

# AGREEMENT FOR SALE AND PURCHASE OF SHARES

*Relating to MyKRIS Net (MSC) Sdn. Bhd.  
and MyKRIS Asia Sdn. Bhd.*

## PARTIES

1. MYKRIS LIMITED
  
2. MYKRIS INTERNATIONAL SDN.  
BHD.

AGREEMENT dated 28 August 2015

## PARTIES

1. MYKRIS LIMITED (*Vendor*)
  
2. MYKRIS INTERNATIONAL SDN. BHD. (*Purchaser*)

## INTRODUCTION

- A. The Vendor has agreed to sell and the Purchaser has agreed to purchase the Vendor's Shares in the Subsidiaries on the terms set out in this agreement.
  
- B. To satisfy the Purchase Price for the Vendor's Shares in the Subsidiaries, the Purchaser has agreed, on the terms set out in this agreement:
  - (a) To transfer back to the Vendor the Purchaser's Shares in the Vendor (being 56.7% of the shares in the Vendor);
  
  - (b) To procure that there is also transferred back to the Vendor the Other Shares in the Vendor to be Transferred Back to the Vendor (being 23.3% of the shares in the Vendor) or, alternatively, in relation to all or any of them, to pay cash in accordance with clause 2.2.2; and
  
  - (c) Pay the Vendor \$480,000 in cash.

## TERMS

### 1. *Definitions and Interpretation*

1.1 *Definitions.* In this agreement, unless the context otherwise requires the following terms will have the following meanings:

*Business Day* Any day other than a Saturday, Sunday or statutory public holiday in Auckland.

*Completion* Completion of the sale and purchase of the Vendor's Shares in the Subsidiaries in accordance with clause 5 or, as the context may require, the point in time at which such completion takes place.

*Completion Date* Subject to the Condition being satisfied in accordance with clause 3.1 (or waived in accordance with clause 3.2) on or before the date specified in clause 3.5 for satisfaction of the Condition, 14 days after the Condition has been so satisfied or waived or such later date as may be agreed in writing between the parties.

*Condition* The Condition set out in Schedule 1.

*Meeting* The meeting to be convened to satisfy the Condition.

<i>MyKRIS Asia</i>	MyKRIS Asia Sdn. Bhd.
<i>MyKRIS Net</i>	MyKRIS Net (MSC) Sdn. Bhd.
<i>NZAX</i>	The alternative market operated by NZX.
<i>NZAX Listing Rules</i>	The rules governing the NZAX.
<i>NZX</i>	NZX Limited.
<i>Other Shares in the Vendor to be Transferred Back to the Vendor</i>	14,471,535 ordinary shares in the Vendor legally and beneficially owned by persons other than the Purchaser, or such lesser number as the Purchaser needs to procure to be transferred to the Vendor under clause 2.2.2 as a result of the Purchaser paying in cash under clause 2.2.2 all or part of that part of the Purchase Price that is to be satisfied under clause 2.2.2.
<i>Purchase Price</i>	NZ\$12,904,020.
<i>Purchaser's Shares in the Vendor</i>	35,224,545 ordinary shares in the Vendor legally and beneficially owned by the Purchaser.
<i>Security Interest</i>	(a) In respect of any personal property, a security interest (as defined in the Personal Property Securities Act 1999

(PPSA));

- (b) In respect of any other property or any rights in any other property (in each case to which the PPSA does not apply), any interest which, were the PPSA to apply to that property or those rights, would constitute such a security interest.

*Subsidiaries*

MyKRIS Net and MyKRIS Asia.

*Vendor's Shares in the Subsidiaries*

- (a) 300,000 issued and fully paid up ordinary shares in the capital of MyKRIS Net (being 100% of the issued and fully paid up ordinary shares in MyKRIS Net);

- (b) 500,000 issued and fully paid up ordinary shares in the capital of MyKRIS Asia (being 25% of the issued and fully paid up ordinary shares in MyKRIS Asia);

1.2 *Interpretation:* In the interpretation of this agreement, unless the context otherwise requires:

1.2.1 A *person* includes an individual, body corporate, an association of persons (whether corporate or not), a trust, a partnership, a state, an

agency of a state and any other entity (in each case, whether or not having separate legal personality);

1.2.2 References to the parties means the Vendor and the Purchaser and includes their respective executors, administrators, successors and permitted assignees;

1.2.3 Words in the singular will include the plural and vice versa. Words importing one gender will include the other genders;

1.2.4 Any obligation not to do anything includes an obligation not to suffer, permit or cause that thing to be done;

1.2.5 Headings have been inserted for convenience only and do not affect the construction of this agreement;

1.2.6 References to clauses and schedules are to be construed as references to the same in this agreement;

1.2.7 References to currency or \$ are to New Zealand dollars unless otherwise expressly stated;

1.2.8 *Including* and similar terms do not imply limitation;

1.2.9 *Writing* including an email communication and any means of reproducing words in a tangible and permanently visible form;

1.2.10 Any legislation includes a modification of and re-enactment of, legislation enacted in substitution for, and a regulation, Order in

Council and other instrument issued from time to time issued or made under, that legislation; and

1.2.11 References to dates and times are to New Zealand dates and times.

1.3 If any act under this agreement to be done by a party on or by a given day is done after 5.00pm on that day, it is taken to be done on the next Business Day.

1.4 If an event must occur on a stipulated day which is not a Business Day then the stipulated day will be taken to be the next Business Day.

## 2. *Sale and Purchase of Shares*

2.1 *Sale:* The Vendor will sell the Vendor's Shares in the Subsidiaries to the Purchaser for the Purchase Price on the terms of this agreement.

2.2 *Satisfaction of Purchase Price:* The Purchaser will satisfy the Purchase Price on Completion as follows:

2.2.1 As to \$8,806,136.25, by transferring back to the Vendor the Purchaser's Shares in the Vendor at a price of \$0.25 per share that will be deemed to be fully paid on transfer, in accordance with clause 5.3.1(a);

2.2.2 As to \$3,617,883.75, by procuring third parties to transfer back to the Vendor the Other Shares in the Vendor to be Transferred Back to the Vendor which as between the Purchaser and the Vendor will be deemed to be transferred at a price of \$0.25 per share that will be deemed to be fully satisfied on transfer, in accordance with clause

5.3.1(b) provided that the Purchaser may elect to satisfy all or any part of the said sum of \$3,617,883.75 by making payment to the Vendor in cash in accordance with clause 5.3.1(d);

2.2.3 As to the balance, by paying \$480,000 to the Vendor in accordance with clause 5.3.1(c).

2.3 *Rights and Encumbrances:* At Completion:

2.3.1 The Vendor's Shares in the Subsidiaries will pass to the Purchaser together with all rights which attach to the Vendor's Shares in the Subsidiaries at the date of this agreement, and which arise between the date of this agreement and Completion;

2.3.2 The Purchaser's Shares in the Vendor will pass to the Vendor together with all rights which attach to the Purchaser's Shares in the Vendor at the date of this agreement, and which arise between the date of this agreement and Completion;

2.3.3 The Purchaser will procure that the Other Shares in the Vendor to be Transferred Back to the Vendor as required by this agreement will pass to the Vendor together with all rights which attach to them at the date of this agreement, and which arise between the date of this agreement and Completion.

2.4 *Title:* Title to the Vendor's Shares in the Subsidiaries shall remain with the Vendor until Completion, and pass to the Purchaser on Completion. Title to the Purchaser's Shares in the Vendor shall remain with the Purchaser until Completion, and pass to the Vendor on Completion. The Purchaser shall



procure that title to the Other Shares in the Vendor to be Transferred Back to the Vendor as required by this agreement will remain with the owners of those shares until Completion and pass to the Vendor on Completion.

2.5 *Lowest Purchase Price:* The parties agree that, for the purposes of the financial arrangements rules in subpart EW of the Income Tax Act 2007:

2.5.1 The Purchase Price is the lowest price that they would have agreed upon with respect to the Vendor's Shares in the Subsidiaries at the time this agreement was executed on the basis of payment in full at the time at which the first right in the Vendor's Shares in the Subsidiaries is to be transferred;

2.5.2 The Purchase Price is the value of the Vendor's Shares in the Subsidiaries; and

2.5.3 They will compute their taxable income for the relevant period on the basis that the Purchase Price includes no capitalised interest, and will file their tax returns accordingly.

For the purposes of this clause the term "right" in the Vendor's Shares in the Subsidiaries shall bear the same meaning as the term "right" in section YA 1 of the Income Tax Act 2007.

2.6 *Holding and Controlling Voting Rights:* For the avoidance of doubt, nothing in this agreement will confer on the Vendor or any other party the ability, or right, to hold or control (as defined in the Takeovers Code) the voting rights attaching to any shares in the Vendor to be acquired by the Vendor pursuant to this agreement pending their acquisition by the Vendor and no

party will become the holder or controller of such voting rights pending their acquisition by the Vendor.

3. *Condition*

3.1 *Completion Conditional on Satisfaction of Condition:* Completion of this agreement is in all respects conditional on the Condition being satisfied on a basis that is acceptable to both parties (acting reasonably), or waived in accordance with clause 3.2.

3.2 *Benefit of the Condition:* The Condition has been inserted for the benefit of the Vendor and the Purchaser and may only be waived in whole or in part with the written agreement of the Vendor and the Purchaser.

3.3 *Duties in relation to Condition:* The Vendor will:

3.3.1 Use its reasonable endeavours to procure the satisfaction of the Condition; and

3.3.2 Keep the other party informed as to its progress in procuring the satisfaction of the Condition.

3.4 *Notice of Fulfilment of Condition:* As soon as reasonably practicable after the Vendor has become aware of the fulfilment of the Condition, it must notify the other party in writing. Any notification delivered in accordance with this clause 3.4 must be accompanied by a copy of any relevant documents evidencing satisfaction of the Condition.

3.5 *Non Satisfaction of the Condition:* If the Condition has not been satisfied in accordance with clause 3.1 (or waived in accordance with clause 3.2) on or

before 30 October 2015, or such later date as may be agreed in writing between the parties, then this agreement may be cancelled by either party giving notice in writing of cancellation to the other party.

3.6 *Claims following Cancellation:* On cancellation of this agreement under clause 3.5:

3.6.1 Clauses 8 and 11 will continue to apply; and

3.6.2 Neither party will have any obligation or liability to the other under this agreement except in connection with claims arising before cancellation.

4. *Pre-Completion Obligations*

4.1 *Businesses:* Pending Completion, the Vendor will not do anything to prevent the Subsidiaries continuing to operate as going concerns in a manner consistent with that in which their businesses are being carried at the date of this agreement.

4.2 *Amounts owing and Intercompany balances:* Prior to Completion, the parties will procure that:

4.2.1 Subject to clause 4.2.2, the Subsidiaries make cash advances to the Vendor of amounts equal to the amount required to enable the Vendor to pay all amounts owing by the Vendor (including directors fees and salaries but excluding costs payable under clause 11.6) for the period up to 30 September 2015 without reducing the Vendor's cash balances below \$80,000. These cash advances are to be made

and the amounts owing by the Vendor described in the preceding sentence are to be repaid as follows:

(a) A cash advance of an amount sufficient to make payment of all amounts owed by the Vendor to creditors on 30 September 2015 is to be made by 29 September 2015 and the Vendor is to make the relevant payments to creditors before Completion.

4.2.2 If the parties agree, the liability for all or any amounts owing by the Vendor that are to be repaid under clause 4.2.1 are instead assumed by the Subsidiaries by the Subsidiaries debiting the Vendor's inter-company account with the Subsidiaries, thereby giving rise to a liability owed by the Vendor to the Subsidiaries.

4.2.3 After the cash advances to be made under clause 4.2.1 are made, and any liabilities as may be assumed under clause 4.2.2 have been assumed in accordance with that clause, the Subsidiaries declare and credit to the Vendor's inter-company account with the Subsidiaries dividends sufficient to enable the Vendor to repay all amounts owing by the Vendor to the Subsidiaries (including all amounts owing as a result of the transactions described in clauses 4.2.1 and clause 4.2.2).

4.3 *Cash Balance:* The parties will ensure that the Vendor's aggregate cash balances are not reduced below their existing level of \$80,000 in the period to Completion and acknowledge that those cash balances will increase as a result of the cash paid by the Purchaser to the Vendor on Completion.

4.4 *Other Shares in the Vendor to be Transferred Back to the Vendor:* Not later than 24 hours before the Meeting (or earlier if required by NZX), the Purchaser will provide the Vendor with a list of the names of the shareholders who the Purchaser intends to be transferors of the Other Shares in the Vendor to be Transferred Back to the Vendor and also specifying on that list the number of shares that the Vendor intends each of them to transfer back to the Vendor (*List*). The Other Shares in the Vendor to be Transferred Back to the Vendor must be shares taken from the List, provided that they may include any ordinary fully paid shares in the Vendor held by persons other than the Purchaser as are substituted by the Purchaser for any shares on the List by notice in writing given by the Purchaser to the Vendor no later than 24 hours prior to Completion. Substitute shares must not be shares held by shareholders who voted at the Meeting or their successors in title.

## 5. *Completion*

5.1 *Time for Completion:* Completion will take place not later than 3pm on the Completion Date.

5.2 *Vendor's obligations on Completion:* At Completion the Vendor will deliver the following to the Purchaser:

5.2.1 Transfers of the Vendor's Shares in the Subsidiaries to the Purchaser duly executed by the Vendor in registrable form.

5.2.2 The share certificates for the Vendor's Shares in the Subsidiaries (if any).

5.2.3 Unconditional releases of the Vendor's Shares in the Subsidiaries from all Security Interests over or affecting them (if any).

5.3 *Purchaser's obligations on Completion:* At Completion the Purchaser will:

5.3.1 Satisfy the Purchase Price as follows:

- (a) Deliver to the Vendor transfers of the Purchaser's Shares in the Vendor, duly executed by the Purchaser and dated as at the Completion Date and in registrable form, together with the share certificates relating thereto (if any) and unconditional releases of the Purchaser's Shares in the Vendor from all Security Interests over or affecting them (if any);
- (b) Subject to clause 5.3.1(d), deliver to the Vendor transfers of the Other Shares in the Vendor to be Transferred Back to the Vendor, duly executed by the owners of them and dated as at the Completion Date and in registrable form, together with the share certificates relating thereto (if any) and unconditional releases of all Security Interests over or affecting them (if any);
- (c) As to the balance, by paying \$480,000 to the Vendor by electronic transfer in cleared funds to the account of the Vendor to be nominated to the Purchaser prior to Completion;

(d) In the event the Purchaser elects under clause 2.2.2 to satisfy its obligations under clause 2.2.2 as to all or any part of the said sum of \$3,617,883.75 referred to in clause 2.2.2, by paying all or part of the said sum to the Vendor in cash, by paying that amount by electronic transfer in cleared funds to the account of the Vendor to be nominated to the Purchaser prior to Completion.

5.3.2 Deliver to the Vendor resignations by each of Chang Wai Hoong and Hock Lee Siow from their positions as directors and from any other offices held by him with the Vendor with effect from Completion and acknowledging that no moneys are owing to them or any of their associated persons by the Vendor whether by way of fees, salary, expenses, compensation for loss of office or otherwise and they have no claims of any nature whatsoever against the Vendor.

5.4 *Completion Simultaneous:* The actions to take place specified in clauses 5.2 and 5.3 must take place as nearly as possible, simultaneously. If one action does not take place on the Completion Date, then without prejudice to any rights available to either party as a consequence:

5.4.1 There is no obligation on either party to undertake or perform any of the other actions;

5.4.2 To the extent that such actions have already been undertaken, the parties must do everything reasonably required to reverse those actions; and

5.4.3 The Vendor and the Purchaser must each return to the other all documents delivered to them under clause 5.2 or 5.3, without prejudice to any other rights either party may have in respect of that failure.

5.5 *Default Interest:* If either party (*Defaulting Party*) defaults for any reason (other than due to the default of the other party (*Non Defaulting Party*)) in performing any of its obligations to be performed on the Completion Date and that default remains unremedied for seven days (*Deadline Date*) (time being of the essence), the Defaulting Party will pay to Non Defaulting Party on demand, interest at the rate of \$660 per calendar day from the Deadline Date until the Defaulting Party has performed its obligations to be performed on the Completion Date in full, but this stipulation is without prejudice to any of the Non Defaulting Party's other rights or remedies under this agreement or otherwise.

## 6. *Warranties*

6.1 *Mutual Warranties:* Each of the parties represents and warrants to the other that:

6.1.1 It has full power and authority to enter into and perform its obligations under this agreement;

6.1.2 It has taken all necessary action to authorise the execution, delivery and performance of this agreement in accordance with its terms;



6.1.3 This agreement creates obligations which are legally binding on it and are enforceable against it in accordance with the terms of this agreement;

6.1.4 Neither the execution nor delivery of this agreement, nor the exercise of any right or the performance or observance of any obligation under this agreement nor any of the transactions contemplated hereby, will:

- (a) Violate or contravene any law, regulation, order or decree to which it is bound or subject;
- (b) Conflict with, or result in the breach of, any agreement, document, arrangement, obligation or duty to which it is a party or by which it or any of its assets may be bound or subject; or
- (c) Violate any of the documents constituting it, or any term or provision of any security interest or agreement or deed or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or is subject or by which it is bound, or cause any limitation on any of its powers, or on the right or ability of its directors to exercise those powers to be exceeded.

6.2 *Vendor Warranties:* In consideration of the Purchaser entering into this agreement, the Vendor warrants that as at the date of this agreement, and again on Completion:

6.2.1 All of the Vendor's Shares in the Subsidiaries are legally and beneficially owned by the Vendor;

6.2.2 The Vendor's Shares in the Subsidiaries will pass on Completion to the Purchaser free of all Security Interests, rights of pre-emption or other adverse interests of any nature whatsoever;

6.3 *Purchaser Warranties:* In consideration of the Vendor entering into this agreement, the Purchaser warrants that as at the date of this agreement, and again on Completion:

6.3.1 All of the Purchaser's Shares in the Vendor are legally and beneficially owned by the Purchaser and all the Other Shares in the Vendor to be Transferred Back to the Vendor will on Completion be legally and beneficially owned by the vendors of those shares;

6.3.2 The Purchaser's Shares in the Vendor and the Other Shares in the Vendor to be Transferred Back to the Vendor will pass on Completion to the Vendor free of all Security Interests, rights of pre-emption or other adverse interests of any nature whatsoever;

## 7. *Acknowledgements and Agreements*

7.1 *Judgement and Inspection:* Except for the provisions of this agreement, each party acknowledges and agrees that it has entered into this agreement solely in reliance on its own judgement and inspection and not in reliance on any other statements, warranties or representations made to that party by the other party or any other person.

7.2 *Exclusion of Implied Warranties.* Each party acknowledges and agrees that all expressed or implied or other representations or warranties of the other party in relation to the transactions evidenced by this agreement are expressly excluded to the maximum extent permitted by law.

8. *Confidentiality*

8.1 *Announcements:* Except as may be required by law, or stock exchange listing requirements, no party may make any announcement or disclosure as to the subject matter or any of the terms of this agreement, except for announcements that are in a form that are agreed in writing by the Vendor and the Purchaser.

8.2 *Confidentiality Obligation:* Without limiting clause 8.1, and subject to clause 8.3, each party will keep confidential, and make no disclosure of:

8.2.1 The existence and contents of this agreement; and

8.2.2 All information obtained from the other party or the other party's advisers under this agreement or in the course of negotiations in respect of this agreement,

(together "information").

8.3 *Exceptions:* Information may be disclosed by a party if:

8.3.1 Disclosure is required by law or stock exchange listing requirements;

or

8.3.2 Disclosure is necessary to obtain the benefits of, and fulfil obligations under, this agreement; or

8.3.3 That information already is, or becomes, public knowledge other than as a result of a breach of clause 8.1 or 8.2 by that party; or

8.3.4 Disclosure is made to a lawyer or accountant for that party.

## 9. *Notices*

9.1 *Form of Notices, Addresses and References.* Each notice or other communication under this agreement is to be made in writing and sent by personal delivery or by post or electronically to the addressee at the electronic mail address, and marked for the attention of the personal office holder (if any), from time to time designated for the purpose by the addressee to the other party. The initial address, electronic mail address and relevant person or office holder of each party is set out under its name at the end of this agreement.

9.2 *Deemed Delivery.* No communication will be effective until received, but a communication will be deemed to be received:

9.2.1 In the case of sending by delivery, at the time of delivery; and

9.2.2 In the case of sending by post, on the third Business Day after (but exclusive of) the date of posting; and

9.2.3 In the case of sending by email transmission, at the time the electronic communication enters the information system of the

recipient party, and the sender receives electronic evidence that the email was sent to the email address of the party given notice, provided that an email transmission not sent between the hours of 9.00am and 5.00pm (in the place of receipt) will be deemed not to be received until 9.00am on the Business Day most immediately after the time of sending.

10. *Remedies and Waivers*

10.1 *Delays not Waivers:* No failure to exercise, and no delay in exercising, a right of a party under this agreement, will operate as a waiver of that right, nor will a single or partial exercise of a right preclude another or further exercise of that right or the exercise of another right. No waiver by a party of its rights under this agreement is effective unless it is in writing signed by that party.

10.2 *Remedies Cumulative:* The rights of the parties under this agreement are cumulative and no exclusive of any rights provided by law.

11. *General*

11.1 *Amendments:* No amendment or variation to this agreement will be effective unless it is in writing and signed by the parties.

11.2 *Assignment:* This agreement is binding on and endures for the benefit of the parties and their respective executors, administrators, successors and permitted assignees. A party may not assign any of its rights or obligations under this agreement without the prior written consent of the other party.

- 11.3 *Partial and Invalidity.* The illegality, invalidity or unenforceability of a provision of this agreement under any law will not affect the legality, validity or enforceability of that provision under another law or the legality, validity or enforceability of another provision.
- 11.4 *Further Assurances.* Each party will sign and deliver all documents and do all things necessary for the proper and complete performance of its obligations under this agreement, whether before or after the Completion Date.
- 11.5 *Non Merger.* The obligations, warranties, undertakings, and indemnities undertaken or given pursuant to this agreement, to the extent not already performed on the Completion Date, are not to merge on the Completion Date or on the execution or delivery of any document pursuant to this agreement, but are to remain enforceable to the fullest extent and notwithstanding any rule of law to the contrary.
- 11.6 *Costs.* The Vendor will pay all its costs and other expenses of and incidental to the preparation, execution and completion of this agreement.
- The Purchaser will pay all its own costs.*
- 11.7 *Entire Agreement.* This agreement records the entire agreement between the parties, and prevails over any earlier agreement, relating to the subject matter of this agreement.
- 11.8 *Counterparts.* This agreement may be signed in two or more counterparts (including facsimile or scanned email copies), all of which when taken together will constitute one and the same instrument and a binding and

enforceable agreement between the parties. A party may enter into this agreement by executing any counterpart.

11.9 *Governing Law:* This agreement is governed by, and construed in accordance with, the laws of New Zealand. The parties submit to the exclusive jurisdiction of the courts of New Zealand.

SIGNED

SIGNED on behalf of MYKRIS )

LIMITED by ) \_\_\_\_\_ Director

Address: Level 7, 12-26 Swanson Street  
P O Box 1314, Shortland Street  
Auckland, New Zealand, 1140

Email: Brent.king@irg.co.nz

Contact Person/Position: Brent King/Director

SIGNED on behalf of MYKRIS )

INTERNATIONAL SDN. BHD. by ) \_\_\_\_\_ Director

Address: Block H -08-01, SetiaWalk  
Persiaran Wawasan  
Pusat Bandar Puchong  
47100 Puchong, Selangor

Email: [eschew@mykris.net](mailto:eschew@mykris.net) / [chang@mykris.net](mailto:chang@mykris.net)

Contact Persons/Positions: Chew Choo Soon (Director)  
Chang Wai Hoong (Director)



## SCHEDULE 1 – CONDITION

The Vendor obtaining all shareholder and other approvals required to sell the Vendor's Shares in the Subsidiaries to the Purchaser, and acquire the Purchaser's Shares in the Vendor and the Other Shares in the Vendor to be Transferred Back to the Vendor and otherwise implement this agreement in compliance with the Companies Act 1993, the NZAX Listing Rules and any other applicable laws and any contracts binding on the Vendor.