

DATE: 9 October 2023

MPJS GROUP LIMITED (1)
(the "Company")

- and -

GPD INVESTMENT COMPANY LIMITED (2)
(the "Subscriber")

SUBSCRIPTION AGREEMENT
relating to the subscription of new shares to be issued by
MPJS Group Limited

THIS AGREEMENT is made on 9 October 2023

BETWEEN:

1. **MPJS GROUP LIMITED**, a company incorporated in the British Virgin Islands with limited liability with company number 2132634, whose registered office is situate at OMC Chambers, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands and its principal place of business in Hong Kong at Flat 16, 7/F., Hewlett Centre, 54 Hoi Yuen Road Kwun Tong, Kowloon (the "**Company**"); and
2. **GPD INVESTMENT COMPANY LIMITED**, a company incorporated in Hong Kong with limited liability with company number 1181707, whose registered office is situate at Suite 2708, 27/F., Shui On Centre, Nos.6-8 Harbour Road, Wanchai, Hong Kong (the "**Subscriber**").

WHEREAS:

- (A) The Company is incorporated in the British Virgin Islands and wholly owned by MPJS Investment Co., Ltd., which is in turn owned as to 80% by Mr. KF Sze, 10% by Ms. SL Sze and 10% by Ms. MM Sze (as defined below respectively) (collectively the "**Sze Shareholders**") as at the date of this Agreement.
- (B) As at the date of this Agreement, the Company is a holding company of the Group (as defined below) and considering and exploring various fund-raising activities, including application for a listing of the Shares (as defined below) on a recognised stock exchange.
- (C) The Company has agreed with the Subscriber to issue and the Subscriber has agreed to subscribe for, the Subscription Shares (as defined below) subject to and upon to the terms and conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. INTERPRETATION

- 1.1 In this Agreement, including the Recitals and the Schedule, the words and expressions set out below shall have the meanings attributed to them below unless the context otherwise requires:

<u>Expression</u>	<u>Meaning</u>
"Articles of Association"	the articles of association of the Company for the time being;
"Business Day"	a day (other than a Saturday or a Sunday or a public holiday in Hong Kong) on which licensed banks are generally open for business in Hong Kong during its normal business hours;
"BVI"	the British Virgin Islands;
"Completion"	completion of the subscription for and issue of the Subscription Shares in accordance with the terms and conditions of this Agreement;
"Completion Date"	has the meaning ascribed thereto in Clause 4.1 of this Agreement, which shall not be later than 30

	November 2023 or such other date as agreed between the parties to this Agreement;
“Conditions Precedent”	the conditions precedent specified in Clause 3.1 of this Agreement;
“Encumbrances”	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, equities, adverse claims, or other encumbrances, priority or security interest, deferred purchase, title retention, leasing, sale-and-purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same;
“Group”	the Company and its Subsidiaries for the time being, and “Group Company(ies)” shall mean any company(ies) within the Group;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Date”	the date on which dealings in the Shares on a recognised stock exchange first commence;
“Listing Rules”	the listing rules or the applicable rules of a recognised stock exchange;
“Long Stop Date”	24 November 2023 or such later date as agreed by the Company and the Subscriber;
“Mr. KF Sze”	Mr. Sze Kam Fuk (施金福), holder of Hong Kong identity card number P924383(A);
“Ms. MM Sze”	Ms. Sze May Moon (施美滿), holder of Hong Kong identity card number D473968(0);
“Ms. SL Sze”	Ms. Sze Sau Lan (施秀蘭), holder of Hong Kong identity card number P586723(5);
“Qualified IPO”	a firm commitment, fully underwritten initial public offering of the Shares for the purpose of listing on a recognised stock exchange;
“Reorganisation”	the corporate restructuring of the Company and the relevant Group Companies for the purpose of the Qualified IPO, subject to such amendments or modifications as the Company and the Subscriber may agree from time to time;
“Share(s)”	the ordinary share(s) in the capital of the Company;

"Subscription Shares"	67 new Shares to be issued and allotted by the Company to the Subscriber on the terms and conditions set out in this Agreement;
"Subscription Price"	an aggregate of HK\$4,000,000;
"Subsidiaries"	<p>the subsidiaries of the Company, namely:</p> <ol style="list-style-type: none"> 1. Man Pong Jewellery Group Company Limited, a private company incorporated in the BVI on 29 April 2019 with limited liability with company number 2011933; 2. Man Pong Jewellery Limited (萬邦珠寶有限公司), a private company incorporated in Hong Kong on 7 May 2010 with limited liability with company number 1453992; and 3. Gosheng Jewellery International Limited (高勝珠寶國際有限公司), a private company incorporated in Hong Kong on 17 November 2016 with limited liability with company number 2452266.
"Taxation"	all forms of taxation, including taxation in Hong Kong and in any territory outside Hong Kong and all forms of profits tax (income tax), interest tax, value added tax, stamp duty and all levies, imposts, duties, charges, fees, deductions and withholdings whatsoever charged or imposed by any statutory, governmental, state, federal, provincial, local or municipal authority whatsoever whether on or in respect of profits, income, revenue, sales, trading, the use, ownership or licensing to or from any person of tangible or intangible assets and the carrying on of other activities, including any fines, interests or other payments relating to taxes, the loss of relief and exemption from and the loss of right of repayment or credit of any tax already paid, and the expression "Tax" shall be construed accordingly;
"this Agreement"	this subscription agreement, as amended and supplemented from time to time by written consent of the parties hereto;
"Warranties"	the representations, warranties and undertakings on the part of the Company given pursuant to Clause 5 and contained in Schedule 1;
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong.

- 1.2 In this Agreement, unless the context otherwise requires, any reference to a "**Clause**" or a "**Schedule**" or an "**Appendix**" is a reference to a clause of, a schedule to or an appendix of, this Agreement and, unless otherwise indicated, includes all the sub-clauses of that clause.
- 1.3 In this Agreement, words importing the singular include the plural and vice versa, words importing gender include both genders and the neuter and references to persons include bodies corporate or unincorporate.
- 1.4 The headings in this Agreement are for convenience only and shall not affect its interpretation.
- 1.5 References to statutory provisions shall be construed as references to those provisions as respectively amended or re-enacted (whether before or after the date hereof) from time to time and shall include any provision of which they are re-enactments (whether with or without modification) and any subordinate legislation made under provisions.
- 1.6 A document expressed to be in the "agreed form" means a document the terms of which have been approved by or on behalf of by the parties to this Agreement and a copy of which has been signed for the purposes of identification by or on behalf of the parties to this Agreement.
- 1.7 Schedule(s) attached to this Agreement (including their respective attachments, if any) form an integral part of this Agreement and are incorporated herein by reference.

2. SUBSCRIPTION

- 2.1 Subject to and upon the terms and conditions of this Agreement, the Subscriber shall subscribe for the Subscription Shares and shall pay to the Company the Subscription Price for the Subscription Shares without any deduction or set-off in the following manner:
- (A) HK\$1,200,000 shall be paid to the Company or its designated nominee(s) upon the execution of this Agreement, being the refundable deposit and in part payment of the Subscription Price; and
 - (B) HK\$2,800,000, being the remaining part of the Subscription Price, shall be paid to the Company or its designated nominee(s) on Completion.
- 2.2 Subject to and upon the terms and conditions of this Agreement, the Company shall issue the Subscription Shares, credit as fully paid and subject to the Articles of Association, to the Subscriber free from Encumbrance.

3. CONDITIONS PRECEDENT

- 3.1 The issue of the Subscription Shares is conditional upon the following conditions having been fulfilled (or, as the case may be, waived) :
- (A) the Subscriber having completed its due diligence on the Group and the results of the due diligence are to the reasonable satisfaction of the Subscriber;
 - (B) all necessary consents, authorisations, licences and approvals required to be obtained on the part of the Company in relation to this Agreement and the transactions contemplated hereby having been obtained and remaining in full force and effect;
 - (C) the Warranties remaining true and accurate in all respects; and

- (D) the warranties made by the Subscriber under Clause 5.6 remaining true and accurate in all respects.
- 3.2 The Company shall use its best endeavours to procure the fulfilment of the conditions set out in Clauses 3.1(B) and 3.1(C) on or before the Long Stop Date. The Subscriber shall use its best endeavours to procure the fulfilment of the conditions set out in Clauses 3.1(A), 3.1(B) and 3.1(D) on or before the Long Stop Date. Save for the condition set out in Clause 3.1(B), the parties may by agreement waive other conditions if they deem appropriate.
- 3.3 If any of the conditions set out in Clause 3.1 have not been satisfied or waived on or before Long Stop Date or such later date as the parties hereto may agree in writing, this Agreement shall cease and determine (save and except Clauses 11, 12.1, 15, 16, 17, 18, 19 and 20) which shall continue to have full force and effect) and the Company shall forthwith refund the sum of the refundable deposit set out in Clause 2.1(A) to the Subscriber or its designated nominee(s) and upon refund of the said deposit neither party shall have any obligations and liabilities hereunder save for any antecedent breaches of the terms hereof.

4. COMPLETION

- 4.1 Subject to the other terms of this Agreement, Completion shall take place within seven days (as such other date as agreed by the Company and the Subscriber in writing) after fulfilment or waiver of the conditions set out in Clause 3.1 (the "**Completion Date**") at the principal place of business of the Company or such other place as the parties hereto shall determine on the Completion Date at 3.00 p.m. (or such other time as agreed by the parties hereto) when all (but not part only) of the following businesses shall be transacted:
- (A) the Company shall deliver to the Subscriber certified copies of the board resolution and shareholder's resolution of the Company (i) approving and authorising the execution and completion of this Agreement and the issue of the Subscription Shares and the share certificates for the Subscription Shares to be delivered to the Subscriber; and (ii) authorising the entry by the Company the issue of the Subscription Shares to the Subscriber into its register of members;
 - (B) the Subscriber shall deliver to the Company certified copies of the board resolution and shareholder's resolution of the Subscriber approving and authorising the execution and completion of this Agreement including the subscription for the Subscription Shares and effecting the payments for the Subscription Shares to the Company;
 - (C) the Subscriber shall deliver to the Company an application for the Subscription Shares; and
 - (D) the Subscriber shall effect payment of such outstanding part of the Subscription Price as referred to in Clause 2.1(B) to the Company or its nominee(s) as directed by the Company in writing, such payment to be made by way of a cashier's order issued by a licensed bank in Hong Kong for such face value and made payable to the Company or by telegraphic transfer or such other manner as agreed by the parties hereto.

4.2 No party shall be obliged to complete the subscription for and the issue of the Subscription Shares or perform any obligations hereunder unless all the parties hereto comply fully with their obligations under Clause 4.1.

4.3 If the Company on the one hand or the Subscriber on the other hand shall be unable to comply with any of their respective obligations under Clause 4.1 on or before the date fixed for Completion, the party not in default may:

(A) defer Completion to a date not more than 28 days after the said date (and so that the provisions of this Clause 4 shall apply to Completion as so deferred); or

(B) proceed to Completion so far as practicable; or

(C) rescind this Agreement,

without prejudice, in each case, to that party's rights (whether under this Agreement generally or under this Clause) to the extent that the other party shall not have complied with its obligations thereunder.

5. WARRANTIES

5.1 The Company hereby represents, warrants and undertakes to the Subscriber that the Warranties are true and correct in all material respects and not misleading in any material respects as at the date of this Agreement and the Completion Date.

5.2 The Company hereby agrees and acknowledges that the Subscriber is entering into this Agreement in reliance on the Warranties

5.3 The Company undertakes to notify the Subscriber as soon as reasonably practicable on any matter or event coming to its attention prior to Completion which shows any of the Warranties to be or to have been untrue or misleading in any material respect or which may have any material adverse effect on the assets or liabilities of the Company.

5.4 Each of the Warranties is without prejudice to any other Warranty and, except where expressly or otherwise stated, no provision in any Warranty shall govern or limit the extent or application of any other provision in any Warranty.

5.5 The Company undertakes in relation to any Warranty which refers to the knowledge, information or belief of the Company that the Company has made reasonable enquiry into the subject matter of that Warranty and that it does not have the knowledge, information or belief that the subject matter of that Warranty may not be correct, complete or accurate.

5.6 The Subscriber hereby represents, warrants and undertakes to the Company that:

(A) the Subscriber is a corporation, duly incorporated and validly existing under the laws of its jurisdiction of incorporation;

(B) the Subscriber has the right, power and authority to enter into and perform this Agreement which constitutes legal, valid and binding obligations on the Subscriber in accordance with its terms;

- (C) the Subscriber has sufficient financial resources necessary for the subscription of the Subscription Shares;
 - (D) this Agreement constitutes valid, binding and enforceable obligations of the Subscriber; and
 - (E) the Subscriber is independent of and not connected with any of the Group Companies or any of their shareholders, directors and respective associates.
- 5.7 The Subscriber hereby agrees and acknowledges that the Company is entering into this Agreement in reliance on the warranties made by the Subscriber under Clause 5.6.
- 5.8 The Subscriber further agrees and acknowledges that prior to the Listing Date, the Company or any of the Group Companies shall be permitted to declare, make or pay to its shareholders a special dividend which, subject to compliance with all laws and regulations, may be up to the maximum amount of the retained earnings of the Group.

6. UNDERTAKINGS AND FURTHER ASSURANCE

- 6.1 The Company undertakes to the Subscriber that Sze Shareholders shall at all time after completion of the Reorganisation and immediately before the Listing Date remain the controlling shareholder of the Group and together hold not less than 50% of the total issued share capital in the Company.
- 6.2 The Company shall not, and shall ensure that no Group Company shall at any time after the signing of this Agreement and/or so long as the Subscriber remains a holder of the Subscription Shares, without the prior written consent of the Subscriber (such approval not to be unreasonably withheld or delayed):
- (A) make any material change in its business as carried on at the date of this Agreement;
 - (B) do or omit to do anything whereby the condition of its assets or the financial position of its business might be materially and adversely affected or any of the operating permits, licence or approval would be cancelled, revoked or lapsed;
 - (C) enter into any contract or commitment for the employment of the services of any individual at a monthly rate of remuneration of more than HK\$100,000 (or its equivalent);
 - (D) save for the Reorganisation and the issue of additional Shares to other pre-IPO investors, make any alteration to its authorised or issued share capital. For the avoidance of doubt, the new Shares (including the Subscription Shares) issued or to be issued to all the pre-IPO investors shall, in aggregate, not be more than 30% of the issued Shares on an as converted and fully-diluted basis immediately prior to completion of the Qualified IPO; and
 - (E) enter into any onerous or unusual contracts or arrangements,

Provided that the restrictions imposed on the Group under this Clause shall cease to have any effect (i) immediately upon the Subscriber ceases to be a holder of the Subscription Shares; and (ii) on the day immediately before before Listing Date, whichever is earlier.

- 6.3 The Company undertakes to the Subscriber that so long as the Subscriber remains a holder of the Subscription Shares, and subject to compliance with the applicable laws and regulations including the Listing Rules, the Company shall procure that each Group Company shall, at the Subscriber's expense, provide such books and records and other accounting information of such Group Company to the Subscriber or its designated person(s) on a timely manner as reasonably requested by the Subscriber. For the avoidance of doubt, the right of the Subscriber under this Clause shall terminate (i) immediately upon the Subscriber ceases to be a holder of the Subscription Shares; and (ii) on the day immediately before Listing Date, whichever is earlier.
- 6.4 The Subscriber irrevocably and unconditionally undertakes to and covenants with the Company that (i) it will not, whether directly or indirectly, after Completion and before Listing Date, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or Encumbrances in respect of, any of the Subscription Shares; and (ii) it will not, whether directly or indirectly, within the period commencing on the Listing Date and ending on the date falling such period of time as requested by the recognised stock exchange or the financial adviser to the Company in the Qualified IPO, dispose of, or enter into any agreement to dispose of or otherwise create any options, rights, interests or Encumbrances in respect of, any of the Shares.
- 6.5 The Subscriber further irrevocably and unconditionally undertakes that it will provide all necessary or desirable assistance to the Company in connection with the Reorganisation and the Qualified IPO, including the execution or performance of any documents, acts and things in relation to the Reorganisation and the Qualified IPO including but not limited to providing information to the Company and its advisers, attending meeting with such advisers and to execute all necessary documents in such connection.

6A. PUT OPTION

- 6A.1 In consideration of the Subscriber agreeing to enter into this Agreement and subscribe for the Subscription Shares according to the terms and conditions herein, the Company hereby irrevocably grants an option to the Subscriber. In the event of non-occurrence of success of the Qualified IPO [within 24 months from the Completion Date] or such other period as agreed by the parties hereto in writing (the "**Qualified IPO Long Stop Date**"), the Subscriber shall be entitled (but not obliged) to exercise the option to sell all the Subscription Shares at the Subscription Price to [the Company or its nominee, or the Company's successor in title] at any time during [6 months after Qualified IPO Long Stop Date], or such later date or period as agreed by the Company and the Subscriber in writing.
- 6A.2 The Company and the Subscriber hereby agree that Clause 6A.1 above shall be automatically terminated upon the completion of the Qualified IPO.

7. REMEDIES

- 7.1 If before the Completion:
- (A) any material breach of representations and warranties of a party set out in this Agreement comes to the notice of any of the other party;
 - (B) any of the Company or the Subscriber is in material breach of any obligation, covenants and undertakings on its/his part under this Agreement;

then, but without prejudice to any other rights or remedies available to the non-defaulting party hereunder, any of the non-defaulting party may, without any liability to the defaulting

party, elect to terminate this Agreement by giving notice in writing to other party, whereupon this Agreement shall terminate.

- 7.2 Nothing in this Agreement shall be construed as to prevent either the Company or the Subscriber from bringing an action and obtaining a decree for specific performance of this Agreement either in lieu of the aforesaid damages or in addition to such damages as the party bringing such action may have sustained by reason of the breach by the other party to this Agreement.

8. LIMITATION OF LIABILITY

- 8.1 The Company shall not be liable for any claim in respect of the Warranties and other provisions under this Agreement unless:

- (A) the Company shall have received from the Subscriber written notice of such claim, specifying in reasonable detail the event or default to which the claim relates and the nature of the breach and (if capable of being quantified at that time) the amount claimed, not later than the expiry of the period of one year from the Completion Date;
- (B) the aggregate amount of liability of the Company for all claims made in connection with this Agreement shall not exceed the HK\$1,000,000; and
- (C) in respect of any one claim under this Agreement, the amount recoverable from the Company in respect thereof is in excess of HK\$100,000 provided that if any claim is in excess of the aforesaid amount, the Company shall be liable for the entire amount so claimed or that if any claim is below HK\$100,000 but when aggregated with any other amounts so recoverable by the Subscriber in respect of any other claims shall exceed HK\$500,000, the Company shall be liable for all the amounts so claimed.

- 8.2 Without prejudice to the Subscriber's right to select the basis of any claim, to the extent to which the Subscriber shall have been compensated in respect of any facts or circumstances for any one of a breach of Warranty or under any indemnity in this Agreement, the Subscriber shall not (to that extent) be entitled to recover compensation under any of the others of those bases in respect of the same facts or circumstances.

- 8.3 The Company shall not be liable for the Warranties:

- (A) which would not have arisen but for a default on the part of the Subscriber of any of the terms herein; or
- (B) which arises as a result of legislation which comes into force after the date hereof with retrospective effect.

- 8.4 If any claim for breach of any Warranty is brought under this Agreement in relation to any liability of the Company which is contingent only, the Company shall not be liable to make any payment in respect thereof unless and until such contingent liability becomes an actual liability.

- 8.5 Where a claim for breach of any Warranty or undertakings is made under this Agreement and has been settled subsequently, save as expressly reserved in any settlement of such a claim, all other rights and remedies (if any) of the Subscriber in respect of the subject matter thereof, whether under this Agreement or otherwise, are hereby excluded.

- 8.6 The amount of any compensation or damages payable by the Company in respect of any claim for breach of any Warranty shall be computed after taking into account and giving full credit for any increase in the amount or value of any assets or discharge from or satisfaction of or reduction in any liability of any member of the Group as a result of or arising out of or attributable to the fact, matter, event or thing giving rise to any relevant claim.
- 8.7 The Subscriber shall reimburse to the Company an amount equal to any sum paid by the Company to satisfy any claim under this Agreement which is subsequently recovered by or paid to the Subscriber or any member of the Group by any third party after deducting all reasonable costs and expenses incurred by the Subscriber arising from or incidental to the recovery of such amount from the third party.
- 8.8 The Warranties shall be actionable only by the Subscriber and its successors and no other person shall be entitled to make any claim or take any action whatsoever against the Company under, arising out of, or in connection with any of the Warranties.
- 8.9 The Subscriber shall as soon as practicable inform the Company in writing of any material fact, matter, event or circumstances which comes to its notice whereby it appears that the Company are or may become liable to make any payment under any Warranty or other provisions of this Agreement and shall not settle or compromise such claim without the prior written consent of the Company.

9. FURTHER ASSURANCE

Notwithstanding Completion, each party hereto shall at the request of the other party hereto and at its own costs and expenses sign or execute any document or do any deed, act or thing as may, in the reasonable opinion of the other party, be necessary or expedient to give full force and effect to the terms of this Agreement.

10. SURVIVAL OF COMPLETION

Except as otherwise provided herein, all provisions of this Agreement shall so far as they are capable of being performed or observed continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.

11. ANNOUNCEMENT

Save for such announcement as is required to be released by any party as required by law or any regulatory authorities or any rules of a recognised stock exchange, none of the parties hereto shall make any public announcement in relation to the transactions the terms of which are set out in this Agreement or the transactions or arrangements hereby contemplated or herein referred to or any matter ancillary hereto or thereto without the prior written consent of the other party (which consent shall not be unreasonably withheld). This Clause shall survive Completion or termination of this Agreement.

12. COSTS AND STAMP DUTY

- 12.1 Each of the parties hereto shall bear its own legal and professional fees, costs and expenses incurred in connection with the preparation, negotiation, execution and performance of this Agreement.
- 12.2 Any stamp duty payable on the subscription for and issue of the Subscription Shares shall be borne by the Company and the Subscriber in equal shares.

13. INVALIDITY

If at any time one or more provisions hereof is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions hereof shall not thereby in any way be affected or impaired.

14. TIME

Time shall be of the essence of this Agreement.

15. TRANSFERABILITY AND ASSIGNMENT

This Agreement shall be binding on and enure for the benefit of the successors of each of the parties hereto and shall not be assignable.

16. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement and understanding between the parties or any of them in relation to the transactions contemplated by this Agreement and supersedes and cancels in all respects all previous agreements, letters of intent, correspondence, understandings, agreements and undertakings (if any) between the parties hereto with respect to the subject matter hereof, whether written or oral.

17. COUNTERPARTS

This Agreement may be signed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by signing any such counterpart.

18. NOTICES AND PROCESS AGENT

- 18.1 Any notice or consent required to be given under this Agreement shall be in writing and may be delivered personally or sent by prepaid letter or facsimile transmission to the addresses provided below or to such other address as may have been last notified in writing by or on behalf of the relevant party to the other parties hereto. Any such notice or consent shall be deemed to have been served if personally delivered, at the time of delivery (provided that if the date of dispatch is not a Business Day, it shall be deemed to have been received at the opening of business on the next such business day); if posted, two (2) days after it have been posted by pre-paid post; if served by facsimile transmission, at the time of written receipt for successful transmission by the sender. In proving service it shall be sufficient to prove that personal delivery was made or that the envelope containing the notice was properly addressed and delivered into the custody of postal authorities authorised to accept the same, or in the case of service by facsimile transmission, by receipt of automatic confirmation of transmission by the originating machine.

To the Company:

Address: Flat 16, 7/F., Hewlett Centre, 54 Hoi Yuen Road Kwun Tong, Kowloon

Attn: The Board of Directors

Fax: (852) 2151 9667

To the Subscriber:

Address: Suite 2708, 27/F., Shui On Centre, Nos.6-8 Harbour Road,
Wanchai, Hong Kong

Attn: The Board of Directors

Fax: (852) 3996 9279

- 18.2 The Company irrevocably appoints Man Pong Jewellery Limited of Flat 16, 7/F., Hewlett Centre, 54 Hoi Yuen Road Kwun Tong, Kowloon to receive, for it and on its behalf, service of process in any proceedings. The Company agrees that any such legal process shall be sufficiently served on it if delivered to its process agent at its address specified in this Clause or at the process agent's registered office or address for the time being in Hong Kong. If for any reason the Company's process agent is unable to act as such, the Company shall promptly notify the other party forthwith and appoint a substitute process agent acceptable to the other party. Without affecting the right of any party to serve process in any other way permitted by law, the parties irrevocably consent to service of process given in the manner provided for notices in Clause 18.1.

19. GOVERNING LAW

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong, and the parties hereto hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but this Agreement may be enforced in any court of competent jurisdiction.

20. THIRD PARTY RIGHTS

The terms of this Agreement are intended solely for the benefit of the relevant parties to this Agreement, and their respective successors or permitted assigns. No person other than the parties to this Agreement shall have any rights under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce or enjoy the benefits of any terms of this Agreement.

SCHEDULE 1

WARRANTIES

The Company hereby represents and warrants to the Subscriber that all representations and statements of fact set out in this Schedule 1 or otherwise contained in this Agreement are and will be true and accurate in all material respects as at the date of this Agreement and the Completion Date with reference to the facts and circumstances subsisting at such time. The Company shall not be liable for breach of any of the Warranties to the extent that the fact, event or circumstance giving rise to such breach of a Warranty has been disclosed prior to the signing of this Agreement and/or the Completion Date.

1. General Information

- 1.1 The Company has full power to enter into this Agreement and to exercise its rights and perform its obligations hereunder and (where relevant) all corporate and other actions required to authorise its execution of this Agreement and its performance of its obligations hereunder have been duly taken and this Agreement shall, when executed, be a legal, valid and binding agreement on it, enforceable in accordance with the terms hereof.
- 1.2 The obligations of the Company under this Agreement shall at all times constitute direct, unconditional, unsecured, unsubordinated and general obligations of, and shall rank at least *pari passu* with, all other present and future outstanding unsecured obligations, issued, created or assumed by the Company.
- 1.3 All information given in this Agreement, including the Recitals and Schedules, is true, complete and accurate in all material respects.
- 1.4 All written information given to the Subscriber by the Company and/or its officers and employees was when given and is at the date hereof true, accurate and complete in all material respects.

2. The Subscription Shares

- 2.1 The Company has power and authority to issue the Subscription Shares thereof and does not require the consent thereto of any other parties.
- 2.2 The Subscription Shares, when issued and allotted, will be credited as fully paid and shall rank *pari passu* with all other issued Shares without encumbrances.
- 2.3 Save for the Reorganisation and the issue of additional Shares to other pre-IPO investors, there is no option, right to acquire, mortgage, charge, pledge, lien or other form of security or encumbrance on, over or affecting any part of the unissued share capital of the Company after its incorporation but before completion of the Qualified IPO and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing which has not been waived in its entirety or satisfied in full.
- 2.4 Save for the Reorganisation and the issue of additional Shares to other pre-IPO investors, there is no agreement or commitment outstanding which calls for the allotment or issue of or accords to any person the right to call for the allotment or issue of any Shares or debentures of the Company after its incorporation but before completion of the Qualified IPO.

- 2.5 The Subscription Shares, upon Completion, shall comprise approximately 6.7% of the issued and allotted share capital of the Company (as enlarged by the allotment and issue of the Subscription Shares and any other new Shares issued or to be issued to the other pre-IPO investors of the Company) immediately prior to completion of the Qualified IPO. Subject only to the approval of the board of directors and shareholder(s) of the Company, no consent of any third party is required to the issue and allotment of the Subscription Shares.

3. Accounts

- 3.1 All accounts (audited or unaudited) supplied to the Subscriber are prepared in accordance with the requirements of all relevant statutes and with good and generally accepted accounting principles and practice consistently applied and are accurate in all material respects and show a true and fair view of the state of affairs of the relevant Group Company's results and profits for the financial period as the accounts relate.
- 3.2 The latest audited accounts of each of the Group Companies supplied to the Subscriber disclose and make adequate provision or reserve for all actual liabilities, material contingent liabilities, capital or burdensome commitments and all Taxation including deferred or provisional taxation liable to be assessed on the relevant Group Company.
- 3.3 The profits and losses of the Group Company shown by the latest audited accounts supplied to the Subscriber and for the two (2) preceding accounting periods have not in any material respect been affected by any unusual or exceptional item or by any other matter which has rendered such profits or losses unusually high or low.

4. Taxation

- 4.1 Each of the Group Companies has complied with all other relevant legal requirements relating to registration or notification for Taxation purposes (where applicable).
- 4.2 Each of the Group Companies has:
- (a) paid or accounted for all Taxation (if any) due to be paid or accounted for by it before the date of this Agreement; and
 - (b) taken all reasonable steps to obtain any repayment of or relief from Taxation available to it.

5. Incorporation, articles of association and books and records

- 5.1 Each of the Group Companies has been duly incorporated and is validly existing under the laws of its place of incorporation and has full power, authority and legal right to own its assets and carry on the business in which it is engaged.
- 5.2 The articles of the Group Companies constitute legal, valid and binding obligation of the parties thereto and are enforceable in accordance with their respective terms. The registered capital of the Group Companies has been fully paid and each of the parties thereto have duly observed and performed their respective obligations under all constitutive and contractual documents relating to the Group Companies, which documents are valid and in full force and effect.
- 5.3 All annual or other returns required to be filed with the relevant regulatory bodies have been properly filed within any applicable time limit and all legal requirements relating to

the formation of the Group Companies and the issue of shares and other securities have been complied with.

6. Employees

- 6.1 There is no existing, threatened or pending dispute involving the Group Companies and any group or category of its former employees which would have material adverse effect on the Group's business and operations and there is no arrangement between the Group Companies and any trade union or organisation representing any such employees.
- 6.2 No circumstances have arisen under which any of the Group Companies is required to pay, or is likely to be required to pay, a significant amount of damages in relation to the dismissal of any former employee. No material claims or litigation have been made or initiated against any of the Group Companies by any of its former or present employees.
- 6.3 There are no existing service or other agreements or contracts between any of the Group Companies and its directors and secretary or officers which cannot be properly terminated pursuant to the Memorandum and Articles (or similar constitutional documents) of the relevant Group Company. Saved as disclosed to the Subscriber, none of the Group Companies has any scheme or arrangement for the payment of bonuses to employees or officers and the Group Companies have complied with all their obligations under all laws, regulations, codes, orders, awards and agreements in connection with their former and existing employees including but not limited to obligations to pay for the relevant insurance policies, pension, provident, superannuation or retirement benefit funds.

7. Litigation

- 7.1 None of the Group Companies is a party to any litigation or arbitration proceedings (including any proceedings before an employment or industrial tribunal) to which it is the defendant and the amount claimed would exceed HK\$1 million and no litigation or arbitration proceedings of similar nature are threatened or pending against the Group Companies or against any person for whose acts or defaults the Group Companies may be vicariously liable and there are no facts known to the Company which (with or without the giving of notice or lapse of time) might give rise to any such proceedings or to any dispute or to any payment before Completion.

8. Compliance with Laws

- 8.1 The Group has conducted its business in accordance with all applicable laws and regulations in all material respects and has not committed any criminal, illegal or unlawful act and there is no violation of or default with respect to any law, statute, regulation, order, decree or judgment of any court or government agency which may have a material adverse effect upon the assets or business of the Group. Without prejudice to the generality of the foregoing, the Group has obtained all licences and consents necessary for the carrying on of its business, and all such licences and consents are valid and subsisting and there is no reason why any of them should be suspended, cancelled or revoked.
- 8.2 None of the Group Companies has received any notice from any regulatory body or authority that any of the Group Companies has committed any criminal, illegal or unlawful act or any violation of or default with respect to any ordinance, statute, regulation, order, decree or judgement of any court of government agency of relevant jurisdiction which, if

committed by the relevant Group Company, may have a material adverse effect upon the assets or business of the Group.

9. Assets

- 9.1 The assets, equipment and vehicles and the material tangible assets used in connection with the business of the Group and all other fixed assets and any additions thereto are the absolute property of and held by the Group save for any liens, mortgages, charges, encumbrances, hire or hire purchase agreements, credit sale agreements or agreements for payment on deferred terms or bills of sale as disclosed to the Subscriber and the Group has good and marketable title thereto and all such material assets are in the possession or under the control of the Group and, where it is disclosed that any such material assets have been disposed of, they have not been disposed of at less than net book value. Neither the construction, positioning nor use of any of the Group's material assets, nor the assets themselves contravene any relevant provision of any legislation, regulation or other requirement having the force of law, and all such material assets owned or used by the Group are in good repair and capable of being used for the purposes for which they were designed, acquired or used by the Group and have throughout their period of ownership by the Group been maintained and serviced in accordance with their manufacturers' recommendations.

10. Contracts

- 10.1 None of the Group Companies is a party to any contract which involves or is likely to involve obligations, restrictions or expenditure of an unusual or onerous nature or which, in accordance with its terms, cannot or will not be fulfilled or performed within 3 months from the date of such contract, save and except this Agreement or any contract entered into in the ordinary course of business.
- 10.2 There are no contracts or obligations, agreements or arrangements to which any of the Group Companies is a party or by which any of the Group Companies is bound which are void, illegal, unenforceable, registrable or notifiable under or contravening any laws or regulations.
- 10.3 None of the Group Companies is in default under any provision of any material contract or agreement to which it is a party or by which it is bound and no event has occurred which constitutes a default and which with the giving of notice or the passage of time or otherwise, would constitute a default under such contract or agreement or which would require the premature repayment of any loans or other amounts due thereunder and no party with whom any of the Group Companies has entered into any agreement is in default thereunder.

11. Insolvency

- 11.1 No order has been made or petition presented or resolution passed for the winding up any of the Group Companies, nor has any distress, execution or other process been levied against any of the Group Companies or action taken to repossess goods in the possession any of of the Group Companies.
- 11.2 No steps have been taken for the appointment of an administrator or receiver of any part of any of the Group Companies' property.

IN WITNESS WHEREOF this Agreement has been entered into the day and year first above written.

THE COMPANY

SIGNED by SZE KAM FUK)

for and on behalf of)
MPJS GROUP LIMITED)
in the presence of:)
)
)
)
)
)
)

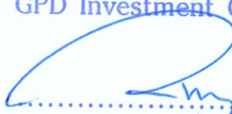
For and on behalf of
MPJS Group Limited

.....
Authorized Signature(s)

THE SUBSCRIBER

SIGNED by WONG WING MAN)

for and on behalf of)
GPD INVESTMENT COMPANY LIMITED)
in the presence of:)
)
)
)
)
)
)

For and on behalf of
GPD Investment Company Limited

.....
Authorized Signature(s)