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Happy On Holdings Limited

*(Incorporated in the British Virgin Islands
with limited liability)*

FlexSystem Holdings Limited

*(Incorporated in Cayman Islands
with limited liability)
(Stock code: 8050)*

JOINT ANNOUNCEMENT

DESPATCH OF COMPOSITE DOCUMENT

IN RELATION TO

**UNCONDITIONAL MANDATORY CASH OFFER BY
QUAM SECURITIES COMPANY LIMITED**



**ON BEHALF OF
HAPPY ON HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN
FLEXSYSTEM HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED
TO BE ACQUIRED BY HAPPY ON HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

Financial Adviser to Offeror



The Composite Document and the Form of Acceptance and Transfer have been despatched to the Shareholders on 27 January 2012 in accordance with the Takeovers Code.

The expected timetable in relation to the Offer is set out in this announcement below.

Reference is made to the announcement dated 6 January 2012 jointly issued by Happy On Holdings Limited and FlexSystem Holdings Limited (the “**Joint Announcement**”). Capitalised terms used in this joint announcement shall have the same meanings as those defined in the Joint Announcement unless the context requires otherwise.

DESPATCH OF THE COMPOSITE DOCUMENT

The composite offer and response document dated 27 January 2012 jointly issued by the Offeror and the Company (the “**Composite Document**”), which sets out, among others, details of the Offer, information on the Group, the letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer and the letter from the Independent Financial Adviser containing its recommendation to the Independent Board Committee in respect of the Offer; and the form of acceptance and transfer of the Share(s) in respect of the Offer (the “**Form of Acceptance and Transfer**”) have been despatched to the Shareholders on 27 January 2012 in accordance with the Takeovers Code.

EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

2012

Despatch date of the Composite Document and
commencement date of the Offer (*Note 1*) Friday, 27 January

Latest time and date for acceptance of the Offer (*Note 2*) 4:00 p.m. on
Friday, 17 February

Closing Date (as defined below) (*Note 2*) Friday, 17 February

Announcement of the results of the Offer to be
posted on the website of the Stock Exchange (*Note 2*) not later than 7:00 p.m. on
Friday, 17 February

Latest date for posting of remittances in respect of
valid acceptances received under the Offer (*Note 3*) Monday, 27 February

Notes:

1. The Offer, which is unconditional, is made on the date of posting of the Composite Document, and is capable of acceptance on and from that date until 17 February 2012, the closing date of the Offer, which is 21 days after the date on which the Composite Document is posted, or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code (the “**Closing Date**”).
2. The Offer, which is unconditional, will close on the Closing Date. The latest time for acceptance is at 4:00 p.m. on Friday, 17 February 2012 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued through the Stock Exchange website by 7:00 p.m. on Friday, 17 February 2012 stating whether the Offer has been revised or extended or has expired. In the event that the Offeror decides that the Offer will remain open until further notice, at least 14 days’ notice by way of an announcement will be given before the Offer is closed to those Independent Shareholders who have not accepted the Offer.

3. Remittances in respect of the cash consideration payable for the Offer Shares tendered under the Offer will be despatched to the accepting holders of the Offer Shares by ordinary post at their own risk as soon as possible, but in any event within 10 days after the date of receipt by the Registrar of a duly completed acceptance in accordance with the Takeovers Code.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed “Right of withdrawal” in appendix I to the Composite Document.

Unless otherwise expressly stated, all time and date references contained in this joint announcement refer to Hong Kong time and dates.

For and on behalf of
Happy On Holdings Limited
Chan Foo Wing
Sole Director

By order of the Board of
FlexSystem Holdings Limited
Lau Wai Shu
Chairman

Hong Kong, 27 January 2012

At the date of this joint announcement, the Company’s executive Directors are Mr. Lau Wai Shu and Mr. Sit Hon Cheong and the Company’s independent non-executive Directors are Mr. Lung Hung Cheuk, Ms. Yeung Wing Yan, Wendy and Mr. Yip Tai Him.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Chan Foo Wing.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendors and parties acting in concert with each of them), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from its date of posting and on the Company’s website at <http://ir.sinodelta.com.hk/8050/>.