

Dated 27th March 2006

- (1) PROSTICKS (B.V.I.) LIMITED
- (2) RAPID FALCON LIMITED

SALE & PURCHASE AGREEMENT

relating to

22,000,000 issued shares of

PROSTICKS.COM LIMITED

THIS AGREEMENT is made on the _____ day of March Two thousand and six

BETWEEN:

- (1) **PROSTICKS (B.V.I.) LIMITED**, a company incorporated in the British Virgin Islands, whose principal place of business is situate at 15th Floor, Asia Financial Centre, 120 Des Voeux Road Central, Hong Kong (the "Vendor"); and
- (2) **RAPID FALCON LIMITED**, a company incorporated in Hong Kong, whose principal place of business is situate at 11th Floor, King Fook Building, 30-32 Des Voeux Road Central, Hong Kong (the "Purchaser").

RECITALS:

- (A) The Vendor is the beneficial owner of the Sale Shares.
- (B) The Vendor has agreed to sell and the Purchaser has agreed to purchase the Sale Shares on the terms and conditions set out in this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement where the context so admits the following words and expressions shall have the following meanings:

"Business Day"	a day (excluding Saturday) on which banks are generally open for business in Hong Kong;
"Company"	ProSticks.com Limited, a company incorporated in Hong Kong with limited liability;
"Completion"	completion of the sale and purchase of the Sale Shares as specified in Clause 5;
"Convertible Bond"	the convertible bond of a principal amount of HK\$2.0 million issued by the Company and subscribed by the Purchaser in accordance with the subscription agreement dated 1 st August 2005;
"Encumbrances"	includes any option, right to acquire, right of pre-emption, mortgage, charge, pledge, lien, hypothecation, title creation, right of set-off, counterclaim, trust arrangement or other security or any equity or restriction (including any relevant restriction imposed under the relevant law);
"GEM Listing Rules"	Rules Governing the Listing of Securities on The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited;

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong;
“Parties”	the named parties to this Agreement and their respective successors and assigns;
“Sale Shares”	the 22,000,000 existing issued shares of HK\$1.00 each in the capital of the Company, being the entire share capital of the Company. Currently 21,999,999 shares are registered in the name of the Vendor and 1 share in the name of LI CHING PING VINCENT holding in trust of the Vendor.

- 1.2 Save where the context otherwise requires words and phrases the definitions of which are contained shall be construed as having the meaning thereby attributed to them.
- 1.3 Any references, expressed or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared.
- 1.4 Headings are inserted for convenience only and shall not affect the construction of this Agreement.
- 1.5 The expressions “the Vendor” and “the Purchaser” include their respective successors and permitted assigns.
- 1.6 References to:
- 1.6.1 Clauses are to clauses in this Agreement (unless the context otherwise requires) and the Recitals to this Agreement shall be deemed to form part of this Agreement; and
- 1.6.2 “person” shall include body corporate, unincorporated association and partnership (whether or not having separate legal personality).

2. SALE AND PURCHASE OF SALE SHARES

Subject to the terms of this Agreement, the Vendor shall sell as beneficial owner of the Sale Shares and the Purchaser shall purchase the Sale Shares, free from all Encumbrances and together with all rights now or hereafter attaching to them including all rights to any dividend or other distribution declared, made or paid after the date of this Agreement.

3. CONSIDERATION

The total consideration for the Sale Shares shall be HK\$2,000,000.00, which shall be settled by the Purchaser at Completion by setting off the Convertible Bond.

4. CONDITIONS PRECEDENT

4.1 Completion of the sale and purchase of the Sale Shares is conditional upon:

- (i) the passing by such shareholders of ProSticks International Holdings Limited as may be permitted to vote thereon of an ordinary resolution approving this Agreement and the transactions contemplated hereunder in accordance with the requirements of the GEM Listing Rules and as may be required by any applicable law, rules or regulations; and
- (ii) all necessary consents being granted by third parties (including governmental or official authorities) and no statute, regulation or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Shares having been proposed, enacted or taken by any governmental or official authority.

4.2 In the event that any of the conditions precedent in Clause 4.1 shall not have been fulfilled prior to [30th June 2006] or a later date agreed mutually by both Parties, then the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and this Agreement shall cease to be of any effect except Clause 8 which shall remain in force and save in respect of claims arising out of any antecedent breach of this Agreement.

5. COMPLETION

5.1 At Completion, which shall take place on the fulfilment of Conditions Precedent at Clause 4

5.1.1 the Vendor shall deliver or procure the delivery to the Purchaser:

- (i) duly executed transfer and sold notes in respect of all of the 21,999,999 Shares in favour of the Purchaser;
- (ii) a declaration of trust by LI CHING PING VINCENT holding one share on behalf of the Purchaser
- (iii) original share certificate(s) for the Sale Shares in the name of the Vendor;
- (iv) a certified true copy of the resolutions or minutes of the board of directors of the Vendor in relation to the approval for the execution of this Agreement and the registration of the transfer of the Sale Shares to the Purchaser upon due presentation;

- (v) such other documents as may be required to give a good and effective transfer of title to the Sale Shares to Purchaser and to enable them to become the registered holder thereto; and
- (vi) such of the statutory, share certificate and minute books of the Company, its rubber chop, its Common Seal, Certificate of Incorporation, Business Registration Certificate, copies of its Memorandum and Articles of Association, cheque books and books of account (all complete and written up to the Completion Date), copies of all tax return(s) filed, all correspondence with the Company's tax advisers and/or auditors, all correspondence with the Inland Revenue Department, all other information and documents regarding taxation, and all current insurance policies and contracts (if any) to which the Company is a party as shall not have been delivered to the Purchaser prior to the Completion Date.

5.1.2 subject to compliance of Clause 5.1.1 by the Vendor, the Purchaser shall deliver to the Vendor:

- (i) a certified true copy of the resolutions or minutes of the board of directors of the Purchaser in relation to the approval for the execution of this Agreement; and
- (ii) the Convertible Bond for cancellation.

6. WARRANTIES

- 6.1 The Vendor hereby represents, warrants and undertakes to and with the Purchaser that each of the statements set out in Clause 6 is true and accurate as at the date hereof and at Completion.
- 6.2 Each of the warranties set out in Clause 6 shall constitute a separate and independent warranty to the intent that the Purchaser shall have a separate claim and right of action in respect of every breach of any of the warranties and no warranty shall limit or govern the extent or application of any other warranty.
- 6.3 The Vendor has full power to enter into and perform this Agreement and this Agreement shall, when executed, constitute legal, valid and binding obligations on the Vendor in accordance with its terms.
- 6.4 The Sale Shares are issued fully paid or credited as fully paid and are beneficially owned by the Vendor free from all Encumbrances and the same are freely transferable by the Vendor without the consent, approval, permission, license or concurrence of any third party.
- 6.5 The Vendor is the sole legal and beneficial owner of the Sale Shares and is entitled to sell and transfer the full legal and beneficial ownership of the same to the Purchaser.
- 6.6 The Company has not incurred any contingent liabilities or forward commitments or given any guarantees, otherwise than in the ordinary course of its business.

- 6.7 The Company has no mortgages charges liens or other encumbrances secured over any of its assets.
- 6.8 No litigation, arbitration or administrative proceedings against the Company is taking place, pending or, to the knowledge of the Company, threatened against the Company, or against any assets of the Company which could have a material adverse effect on the business, assets or financial condition of the Company.
- 6.9 No order has been made or petition presented or resolution passed for winding up of the Company.
- 6.10 All books and accounts of the Company are properly kept and the books and records of the Company accurately present and reflect in accordance with generally accepted accounting principles and standards in Hong Kong.
- 6.11 The Company has complied in full all legal requirements to file tax returns and the Company has paid all tax, if any, for which it is liable to account to the Hong Kong Inland Revenue Department or other fiscal authority of any jurisdiction on the due date for payment thereof and is under no liability to pay any penalty or interest in connection therewith.

7. RESTRICTION ON ANNOUNCEMENTS

Each Party undertakes that it shall not (save as required by law or by any securities exchange or any supervisory or regulatory body to whose rules any of the Parties is subject) make any announcement in connection with this Agreement unless the other Party shall have given its consent to such announcement (which consent may not be unreasonably withheld or delayed and may be given either generally or in a specific case or cases and may be subject to conditions).

8. CONFIDENTIALITY OF INFORMATION

- 8.1 Each Party undertakes with the other Party that it shall treat as strictly confidential all information received or obtained by it or its employees, agents or advisers as a result of entering into or performing this Agreement including information relating to the provisions of this Agreement, the negotiations leading up to this Agreement, the subject matter of this Agreement or the business or affairs of the other Party or any member of the other Party' group of companies and that it shall not at any time hereafter make use of or disclose or divulge to any person any such information and shall use its best endeavours to prevent the publication or disclosure of any such information.
- 8.2 The restrictions contained in this Clause 8 shall not apply so as to prevent any Party from making any disclosure required by law or by any securities exchange or supervisory or regulatory or governmental body pursuant to rules to which the relevant Party is subject or making any disclosure to any professional adviser for the purposes of obtaining advice (provided always that the provisions of this Clause 8 shall apply to and each Party shall procure that it applies to and is observed in relation to, the use or disclosure by such professional adviser of the information provided to

him) nor shall the restrictions apply in respect of any information which comes into the public domain otherwise than by a breach of this Clause 8 by such Party.

9. **COSTS**

Each Party to this Agreement shall pay its own costs of and incidental to this Agreement and the sale and purchase hereby agreed to be made. The stamp duty in respect of the Sale Shares shall be payable by the Vendor and the Purchaser in equal shares.

10. **GENERAL**

- 10.1 This Agreement shall be binding upon and enure for the benefit of the estates, personal representatives or successors of the Parties.
- 10.2 This Agreement (together with any document referred to herein or executed contemporaneously by the Parties in connection herewith) constitutes the whole agreement between the Parties and supersedes any previous agreements or arrangements between them relating to the subject matter hereof. It is expressly declared that no variations hereof shall be effective unless made in writing signed by duly authorised representatives of the Parties.
- 10.3 All of the provisions of this Agreement shall remain in full force and effect notwithstanding Completion (except insofar as they set out obligations which have been fully performed at Completion).
- 10.4 If any provision or part of a provision of this Agreement shall be, or be found by any authority or court of competent jurisdiction to be, invalid or unenforceable, such invalidity or unenforceability shall not affect the other provisions or parts of such provisions of this Agreement, all of which shall remain in full force and effect.
- 10.5 No failure of a Party to exercise, and no delay or forbearance in exercising, any right or remedy in respect of any provision of this Agreement shall operate as a waiver of such right or remedy.
- 10.6 This Agreement may be executed in one or more counterparts, and by the Parties on separate counterparts, but shall not be effective until each Party has executed at least one counterpart and each such counterpart shall constitute an original of this Agreement but all the counterparts shall together constitute one and the same instrument.

11. **NOTICES**

- 11.1 Any notice required to be given by a Party to the other Party shall be deemed validly served by hand delivery or by prepaid registered letter sent through the post (airmail if to an overseas address) or by facsimile transmission to its address given herein or such other address as may from time to time be notified for this purpose and any notice served by hand shall be deemed to have been served on delivery, any notice served by facsimile transmission shall be deemed to have been served when sent and any notice served by prepaid registered letter shall be deemed to have been served 48

hours (72 hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted and in proving service it shall be sufficient (in the case of service by hand and prepaid registered letter) to prove that the notice was properly addressed and delivered or posted, as the case may be, and in the case of service by facsimile transmission to prove that the transmission was confirmed as sent by the originating machine.

- 11.2 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or fax number 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 : ProSticks (B.V.I.) Limited
Address: 15th Floor, Asia Financial Centre
120 Des Voeux Road Central
Hong Kong
Attention: The Board of Directors
Tel. No.: (852) 2866 8630
Fax No.: (852) 2866 2888

To the Purchaser : Rapid Falcon Limited
Address: 11th Floor, 30-32 Des Voeux Road Central,
Hong Kong
Attention: The Board of Directors
Tel. No.: (852) 2810 6704
Fax No.:

12. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the Parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts for the purpose of enforcing any claim arising hereunder.

IN WITNESS whereof the Parties executed this Agreement the day and year first above written.

THE VENDOR

SIGNED by)

on behalf of)
PROSTICKS (B.V.I.) LIMITED)
in the presence of:)

)
)
) For and on behalf of
ProSticks (B.V.I.) Limited

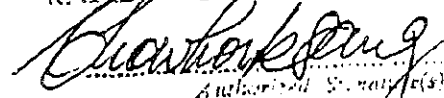
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) 
) _____
) *Authorized Signature(s)*

THE PURCHASER

SIGNED by)

on behalf of)
RAPID FALCON LIMITED)
in the presence of:)

)
) For and on behalf of
成發有限公司
RAPID FALCON LIMITED

)
) 
) _____
) *Authorized Signature(s)*