

THIS AGREEMENT is dated 17 September 2010

BETWEEN:

- (1) **CHINA PRIMARY RESOURCES HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability and having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and having its head office and principal place of business in Hong Kong at Suite 1415, Ocean Centre, 5 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong (the “**Company**”); and
- (2) **YU HONGZHI**, holder of PRC passport no. G34420712, whose address is at Room 1104, New Lee Wah Centre, 88 To Kwa Wan Road, To Kwa Wan, Kowloon, Hong Kong (the “**Subscriber**”).

WHEREAS:

The Company has agreed to issue and the Subscriber has agreed to subscribe for an aggregate of 570,000,000 new shares (the “**Subscription Shares**” and each a “**Subscription Share**”) of HK\$0.0125 each in the capital of the Company subject to and upon the terms and conditions of this Agreement.

1. INTERPRETATION

In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“ Announcement ”	the announcement in the form as set out in Appendix A
“ Business Day ”	a day (excluding a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“ Completion ”	completion of the subscription for the Subscription Shares in accordance with the provisions of Clause 5
“ EGM ”	an extraordinary general meeting of the Company to be convened and held to approve, inter alia, the Subscription and the Open Offer
“ GEM ”	The Growth Enterprise Market of the Stock Exchange
“ Group ”	the Company and its subsidiaries
“ Hong Kong ”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholder(s)”	shareholders of the Company not required under the Listing Rules and the Takeovers Code to abstain from voting on the resolution(s) approving the waiver in respect of the obligation of the Subscriber and the parties acting in concert with it to make a mandatory general offer to the Shareholders under the Takeovers Code
“Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Offer Shares”	614,801,640 Shares, proposed to be offered to the qualifying Shareholders for subscription on the terms and subject to the conditions set out in the Underwriting Agreement
“Open Offer”	the proposed offer for subscription by the qualifying Shareholders for the Offer Shares at the subscription price of HK\$0.08 each on the terms and subject to the conditions set out in the Underwriting Agreement
“SFC”	Securities and Futures Commission of Hong Kong
“Shares”	ordinary shares of HK\$0.0125 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares subject to and upon the terms and conditions of this Agreement
“Subscription Price”	a price of HK\$0.08 per Subscription Share
“Subscription Shares”	has the meaning ascribed to it in the Recital
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Underwriting Agreement”	the underwriting agreement dated the date hereof and entered into between the Subscriber as underwriter and the Company as issuer in relation to the Open Offer
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

1.2 References in this Agreement to the singular shall, where the context so requires, be deemed to include references to the plural and vice versa and references to one gender shall include all genders. The clause headings in this Agreement are inserted for convenience only and shall not affect the construction of this Agreement.

1.3 References herein to Recitals and Clauses and Appendices are, unless the context otherwise requires, to recitals to and clauses in and appendices to this Agreement.

2. CONDITIONAL AGREEMENT

2.1 Completion is conditional upon:

- (a) the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
- (b) the Underwriting Agreement becoming unconditional in all respects (save for the condition that this Agreement having become unconditional);
- (c) the passing by the Independent Shareholders at the EGM of an ordinary resolution (such vote shall be taken by way of poll) to approve the grant of a waiver, in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code, in respect of the obligation of the Subscriber and the parties acting in concert with it to make a mandatory general offer to the Shareholders under the Takeovers Code in respect of the Shares not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it as a result of the subscription of the Offer Shares and the Subscription Shares; and
- (d) without prejudice to condition (c) above, all necessary consents and approvals required to be obtained by the Subscriber in respect of this Agreement and the transactions contemplated hereby, including but not limited to the Subscription, having been obtained.

2.2 The Company shall apply to the Stock Exchange as soon as practicable after the signing of this Agreement for the purpose of the listing and permission referred to in Clause 2.1 and shall exercise all reasonable endeavours to procure the satisfaction of the conditions specified in Clause 2.1 by the time specified in Clause 2.3.

2.3 None of the conditions precedent in Clause 2.1 is capable of being waived by any parties hereto. In the event the condition referred to in Clause 2.1 not being fulfilled by 6:00 p.m. on 12 November 2010 (or such other time and date as may be agreed by the Company and the Subscriber), all rights, obligations and liabilities of the parties hereunder shall cease and determine and neither party shall have any claim against the other, save for any antecedent breaches of the terms hereof.

3. AGREEMENT TO SUBSCRIBE

Subject to Clause 2, the Subscriber shall subscribe for the Subscription Shares and the Company shall allot and issue the Subscription Shares subject to its memorandum and articles of association.

4. SUBSCRIPTION SHARES

4.1 The consideration for the Subscription Shares shall be satisfied by the delivery at Completion of one or more cashier order(s) issued by a licensed bank in Hong Kong in the aggregate sum of HK\$45,600,000 and made payable to the Company.

4.2 The Subscription Shares shall be allotted and issued as fully paid or credited as fully paid. The Subscription Shares shall rank pari passu in all respects among themselves and with the Shares in issue on the date of such allotment and issue. For the avoidance of doubt, the Subscription Shares will not have the right to participate in the Open Offer.

5. **COMPLETION**

Completion shall take place within two Business Days (or such other date and time as may be agreed by the Company and the Subscriber) after the satisfaction of the conditions set out in Clause 2.1 at the office of the Company (or such other place as may be agreed between the parties hereto) when all (but not part only) of the following business shall be transacted:

- (a) the Subscriber shall procure the delivery to the Company of:
 - (i) one or more cashier orders issued by a licensed bank in Hong Kong in the aggregate amount of HK\$45,600,000 and made payable to the Company; and
 - (ii) a letter applying for the Subscription Shares at the Subscription Price signed by the Subscriber substantially in the form set out in Appendix B; and
- (b) the Company shall:
 - (i) allot and issue fully paid to the Subscriber the Subscription Shares and shall procure that the Subscriber be registered in the register of members of the Company; and
 - (ii) deliver to the Subscriber a jumbo share certificate in respect of the Subscription Shares issued in the name of the Subscriber.

6. **RESTRICTIONS ON OFFER AND SALE OF SUBSCRIPTION SHARES**

6.1 The Subscriber acknowledges that no prospectus will be issued by the Company nor will any prospectus be registered in any jurisdiction in respect of the Subscription or any subsequent offer or sale of the Subscription Shares. The Subscriber undertakes and warrants in favour of the Company that:

- (i) he will not, directly or indirectly, offer or sell any Subscription Shares or distribute or publish any documents in relation thereto in any country or jurisdiction except under circumstances that will result in compliance with all applicable laws and all offers and sales of the Subscription Shares will be made on such terms;

- (ii) he has not offered or sold and he will not offer or sell by means of any document any Subscription Shares except in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
- (iii) he has not made and he will not make any representations regarding the Group or its affairs or prospects in connection with any sale or offer of the Subscription Shares; and
- (iv) he has not made or issued and he will not make or issue any documents in Hong Kong in relation to any offer for the sale of any of the Subscription Shares unless permitted to do so under the securities law of Hong Kong, other than with respect to Subscription Shares intended to be disposed of to persons outside Hong Kong or to be disposed of in Hong Kong only to persons whose business involves the acquisition, disposal or holding of securities, whether as principal or agent.

6.2 Each of the undertakings in Clause 6.1 is without prejudice to the other of them and shall be construed independently of each other.

6.3 The Subscriber further undertakes to indemnify the Company and each officer, employee and agent of the Company and to keep each of them fully and effectively indemnified on demand against all losses, damages, costs and expenses which any of them may suffer or sustain and all proceedings which may be brought against any of them in connection with any breach of the undertaking under Clause 6.1.

7. COSTS AND EXPENSES

Each party shall bear its own costs and expenses (including legal expenses) in respect of the transactions contemplated by this Agreement and all other expenses for the implementation of such transactions.

8. ANNOUNCEMENTS

The Company shall cause the Announcement be published on the websites of the Stock Exchange and the Company in accordance with the requirements under the Listing Rules. Save as aforesaid or as may be required by law, the Stock Exchange, the SFC or other relevant regulatory authorities, no press or other announcement shall be made in connection with the subject matter of this Agreement by any party without the prior approval of the other. Where any press or other announcement is required by law, the Stock Exchange, the SFC or other relevant regulatory authorities, the party proposing to make the announcement shall so far as practicable consult with the other party regarding the terms of such announcement prior to its release.

9. CONTINUING OBLIGATIONS AND TIME

9.1 All provisions of this Agreement shall continue in full force and effect notwithstanding Completion except in respect of those matters then already performed.

9.2 Each of the Company and the Subscriber hereby undertakes to the other that it will do all such acts and things and execute all such deeds and documents as may be necessary or desirable to carry into effect or to give legal effect to the provisions of this Agreement and the transactions contemplated hereby.

9.3 Time shall be of the essence of this Agreement as regards any time or period specified herein or which may be varied with the agreements of both parties.

10. SUCCESSORS AND ASSIGNS

This Agreement shall be binding on and shall enure for the benefit of each party's successors and assigns and personal representatives (as the case may be), but no assignment may be made of any of the rights or obligations hereunder of either party without the prior written consent of the other party.

11. COUNTERPARTS

This Agreement may be signed in any number of counterparts, each of which shall be binding upon the party executing it and which together shall constitute one agreement.

12. NOTICES

12.1 Each notice, demand or other communication given, made or serve under this Agreement shall be in writing and delivered or sent to the relevant party by prepaid postage (by airmail if to another country), facsimile transmission or personal delivery to its address or fax number as set out below (or such other address or fax number as the addressee has by five (5) days' prior written notice specified to the other parties):

To the Company

Address : Suite 1415, Ocean Centre, 5 Canton Road, Tsim Sha Tsui,
Kowloon, Hong Kong
Fax Number : 852- 25263354
Attention : Board of Directors

To the Subscriber

Address : Room 1104, New Lee Wah Centre, 88 To Kwa Wan
Road, To Kwa Wan, Kowloon, Hong Kong
Fax Number : 852- 23307922

12.2 Each notice, demand or other communication given, made or serve under this Agreement shall be deemed to have been given and received by the relevant parties (i) within two (2) days after the date of posting, if sent by local mail; four (4) days after the date of posting, if sent by airmail; (ii) when delivered, if delivered by hand; and (iii) on despatch, if sent by facsimile transmission.

13. GOVERNING LAW

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

13.2 The parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong in connection herewith but the terms of this Agreement may be enforced in any court of competent jurisdiction.

In witness whereof this Agreement has been duly executed by the parties hereto the day and year first above written.

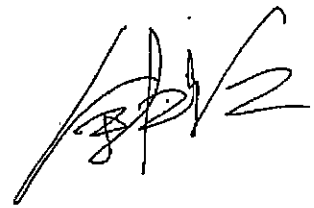
THE COMPANY

SIGNED by)
)
for and on behalf of)
)
CHINA PRIMARY RESOURCES)
HOLDINGS LIMITED)
)
in the presence of:)



THE SUBSCRIBER

SIGNED by)
)
YU HONGZHI)
)
in the presence of:)



APPENDIX "A"

Announcement

APPENDIX "B"

Date:

CHINA PRIMARY RESOURCES HOLDINGS LIMITED

Dear Sirs

Subscription for Shares

I write to apply for 570,000,000 shares of HK\$0.0125 each (the "Shares") in your Company subject to the memorandum and articles of association of your Company at a subscription price of HK\$0.08 per Share.

I enclose one or more cashier order(s) payable to your Company for the aggregate amount of the subscription monies due on application.

You are authorised and requested to deliver the share certificates for the Shares applied for to me at Room 1104, New Lee Wah Centre, 88 To Kwa Wan Road, To Kwa Wan, Kowloon, Hong Kong.

In consideration of the allotment and issue of the Shares to me, I confirm that I am subscribing for the Shares as principal and not as nominee or agent.

Yours faithfully,

Yu Hongzhi

DATE: 17 SEPTEMBER 2010

CHINA PRIMARY RESOURCES HOLDINGS LIMITED
(as Company)

and

YU HONGZHI
(as Subscriber)

SUBSCRIPTION AGREEMENT

Michael Li & Co.
14th Floor, Printing House
6 Duddell Street
Central, Hong Kong
(Re: CCL/KIT/104532)