

3872496

DATED 7TH OCTOBER

1999

BRITISH AMERICAN TOBACCO (INVESTMENTS)
LIMITED

- and -

PRECIS (1789) LIMITED

AGREEMENT

for the acquisition of Shares in
British-American Tobacco Company
(Hong Kong) Limited

WE HEREBY CERTIFY
THIS TO BE A TRUE AND
ACCURATE COPY OF
THE ORIGINAL

.....*Herbert Smith*.....
HERBERT SMITH
Exchange House
Primrose Street
London EC2A 2HS

Date *11/11/99* 19 99

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THIS AGREEMENT is made on 7TH OCTOBER 1999

BETWEEN:

1. **BRITISH AMERICAN TOBACCO (INVESTMENTS) LIMITED** a company incorporated in England with registered number 74974 and whose registered office is at Globe House, 1 Water Street, London WC2R 3LA, (the "**Vendor**"); and
2. **PRECIS (1789) LIMITED** a company incorporated in England with registered number 3812495 and whose registered office is at Globe House, 4 Temple Place, London, WC2R 2PG (the "**Purchaser**").

WHEREAS:

- (A) British-American Tobacco Company (Hong Kong) Limited (the "**Company**") is incorporated in Hong Kong with registered office at 18/F / 19/F Cityplaza 3, Taikoo Wan Road, Taikoo Shing, Hong Kong.

The issued share capital of the Company is 20,000,000 Ordinary Shares of HK\$10 each.

- (B) The shareholders in the Company are as follows:

- (i) British American Tobacco (Investments) Limited which holds 19,999,999 Ordinary Shares of HK\$10 each; and
- (ii) Powhattan Limited, a company incorporated in the United Kingdom with registered number 102275 and registered office at Globe House, 1 Water Street, London, WC2R 3LA, which holds 1 Ordinary Share of HK\$10 nominally on behalf of British American Tobacco (Investments) Limited.

- (C) The Vendor has agreed to sell and the Purchaser has agreed to purchase the beneficial title to the 1 Ordinary Share of HK\$10 and the legal title to the 19,999,999 Ordinary Shares of HK\$10 each (the "**Sale Shares**") upon the terms and conditions hereinafter appearing.

NOW IT IS AGREED as follows:

1. SALE AND PURCHASE

- 1.1 The Vendor shall sell with full title guarantee and the Purchaser shall purchase the Sale Shares.
- 1.2 The Sale Shares are sold free from any option, charge, lien, equity, encumbrance, rights of pre-emption or any other third party rights and together with all rights attached to them at the date of this Agreement or subsequently becoming attached to them.

2. CONSIDERATION

The consideration for the sale of the Sale Shares shall be the aggregate sum of £80,500,000 which shall be satisfied by the allotment to the Vendor, credited as fully paid, of 20,636 Ordinary Shares of £1 each in the share capital of the Purchaser.

3. TRANSFER OF LEGAL TITLE SHARES

Forthwith upon the signing of this Agreement the Vendor shall procure the entry of the Purchaser in the register of members of the Company in respect of the Sale Shares.

4. NO WARRANTY

Apart from clause 1.3 the Vendor shall give no warranties or representations in relation to the Sale Shares and, save in the case of fraud, the Purchaser shall have no claim against the Vendor in respect of any express or implied representations or warranties in contract or tort (whether or not formulated in negligence), under statute or otherwise howsoever.

5. FURTHER ASSURANCE

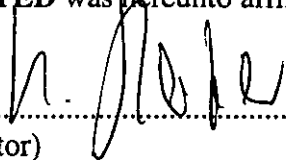
The Vendor shall after taking the steps specified in clause 3 above execute all such deeds and documents and do all such things as the Purchaser may reasonably require for perfecting the transactions intended to be effected under or pursuant to this Agreement and for vesting in the Purchaser the full benefit of the Sale Shares.

6. GOVERNING LAW, JURISDICTION AND SERVICE OF PROCESS

This Agreement shall be governed by, and construed in accordance with, English law and each party irrevocably agrees that the Courts of England shall have exclusive jurisdiction in relation to any claim, dispute or difference concerning this Agreement and any matter arising therefrom.

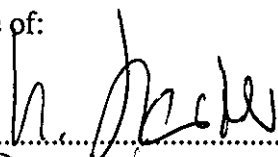
AS WITNESS the hands of the parties hereto the day and year first above written.

THE COMMON SEAL of BRITISH)
AMERICAN TOBACCO (INVESTMENTS))
LIMITED was hereunto affixed in the presence of:)


.....
(Director)


.....
(Director/Company Secretary)

THE COMMON SEAL of PRECIS (1789))
LIMITED was hereunto affixed in the)
presence of:)


.....
(Director)


.....
(Director/Company Secretary)