the SEC under the Securities Act;

(m) I am not aware of any advertisement of any of the Shares; and

(n) No person has made to me any written or oral representations:

(i) that any person will resell or repurchase any of the Shares;

(ii) that any person will refund the purchase price of any of the Shares;

(iii) as to the future price or value of any of the Shares; or

(iv) that any of the Shares will be listed and posted for trading on any stock exchange or automated dealer quotation system or that application has been made to list and post any of the Shares of the Issuer on any stock exchange or automated dealer quotation system.

(o) I am an accredited investor within the meaning of Rule 501 under the Securities Act and I understand the meaning of the term "accredited investor." I further represent that I have such knowledge and experience in financial and business matters as to enable me to understand the nature and extent of the risks involved in acquiring the Shares. I am fully aware that such investments can and sometimes do result in the loss of the entire investment. I have engaged my own counsel and accountants to the extent that I deem it necessary.

_____

[Name of stockholder]

_____

[Address]

_____

[Signature]

_____

[Country of Residence]

_____

[Title, if applicable]

Exhibit B

Accredited investors

A Shareholder who meets any one of the following tests is an accredited investor:

(a) The Shareholder is an individual who has a net worth, or joint net worth with the Shareholder's spouse, of at least $1,000,000.

(b) The Shareholder is an individual who had individual income of more than $200,000 (or $300,000 jointly with the Shareholder's spouse) for the past two years, and the Shareholder has a reasonable expectation of having income of at least $200,000 (or $300,000 jointly with the Shareholder's spouse) for the current year.

(c) The Shareholder is an officer or director of the Issuer.

(d) The Shareholder is a bank as defined in section 3(a)(2) of the Securities Act or any savings and loan association or other institution as defined in section 3(a)(5)(A) of the Securities Act whether acting in its individual or fiduciary capacity.

(e) The Shareholder is a broker or dealer registered pursuant to section 15 of the Securities Exchange Act of 1934.

(f) The Shareholder is an insurance company as defined in section 2(13) of the Securities Act.

(g) The Shareholder is an investment company registered under the Investment Company Act of 1940 or a business development company as defined in section 2(a)(48) of that Act.

(h) The Shareholder is a small Business Investment Company licensed by the U.S. Small Business Administration under section 301(c) or (d) of the Small Business Investment Act of 1958.

(i) The Shareholder is an employee benefit plan within the meaning of Title I of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in section 3(21) of such Act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of $5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors.

(j) The Shareholder is a private business development company as defined in section 202(a)(22) of the Investment Advisers Act of 1940.

(k) The Shareholder is an organization described in Section 501(c)(3) of the Internal Revenue Code, corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the securities offered, with total assets in excess of $5,000,000.

(l) The Shareholder is a trust, with total assets in excess of $5,000,000, not formed for the specific purpose of acquiring the securities offered, whose purchase is directed by a sophisticated person as described in Rule 506(b)(2)(ii) of the Commission under the Securities Act.

(m) The Shareholder is an entity in which all of the equity owners are accredited investors (i.e., all of the equity owners meet one of the tests for an accredited investor).

If an individual Shareholder qualifies as an accredited investor, such individual may purchase the Shares in the name of his or her individual retirement account ("IRA").

AGREEMENT

This Agreement (the "Agreement") is made as of the 3rd day of December, 2007, by and between Capital Solutions I, Inc., a Delaware corporation (the "Issuer"), and Christopher Astrom, ("Christopher") and Richard Astrom ("Richard" and together with Christopher, the "Sellers" and each, a "Seller").

WITNESSETH:

WHEREAS, the Sellers are the owners of an aggregate of 50,001 shares (the "Shares") of the Issuer's common stock, par value $.0000001 per share ("Common Stock"), in the respective amounts set forth on Schedule A hereto, and

WHEREAS, the Sellers desire to sell to the Issuer, and the Issuer desires to purchase the Shares from the Sellers, on and subject to the terms of this Agreement;

WHEREFORE, the parties hereto hereby agree as follows:

1. Sale of the Shares. Subject to the terms and conditions of this Agreement, and in reliance upon the representations, warranties, covenants and agreements contained in this Agreement, the Sellers shall sell the Shares to the Issuer, and the Issuer shall purchase the Shares from the Sellers for a purchase price (the "Purchase Price") equal to $625,000, allocated between the Sellers as set forth in Schedule A attached hereto.

2. Closing.

(a) The purchase and sales of the Shares shall take place at a closing (the "Closing"), to occur immediately following execution and delivery of this Agreement.

(b) At the Closing:

(i) The Sellers shall deliver to the Issuer certificates for the Shares, duly endorsed in form for transfer to the Issuer.

(ii) The Issuer shall pay the purchase price for the Shares.

(iii) The Sellers shall deliver evidence that, as of Closing, the Issuer that all liabilities and obligations of any kind and description, whether immediate, direct, contingent or indirect, shall have been paid or cancelled, with the result that the Issuer has, as of the Closing, no liabilities or obligations of any kind.

(iv) The Issuer shall deliver or cause the Issuer's transfer agent to deliver a certified copy of the stock ledger of the Issuer listing every stockholder of record as of the most recent practicable date.

(v) Counsel for the Issuer shall have given its opinion to the Issuer, which may be relied on by any subsequent purchasers of the Issuer's capital stock and their counsel if such purchases take place as part of the next direct or indirect merger or similar transaction with an operating business that results in a change of control of the Issuer ("Reverse Merger Issuances"), to the effect that all of the issued and outstanding capital stock has been duly and validly authorized and issued and is fully paid and non-assessable and to such counsel's knowledge not issued in violation of any preemptive right, right of first refusal or other right, and that the issuance of such capital stock was exempt from the registration requirements of the Securities Act of 1933, as amended, by virtue of Section 4(2) of the Securities Act of 1933, as amended, and/or Rule 506 or 506 of the Commission thereunder.

(vi) The Issuer shall deliver a good standing certificate issued by the Secretary of State of the State of Delaware and a certified copy of the Issuer's Articles of Incorporation, as currently in effect, certified by the Secretary of State of the State of Delaware.

(vii) The Sellers will provide evidence that all liabilities of the Issuer have been paid and the Issuer has no obligation with respect to legal, accounting or other professional fees relating to the transactions contemplated by this Agreement.

(d) The Sellers understand that following the Closing, the Issuer may engage a different accounting firm. At and at any time after the Closing, the parties shall duly execute, acknowledge and deliver all such further assignments, conveyances, instruments and documents, and shall take such other action consistent with the terms of this Agreement to carry out the transactions contemplated by this Agreement. Without limiting the foregoing, the Issuer and Sellers jointly and severally agree that they shall cause the Issuer's current management to execute such certificates, auditor representation letters and other representations ("Certifications") as the Issuer may reasonably request in order to enable the Issuer to prepare and file future reports with the Commission, including the Issuer's Report on Form 8-K relating to this Agreement, and Sellers shall pay such fees and take such steps as may be necessary to facilitate the Issuer's auditor's preparation of the financial statements and its report for accounting periods and events prior to the Closing related thereto for the current fiscal year and provide such additional assistance as is required by the Issuer in order to file its financial statements in filings made subsequent to the Closing; provided, however, that Sellers shall have no obligation with respect to fees of any accountants engaged by the Issuer after the Closing. Such Certifications shall specifically include a representation letter for the benefit of the Issuer's auditor in the form requested by its auditors. Any such Certifications shall treat only periods and events prior to Closing. Further, at the cost of Sellers, the Issuer will file its final federal and state returns..

3. Representations and Warranties of the Issuer and Sellers. The Issuer and Sellers hereby jointly and severally make the following representations and warranties to each other and to any persons who acquire the Issuer's capital stock following the Closing in Reverse Merger Issuances, provided, that such representations and warranties shall survive the Closing for a period of one (1) year and provided further that each Seller makes no representations and warranties other than with respect to himself and the Shares to be sold hereunder:

(a) The Issuer is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware. The Issuer has the corporate power to own its properties and to carry on its business as now being conducted and is duly qualified to do business and is in good standing in each jurisdiction in which the failure to be so qualified and in good standing would have a material adverse effect on the Issuer. The Issuer is not in violation of any of the provisions of its certificate of incorporation or by-laws. No consent, approval or agreement of any individual or entity is required to be obtained by the Issuer in connection with the execution and performance by the Issuer of this Agreement or the execution and performance by the Issuer of any agreements, instruments or other obligations entered into in connection with this Agreement. The Issuer has no active subsidiary, and, except for an inactive subsidiary which has no assets or liabilities, it does not have any equity investment or other interest, direct or indirect, in, or any outstanding loans, advances or guarantees to or on behalf of, any domestic or foreign individual or entity.

(b) The Issuer has authorized capital stock consisting of 900,000,000 shares of Issuer Common Stock, and 20,000,000 shares of preferred stock, par value $.000000l per share (the "Preferred Stock"), of which 66,732 shares of Common Stock, including the Shares (subject to adjustment in the event of a reverse split of the Common Stock), and 50,000 shares of Preferred Stock are presently issued and outstanding. Sellers own the Shares free and clear of any and all liens, claims, encumbrances, preemptive rights, right of first refusal and adverse interests of any kind. The Issuer has not created or authorized any series of Preferred Stock and has no obligation or understanding to do so, except as contemplated in that certain securities purchase agreement to be executed in connection with a reverse acquisition transaction with Moral Star Development Limited (the "Purchase Agreement"), between the Issuer and the Investors named therein.

(c) Neither the Issuer nor Sellers are party to any agreement or understanding pursuant to which any securities of any class of capital stock are to be issued or created or transferred. The Issuer has not acquired any shares of Common Stock, and has no formal or informal agreements or understandings pursuant to which it can or will acquire any shares of Issuer Common Stock (other than this Agreement). Except as contemplated in the Purchase Agreement, neither the Issuer nor Sellers nor any officer, director or 5% stockholder of the Issuer has any agreements, plans, understandings or proposals, whether formal or informal or whether oral or in writing, pursuant to which it or he granted or may have issued or granted any individual or entity any Convertible Security or any interest in the Issuer or the Issuer's earnings or profits, however defined. As used in this Agreement, the term "Convertible Securities" shall mean any options, rights, warrants, convertible debt, equity securities or other instrument or agreement upon the exercise or conversion of which or upon the exchange of which or pursuant to the terms of which additional shares of any class of capital stock of the Issuer may be issued.

(d) There is no private or governmental action, suit, proceeding, claim, arbitration or investigation pending before any agency, court or tribunal, foreign or domestic, or, to the Issuer's Best Knowledge, threatened against the Issuer or any of its properties or any of its officers or directors (in their capacities as such). There is no judgment, decree or order against the Issuer that could prevent, enjoin, alter or delay any of the transactions contemplated by this Agreement. The term "Best Knowledge" of the Issuer shall mean and include (i) actual knowledge and (ii) that knowledge which a prudent businessperson would reasonably have obtained in the management of such Person's business affairs after making due inquiry and exercising the due diligence which a prudent businessperson should have made or exercised, as applicable, with respect thereto.

(e) There are no claims, actions, suits, proceedings, inquiries, labor disputes or investigations (whether or not purportedly on behalf of the Issuer) pending or, to the Issuer's Best Knowledge, threatened against the Issuer or any of its assets, at law or in equity or by or before any governmental entity or in arbitration or mediation. No bankruptcy, receivership or debtor relief proceedings are pending or, to the best of the Issuer's knowledge, threatened against the Issuer.

(f) The Issuer is in compliance with, is not in violation of, and has not received any notices of violation with respect to, any federal, state, local or foreign Law, judgment, decree, injunction or order, applicable to it, the conduct of its business, or the ownership or operation of its business. References in this Agreement to "Laws" shall refer to any laws, rules or regulations of any federal, state or local government or any governmental or quasi-governmental agency, bureau, commission, instrumentality or judicial body (including, without limitation, any federal or state securities law, regulation, rule or administrative order).

(g) The Issuer has properly filed all tax returns required to be filed and has paid all taxes shown thereon to be due. All tax returns previously filed are true and correct in all material respects.

(h) The Issuer has no outstanding liabilities or obligations to any party except as reflected on the Issuer's Form 10-KSB for the year ended May 30, 2007 and the Form 10-QSB for the quarter ended August 31, 2007, other than charges since such date similar to those incurred in past periods and consistent with past practice, all of which will be discharged prior to or at the Closing so that, at the Closing, the Issuer will have no direct, contingent or other obligations of any kind or any commitment or contractual obligations of any kind and description.

(i) All of the business and financial transactions of the Issuer have been fully and properly reflected in the books and records of the Issuer in all material respects and in accordance with generally accepted accounting principles consistently applied.

(j) The Issuer is current with its reporting obligations under Section 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). None of the Issuer's filings made pursuant to the Exchange Act (collectively, the "Issuer SEC Documents") contain any misstatements of material fact or omit to state a material fact necessary to make the statements made therein not misleading. The Issuer SEC Documents, as of their respective dates, complied in all material respects with the requirements of the Exchange Act, and the rules and regulations of the Commission there under, and are available on the Commission's EDGAR system. The financial statements included in the Issuer SEC Documents present and reflect, in accordance with generally accepted accounting principles, consistently applied, the financial condition of the Issuer on the balance sheet dates and the results of its operations, cash flows and changes in stockholders' equity for the periods then ended in accordance with generally accepted accounting principles, consistently applied. The accountants who audited the Issuer's financial statements are independent, within the meaning of the Securities Act and are a member of the PCAOB. There has not occurred any material adverse change, or any development involving a prospective material adverse change, in the condition, financial or otherwise, or in the earnings, business or operations of the Issuer, from that set forth in the Issuer's Form 10-KSB for the year ended May 30, 2007.

(k) The execution and delivery of this Agreement by the Issuer and the consummation of the transactions contemplated by this Agreement will not result in any material violation of the Issuer's certificate of incorporation or by-laws, or any applicable Law.

(l) All representations, covenants and warranties of the Issuer and Sellers contained in this Agreement shall be true and correct on and as of the Closing Date with the same effect as though the same had been made on and as of such date.

4. Release.

(a)Each Seller does hereby release and discharge the Issuer, its officers, directors and counsel their respective heirs, executors, administrators, successors and assigns from any and all actions, causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, damages, claims and demands whatsoever, in law, admiralty or equity which against them or any of them such Seller and his heirs, executors, administrators, successors and assigns ever had, now have or may in the future can, shall or may have, for, upon or by reason or any matter, cause or thing whatsoever from the beginning of the world to the date of this Agreement; provided, however, that nothing in this Section 4(a) shall be construed as a release of any of the rights or obligations which either Seller may have pursuant to this Agreement.

(b)The Issuer does hereby release and discharge each Seller, their, counsel their respective heirs, executors, administrators, successors and assigns from any and all actions, causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, damages, claims and demands whatsoever, in law, admiralty or equity which against them or any of them such Issuer, its officers, directors and counsel and heirs, executors, administrators, successors and assigns ever had, now have or may in the future can, shall or may have, for, upon or by reason or any matter, cause or thing whatsoever from the beginning of the world to the date of this Agreement; provided, however, that nothing in this Section 4(b) shall be construed as a release of (i) any of rights or the obligations which the Issuer may have pursuant to this Agreement or (ii) any loss, liability, damage or expense which the Issuer may incur as a result of a violation of Laws by either Seller.

5. Finder's Fee. Sellers jointly and severally represent and warrant that no person is entitled to receive a finder's fee from Sellers in connection with this Agreement as a result of any action taken by the Issuer or Sellers pursuant to this Agreement, and agree jointly and severally to indemnify and hold harmless the Issuer, its officers, directors and affiliates, in the event of a breach of the representation and warranty set forth in this Section 5, except that the Issuer has agreed to issue stock to Belmont Partners LLC ("Belmont") contemporaneously with the Closing, the number of shares being equal to 1% of the . This representation and warranty shall survive the Closing.

6. Termination by Mutual Agreement. This Agreement may be terminated at any time by mutual consent of the parties hereto, provided that such consent to terminate is in writing and is signed by each of the parties hereto.

7. Miscellaneous.

(a) Entire Agreement. This Agreement constitutes the entire agreement of the parties, superseding and terminating any and all prior or contemporaneous oral and written agreements, understandings or letters of intent between or among the parties with respect to the subject matter of this Agreement. No part of this Agreement may be modified or amended, nor may any right be waived, except by a written instrument which expressly refers to this Agreement, states that it is a modification or amendment of this Agreement and is signed by the parties to this Agreement, or, in the case of waiver, by the party granting the waiver. No course of conduct or dealing or trade usage or custom and no course of performance shall be relied on or referred to by any party to contradict, explain or supplement any provision of this Agreement, it being acknowledged by the parties to this Agreement that this Agreement is intended to be, and is, the complete and exclusive statement of the agreement with respect to its subject matter. Any waiver shall be limited to the express terms thereof and shall not be construed as a waiver of any other provisions or the same provisions at any other time or under any other circumstances.

(b) Severability. If any section, term or provision of this Agreement shall to any extent be held or determined to be invalid or unenforceable, the remaining sections, terms and provisions shall nevertheless continue in full force and effect.

(c) Notices. All notices provided for in this Agreement shall be in writing signed by the party giving such notice, and delivered personally or sent by overnight courier, mail or messenger against receipt thereof or sent by registered or certified mail, return receipt requested, or by facsimile transmission or similar means of communication if receipt is confirmed or if transmission of such notice is confirmed by mall as provided in this Section 7(c). Notices shall be deemed to have been received on the date of personal delivery or telecopy or attempted delivery. Notice shall be delivered to the parties at the following addresses:

If to the Issuer: c/o Jiangxi Moral Star Copper Technology Co., Ltd.
Ge Jia Ba, Hua Ting, Yiyang
Jiangxi, PRC 334400
Attention: Ms.Wu Yiting
E-mail: wyt1645@163.com
Fax: 86 793 5883661

With a copy to:

Sichenzia Ross Friedman Ference LLP
61 Broadway
New York, New York 10006
Attention: Asher S. Levitsky PC
E-mail: alevitsky@srff.com
Fax: (212) 930-9725

If to Christopher: One N.E. First Avenue, Suite 306
Ocala, Florida 34470
Email:
Fax: (305) 513-5139

If to Richard: One N.E. First Avenue, Suite 306
Ocala, Florida 34470
Email: rsa@stockholmcapitalgroup.com
Fax: (305) 513-5139

With a copy to

Laura E. Anthony, Esquire
Legal & Compliance, LLC
330 Clematis Street; Suite 217
West Palm Beach, FL 33401
E-Mail: Lauraanthonypa@aol.com
Fax: 561-514-0832

Any party may, by like notice, change the address, person or telecopier number to which notice shall be sent.

(d) Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of New York applicable to agreements executed and to be performed wholly within such State, without regard to any principles of conflicts of law. Each of the parties hereby irrevocably consents and agrees that any legal or equitable action or proceeding arising under or in connection with this Agreement shall be brought in the federal or state courts located in the County of New York in the State of New York, by execution and delivery of this Agreement, irrevocably submits to and accepts the jurisdiction of said courts, (iii) waives any defense that such court is not a convenient forum, and (iv) consent to any service of process made either (x) in the manner set forth in Section 10(c) of this Agreement (other than by telecopier), or (y) any other method of service permitted by law.

(e) Waiver of Jury Trial. **EACH PARTY, TO THE EXTENT PERMITTED BY LAW, HEREBY EXPRESSLY WAIVES ANY RIGHT TO A TRIAL BY JURY IN THE EVENT OF ANY SUIT, ACTION OR PROCEEDING TO ENFORCE THIS AGREEMENT OR ANY OTHER ACTION OR PROCEEDING WHICH MAY ARISE OUT OF OR IN ANY WAY BE CONNECTED WITH THIS AGREEMENT OR ANY OF THE OTHER DOCUMENTS**.

(f) Expenses. Sellers shall be responsible and liable for their and the Issuer's expenses incurred in connection with the preparation of this Agreement, the consummation of the transactions contemplated by this Agreement.

(g) Successors. This Agreement shall be binding upon the parties and their respective heirs, executors, administrators, legal representatives, successors and assigns; provided, however, that the Issuer may not assign this Agreement or any of its rights under this Agreement without the prior written consent of the Sellers, and neither Seller may assign this Agreement or any of his rights under this Agreement without the prior written consent of the Issuer.

(h) Further Assurances. Each party to this Agreement agrees, without cost or expense to any other party, to deliver or cause to be delivered such other documents and instruments as may be reasonably requested by any other party to this Agreement in order to carry out more fully the provisions of, and to consummate the transaction contemplated by, this Agreement.

(i) Counterparts. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

(j) No Strict Construction. The language used in this Agreement will be deemed to be the language chosen by the parties with the advice of counsel to express their mutual intent, and no rules of strict construction will be applied against any party.

(k) Headings. The headings in the Sections of this Agreement are inserted for convenience only and shall not constitute a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

Capital Solutions I, Inc.

By: /s/ Wu Yiting
Wu Yiting, CEO

/s/ Christopher Astrom
Christopher Astrom

/s/ Richard Astrom
Richard Astrom

Schedule A

Seller	Number of Shares		Purchase Price
Christopher Astrom	20,001	*	$437,500
Richard Astrom	30,000		$187,500

* Christopher Astrom also held 50,000 shares of series A convertible preferred stock which have been cancelled.

Frequently Related Transactions Structural Agreement

This Agreement is made and entered into on , Nov 2007 in Yiyang City, Jiangxi Province ,China, by and between the following parties:

Party A: Jiangxi Yiyang Fuda Copper Co., Ltd.
Registered business address: Gejiaba, Huating Town, Yiyang County

Party B: Jiangxi Morgan Star Copper Technology Co., Ltd.
Registered business address: Fengze Mall, Guangchang Road, Yijiang Town, Yiyang County, Jiangxi Province.

Party C: Yiyang Kunpeng Worn Metal Recycle Co., Ltd.
Registered business address: Gejiaba, Huataing Town, Yiyang County

WHEREAS:

1. Party A is a liability limited company, which was registered at Administration of Industry and Commerce Bureau of Yiyang, and the registered number of business license is 3623262000077. It legally exists hitherto.

2. Party B is a wholly foreign-owned enterprise, which was registered at Administration of Industry and Commerce Bureau of Shangrao, in Jiangxi Province, and the registered number of business license is 361100510000102. It legally exists hitherto.

3. Party C is a liability limited company, which was registered at Administration of Industry and Commerce Bureau of Yiyang, and the registered number of business license is 3623262000399. It legally exists hitherto.

4. Wu Yiting is the sole investor of Party A, and holding *80%* shares of Party B. At the same time, she is the legal representative of Party A, Party B, and Party C.

5. Party C is the main raw material supplier of Party A.

6. Party A and Party B signed the Entrusted Management Agreement and Purchase Agreement, which entrust Party B to operate Party A, sell or rent the main operative assets of Party A to Party B.

In order to regulate the frequently related transactions, all parties agreed after consultation, to sign this structural agreement as the following:

1. The worn copper purchased by Party C shall be supplied to Party A and Party B. Party C shall not supply the worn copper to any other company or individual, nor keep or use by itself.

2. Transaction Price: the worn copper purchased by Party C shall be sold to Party A and Party B at the price of its original cost. That means the price Party C purchases, the same price it sells to Party A and Party B. Party C shall not sell the worn copper at a higher price by any reason.

3. The price of worn copper purchased by Party C shall no higher than the price of local market.

4. When the price of worn copper on local market fluctuated abnormally, Party C shall notice Party A and Party B in advance. The abnormal fluctuation means the purchase price is *20%* deviated from the price last month.

5. This agreement becomes effective and executed at the date when all authorized representatives signed as it mentioned on the first page.

6. Any modification or abolishment about this agreement must be agreed in written form by all parties before it becomes executed.

7. The sign, execution, explanation, enforcement or dispute resolution of this agreement shall be in accordance with the laws of P.R.C.

8. This agreement is executed in Chinese edition in three (3) copies; each party holds one and each original copy has the same legal effect.

[No Text Below]

(Signature Page)

Party A: Jiangxi Yiyang Fuda Copper Co., Ltd.

Legal Representative:

Party B: Jiangxi Morgan Star Copper Technology Co., Ltd.

Authorized Representative:

Party C: Yiyang Kunpeng Worn Metal Recycle Co., Ltd.

Authorized Representative:

Purchase Agreement

This Purchase Agreement (the "Agreement") was signed by both parties in Yiyang, Jiangxi, P.R.C. on Nov_, 2007.

Party A: Jiangxi Yiyang Fuda Copper Co., Ltd.
Address: Gejiaba, Huating Town, Yiyang County.

Party B: Jiangxi Moral Star Copper Technology Co., Ltd.Registered Address: Fengze Mall, Guangchang Road, Yijiang Town, Yiyang County, Jiangxi Province.

Whereas,

1. Party A is a company established in accordance with the laws of P.R.C., and registered at Jiangxi Province, Yiyang Administration of Industry and Commerce Bureau, with the legally valid business license No. 3623262000077;

2. Party B is a wholly-foreign owned company established under the laws of P.R.C., and registered at Jiangxi Province, Shangrao Administration of Industry and Commerce Bureau, with the legally valid business license No.361100510000102;

3. Party B has controlled the business operation of Party A through various agreements such as the Entrusted Management Agreement, Shareholders' Proxy Agreement, Exclusive Option Agreement, and Shares Pledge Agreement signed between Party B and Party A;

4. The goal of both parties is to allow Party B own the entire business of Party A either through equity acquisition or assets purchases;

5. Before the goal aforesaid realized, both parties agree that, Party B agrees to purchase the equipment and patents, lease the manufacturing plants, land and remaining equipment of Party A so that Party B can conduct its business in China.

Both parties reach the agreement as follows after friendly negotiation:

Article 1 Definition

1. Party A refers to Jiangxi Yiyang Fuda Copper Co., Ltd.
2. Party B refers to Jiangxi Moral Star Copper Technology Co., Ltd.
3. Both parties refer to Party A and Party B.
4. PRC refers to People's Republic of China.
5. Equipment refers to the equipment Party A required.

6. Net value of equipment refers to the net value of equipments after depreciation.

7. Supply Channel refers to the suppliers of raw materials, accessories, equipment and component parts of Party A, who shall have supplied raw materials to Party A in the past.

8. Sales Channel refers to the distributors and customers of Party A, who shall have purchased products from Party A directly or indirectly in the past.

9. Employees refer to the personnel for production, including but not limited to manufacturing personnel, technicians, administrative personnel and logistics personnel.

10. Resource refers to the total operational requirements, including but not limited to governmental relationship, utility suppliers, information channel, the materials purchased, semi-product and finished product.

11. ”Entrusted Account” refers to the account opened in the name of Party A and controlled by Party B and Party B shall maintain the signature samples(seals) of the account. Pursuant to the Entrusted Management Agreement and this Agreement, all funds of Party A shall be deposited into this account and Party B shall have the absolute right to decide the use of funds deposited in the account.

12. Profit refers to sales revenues after costs and manufacturing expenses.

13. Transition Period refers to the period from the date this agreement is signed to the date all financial payment pf Party B arrives.

Article 2 The purchase of equipments

1. Party B purchase the equipments (the “Sold Equipments”) from Party A.The list of Sold Equipments refers to the Annex 1, and the Sold Equipments were not set any pledge.

2. Both parties agree that the purchase price for the Sold Equipments shall be RMB 2,000,000.00 (two million)Yuan, and paid by the left financial payment after the purchase of new equipments.

3. Party B shall acquire the legal ownership of Sold Equipments immediately upon payment of the Purchase Price (RMB 2,000,000.00 Yuan) by Party B.

4. The Purchase Price is payable within 10 days after the financial payment is arrived. The payment shall be remitted to the Entrusted Account.

5. During the Transition Period, if Party B required, Party A shall rent the equipments to Party B with charge free, to guarantee the operation management of Party B.

6. Party B shall purchase other equipment from market and Party A shall provide necessary help. Party B shall own all newly-purchased equipments.

Article 3 The purchases of raw materials, inventories and accounts receivable

1. Party B shall purchase from Party A, and Party A shall sell to Party B all the inventories, raw materials, semi-products and accounts receivable of Party A. Pary B shall receive the accounts receivable, also own the payment. Party B agrees to accept the purchase.

2. The price of all inventories, raw materials, semi-products and accounts receivable sold by Party A is RMB 150,000.00 (one hundred and fifty thousand) Yuan, and paid by the left financial payment after the purchase of new equipments.

Article 4 Patent and Trademark purchases

1. Party A agrees to sell to Party B, and Party B agrees to purchase from Party A the patent of utility model named Bending Water Pipe, and the patent number is ZL 99 2 59230.5, the certificate number is No. 427197. The price is RMB ten thousand (10,000.00) Yuan.

2. Party A agrees to sell the trademark to Party B, which is named "富爵FURDHER". The trademark was registered on the following products (Serial No.11): Bathroom equipment, flushing device and washing equipment, the registration number is No. 3512752, registered by the Transferor, and the valid period is from 2005-1-28 to 2015-1-27. The price is RMB ten thousand (10,000.00) Yuan.

3. With respect to the patent and trademark owned by Party A referred to in subsection 1 and 2 of this Article 4, both parties shall enter into the Patent Transfer Agreement (Annex 2) and Trademark Transfer Agreement (Annex3)ôwhen this contract signedô to transfer these patent and trademark, and shall complete the related transfer procedures promptly.

4. Before the effectiveness of the patent and trademark transfers referred to in this Article 3, Party A shall grant to Party B a non-exclusive right to use the patent and trademark. After the effectiveness of the patent and trademark transfers, Party B shall grant to Party A a non-exclusive right to use the patent and trademark. All production of Party A shall managed by Party B in accordance with the Entrusted Management Agreement.

5. Party A represents and warrants that there is no any legal prohibition for the transfer of its patent and trademark, and that it has not transferred and license these patent and trademark to any third party.

6. The application fees related to the transfer procedures shall be paid by Party A. If a patent agent is retained to handle the transfer procedures, the agent' s fees shall be borne equally by both parties.

Article 5 The lease of Real estates and Land use right

1. The real estates and land use right owned by Party A, which are situated at #93, Dongzhan Road and Gejiaping, Huating Town, were set mortgage. Therefore, Party A shall rent the real estates and land use right aforesaid to Party B.

2. Party A represents and warrants that it has the legal ownership to the real estates and land use right. Party A has the right to rent out the Leased Property to Party B and such renting activity will not violate any laws. With respect to the real estates and land use right that have been mortgaged to banks, Party A further represents and warrants that the mortgage will not have any substantive affect on such renting activity.

3. The annual rent for the real estates and land use right is RMB 200,000.00 (two hundred thousand) Yuan..

4. Party A shall be responsible for handling the registration procedures in connection with the renting of the real estates and land use right.

Article 6 Secondary Lien on Land use right and Real estates

Both parties agree that, although Party A has already mortgaged the land use right and real estates to banks, Party A shall, to the extent it is permissible under the PRC laws and the rights and interests of banks as mortgager will not be impaired, grant a secondary lien against the remaining value of the land use right and real estates to Party B. Party A shall be responsible for completing the related procedures to grant such secondary lien to Party B (If the mortgage registration authority refuses to process such registration due to reasons out of Party A's control, Party A is not liable for any breach of this Agreement caused by this refusal).

Article 7 Employees

1. With respect to employees needed by Party B for its operations and productions, Party B shall have the priority to employ Party A's existing employees. Party B has the right to decide at its sole discretion to employ all or part of Party A's employees at any time. With respect to the employees decided to be employed by Party B, Party A shall convince such employees to sign labor contracts with Party B and terminate its employment relationship with Party A.

2. Party A shall promptly provide to Party B information about its entire work force and personnel, including but not limited to age, gender, specialty, experience and labor contact.

3. Party B shall be responsible for providing all labor and employee insurances to the workers and employees employed from Party A.

Article 8 Supply Channel and Sales Channel

1. Party A shall provide all supply channels and sales channels to Party B and help it to establish new supply and sales contracts.

Article 9 Other Resources

Party B has right to use the other resources of Party A in accordance with the Entrusted Management Agreement.

Article 10 Entrusted Account

Party A shall open or designate an entrusted bank account over which Party B shall have the sole control and access to make deposit and payment of funds. The management of and the use of funds deposited in this entrusted account shall be carried out according to the Entrusted Management Agreement (Annex 4). The signature samples (seals) of this account shall be those designated or confirmed by Party B. During the Incorporating Period, Party A shall transfer all of its deposits and all cashes for daily operation to this Entrusted Account.

Article11 Operation

1. Party B shall commence productions independently after the registered capital is prepared and Party A shall be managed by Party B in accordance with the Entrusted Management Agreement.

2. Party B will carry out its operations and productions independently using the equipment to be bought or leased from Party A, the new equipment it purchases, the patents to be bought, the employees to be employed, and the Leased Property.

3. After the Transition Period, although Party A will not continue any actual productions, it has assets that are encumbered to banks to manage and debts or accounts payable to pay, all of which will be entrusted to Party B to manage according to the Entrusted Management Agreement. Party B shall be responsible for the management and operation of Party A, including controlling and managing the funds disbursement in Entrusted Account. Party B has the full right to control and administrate the financial affairs, operations, contract execution and performance, and payment of taxes on behalf of Party A. Through the performance of the Entrusted Management Agreement, Party B shall has the right to all of the profits of Party A and shall bear the losses of Party A.

4, All of Party A's borrowings from banks will remain under Party A's name and Party A shall repay the loans in accordance with the contracts signed with banks. Party B shall make up any shortages of the loans repayment. Party B agrees to guarantee the payment and performance of Party A's obligations under these bank loans and to execute any necessary documents upon banks' request.

5. Prior to the independent operation of Party B, Party A shall continue its currently existing operation, and Party A' s operation shall be managed by Party B pursuant to the Entrusted Management Agreement.

6. Party A shall continue to perform all of its purchase contracts, sales contracts and other contracts (besides the loan agreements with banks) before the independent operation of Party B. Nevertheless, after the effectiveness of this Agreement, Party A shall promptly notify the contracting parties of the contracts that remain to be performed after the independent operation of Party B and assign these contracts to Party B to perform the remaining obligations under the contracts. Party A shall use its best efforts to convince the contracting parties to consent to the assignment. If the contracting parties refuse to consent to the assignment of these contracts to Party B, Party A shall continue to perform these non-assigned contracts, and Party B shall lease back whatever necessary equipment and manufacturing plants to Party A for free, and transfer back all necessary raw materials, inventory, work-in-progress to Party A at the price Party A pays to Party B. All profits from Party B's operations shall be remitted to Party A by means of entrusted management fee.

7. Party A shall pay a monthly entrusted management fee to Party B within 20 days after the end of the preceding month. During the Incorporating Period, if Party B needs Party A to pay any incorporation fees and expenses on Party B's behalf, Party B shall have the right to disburse the funds out of the Entrusted Account under the Entrusted Management Agreement.

Article 12 Purchase of Shares or Assets

Any shares or assets purchase of Party A by Party B and the determination of the purchase price shall be carried out according to the Exclusive Option Agreement.

Article 13 Responsibilities of Both Parties

1. Responsibility of Party A

(1) To perform all sales, transfers and lease under this Agreement.

(2) To promptly open or designate an account as the Entrusted Account.

(3) To handle all matters and procedures necessary for the entrusted management arrangement between Party A and Party B.

(4) To assist Party B to complete its registration with the custom office, tax authority, foreign currency administration and bank.

(5) To assist Party B to complete any required procedures when Party B purchase Party A's shares or assets in accordance with the Exclusive Option Agreement.

(6) To assist Party B to expand the channels of raw materials and sales.

(7) To assist Party B to employ the current personnel of Party A and, if Party B desires to employ more employees, additional employees from the job market.

(8) To assist Party B to purchase manufacturing equipment, transportation vehicles, office supplies and communication equipment.

(9) To assist Party B to obtain the preferential taxes or other special treatment permitted by the laws of PRC.

(10) To comply with the provisions of this Agreement.

2. Responsibilities of Party B

(1) To perform the purchase under this Agreement and to accept the transfer and lease under this Agreement.

(2) To pay the Purchase Price for the purchased equipment and other purchase prices under this Agreement promptly upon receipt of financial payment.

(3) To administrate the Entrusted Account.

(4) To administrate all business activities of Party A.

(5) To comply with the provisions of this Agreement.

Article 14 Term of Agreement

1. The term of this Agreement shall commence from the effective date of this Agreement when it is signed or sealed by authorized representatives from both parties, until the date on which Party B completes the acquisition of all equity interests or assets of Party A.

2. Both Parties agree not to terminate or modify this Agreement (other than as provided in Article 3) before Party B completes acquisition of all equity interests or assets of Party A.

3. If the financial payment of first term from Party B has not been made or the Purchase Prices under this Agreement have not been paid within 1 months following execution of this Agreement, Party A shall have the right to terminate this Agreement and withdraw the patents transferred and the equipments and all other resources supplied by Party A.

Article 15 Representations and Warranties

Either party represents and warrants to the other party on the date of the Agreement that it:

(1) has the right to enter into the Agreement and the ability to perform the same;

(2) the execution and delivery of this Agreement by each party have been duly authorized by all necessary corporate action;

(3) the execution of this Agreement by the officer or representative of each party has been duly authorized

(4) each party has no other reasons that will prevent this Agreement from becoming a binding and effective agreement between both parties after execution;

(5) the execution and performance of the obligations under this Agreement will not:

(a)violate any provision of the business license, articles of association or other similar documents of its own;

(b)violate any provision of the laws and regulations of PRC or other governmental or regulatory authority or approval;

(c)violate or result in a breach of any contract or agreement to which the party is a party or by which it is bound.

Article 16 Liabilities for Breach of Contract

During the term of this Agreement, any violation of any provisions herein by either party constitutes breach of contract and the breaching party shall compensate the non-breaching party for the loss incurred as a result of this breach.

Article 17 Force Majeure

The failure of either party to perform all or part of the obligations under the Agreement due to force majeure shall not be deemed as breach of contract. The affected party shall present promptly valid evidence of such force majeure, and the failure of performance shall be settled through consultations between the parties hereto.

Article 18 Governing Laws

The conclusion, validity, interpretation, and performance of this Agreement and the settlement of any disputes arising out of this Agreement shall be governed by the laws and regulations of the People's Republic of China.

Article 19 Settlement of Disputes

Any disputes under the Agreement shall be settled at first through friendly consultation between the parties hereto. In case no settlement can be reached through consultation, each party shall have the right to submit such disputes to China International Economic and Trade Arbitration Commission. The place of arbitration is in Beijing. The arbitration award shall be final and binding on both parties.

Article 20 Confidentiality

1 The parties hereto agree to cause its employees or representatives who have access to and knowledge of the terms and conditions of this Agreement to keep strict confidentiality and not to disclose any of these terms and conditions to any third party without the expressive requirements under law or request from judicial authorities or governmental departments or the consent of the other party, otherwise such party or personnel shall assume corresponding legal liabilities.

2 The obligations of confidentiality under Section 1 of this Article shall survive after the termination of this Agreement.

Article 21 Severability

1 Any provision of this Agreement that is invalid or unenforceable due to the laws and regulations shall be ineffective without affecting in any way the remaining provisions hereof.

2 In the event of the foregoing paragraph, the parties hereto shall prepare supplemental agreement as soon as possible to replace the invalid provision through friendly consultation.

Article 22 No-Waiver of Rights

1 Any failure or delay by any party in exercising its rights under this Agreement shall not constitute a waiver of such right.

2 Any failure of any party to demand the other party to perform its obligations under this Agreement shall not be deemed as a waiver of its right to demand the other party to perform such obligations later.

3 If a party excuses the non-performance by other party of certain provisions under this Agreement, such excuse shall not be deemed to excuse any future non-performance by the other party of the same provision.

Article 23 Prohibition on Assignment

Unless otherwise specified under this Agreement, no party can assign or delegate any of the rights or obligations under this Agreement to any third party nor can it provide any guarantee to such third party or carry out other similar activities without the prior written from the other party.

Article 24 Miscellaneous

1 Any amendment entered into by the parties hereto after the effectiveness of this Agreement shall be an integral part of this Agreement and have the same legal effect as part of this Agreement. In case of any discrepancy between the amendment and this Agreement, the amendment shall prevail. In case of several amendments, the amendment with the latest date shall prevail.

2 This Agreement is executed by Chinese and English in duplicate, and in case of any conflict the Chinese version shall prevail. Each of the original Chinese and English versions of this Agreement shall be executed in 6 copies. Each party shall hold two original of each version, and the rest shall be used for governmental registration or other necessary approval purposes.

3 In witness hereof, the Agreement is duly executed by the parties hereto on the date first written above.

(No Text Below)

(SIGNATURE PAGE)

Party A: Jiangxi Yiyang Fuda Copper Co., Ltd (Seal).

Legal Representative (signature):

Party B: Jiangxi Moral Star Copper Technology Co., Ltd (Seal).

Legal Representative (signature):

Annex 1: The list of Sold Equipment

Annex 2: Patent Transfer Agreement

Annex 3: Trademark Transfer Agreement

Annex 4: Entrusted Management Agreement