

Dated 5 May 2005

**CREDIT SUISSE FIRST BOSTON (HONG KONG) LIMITED**

and

**EGANAGOLDPFEIL (HOLDINGS) LIMITED**

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**AGREEMENT**

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**FRESHFIELDS BRUCKHAUS DERINGER**

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**THIS AGREEMENT** is made 5 May 2005

**BETWEEN**

- (1) **CREDIT SUISSE FIRST BOSTON (HONG KONG) LIMITED (CSFB);**  
and
- (2) **EGANAGOLDPFEIL (HOLDINGS) LIMITED (the Company).**

**WHEREAS**

- (A) Pursuant to a subscription agreement dated 27 February 2003 between CSFB and the Company (as amended by a letter agreement dated 11 June 2003 and an agreement dated 15 January 2004) (the *First Subscription Agreement*), the Company has issued US\$10,000,000 0.5 per cent. convertible bonds due 2006 (the *Original Tranche 1 Bonds*), US\$5,000,000 0.5 per cent. convertible bonds due 2006 (the *Additional Tranche 1 Bonds*) and US\$10,000,000 0.5 per cent. convertible bonds due 2006 (the *Tranche 2 Bonds*, together with the Original Tranche 1 Bonds and the Additional Tranche 1 Bonds, the *Bonds*) to CSFB in consideration for the payment by CSFB to or to the order of the Company of the relevant subscription monies.
- (B) Pursuant to the First Subscription Agreement, CSFB was granted the right (the *First Subscription Right*) to subscribe for new Shares relating to each of the Bonds being the Tranche 1 New Shares, the Additional Tranche 1 New Shares and the Tranche 2 New Shares (each as defined in the First Subscription Agreement).
- (C) Pursuant to a subscription agreement dated 15 January 2004 between CSFB and the Company (the *Second Subscription Agreement*), the Company has granted to CSFB a single option, exercisable from and including 15 January 2005 to and including 27 February 2006, to require the Company to issue an aggregate principal amount of US\$10,000,000 0.5 per cent. convertible bonds (the *Tranche 3 Bonds*) to CSFB.
- (D) Pursuant to the Second Subscription Agreement, CSFB was granted the right (the *Second Subscription Right*) to subscribe for new Shares relating to the Tranche 3 Bonds, being the Tranche 3 New Shares (as defined in the Second Subscription Agreement). Such Second Subscription Right is exercisable by CSFB upon issue of the Tranche 3 Bonds.
- (E) The Company and CSFB wish to agree terms to waive their respective rights, benefits or claims in respect of the First Subscription Right under the First Subscription Agreement and their respective rights, benefits or claims (including the Second Subscription Right) under the Second Subscription Agreement in such manner/to such extent and to release and discharge the other party from obligations and liabilities thereunder in such manner/to such extent, as hereinafter appearing; and
- (F) The parties have agreed to enter into the Agreement in consideration of the mutual covenants and other valuable consideration set out below.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

1.1 Unless expressly defined in this Agreement, or the context otherwise requires, terms defined in the First Subscription Agreement and Second Subscription Agreement shall have the same meanings in this Agreement.

**2. CONSIDERATION**

2.1 In consideration of a sum of US\$440,592.00 to be paid by the Company to CSFB in the manner as provided in Clause 3.1 below, CSFB hereby fully and wholly:

- (a) waives all its rights, benefits or claims in respect of the First Subscription Right, and
- (b) releases and discharges the Company from any obligations and liabilities (whether future, contingent, outstanding or accrued, if any) whatsoever on the part of the Company under, arising out of, or in any way connected with, or relating to the First Subscription Right.

2.2 In consideration of a sum of US\$2,070,715.00 to be paid by the Company to CSFB in the manner as provided in Clause 3.1 below, CSFB hereby fully and wholly:

- (a) waives all its rights, benefits or claims (including, but not limited to, the Second Subscription Right); and
- (b) releases and discharges the Company from any obligations and liabilities (whether future, contingent, outstanding or accrued, if any) whatsoever on the part of the Company,

under, arising out of, or in any way connected with, or relating to the Second Subscription Agreement.

**3. WAIVER OF RIGHTS**

3.1 For the avoidance of doubt, other than as expressly provided for herein, nothing in this Agreement shall be deemed a waiver by CSFB of any other rights, benefits or claims under the First Subscription Agreement. CSFB reserves all other rights, benefits and claims it may have under the First Subscription Agreement, at law, in equity or otherwise.

**4. PAYMENT DETAILS**

4.1 Within 10 business days of the execution of this Agreement by the parties, the Company shall pay to CSFB the sums referred to in Clauses 2.1 and 2.2 above (the *Consideration*), such payment to be made either (a) by delivery of a cashier's order issued by a licensed bank in Hong Kong and drawn in favour of "Credit Suisse First Boston (Hong Kong) Limited" or (b) in such other manner as shall be agreed between CSFB and the Company. In this Agreement, "business day" means a day on which the Stock Exchange is open for trading in Hong Kong.

**5. RELEASE AND DISCHARGE**

5.1 Save in relation to obligations arising under this Agreement, the parties agree that, upon payment of the Consideration, each party is released and discharged from:

- (a) any liability to the other party and/or any other person on behalf of it (including its successors and assigns), of any kind, whether direct or indirect, foreseen or unforeseen, contingent or actual, present or future, arising or capable of arising out of, or in any way connected with or relating to (a) the Company's grant to CSFB of the First Subscription Right in accordance with the terms and conditions of the First Subscription Agreement and (b) the Company's issuance and delivery of the Tranche 3 Bonds to CSFB and the Company's grant to CSFB of the Second Subscription Right in accordance with the terms and conditions of the Second Subscription Agreement; and
- (b) any claim by the other party and/or by any other person on behalf of it (including their successors and assigns), arising or capable of arising out of, or in any way connected with or relating to (a) the Company's grant to CSFB of the First Subscription Right in accordance with the terms and conditions of the First Subscription Agreement and (b) the Company's issuance and delivery of the Tranche 3 Bonds to CSFB and the Company's grant to CSFB of the Second Subscription Right in accordance with the terms and conditions of the Second Subscription Agreement.

**6. COVENANT NOT TO SUE**

6.1 Each party covenants not to bring any claims or commence any proceedings whatsoever in any jurisdiction against the other party arising out of, or in any way connected with, or relating to (a) the Company's grant to CSFB of the First Subscription Right in accordance with the terms and conditions of the First Subscription Agreement and (b) the Company's issuance and delivery of the Tranche 3 Bonds to CSFB and the Company's grant to CSFB of the Second Subscription Right in accordance with the terms and conditions of the Second Subscription Agreement, save for the purpose of enforcing its rights pursuant to the terms of this Agreement.

**7. CONFIDENTIALITY**

7.1 Each of the parties hereby agree to keep the fact of and terms of this Agreement strictly confidential, subject only to disclosure in the following circumstances:

- (a) for announcements to be issued by the Company in accordance with the Listing Rules or to the parties' respective auditors, consultants, legal and financial advisers and to the extent required by law, in which case each party shall exercise its best endeavours to obtain assurance from such person that confidential treatment will be accorded to any information disclosed; and
- (b) to enable enforcement of this Agreement.

**8. REPRESENTATIONS AND WARRANTIES**

8.1 Each party to this Agreement expressly represents and warrants that the execution and performance of, and compliance with, its respective obligations under this Agreement have been fully authorised and approved by all necessary action on its part and that the persons executing this Agreement for and on behalf of each party have the necessary and appropriate authority to do so.

8.2 The Company represents and warrants to CSFB that:

- (a) The Company is duly organised and validly existing under the laws of the jurisdiction of its incorporation;
- (b) The Company acts for its own account, and has made its own independent decisions to enter into this Agreement. Neither the Company nor any of its directors, officers, staff or other persons connected with the Company has been induced to execute this Agreement or to procure its execution by improper pressure or coercion;
- (c) The Company understands the legal significance and effect of the terms and conditions of this Agreement about which it has obtained independent legal advice;
- (d) The Company is a sophisticated market counterparty and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits, risks and suitability of entering into this Agreement, and it has entered into this Agreement as principal for its own account in the normal and ordinary course of its business and is familiar with arrangements having characteristics similar to those of this Agreement;
- (e) It has entered into this Agreement with the knowledge and express approval of its board of directors; and
- (f) Its obligations under this Agreement constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms.

7.3 CSFB represents and warrants to the Company that:

- (a) it has not exercised any of the First Subscription Right or the Second Subscription Right; and
- (b) it has not charged or in any way dealt with or disposed of the First Subscription Right or the Second Subscription Right or any part thereof.

**9. FURTHER ASSURANCES**

9.1 Each party shall execute, deliver, file and record all documents and take all action that may be necessary or desirable and reasonably requested by the other party to create, preserve, perfect and validate all contracts and interest herein set out, including without limitation, all instructions and documentation relation to any

escrow arrangements required for the purpose of payment of the Consideration and delivery of the certificates relating to the Bonds.

**10. COSTS**

10.1 The Company will bear all reasonable costs incidental to the drafting and execution of this Agreement.

**11. COUNTERPARTS**

11.1 This Agreement may be executed in any number of counterparts and this shall have the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

**12. ENTIRE AGREEMENT**

12.1 This Agreement constitutes the entire agreement between the parties relating to the subject matter of this Agreement.

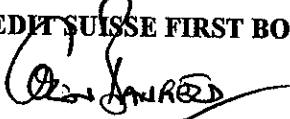
**13. GOVERNING LAW AND JURISDICTION**

13.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.

13.2 In relation to any legal action or proceedings arising out of or in connection with this Agreement (the *Proceedings*), the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Courts of Hong Kong and waives any objection to Proceedings in such courts whether on the grounds that the Proceedings have been brought in an inconvenient forum or otherwise. This submission shall not affect the right of either party to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any court of competent jurisdiction preclude it from taking Proceedings in any other court of competent jurisdiction (whether concurrently or not).

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date stated at the beginning of this Agreement.

**CREDIT SUISSE FIRST BOSTON (HONG KONG) LIMITED**

By: 

Name: COLIN BANFIELD

Title: DIRECTOR

By: 

Name: IRENE TONG

Title: AUTHORISED SIGNATORY

**EGANAGOLDPFEIL (HOLDINGS) LIMITED**

By: 

Name: Tony Chik

Title: Director