

Dated 23 March 2005

Pricerite Group Limited
as Company

and

Tin Yuen Sin Carol
as Subscriber

SUBSCRIPTION AGREEMENT
relating to shares in the capital of
PRICERITE GROUP LIMITED

THIS AGREEMENT is dated 23 March 2005 and made

BETWEEN:

- (1) **Pricerite Group Limited** (Hong Kong company number of F-6387), a company incorporated in Bermuda, the registered office of which is at Clarendon House, Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 21/F The Center, 99 Queen's Road Central, Hong Kong ("Company"); and
- (2) **Tin Yuen Sin Carol** (holder of Hong Kong Identity Card number K803303(A)), of 3405 Tower II, Lippo Centre, 89 Queensway, Hong Kong ("Subscriber").

BACKGROUND:

- (A) The Company has at the date of this Agreement an authorised share capital of HK\$15,000,000 divided into 750,000,000 shares of HK\$0.02 each ("Shares"), of which 666,692,812 Shares have been issued and are fully paid and are listed on the Stock Exchange (as defined below).
- (B) The Company has agreed to issue, and the Subscriber has agreed to subscribe for, 53,000,000 new Shares ("Subscription Shares") on the terms and subject to the conditions set out in this Agreement.
- (C) Application shall be made to the Stock Exchange by the Company for listing of, and permission to deal in, the Subscription Shares.

THE PARTIES AGREE THAT:

1 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:-

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|-------------------|--|
| "Announcement" | means the press announcement by the Company in respect of the Subscription to be released immediately following the execution of this Agreement; |
| "Business Day(s)" | means any day(s) (excluding a Saturday) on which banks generally are open for business in Hong Kong; |
| "Closing Date" | means any date falling within the 2 Business Days after the date upon which the last of the conditions set out in Clause 3 or such later time and/or date as the |

Company and the Subscriber may agree in writing;

- “Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China;
- “Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange;
- “Parties” means the named parties to this Agreement and their respective successors and permitted assigns;
- “Stock Exchange” means The Stock Exchange of Hong Kong Limited;
- “Subscription” means the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement; and
- “Subscription Price” means HK\$0.28 per Subscription Share.

1.2 Construction and Certain References

- (a) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and vice versa.
- (b) References to Recitals and Clauses are to the recitals and clauses of this Agreement.
- (c) In this Agreement, (save as otherwise expressly stated herein) references to any statute, statutory provision or Listing Rule includes a reference to that statute, statutory provision or Listing Rule as from time to time amended, extended or re-enacted.

1.3 Headings

Headings are for convenience only and shall not affect the interpretation of this Agreement.

2 AGREEMENT TO SUBSCRIBE

2.1 Subscription

The Subscriber agrees to subscribe as principal for, and the Company agrees to issue, the Subscription Shares at the Subscription Price, free from all liens, charges, security interests, encumbrances and adverse claims on the Closing Date on the terms and subject to the conditions set out in this Agreement.

2.2 Subscription Shares

The Company agrees that the Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or prior to the Closing Date including the rights to all dividends and other distributions declared, made or paid at any time after the Closing Date.

3 CONDITION

3.1 Condition

Completion of this Agreement is conditional upon:

- (a) listing of and permission to deal in all the Subscription Shares being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares);
- (b) if required, the Bermuda Monetary Authority consenting to the issue of the Subscription Shares; and
- (c) the compliance of any other requirement that may be required by the Stock Exchange.

3.2 Fulfilment

The Company and the Subscriber shall each use their respective reasonable endeavours to procure the fulfilment of the condition set out in Clause 3 and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange in connection with the fulfilment of such conditions.

3.3 Non-Fulfilment

If the conditions set out in Clause 3 are not fulfilled or waived on or prior to 30 April 2005 or such later date as may be agreed between the Company and the Subscriber, this Agreement shall terminate and neither of the Parties shall have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breaches of this Agreement.

4 COMPLETION OF THE SUBSCRIPTION

4.1 Company's Obligations

Subject to the fulfilment of the condition set out in Clause 3 and the Subscriber's

obligation set out in Clause 4.2, completion of the Subscription shall take place at the principle place of business of the Company in Hong Kong before 3:00 pm (Hong Kong time) on the Closing Date or such other time as the Parties may agree, at which time the Company shall allot and issue to the Subscriber or as it may direct the Subscription Shares and shall promptly thereafter register the Subscriber and/or its nominee as a member or members of the Company and shall cause to be delivered to the Subscriber definitive certificates of title in respect thereof in the name of the Subscriber or as it may direct by a jumbo certificate or otherwise as the Subscriber may direct.

4.2 Subscriber's Obligations

Before 3:00 pm (Hong Kong time) on the Closing Date, the Subscriber shall make or procure the making of payment in Hong Kong dollars for value on the Closing Date to the Company of the aggregate Subscription Price of the Subscription Shares to the bank account nominated for the purpose by the Company or in such other manner as may be agreed between the Parties, which payment in accordance with this Clause 4.2 shall constitute a complete discharge of the Subscriber's obligations in respect thereof.

5 EXPENSES

Each party shall be responsible for the costs and expenses incurred by it in connection with the Subscription and this Agreement.

6 WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

6.1 Warranties and Representations

In consideration of the Subscriber entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby warrants and represents, in relation to the Subscription Shares, to and for the benefit of the Subscriber as follows:

- (a) the Company is duly incorporated and validly existing under the laws of the place of its incorporation with power to conduct its business in the manner presently conducted and the information contained in the Recitals is true and accurate; and
- (b) subject to the fulfilment of the condition set out in Clause 3, all necessary consents and authorizations have been obtained to enable the Company to issue and allot the Subscription Shares, the Company has power under its constitutional documents to enter into this Agreement and this Agreement is duly authorised and when duly executed shall constitute valid and legally binding and enforceable obligations of the Company.

6.2 Undertaking by the Subscriber

The Subscriber undertakes with the Company:-

- (a) to timely provide to the Company necessary information as the Company may request, or the Stock Exchange may require for the purpose of granting the approval under Clause 3.1(a);
- (b) to pay to the Company the monies for the aggregate Subscription Price in immediately available funds in accordance with Clause 4.2; and
- (c) to accept the Subscription Shares subject to the Memorandum of Association and Bye-laws of the Company.

7 ANNOUNCEMENTS

7.1 Authority

The Parties hereby authorise the release for publication of the Announcement, as soon as possible following the signing of this Agreement.

7.2 Prohibition

Save as otherwise required by the Stock Exchange or any governing body, neither Party shall make any public announcement or communication other than the Announcement in relation to the Subscription without the prior written approval of the other Party.

8 TIME OF THE ESSENCE

Any date of period mentioned in any Clause may be extended by mutual agreement between the Parties, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

9 NOTICES

9.1 Addresses

All notices delivered hereunder shall be in writing and shall be communicated to the following addresses:

If to the Company, to :-

21/F The Center
99 Queen's Road Central
Hong Kong

Facsimile : (852) 2169 0022

Attention : Bankee Kwan

If to the Subscriber, to :-

3405 Tower II, Lippo Centre, 89 Queensway, Hong Kong

Facsimile : (852) 2691 9525

Attention : Tin Yuen Sin Carol

9.2 Service

Any such notice shall be served either by hand or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered, and if sent by facsimile on receipt of confirmation of transmission. Any notice received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

10 GOVERNING LAW, JURISDICTION AND MISCELLANEOUS

10.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in connection herewith.

10.2 Counterparts

This Agreement may be executed by the Parties in counterparts which when taken together shall constitute one and single instrument.

AS WITNESS the hands of the duly authorised representatives of the Parties on the day and year first before written.

EXECUTION PAGE

SIGNED by
for and on behalf of
Pricerite Group Limited
as the issuer
in the presence of:-

)
) *For and on behalf of*
) **PRICERITE GROUP LIMITED**
) 
)
) *Authorized Signature*

SIGNED by Tin Yuen Sin Carol
as the Subscriber
in the presence of:-

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