

STATE OF ARKANSAS
SECURITIES DEPARTMENT

IN THE MATTER OF

ORDER PROVIDING A
TRANSACTIONAL EXEMPTION
FROM REGISTRATION
NO. 00-012-S

NEW CHINA RESTARURANT, INC.

FINDINGS OF FACT

1. On March 24, 2000, a letter was received by the Arkansas Securities Commissioner requesting that the proposed offering and sale of forty-two (42) shares of the issued and outstanding capital stock (the "Stock") of New China Restaurant, Inc. (the "Company") to Qin Long Zhang and Harry Limgo (the "Transaction") be determined to be an exempt transaction pursuant to Ark. Code Ann. Section 23-42-504(a)(12).

2. The Company is a corporation organized under the laws of the State of Arkansas. The Stock consists of forty-two (42) shares of common stock owned by the following: Qin Bao Zhang (4 shares), Jiao Yu Zhang (10 shares), and Wei Dong Zhou (28 shares), (the "Sellers").

3. The Buyers will be Qin Long Zhang (24 shares) and Henry Limgo (18 shares) (the "Buyers").

4. An exemption from registration has been requested pursuant to the Commissioner's discretionary authority under Ark. Code Ann. Section 23-42-504(a)(12). The Sellers and the Buyers have fully and completely been involved in the

negotiation of an agreement for the sale of the Stock, and they have been represented in these negotiations by counsel. The Buyers have had access to financial and other information concerning the Company as is necessary to make an informed investment decision. Based upon the foregoing, the Transaction is not the type the Arkansas Securities Act (the "Act") is designed to protect by requiring registration, particularly when what is involved is the sale of a business.

CONCLUSIONS OF LAW

1. Under Section 23-42-504(a)(12) of the Act, the Commissioner may by order exempt certain transactions from Sections 23-42-501 and 23-42-502 of the Act as not being necessary or appropriate in the public interest for the protection of investors.

2. It is not necessary or appropriate in the public interest for the protection of investors for the Sellers to be required to register the Transaction under the Act for the purposes of the contemplated offering.

3. It is not necessary or appropriate in the public interest for the protection of investors for the Sellers to be required to engage the services of a registered agent for the purpose of making sales of the Company's securities.

OPINION

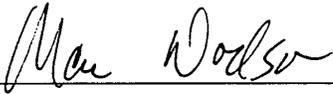
In recognition of the representations made by the Sellers, it appears registration of this offering of shares of common stock is unnecessary in this instance.

This order does not exempt the Sellers from the antifraud provisions of the Act.

ORDER

IT IS THEREFORE ORDERED that any securities of New China Restaurant, Inc. offered or sold in Arkansas for the proposed Transaction, if offered and sold in compliance with the representations made in the letter of March 24, 2000, and in accordance with the Findings of Fact stated herein, shall be exempted from Sections 23-42-501 and 23-42-502 of the Act.

WITNESS MY HAND AND SEAL this 31st day of March, 2000.



MAC DODSON
SECURITIES COMMISSIONER