

**DATE: 5 JANUARY 2011**

**FLEXSYSTEM HOLDINGS LIMITED  
(as Vendor)**

**AND**

**SOMAFLEX HOLDINGS INC.  
(as Purchaser)**

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**AGREEMENT FOR SALE AND PURCHASE  
OF THE ENTIRE ISSUED SHARE CAPITAL OF  
SOMAFLEX INTERNATIONAL INC.**

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**MICHAEL LI & CO.  
14th Floor,  
Printing House  
6 Duddell Street  
Central, Hong Kong  
(Ref: CCL/KIT/104814)**

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**THIS AGREEMENT is made on 5 January 2011**

**BETWEEN:**

- (1) **FLEXSYSTEM HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong (the “**Vendor**”); and
- (2) **SOMAFLEX HOLDINGS INC.**, a company incorporated in British Virgin Islands with limited liability whose registered office is at Romasco Place, Wickhams Cay I, P.O. Box 3140, Road Town, Tortola, British Virgin Islands (the “**Purchaser**”).

**WHEREAS:**

- (A) By a sale and purchase agreement (the “**Sale and Purchase Agreement**”) dated 5 January 2011 entered into between, among other persons, Mr. Lok Wai Man (the “**Original Controlling Shareholder**”) as vendor and Excel Score Limited (the “**New Controlling Shareholder**”) as purchaser, the New Controlling Shareholder has conditionally agreed to purchase from the Original Controlling Shareholder a total of 479,298,000 issued shares of the Vendor (together with its subsidiaries and associated companies, the “**Vendor Group**”) subject to the terms and condition of the Sale and Purchase Agreement.
- (B) As at the date of this Agreement, SomaFlex International Inc. (the “**Company**”) is a company incorporated in the British Virgin Islands with limited liability and as at the date hereof, has an authorised capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each (each a “**Share**”), of which 1 Share has been issued and is fully paid up or credited as fully paid and is beneficially owned by the Vendor. Further details of the Company are set out in Part A of Schedule 1. The Company acts as the intermediate holding company for the Vendor, and it holds all the other members of the Vendor Group (except the Vendor) as at the date of this Agreement. Further details of the current structure of the Vendor Group are set out in Part B of Schedule 1.
- (C) It is agreed between the New Controlling Shareholder and the Original Controlling Shareholder that, except for Norray Professional Computer Limited (“**Norray**”), all other members of the Vendor Group (except the Vendor) will be disposed of by the Vendor to the Purchaser so that these companies will no longer be part of the Vendor Group after completion of the Sale and Purchase Agreement.
- (D) The Vendor shall therefore procure the implementation of a reorganisation (the “**Reorganisation**”) of the Vendor Group in a manner as substantially set out in Part A of Schedule 5, so that the Disposed Group (as defined below) can be formed for the purpose of being disposed of under this Agreement. It is a condition precedent to Completion that the Reorganisation be completed in a manner satisfactory to the

Vendor and the Purchaser.

- (E) As at the date of this Agreement, (i) the Disposed Group is indebted to the Vendor (the “**Vendor Debt**”) and (ii) Norray is indebted to the Disposed Group (the “**Norray Debt**”). As part of the Reorganisation to be carried out immediately before Completion, (i) the obligations and liabilities of the Vendor Debt will be novated to the Company; (ii) the obligations and liabilities of the Norray Debt borne by Norray to the Disposed Group will be waived and discharged in full; and (iii) the Vendor Debt will be capitalized in full as the share(s) of the Company. Such capitalization share(s) will be transferred by the Vendor to the Purchaser as well subject to and upon the terms and conditions of this Agreement.
- (F) Subject to satisfactory completion of the Reorganisation, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares (as defined below) subject to and upon the terms and conditions of this Agreement.

**NOW IT IS HEREBY AGREED as follows:**

**1. INTERPRETATION**

- 1.1 In this Agreement (including the Recitals), unless the context otherwise requires or permits, the following words and expressions shall have the meanings ascribed to each of them respectively below:

“Business Day”	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Code”	the Codes on Takeovers and Mergers
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of this Agreement
“Completion Balance Sheet”	the unaudited management consolidated balance sheet of the Disposed Group made up as at the close of business on the Completion Date and to be prepared by the Disposed Group
“Completion Date”	any date falling on the third Business Day after the conditions precedent referred to in Clause 4.1 have been fulfilled or such other date as agreed between the parties hereto
“Deed of Novation and Waiver”	the deed of novation and waiver to be entered into between Norray, the Company,

the Vendor and the relevant member of the Disposed Group immediately before Completion pursuant to which (i) the obligations and liabilities of the Vendor Debt will be novated to the Company, and (ii) the obligations and liabilities of the Norray Debt borne by Norray to the relevant member of the Disposed Group will be waived and discharged in full, an agreed form of which is set out in Schedule 3

“Deed of Capitalisation”

the deed of capitalisation to be entered into between the Vendor and the Company immediately before Completion but after execution of the Deed of Novation and Waiver, pursuant to which the Company shall allot and issue such number of new shares, credited as fully paid up, to the Vendor in order to capitalise and settle the Vendor Debt in full, an agreed form of which is set out in Schedule 4

“Disposed Group”

except for Norray, the Company and its respective subsidiaries and associated companies (some of which are shown in Part B of Schedule 1) and the expression “**Disposed Group Company**” and “**member of the Disposed Group**” shall be construed accordingly

“Distribution”

subject to the reorganization of distributable reserves of the Vendor (if required), a proposed distribution of not more than HK\$45,000,000 to be declared and distributed by the Vendor to its shareholders whose names appear on the the Vendor’s register of members at the close of business on a record date to be determined by the Vendor which shall fall on or before the completion date of the Sale and Purchase Agreement and the Completion Date;

“EGM”

an extraordinary general meeting of the Vendor to be convened and held of the necessary resolutions to approve, among others, (i) this Agreement and the transactions contemplated hereunder; and (ii) the payment of the Distribution

“Encumbrance”	any mortgage, charge, pledge, lien, (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any delegate of the Executive Director
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	holders of the shares of HK\$0.1 each in the issued share capital of the Vendor other than the New Controlling Shareholder, the Original Controlling Shareholders, the Purchaser and their respective associates and ultimate beneficial owners, and other persons who are required to abstain from voting at the EGM pursuant to the GEM Listing Rules, the Code or other applicable securities regulations
“Leased Properties”	the properties, short particulars of which are set out in Part B of Schedule 6
“Owned Properties”	the properties, short particulars of which are set out in Part A of Schedule 6
“Properties”	collectively, the Owned Properties and the Leased Properties;
“Sale Shares”	the entire issued share capital of the Company beneficially held by the Vendor immediately before Completion (including but not limited to the Share(s) issued to the Vendor pursuant to the Deed of Capitalisation)

“SFC”	Securities and Futures Commission of Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning to this term under the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)
“this Agreement”	this agreement for the sale and purchase of the Sale Shares, as amended from time to time
“Warranties”	the representation and warranties set out in Clause 7 and Schedule 2
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of United States

1.2 References herein to Clauses and Schedule are to clauses in and schedule to this Agreement unless the context requires otherwise and the Schedule to this Agreement shall be deemed to form part of this Agreement.

1.3 The expressions the “Vendor” and the “Purchaser” shall, where the context permits, include their respective successors and personal representatives.

1.4 The headings are inserted for convenience only and shall not affect the construction of this Agreement.

1.5 Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing a gender include every gender.

1.6 In this Agreement, any reference to a document in the “agreed form” is to a form of the relevant document which is in form and substance satisfactory to the Vendor and the Purchaser.

## **2. SALE OF THE SALE SHARES**

2.1 Subject to and upon the terms and conditions of this Agreement, the Vendor shall as beneficial owner sell and the Purchaser shall purchase the Sale Shares with effect from Completion free from all Encumbrances and together with all rights thereafter.

2.2 The Vendor shall not be obliged to sell any of the Sale Shares unless the sale and purchase of all the Sale Shares are completed simultaneously.

### **3. CONSIDERATION**

- 3.1 The consideration for the sale and purchase of the Sale Shares shall be the sum of HK\$40,000,000, which shall be paid to the Vendor in cash by the Purchaser or its nominee on Completion.
- 3.2 The Purchaser shall procure the Disposed Group to prepare at the Disposed Group's own costs the Completion Balance Sheet on the same accounting bases and in accordance with the same accounting and valuation principles and practices as the latest published audited accounts of the Vendor and provide the Completion Balance Sheet to the Vendor and the Purchaser within 20 Business Days after the Completion Date. If the net asset value of the Disposed Group appearing on the Completion Balance Sheet exceeds the consideration as shown in Clause 3.1 above, the Purchaser shall pay to the Vendor in cash an amount equal to such excess no later than 5 Business Days after the provision of the Completion Balance Sheet to the Vendor and the Purchaser. For the avoidance of doubt, where the net asset value of the Disposed Group appearing on the Completion Balance Sheet is less than the consideration as shown in Clause 3.1 above, the Vendor shall not be required to refund any surplus to the Purchaser. This Clause 3.2 shall survive Completion.

### **4. CONDITIONS PRECEDENT**

- 4.1 Completion is conditional upon the fulfillment of the following conditions:
- (a) the passing by the Independent Shareholders at the EGM to approve (i) this Agreement and the transactions contemplated hereunder; and (ii) the payment of the Distribution;
  - (b) the consent of the Executive in relation to this Agreement and the transactions contemplated hereunder as a "special deal" under Rule 25 of the Code having been obtained and not revoked prior to Completion;
  - (c) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of this Agreement and the transactions contemplated hereby having been obtained;
  - (d) all necessary consents and approvals required to be obtained on the part of the Vendor in respect of this Agreement and the transactions contemplated hereby having been obtained;
  - (e) the Sale and Purchase Agreement having become unconditional (save for the condition for this Agreement to become unconditional);
  - (f) the Reorganisation having been completed in a manner satisfactory to the Vendor and the Purchaser;



- (g) the Deed of Novation and Waiver having been executed and the transactions contemplated thereunder having been completed in a manner satisfactory to the Vendor and the Purchaser;
- (h) the Deed of Capitalisation having been executed and the transactions contemplated thereunder having been completed in a manner satisfactory to the Vendor and the Purchaser; and
- (i) the Warranties remaining true and accurate in all material respects.

4.2 The Purchaser may waive the condition in Clause 4.1(i) at any time by notice in writing to the Vendor. Save as hereinabove, none of the conditions in Clauses 4.1 are capable of being waived by any party hereto. The Vendor shall use its best endeavours to procure the fulfilment of the conditions in Clauses 4.1(a), (b), (d), (f), (g), (h) and (i), and the Purchaser shall use its best endeavours to procure the fulfilment of the conditions in Clauses 4.1(c), (e), (f) and (g) and (h).

4.3 If the conditions set out in Clause 4.1 have not been satisfied on or before 4:00 p.m. on 30 June 2011, or such other date as the Purchaser and the Vendor may agree, this Agreement shall cease and determine (save and except Clauses 6, 10, 16 and 18 which shall continue to have full force and effect) and thereafter neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

## 5. **COMPLETION**

5.1 Upon compliance with or fulfilment or waiver of all the conditions set out in Clause 4.1, Completion shall take place at the office of the Vendor's solicitors in Hong Kong at 14/F, Printing House, 6 Duddell Street, Central, Hong Kong or such other place as the parties may mutually agree on the Completion Date.

5.2 At Completion, the Vendor shall deliver or cause to be delivered to the Purchaser:

- (a) instrument(s) of transfer in respect of the transfer of the Sale Shares duly executed by the Vendor in favour of the Purchaser (or its nominee);
- (b) original share certificate(s) in the name of the Vendor in respect of the Sale Shares;
- (c) the certificate of incorporation, the certificate of incorporation in change of name, the current business registration certificate, common seal, rubber chop, minutes book, register of directors, register of members and transfer and share certificate book of each member of the Disposed Group which are in the possession of the Vendor;
- (d) all the statutory books, books of account, financial records and documents of and relating to each member of the Disposed Group which are in the possession of the Vendor;

- (e) the documents of title to the Properties of and relating to each member of the Disposed Group which are in the possession of the Vendor
- (f) copy, certified by a director of the relevant Disposed Group Company as true and complete, of the resolutions of the board of directors of the relevant Disposed Group Company referred to in Clause 5.3;
- (g) copy, certified as true and complete by a director of the Vendor, of resolutions of the board of directors of the Vendor approving this Agreement and the transactions contemplated hereunder and other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf;
- (h) if required by the Purchaser, the written resignation(s) of all director(s) and company secretary(ies) of each of the Disposed Group Companies together with a written acknowledgement under seal from each of them respectively that he has no claims against the relevant member of the Disposed Group whether by way of compensation, remuneration, severance payments, expenses, damages or otherwise;
- (i) one original of the Deed of Novation and Waiver duly executed by the relevant parties thereto; and
- (j) one original of each of the Deed of Capitalisation duly executed by the relevant parties thereto.

5.3 The Vendor shall use its reasonable endeavours to procure a meeting of the board of directors of the relevant Disposed Group Company to be held at which resolutions shall be passed for:

- (a) in case of the Company, the approval for the transfer of the Sale Shares to the Purchaser and the registration of such transfer, subject to the relevant instrument(s) of transfer being duly presented for registration;
- (b) the acceptance of the resignation of the director(s) and the company secretary(ies) from the post of director and company secretary of the Disposed Group Companies and the appointment of such person(s) nominated by the Purchaser as director(s) and company secretary(ies) of the Disposed Group Companies with effect from Completion; and
- (c) the amendment of all existing mandates for operation of all the bank accounts maintained by the Disposed Group in such manner as the Purchaser may require.

5.4 At Completion, the Purchaser shall:

- (a) deliver to the Vendor instrument(s) of transfer in respect of the Sale Shares duly executed by the Purchaser;

- (b) pay, or procure the payment of, the consideration as referred to in Clause 3.1 to the Vendor; and
- (d) copy, certified as true and complete by a director of the Purchaser, of resolutions of the board of directors of the Purchaser approving this Agreement and the transactions contemplated hereunder and other documents necessary for the purpose of effecting this transaction and authorising a person or persons to execute the same (with seal, where appropriate) for and on its behalf.

5.5 In the event that the Vendor or the Purchaser shall without reasonable grounds fail to do anything required to be done by it under Clauses 5.2, 5.3 and/or 5.4, without prejudice to any other right or remedy available to the Vendor or the Purchaser (as the case may be), the Vendor or the Purchaser (as the case may be) may:

- (a) defer Completion to a day not more than 14 days after the date fixed for Completion (and so that the provision of this paragraph (a) shall apply to Completion as so deferred);
- (b) proceed to Completion so far as practicable but without prejudice to the Vendor's or the Purchaser's right (as the case may be) to the extent that the Vendor or the Purchaser (as the case may be) shall not have complied with its obligations hereunder; or
- (c) terminate this Agreement without any liability on its part whereupon the other party shall indemnify and keep that party indemnified in respect of all fees, costs and expenses (including reasonable legal fees) reasonably and properly incurred by that party in connection with the negotiations, preparation and execution of this Agreement prior to such termination.

## **6. RESTRICTION ON ANNOUNCEMENTS**

6.1 Each of the parties undertakes to the other that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law or any rule of any relevant stock exchange body, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of any of the others which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

6.2 No public announcement or communication of any kind shall be made in respect of the subject matter of this Agreement unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange, SFC or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock

Exchange, SFC or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

**7. WARRANTIES**

7.1 The Vendor hereby represents and warrants to the Purchaser that the Warranties are true and correct in all material respects at the date of signing of this Agreement and that the Warranties shall survive Completion.

7.2 The Vendor hereby agrees that each of the Warranties shall be construed as a separate and independent representation and warranty and, except where expressly otherwise stated, no provision in any Warranties shall govern or limit the extent or application of any other provision in any Warranties.

7.3 The Purchaser hereby acknowledges that, save for the Warranties, the Vendor shall not provide any other warranties in relation to the Disposed Group Companies.

7.4 Subject to Completion having taken place in accordance with this Agreement, the Purchaser hereby covenants with and undertakes to the Vendor to use its reasonable endeavours to, forthwith upon reasonable request of the Vendor, procure the due and punctual delivery of the financial statements or other relevant documents of the members of the Disposed Group to the Vendor, so as to enable the Vendor to prepare (i) the audited consolidated financial statements of the Vendor for the year ending 31 March 2011 and (ii) the annual report of the Vendor for the year ending 31 March 2011 in compliance with the memorandum and articles of association of the Company and the GEM Listing Rules.

**8. LIMITATION OF WARRANTIES**

8.1 The liability of the Vendor in respect of any breach of any Warranties shall be limited as provided in this Clause 8.

8.2 The Vendor shall not be liable for any claim in respect of the Warranties and this Agreement unless:

- (a) the Vendor shall have received from the Purchaser written notice of such claim specifying in reasonable details 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 a period of one month after the Completion Date;
- (b) the aggregate amount of liability of the Vendor for all claims made in connection with this Agreement shall not exceed the consideration actually received by the Vendor in accordance with this Agreement; and
- (c) in respect of any claims for breach of Warranties, the Vendor shall not be liable for any individual claim which does not exceed HK\$100,000 provided that, where the amount or the aggregate amount of one or more

of such individual claims exceeds HK\$100,000 the Vendor shall be liable for the full amount of all such claims

- 8.3 Notwithstanding any provision herein, the liability of the Vendor in connection with the Warranties and this Agreement shall cease on the expiration of one month after the Completion Date except in respect of the matters which have been the subject of a bona fide claim in writing notified to the Vendor in compliance with Clause 8.2(a) as before such date.
- 8.4 The Vendor shall not be liable under the Warranties and this Agreement to the extent that any depletion, diminution or reduction in the value or amount of any of the assets of the relevant Disposed Group Company occurs as a result of or is otherwise attributable to:
- (a) any change of law or legislation after the date hereof which takes effect retroactively;
  - (b) any voluntary act, omission or transaction of the relevant Disposed Group Company occurring before Completion at the written request or direction of the Purchaser; or
  - (c) any change of the applicable accounting standards, principles and practise generally accepted after the date hereof which takes effect retroactively.
- 8.5 The Purchaser shall reimburse to the Vendor an amount equal to any sum paid by the Vendor to satisfy any claim under the Warranties which is subsequently recovered by or paid to the Purchaser or the relevant Disposed Group Company by any third party after deducting all reasonable costs and expenses incurred by the Purchaser and/or the Company arising from or incidental to the recovery of such amount from the third party.
- 8.6 The Warranties shall be actionable only by the Purchaser and no other persons shall be entitled to make any claim or take any action whatsoever against the Vendor under, arising out of, or in connection with any of the Warranties.
- 8.7 The Purchaser shall immediately and shall forthwith procure the relevant Disposed Group Company to inform the Vendor in writing of any fact, matter, event or circumstance which comes to its notice or to the notice of the relevant Disposed Group Company whereby it appears that the Vendor is or may become liable to make any payment under the Warranties and shall not settle or compromise such claim without the prior written consent of the Vendor. At the request in writing by the Vendor, the Purchaser shall, subject to the Purchaser and the relevant Disposed Group Company being indemnified to the Purchaser's reasonable satisfaction against any liability, costs, damages or expenses which may be incurred, take such action as the Vendor may reasonably request to avoid, dispute, resist, compromise or defend the claim or liability for which the Vendor may be or become directly or indirectly liable or responsible and the Purchaser shall further render or cause to be rendered to the Vendor all such assistance as the Vendor may reasonably require in connection with the foregoing.

**9. FURTHER ASSURANCE**

Each of the parties hereto shall at its own cost execute, do and perform or procure to be executed, done and performed by other necessary parties all such further acts, agreements, assignments, assurances, deeds and documents as the other party hereto may reasonably require to vest effectively the legal and beneficial ownership of the Sale Shares in the Purchaser free from all Encumbrances.

**10. NOTICES**

10.1 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, email or personal delivery to its address, fax number or email address 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 party):

To the Vendor:           Address :   Block A, 4<sup>th</sup> Floor,  
Eastern Sea Industrial Building,  
29-39 Kwai Cheong Road,  
Kwai Chung,  
New Territories, Hong Kong

Fax Number       : (852) 2185 6141

Attention         : Board of Directors

To the Purchaser:       Address :   Block A, 4<sup>th</sup> Floor,  
Eastern Sea Industrial Building,  
29-39 Kwai Cheong Road,  
Kwai Chung,  
New Territories, Hong Kong

Fax Number       : (852) 2185 6141

Attention         : Board of Directors

10.2 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 party (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 and by email.

**11. TIME AND NO WAIVER**

Time shall in every respect be of the essence of this Agreement but no failure on the part of any party hereto to exercise, and no delay on its part in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial

exercise of any right under this Agreement preclude any other or further exercise of it or the exercise of any other right(s) or prejudice or affect any right(s) against any other parties hereto under the same liability, whether joint, several or otherwise. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

**12. INVALIDITY**

If at any time any one or more of the provisions of this Agreement is/are or become(s) illegal, invalid or unenforceable in any respect under laws of any jurisdiction, the legality, validity or enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

**13. AMENDMENTS**

This Agreement shall not be amended, supplemented or modified except by instruments in writing signed by each of the parties hereto.

**14. ASSIGNMENT**

This Agreement shall be binding on and enure to the benefit of each party hereto and its respective successors and permitted assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

**15. ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties hereto with respect to the matters dealt with herein and supersedes any previous agreements, arrangements, statements or transactions between the parties hereto in relation to the subject matters hereof.

**16. COSTS AND STAMP DUTY**

16.1 Each party shall bear its own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Agreement and all documents incidental or relating to Completion.

16.2 All stamp duty (if any) payable in respect of the sale and purchase of the Sale Shares shall be borne by the Purchaser and the Vendor in equal shares.

**17. COUNTERPARTS**

This Agreement may be entered into 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 executing any such counterpart.

**18. GOVERNING LAW AND JURISDICTION**


- 18.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 18.2 The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.



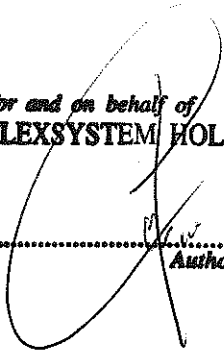
IN WITNESS WHEREOF this Agreement has been executed on the day and year first above written.

**THE VENDOR**

SIGNED by )  
 )  
for and on behalf of )  
 )  
FLEXSYSTEM HOLDINGS )  
LIMITED )  
 )  
in the presence of: )


  
CHAN WING KIT  
a Solicitor of the High Court of the  
Hong Kong Special Administrative Region  
MICHAEL LI & CO.

*For and on behalf of*  
**FLEXSYSTEM HOLDINGS LIMITED**  
.....  
*Authorized Signature(s)*

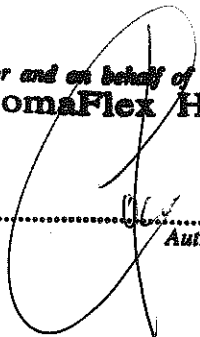


**THE PURCHASER**

SIGNED by )  
 )  
for and on behalf of )  
 )  
SOMAFLEX HOLDINGS INC. )  
 )  
in the presence of: )

  
NGAW HIU YUE HUGO  
a Solicitor of the High Court of the  
Hong Kong Special Administrative Region  
Winnie Mak, Chan & Yeung

*For and on behalf of*  
**SomaFlex Holdings Inc.**  
.....  
*Authorized Signature(s)*



**SCHEDULE 1**

**PART A**

**PARTICULARS OF THE COMPANY**

<b>Company name:</b>	SomaFlex International Inc.
<b>Place of incorporation:</b>	British Virgin Islands
<b>Company no.:</b>	386415
<b>Date of incorporation:</b>	8 May 2000
<b>Registered office:</b>	Romasco Place, Wickhams Cay I, P.O. Box 3140, Road Town, Tortola, British Virgin Islands
<b>Authorised capital:</b>	US\$50,000 divided into 50,000 shares of US\$1.00 each
<b>Issued capital:</b>	US\$1 divided into 1 share of US\$1.00 each
<b>Shareholder(s):</b>	The Vendor (1 Share) (100%)
<b>Director(s):</b>	Lok Wai Man
<b>Nature of business:</b>	Investment holdings

**SCHEDULE 1**

**PART B**

**CURRENT STRUCTURE OF THE VENDOR GROUP**



## **SCHEDULE 2**

### **THE WARRANTIES**

1. The Vendor is the sole beneficial owner of the Sale Shares. The Sale Shares are free from all Encumbrances and the same is freely transferable by the Vendor without the consent, approval, permission, licence or concurrence of any third party.
2. The Vendor is duly incorporated, constituted and legally subsisting under the laws of its place of incorporation and establishment and there has been no resolution or petition or order for the winding up of the Vendor and no receiver has been appointed in respect of any part of the assets of the Vendor prior to and at Completion.
3. The Vendor has full power and authority to enter into and perform this Agreement and the transactions contemplated hereunder and the provisions of this Agreement, when executed, will constitute valid and binding obligations on the Vendor in accordance with its terms.
4. The execution and delivery of, and the performance by the Vendor of its obligations under, this Agreement will not result in a breach of any order, judgment or decree of any court or governmental agency to which the Vendor is a party or by which it is bound.

**SCHEDULE 3**

**DEED OF NOVATION AND WAIVER**

**DATE:** \_\_\_\_\_

**[FLEXSYSTEM LIMITED]**

**and**

**SOMAFLEX INTERNATIONAL INC.**

**and**

**NORRAY PROFESSIONAL COMPUTER LIMITED**

**and**

**FLEXSYSTEM HOLDINGS LIMITED**

---

**DEED OF NOVATION AND WAIVER**

---

**Michael Li & Co.  
14<sup>th</sup> Floor  
Printing House  
6 Duddell Street  
Central  
Hong Kong  
(Ref: CCL/KIT/104814)**

**THIS DEED** is made on

**BETWEEN**

- (1) **[FLEXSYSTEM LIMITED]**, a company incorporated in Hong Kong with limited liability whose registered office and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong ("**FlexSystem HK**");
- (2) **SOMAFLEX INTERNATIONAL INC.**, a company incorporated in the British Virgin Islands with limited liability whose registered office is at Romasco Place, Wickhams Cay I, P.O. Box 3140, Road Town, Tortola, British Virgin Islands and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong ("**SomaFlex**");
- (3) **NORRAY PROFESSIONAL COMPUTER LIMITED**, a company incorporated in Hong Kong with limited liability whose registered office is at Flat A, 3<sup>rd</sup> Floor, JCG Building, 16 Mongkok Road, Kowloon, Hong Kong ("**Norray**"); and
- (4) **FLEXSYSTEM HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong ("**FlexSystem Holdings**").

**WHEREAS:**

- (A) Pursuant to the terms of an agreement (the "**Agreement**") entered into between the FlexSystem Holdings and SomaFlex Holdings Inc. dated [5] January 2011 in relation to the sale and purchase of the entire issued shares of SomaFlex, the parties hereto shall enter into this Deed. As at the date hereof, (i) Norray is indebted to the FlexSystem HK a sum of HK\$[437,827.25] (the "**Norray Debt**"), which is repayable on demand and non-interest bearing; and (ii) FlexSystem HK is indebted to FlexSystem Holdings a sum of HK\$[79,554,284.73] (the "**Somaflex Debt**"), which is repayable on demand and non-interest bearing.
- (B) FlexSystem HK is desirous of being released and discharged from its obligations and liabilities under the Somaflex Debt to FlexSystem Holdings, and FlexSystem Holdings has agreed to release and discharge FlexSystem HK from all its obligations and liabilities under the Somaflex Debt with effect from the date hereof upon SomaFlex undertaking to perform its obligations and liabilities under the Somaflex Debt and to be bound by the terms and conditions thereof as if SomaFlex were the borrower of Somaflex Debt in lieu of FlexSystem HK.
- (C) Norray is desirous of being released and discharged from its obligations and liabilities under the Norray Debt to FlexSystem HK, and FlexSystem HK has agreed to release and discharge Norray from all its obligations and liabilities under the Norray Debt

with effect from the date hereof in consideration of HK\$1.00 paid by Norray.

**NOW THIS DEED WITNESS that:**

**1. INTERPRETATION**

1.1 In this Deed (including the Recitals), unless the context otherwise requires, capitalized terms used herein shall bear the meanings attributed to each of them in the Agreement.

**2. NOVATION OF THE SOMAFLEX DEBT**

2.1 In consideration of the mutual promises, covenants and undertakings herein contained, SomaFlex hereby irrevocably and unconditionally agrees and undertakes to the FlexSystem Holdings and FlexSystem HK:

(a) to perform and discharge all obligations and liabilities on the part of FlexSystem HK to be performed and discharged under the Somaflex Debt to FlexSystem Holdings; and

(b) to assume all obligations and liabilities of FlexSystem HK under the Somaflex Debt and to satisfy all claims and demands whatsoever that may be made by FlexSystem Holdings for repayment of the Somaflex Debt as if the SomaFlex were the borrower thereof in lieu of FlexSystem HK.

2.2 In consideration of the agreement and undertaking on the part of SomaFlex herein contained, FlexSystem Holdings hereby (a) releases and discharges FlexSystem HK from all its obligations and liabilities under the Somaflex Debt and from all claims and demands whatsoever arising out of or in connection with the Somaflex Debt and (b) agrees to accept the obligations and liabilities of SomaFlex under the Somaflex Debt in lieu of the obligations and liabilities of FlexSystem HK as if the SomaFlex were the borrower of the Somaflex Debt.

**3. WAIVER OF THE NORRAY DEBT**

3.1 In consideration of HK\$1.00, FlexSystem HK hereby irrevocably and unconditionally, with effect from the date hereof, waives all its rights, titles, benefits and interests in the Norray Debt and releases and discharges Norray from all its debts, liabilities and obligations in respect of the Norray Debt and from all claims and demands whatsoever arising out of or in respect of the Norray Debt.

3.2 With effect from the date hereof, FlexSystem HK acknowledges and confirms that Norray is no longer obliged to fulfil its obligations and liabilities under the Norray Debt (including but not limited to repayment of the principal amount outstanding under the Norray Debt).

**4. GENERAL**



4.1 Each party hereby undertakes with each of the other parties that it will do all such things and execute all such documents as may be necessary or desirable to carry into effect or to give legal effect to the provisions of this Deed and the transactions hereby contemplated.

4.2 Each party hereto hereby represents and warrants to the other parties hereto that it has the full power and authority to enter into this Deed and perform the obligations hereunder.

4.3 This Deed shall enure to the benefit of and be binding on the parties hereto and their respective successors and assigns provided that none of the parties hereto shall assign or transfer or purport to assign or transfer any of their respective rights or obligations hereunder without the prior written consent of all other parties hereto.

4.4 This Deed may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Deed by signing any such counterpart.

4.5 Each of the parties hereto shall bear its own legal and professional fees, costs and expenses incurred in the negotiation, preparation and execution of this Deed.

## **5. GOVERNING LAW**

5.1 This Deed is governed by and shall be construed in accordance with the laws of Hong Kong. The parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

**IN WITNESS WHEREOF** the parties have caused their respective seals affixed unto this Deed the date first above written.

**SEALED** with the Common Seal of )  
**[FLEXSYSTEM LIMITED]** )  
and **SIGNED** on its behalf by )  
 )  
in the presence of: )

**SEALED** with the Common Seal of )  
**SOMAFLEX INTERNATIONAL INC.)**  
and **SIGNED** on its behalf by )  
 )  
and )  
in the presence of: )

**SEALED** with the Seal of )  
**NORRAY PROFESSIONAL** )  
**COMPUTER LIMITED** )  
and **SIGNED** on its behalf by )  
 )  
in the presence of: )

**SEALED** with the Common Seal of )  
**FLEXSYSTEM HOLDINGS** )  
**LIMITED** )  
and **SIGNED** on its behalf by )  
 )  
in the presence of: )

**SCHEDULE 4**

**DEED OF CAPITALISATION**

**DATE:** \_\_\_\_\_

**FLEXSYSTEM HOLDINGS LIMITED**

**and**

**SOMAFLEX INTERNATIONAL INC.**

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**DEED OF CAPITALISATION**

---

**Michael Li & Co.  
14<sup>th</sup> Floor  
Printing House  
6 Duddell Street  
Central  
Hong Kong  
(Ref: CCL/KIT/104814)**

**THIS DEED** is made

**BETWEEN:**

- (1) **SOMAFLEX INTERNATIONAL INC.**, a company incorporated in British Virgin Islands with limited liability whose registered office is at Romasco Place, Wickhams Cay I, P.O. Box 3140, Road Town, Tortola, British Virgin Islands and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong (the “**Company**”); and
- (2) **FLEXSYSTEM HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and principal place of business in Hong Kong is at Block A, 4<sup>th</sup> Floor, Eastern Sea Industrial Building, 29-39 Kwai Cheong Road, Kwai Chung, New Territories, Hong Kong (the “**Shareholder**”).

**WHEREAS:**

- (A) The Company is at the date hereof indebted to the Shareholder in the sum of HK\$[•] (the “**Shareholder’s Loan**”).
- (B) The Shareholder has agreed to subscribe for [•] shares (each a “**Share**”) of US\$[1.00] in the capital of the Company in cash at the subscription price in the sum equivalent to the amount of the Shareholder’s Loan.
- (C) It is intended by the parties hereto that the subscription price for the [•] Shares shall be satisfied by capitalising the Shareholder’s Loan and that the Company be released from its obligations and liabilities in respect of the Shareholder’s Loan subject to and upon the terms and conditions of this Deed.

**NOW THIS DEED WITNESSES AS FOLLOWS:**

- (1) This Deed is for the subscription by the Shareholder of a total of [•] Shares (each a “**Subscription Share**”) in cash at the subscription price in the sum equivalent to the amount of the Shareholder’s Loan.
- (2) Instead of the Shareholder’s Loan being repaid in cash by the Company to the Shareholder, the Company shall allot and issue [•] Subscription Shares to the Shareholder, credited as fully paid up and free from all encumbrances, and the Shareholder shall accept the [•] Subscription Shares in full satisfaction of the Shareholder’s Loan and in full discharge the Company’s obligations and liabilities under the Shareholder’s Loan.
- (3) Completion of the subscription of the [•] Subscription Shares shall take place at the office of the Company (or such other place as may be agreed between the parties) immediately following the execution of this Deed when all the acts and requirements set out in paragraphs (1) and (2) above shall be done and complied with

contemporaneously.

- (4) This Deed constitutes the entire understanding and agreement between the parties hereto and no representations or warranties, express or implied, made by or on behalf of any party to any other party in connection with or arising out of the allotment and issue of the [•] Subscription Shares and which are not contained or referred in this Deed, shall give rise to any liabilities on the part of the maker or makers thereof.
- (5) This Deed is governed by and shall be construed in accordance with laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereby irrevocably submit to the non-exclusive jurisdiction of courts of Hong Kong in relation to any proceedings arising out of or in connection with this Deed.

**IN WITNESS** whereof the parties hereto executed this Deed as of the day and year first above written.

**THE COMPANY**

**SEALED with the COMMON SEAL and** )  
 )  
**SIGNED by** )  
 )  
for and on behalf of )  
 )  
**SOMAFLEX INTERNATIONAL INC.** )  
 )  
in the presence of: )

**THE SHAREHOLDER**

**SEALED with the COMMON SEAL and** )  
 )  
**SIGNED by** )  
 )  
for and on behalf of )  
 )  
**FLEXSYSTEM HOLDINGS LIMITED** )  
 )  
in the presence of: )

## SCHEDULE 5

### PART A

#### REORGANISATION

(A) General

As at the date of this Agreement, the Company is wholly and beneficially owned by the Vendor. The current structure of the Vendor Group is provided in Part B of Schedule 1. Acting as the intermediate holding company of the Vendor, the Company beneficially holds such percentage of the issued share capital of all Group Companies in the Vendor Group (except the Vendor and itself) as shown in the organisation chart provided in Part B of Schedule 1.

(B) Agreement of the Original Controlling Shareholder and the New Controlling Shareholder

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It is agreed between the New Controlling Shareholder and the Original Controlling Shareholder that, except for Norray, all other members of the Vendor Group (except the Vendor) will be disposed of by the Vendor to the Purchaser so that these companies will no longer be part of the Vendor Group after completion of the Sale and Purchase Agreement.

(C) Separation of Norray from the Disposed Group

The Vendor will set up a new company (the “**BVI Newco**”) incorporated in the British Virgin Islands with limited liability. Such BVI Newco shall be wholly and beneficially owned by the Vendor.

Afterwards, the BVI Newco shall acquire and the Company shall dispose of all the issued shares of Norray beneficially held by the Company.

(D) Resturcturing of debts

As at the date of this Agreement, (i) the Disposed Group is indebted to the Vendor (the “**Vendor Debt**”) and (ii) Norray is indebted to the Disposed Group (the “**Norray Debt**”). As part of the Reorganisation, (i) the obligations and liabilities of the Vendor Debt will be novated to the Company; (ii) the obligations and liabilities of the Norray Debt borne by Norray to the Disposed Group will be waived and discharged in full; ; and (iii) the Vendor Debt will be capitalized in full as the share(s) of the Company. Such capitalization share(s) will be transferred by the Vendor to the Purchaser as well subject to and upon the terms and conditions of this Agreement.

In case there is any inter-company balances between the Disposed Group on one hand and Norray, BVI Newco and the Vendor on the other hand, similar method as shown above will be adopted to ensure all these inter-company balances will no longer exist between the Disposed Group on one hand and Norray, BVI Newco and

the Vendor on the other hand after completion of the Sale and Purchase Agreement and the Completion.

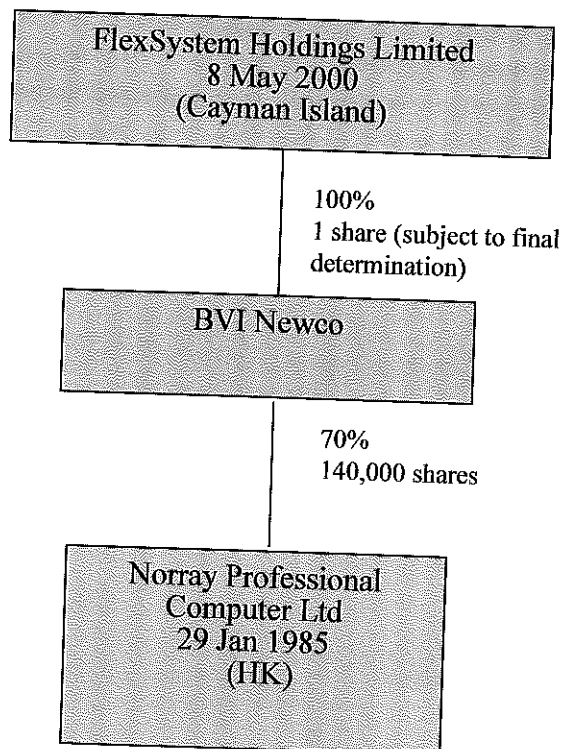


**SCHEDULE 5**

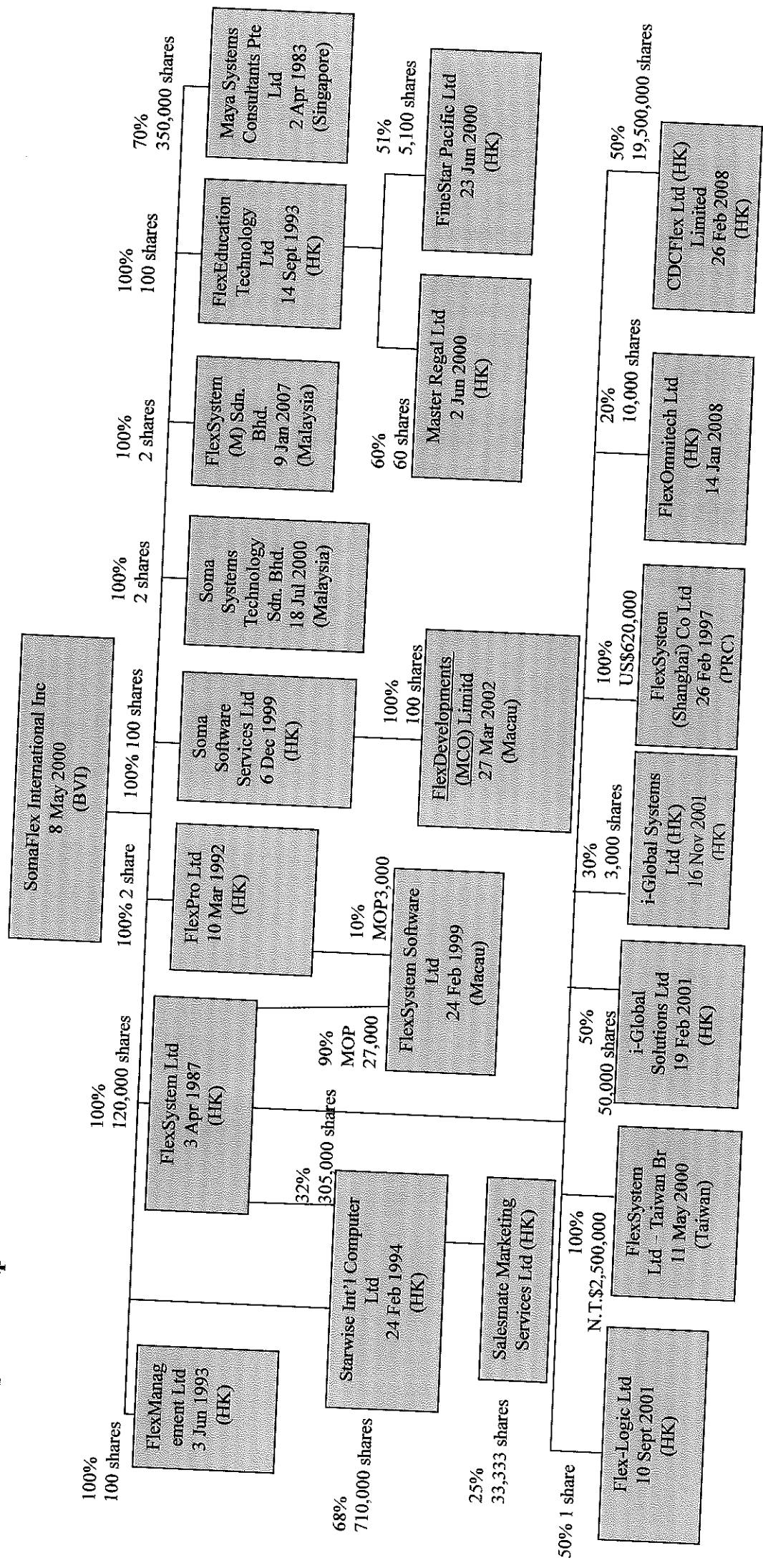
**PART B**

**STRUCTURE OF THE VENDOR GROUP AND THE DISPOSED GROUP AFTER REORGANISATION**

**A. Vendor Group**



## B. Disposed Group



## SCHEDULE 6

### PROPERTIES

#### Part A - Owned Properties

Location	Use	Name of Owner
Block A 4/F Eastern Sea Industrial Building 29-39 Kwai Cheong Road, Kwai Chung N.T., Hong Kong	Office	FlexSystem Limited

#### Part B- Leased Properties

Location	Use	Name of Owner	Name of tenant	Expiry date of the Tenancy
澳門荷蘭園二馬路友聯大廈一樓F座(A部份)	Office	VONG CACHONG KONRAIS	FlexDevelopments (Macau Commercial Offshore) Limited	01 November 2011
澳門荷蘭園二馬路友聯大廈一樓F座(B部份)	Office	VONG CACHONG KONRAIS	FlexSystem Software Limited	01 November 2011
台北復興北路三六一巷十八號一樓	Office	雅適建設股份有限公司	香港商佛萊信電腦軟體有限公司台灣分公司	31 May 2012
上海市宜山路1698號興迪商務大廈801單元	Office	上海興迪實業有限公司	佛氏電腦軟件(上海)有限公司	31 October 2015
北京市海澱區知春路9號坤訊大廈第6層602號房間	Office	北京薊門知春物業管理布限公司	佛氏電腦軟件(上海)有限公司北京分公司	09 December 2012
廣州天河路625號 天河娛樂廣場1601及1607室	Office	廣州百淘房地產有限公司	佛氏電腦軟件(上海)有限公司廣州分公司	04 August 2011
深圳市羅湖區人民南路2010號深圳發展中心大廈8樓805室	Office	利絲國際(亞洲)有限公司	佛氏電腦軟件(上海)有限公司深圳分公司	21 September 2011
Suite 2-6-3, No 2 6 <sup>th</sup> Floor Wisma Menjalara Jalan 7A/62A Bandar Manjalara 52200 Kuala Lumpur	Office	PINDAYA (M) SDN BHD	FlexSystem (M) Sdn Bhd	30 April 2011