

## Quali-Smart Holdings Limited

Workshop C, 19th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories

27 November 2025

PRESENT

Hau Yiu Por

Dear Mr. Hau,

We refer to the Service Agreement (the "Agreement") dated 1 December 2022 and our letter dated 20 March 2024 respectively (the "Letter") in respect of our appointment on you as executive Director of the Company, unless the context requires otherwise, terms used herein shall have the same meanings as those defined in the Agreement and the Letter.

Referring to clause 2.1 of the Agreement and the Letter in respect of your term of appointment and salaries adjustment, we would like to extend your service term with no fixed term effective from 1 December 2025 thereof. The other terms and conditions of the Agreement and the Letter remain unchanged.

Please kindly sign underneath to notify us your acceptance of the same.

Yours sincerely,

For and on behalf of  
Quali-Smart Holdings Limited



Poon Pak Ki, Eric  
Chairman and executive Director

Accepted by:



Hau Yiu Por

HKID No. [REDACTED]

### IMPORTANT NOTE REGARDING REDACTION

**Notice of Redacted Information:** Please take notice that certain information contained in this document has been redacted. Specifically, the Hong Kong Special Administration Region of the People's Republic of China identity card number and the private residential address of Mr. Hau Yiu Por have been redacted from this copy. The reason for such redaction is to protect the personal privacy of the individual in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

**Confirmation of Adequacy:** The remaining information is considered adequate by Quali-Smart Holdings Limited (the "Company") and its directors for the purpose of disclosing the nature and significance of the document, and for the Company to fulfil its relevant disclosure obligations under the Codes on Takeovers and Mergers and Share Buy-backs.

## Quali-Smart Holdings Limited

Workshop C, 19th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories

20 March 2024

PRESENT

Hau Yiu Por

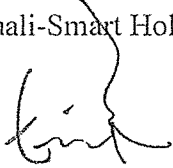
Dear Mr. Hau,

We would like to advise that your salaries for acting as an executive Director of Quali-Smart Holdings Limited has been revised by reducing to HK\$40,000 per month with effect from 1 April 2024.

Except for the above-mentioned, other terms and conditions of your service agreement dated 1 December 2022 and all subsequent letters of renewal of your service term, salaries and benefits onwards remain unchanged.

Yours sincerely,

For and on behalf of  
Quali-Smart Holdings Limited



Poon Pak Ki, Eric  
Director

*Confirmed and Agreed*

*Hau yiu Por*

Hau Yiu Por

**Quali-Smart Holdings Limited**

Workshop C, 19th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories

27 June 2023

PRESENT

Hau Yiu Por

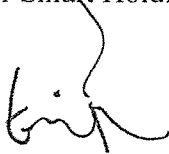
Dear Mr. Hau,

We would like to advise that your salaries for acting as an executive Director of Quali-Smart Holdings Limited has been revised by reducing to HK\$77,000 per month with effect from 1 July 2023.

Except for the above-mentioned, other terms and conditions of your service agreement dated 1 December 2022 and all subsequent letters of renewal of your service term, salaries and benefits onwards remain unchanged.

Yours sincerely,

For and on behalf of  
Quali-Smart Holdings Limited



Poon Pak Ki, Eric  
Director

*Confirmed and Agreed*



Hau Yiu Por

**Execution**

**DATED 1<sup>st</sup> DECEMBER 2022**

**QUALI-SMART HOLDINGS LIMITED**

**AND**

**HAU YIU POR**

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**SERVICE AGREEMENT**

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THIS AGREEMENT is made on 1<sup>st</sup> day of December, 2022

**BETWEEN**

- (1) **QUALI-SMART HOLDINGS LIMTIED**, a company incorporated in the Cayman Islands, having its registered office at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and whose principal place of business in Hong Kong is Workshop C, 19/F., TML Tower, 3 Hoi Shing Road, Tsuen Wan, Hong Kong ("**Company**"); and
- (2) **HAU YIU POR** of [REDACTED]  
[REDACTED] (Hong Kong Identity Card No.: [REDACTED]) ("**Executive**").

**RECITAL**

The Company has agreed to employ the Executive and the Executive has agreed to serve the Company as an executive director of the Company on the terms and conditions set out below.

**NOW IT IS AGREED as follows:**

**1. INTERPRETATION**

- 1.1 In this Agreement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to each of them respectively:

**"this Agreement"**

this Agreement as may from time to time be amended, modified or supplemented pursuant to Clause 17.2;

**"Articles"**

the articles of association of the Company in force from time to time;

**"Associate(s)"**

shall have the meaning as defined in the Listing Rules;

**"Board"**

the board of directors of the Company from time to time;

**"Employment Ordinance"**

the Employment Ordinance, Chapter 57 of the laws of Hong Kong;

**"Group"**

the Company and all companies which are for the time being subsidiaries or an Associates of the Company (excluding, except in relation to Clause 11, the holding company of the Company and any Associate of such holding company if the Company has an attributable interest of less than 30 per cent. of the issued share capital of such Associate);

**"Hong Kong"**

the Hong Kong Special Administrative Region of the PRC;

**“Listing Rules”**

the Rules Governing the Listing of Securities on the Stock Exchange;

**“Macau”**

the Macau Special Administrative Region of the PRC;

**“Model Code”**

Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules

**“month”**

calendar month;

**“PRC”**

the People’s Republic of China which for the purposes of this Agreement excludes Hong Kong, Macau and Taiwan;

**“SFO”**

the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);

**“Stock Exchange”**

The Stock Exchange of Hong Kong Limited;

**“subsidiary”**

shall have the meaning ascribed thereto in section 15 of Companies Ordinance, Chapter 622 of the Laws of Hong Kong;

**“Term”**

the term of office as referred to in Clause 2.1; **“working day”**

Monday to Saturday, a Saturday being reckoned as a half working day, in each case except where such day falls on a statutory holiday;

**“year”**

calendar year; and

**“HK\$”**

Hong Kong dollars, the lawful currency of Hong Kong.

1.2 In this Agreement:

- (a) references to Clauses and Sub-clauses in this Agreement are respectively to clauses and sub-clauses of this Agreement;
- (b) reference to any ordinance, regulation, rule (including any rule of the Listing Rules) or other statutory provision includes reference to such ordinance, regulation, rule or provision as may be modified, consolidated or re-enacted from time to time;

- (c) unless the context otherwise requires, words denoting a singular number include the plural and vice versa, words denoting one gender include both genders and the neuter and words denoting a person include a corporation, sole proprietorship, firm, joint venture or syndicate and, in each case, vice versa; and
  - (d) the rule known as ejusdem generis shall not apply, so that words and phrases in general terms following or followed by specific examples shall be construed in the widest possible sense and shall not be construed as limited or related to the examples given.
- 1.3 The headings in this Agreement are for ease of reference only and do not form part of this Agreement.

## **2. APPOINTMENT**

- 2.1 Subject to the terms set out in this Agreement and without prejudice to Clause 2.2 below, the Company appoints the Executive and the Executive accepts his appointment as an executive director of the Company with the duties described in Clause 3 for a term of three years. The Executive's appointment under this Agreement shall commence on 1st December 2022.
- 2.2 The Executive's appointment under this Agreement shall be subject to termination pursuant to Clause 12.2 and retirement by rotation in accordance with the Articles.

## **3. DUTIES**

- 3.1 The Executive shall during the Term:

- (a) serve the Company in the capacity of a director of the Company with such executive and management responsibilities and duties with regard to the operations of the Group and the development and expansion of its business as the Board may reasonably direct;
- (b) unless prevented by ill health or engaged in businesses or offices in which the Executive is permitted to engage under Clause 4, devote substantially the whole of his time, attention and abilities during normal business hours and such additional hours as may reasonably be requisite to administer, supervise and manage the business of the Group and use his best endeavours to promote the business interests and welfare of the Group and manage and supervise the business of the Group. The Executive shall confirm to the Board such hours of work as may be required for the proper performance of his duties under this Agreement;
- (c) faithfully and diligently perform all such duties as shall be reasonably required by the Board and carry out all lawful and reasonable instructions of the Board according to the best of his skill and ability and in compliance with all resolutions and regulations from time to time passed or made by the Board;

- (d) use his best endeavours to protect and promote the interests of the Group;
  - (e) exercise his best endeavours to procure the Company's compliance with the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the Articles, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Executive including, without prejudice to the generality of the foregoing, the continuing obligations imposed on the Company under the Listing Rules, the listing agreement made between the Company and the Stock Exchange (if any) and the Executive's undertaking to the Stock Exchange;
  - (f) in pursuance of his duties hereunder, perform such services and without further remuneration, accept such offices as the Board or the chairman of the Board may from time to time reasonably require; and
  - (g) at all times keep the Board promptly and fully informed of all matters relating to or in connection with the performance and exercise of his duties and powers under this Agreement and shall promptly provide such information and explanations as may be required by the Board from time to time.
- 3.2 The Executive shall, if and so long as he is required by the Company, carry out the duties of his office on behalf of any member of the Group, act as director, officer or employee of any member of the Group and carry out such duties attendant on any such appointment as if they were duties to be performed by him on behalf of the Company under this Agreement and, if so required by the Company, enter into such secondment agreement for such purpose with other members of the Group on the same terms as this Agreement mutatis mutandis (as far as applicable).
- 3.3 The Company may from time to time and at any time assign any title to the Executive and any other duties to the Executive in addition to or in substitution of any title then held by the Executive (including, for the avoidance of doubt, that of a director) and the duties (if any) then assigned to him.
- 3.4 There shall be no obligation on the Company to provide work for the Executive and if during the continuance of his employment hereunder the Company does not provide the Executive with any work for a certain period then during such period the Executive shall continue to receive his full salary (if any) and other benefits hereunder.
- 3.5 The Executive shall work in any place in Hong Kong or any part of the world which the Board may require for the proper performance and exercise of his duties and powers under this Agreement.
- 3.6 No exercise of the right of the Company under Clause 3.4 shall constitute or be taken as evidence of, and shall be deemed not to be an act of constructive dismissal or a lay-off.

#### 4. OUTSIDE INTERESTS



- 4.1 The Executive shall not at any time during the Term without the prior written consent of the Board be or become a director of any company (other than the Company or any other member of the Group) or be engaged or concerned or interested directly or indirectly in any other business, trade or occupation.
- 4.2 Nothing in this Agreement shall prevent the Executive from:
- (a) being engaged, concerned or interested in any other business, trade or occupation with the prior written consent of the Board (such consent not to be unreasonably withheld); or
  - (b) subject to the provisions of Clause 11.6(a), holding or being beneficially interested in any class of securities in any company if such class of securities is listed on a stock exchange and the relevant company does not carry on any business which competes in any way with the business of the Group.

**5. REMUNERATION, EXPENSES AND BENEFITS**

- 5.1 The Executive is not entitled to any remuneration for the appointment and duties set out hereunder. However, the remuneration committee of the Board and the Board may from time to time review the Executive's entitlements and other benefits with reference to his duties and responsibilities with the Group and prevailing market condition.
- 5.2 Any salary for a month during the Term shall be payable in arrears on the first working day of the commencement of the immediately following month.
- 5.3 The Executive may be entitled to a management bonus in respect of each financial year of the Company in an amount to be determined by the Board in its absolute discretion. Payment of such bonus shall be made on such date as the Board may resolve. The Executive may not vote on any resolution of the Board regarding the amount of the management bonus payable to him pursuant to this Clause 5.4.
- 5.5 The Executive may, at the discretion of the Board, be granted share options entitling the Executive to subscribe for shares in the Company under any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.
- 5.6 The Company shall pay to the Executive all reasonable expenses properly incurred by the Executive in connection with the performance of the duties of the Executive under this Agreement, and all reasonable expenses incurred by the Executive for gifts made to business associates or prospective business associates of the Group provided that they are lawful and in compliance with the applicable laws, in each case subject to such expenses being evidenced and vouched for in such manner as the Board may reasonably require. The Executive shall, as a condition precedent to his entitlements under this Clause 5.6, comply with such reasonable procedural requirements of the Company as imposed from time to time.
- 5.7 Notwithstanding anything to the contrary contained in the Articles or the articles of association of any member of the Group, the Executive shall not be entitled to any

remuneration as an officer or employee of the Company or of any member of the Group in addition to that specified in this Agreement. The Executive shall not accept from any business associates or prospective business associates of the Group any gifts or benefits monetary or otherwise without the consent of the Board or in any manner ask for or solicit any such gifts or benefits from any business associates or prospective business associates of the Group.

5.8 The Company may, with the written consent of the Executive, deduct from the Executive's salary any sum from time to time owing from the Executive to the Company or any member of the Group.

5.9 The Executive shall be entitled to participate in such medical plan as may be effected by the Group from time to time at its absolute discretion.

## **6. SICK LEAVE ENTITLEMENTS**

6.1 Notwithstanding section 33(3) of the Employment Ordinance, in respect of each 12 months service, the Executive shall be entitled to sick leave not exceeding 4 days provided that a medical certificate issued by a registered medical practitioner, registered Chinese medicine practitioner or a registered dentist in respect of such days of sickness is provided by the Executive to the Company.

## **7. RETIREMENT OR PROVIDENT FUND SCHEME PARTICIPATION AND INSURANCE**

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7.1 The Executive shall be entitled during the Term to participate in and the Company shall procure that the Executive is offered participation in the Company's retirement or provident fund scheme (if any, and/or such other scheme as the same may from time to time be supplemental thereto or for the replacement thereof). The terms on which participation in such scheme (and/or such other scheme as aforesaid) offered to the Executive shall be the same as those applicable to other employees of the Group.

7.2 For the purpose of section 32 of the Employment Ordinance, it is requested by the Executive that the Company may deduct from his salary (if any) such amount as representing the contribution of the Executive under any retirement or provident fund scheme in which the Executive may elect to participate.

7.3 The Company shall during the Term provide to the Executive insurance cover under an employees compensation insurance policy subscribed to by the Company, on such terms and conditions as the Board may prescribe and subject further to the terms of the policy issued by its underwriter. The Company shall punctually pay all premiums payable on such policy.

7.4 The Company shall during the Term take out and maintain for the benefit of the Executive an insurance policy against director's liability for such an amount and on such terms as to cover as the parties may reasonably agree, provided that the Company shall not be required to expend in aggregate for all directors of the Company more than HK\$200,000,000 per annum or such amount as shall be approved by the Board from time to time in payment of premiums on such policy. The Company shall punctually pay all premiums payable on such policy.

## **8. HOLIDAYS**

- 8.1 The Executive shall during the Term be entitled to paid annual leave of 18 working days (in addition to statutory holidays and Sundays referred to in Clause 8.3 below) for every consecutive period of 12 months, which shall be taken by the Executive at such time or times as may be approved by the Board. Any such notice of the Executive shall specify the intended commencement and cessation of leave.
- 8.2 Subject to prior approval from the Board, accrued paid leave may be carried forward up to a maximum of 36 working days and unless otherwise agreed by the Board, accrued paid leave exceeding 36 working days shall be forfeited and no payment in lieu thereof will be made.
- 8.3 In addition to the paid leave referred to in Clause 8.1, subject to Clause 8.4 below, the Executive shall be entitled to paid leave in respect of all (i) statutory holidays to which Hong Kong employees are entitled under the Employment Ordinance as if he were (if he would not otherwise be) an employee to whom such Ordinance applies; and (ii) Sundays, and all references in this Agreement to “statutory holidays” are to such holidays.
- 8.4 In the event that the Executive is stationed in the PRC, the Executive shall be entitled to paid leave in respect of all statutory holidays in the PRC and Sundays during the period when the Executive is stationed there, in lieu of the statutory holidays referred to in Clause 8.3 above.
- 8.5 For the purposes of the Employment Ordinance, the “leave period” of the Executive shall end on 31 December of each year.

## **9. CONFIDENTIALITY**

Unless compelled by an order of a court of competent jurisdiction, the Executive shall not and shall procure his Associates not to, at any time during or after the Term use, divulge or communicate to or cause or enable any third party (other than any officer or employee of any member of the Group whose province is to know the same) to become aware of or use, take away, conceal, destroy or retain for his own or some other person's advantage or to the detriment of any member of the Group any of the trade secrets, accounts, financial or other trading information or other confidential or other personal information, including but not limited to any of the technological knowhow or information used or applied or which may be used or applied by the Group in relation to its business or potential business or which the Group has obtained from any third party on terms that restrict its disclosure or use, other confidential technical information, any of the trade secrets, clients' list, accounts, financial or trading information or other confidential or personal information which the Executive may receive or obtain in relation to the business, finances, dealings or affairs of any member of the Group or any principal, joint venture partner, contracting party or client of the Group including any information regarding the products, services, research programme, projects or proposed projects, other technical data, knowhow or specifications, or the finances, proposals, contractual arrangements, principals, joint venture partners, contracting parties, clients, employees or agents of any member of

the Group, provided that the provisions of this Clause shall not apply to any information or material which is in the public domain other than as a result of a breach by the Executive of this Clause.

## **10. COPYRIGHT AND INVENTIONS**

10.1 The Executive acknowledges that all rights of discovery, invention, patents, knowhow, process, copyright, design, trade and service marks or trade name which result from or are suggested by anything arising in the course of or in connection with his employment under this Agreement (in particular but without limitation rights to all concepts, designs, process, programmes, drawings, sketches, schemes, models and specifications) shall belong absolutely to the Company and the Executive hereby assigns the same to the Company by way of present and future assignment to hold the same unto the Company absolutely throughout all countries and places of the world.

10.2 If at any time during the Term the Executive shall either alone or jointly make, discover or acquire any business concept or idea, invention, discovery, design, formula, copyright work, development, improvement, process and secret whatsoever or any interest therein (whether the subject of letters patent or not) which shall relate to or concern any of the services, products or methods of conducting business or the production of any matter whatsoever of or by any member of the Group or any of the principals, joint venture partners, contracting parties or clients of the Group (hereafter together referred to as an "Invention") or if details of any Invention shall be communicated to the Executive by any other employee of any member of the Group, then:

- (a) the Executive shall forthwith in writing communicate full details thereof including all necessary plans and models to the Board or as the Board may direct;
- (b) any Invention made or discovered by the Executive or his share therein if made or discovered jointly shall belong to and be the absolute property of the relevant member of the Group;
- (c) at the request of the relevant member of the Group and both during the Term and after its expiry or termination the Executive shall at the expense of that member of the Group or its nominee as part of his duties under this Agreement join with and assist that member of the Group or its nominee in obtaining and/or renewing letters patent, copyright, design and/or trade or service mark registration or other like protection in such countries as the Board may direct for any Invention and shall execute such deeds and documents and carry out such acts as may be necessary for vesting in that member of the Group or its nominee as the case may be the sole beneficial right in any Invention;
- (d) none of the members of the Group shall be under any liability to account to the Executive for any revenue or profit derived or resulting from any Invention.

10.3 The Executive hereby irrevocably and by way of security appoints each Executive of the Company from time to time to be his attorney and in his name and on his behalf to do and execute any such act or instrument as may be necessary for the purpose of

implementing the provisions of this Clause 10. The Executive agrees to confirm and ratify all such acts and instruments.

## **11. RESTRICTIVE COVENANTS**

11.1 The Executive covenants with and undertakes to the Company that he shall not and that he will procure that none of his Associates will:

- (a) at any time during the Term or within 12 months from the date of the expiry or the sooner determination of the Term in any part of the world either alone or jointly with or as manager or agent for any person, firm or company directly or indirectly and whether or not for gain:
  - (i) engage, employ or solicit for employment by any person directly or indirectly in any business, any employee, former employee, agent or former agent of any member of the Group (save and except former employees whose employment with the Group has been terminated for a period of not less than one year prior to their engagement by the Executive); or
  - (ii) be interested in any project or proposal on behalf or for the benefit of any person who within 12 months prior to the expiry or sooner determination of the Term is a principal, joint venture partner, contracting party or customer or a potential principal, joint venture partner, contracting party or customer of the Group or an Associate of any of the foregoing and, for this purpose, a potential principal, joint venture partner, contracting party or customer is any person to whom the Group has made a proposal or presentation with a view to securing the provision of services of the Group, co-operation for a business venture or undertaking, the entering into of any material contract for the development of the Group's business or instructions for an assignment;
  - (iii) be interested in any project or proposal for the acquisition, turning to account, development of or investment in:
    - (aa) any business or asset in which any member of the Group was during the Term considering to acquire, turn to account, develop or invest, unless the Group shall have decided against such acquisition, turning to account, development or investment or invited the Executive or his Associates in writing to participate in, or consented in writing to the Executive or his Associates' acquisition, turning to account or development of or investment in, such business or asset; or
    - (bb) any asset of any member of the Group, unless such asset is offered by the relevant member of the Group for sale to, turning to account or development by third parties; or

- (iv) carry on or be engaged or interested in or concerned with any or any combination of the business of manufacture and trading of toy products in Hong Kong, the PRC and any other territory in which the Group then operates, and/or any other business in Hong Kong, the PRC and any other territory in which the Group then operates similar to any business carried on by any member of the Group as disclosed in the latest annual report of the Company;
    - (v) be engaged or interested in or concerned with any business which is in any respect in competition with or similar to any business of the Group; or
  - (b) at any time after the expiry of the Term or its sooner determination use for any purpose whatsoever the name or trading style of any member of the Group in Hong Kong, the PRC or any other territory in which the Group then operates, or use in Hong Kong, the PRC or any other territory in which the Group then operates any name or trading style which is the same as or similar to any of the trade or service marks of the Group or any brand name or proposed brand name of any of the Group's services or proposed services, or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or (where applicable) any of its shareholders or their respective business unless otherwise agreed by the Company.
- 11.2 Since the Executive has obtained and is likely to obtain in the course of his employment hereunder Trade Secrets and other Confidential Information and since the Executive has and is likely to obtain during the course of his employment hereunder personal knowledge and influence over principals, joint venture partners, contracting parties, clients, staff, officers and agents of the Group, the Executive hereby agrees with the Company that in addition to the restriction contained in Clause 9 he will not, and will procure his Associates not to, at any time during or for a period of two years after the expiry of the Term or its sooner determination use either on his own account or for others or partly for himself and partly for others or to the detriment of any member of the Group such Trade Secrets or other Confidential Information, save in each case with the prior written consent of the Company.
- 11.3 The Company hereby covenants with and undertakes in favour of the Executive that neither it nor any member of the Group will after the expiry of the Term or its sooner determination use the Executive's name or represent that the Executive is carrying on or continuing to be or being connected with any member of the Group or their businesses whether in Hong Kong or elsewhere.
- 11.4 For the purposes of Clause 11.1:
- (a) "employee" includes any staff of any of the sub-contractors of any member of the Group or any successor thereof; and
  - (b) "assets" include intellectual property rights and know-how of all forms and description that are related to any of the principal businesses carried on from time to time by any member of the Group during the Term and all licences and rights to use or apply any such rights or know-how.

11.5 For the purposes of Clause 11.2:

- (a) “Trade Secrets” means trade secrets including knowledge of and know-how, formula and specifications in connection with the Group or any of its services, businesses or proposed services or businesses and which are so confidential as to require protection as trade secrets; and
- (b) “other Confidential Information” means:
  - (i) any information imparted to the Executive on the express basis that it is confidential; and
  - (ii) any other information or knowledge received or obtained by the Executive which if used, divulged or communicated to any person other than in accordance with Clause 9 would have infringed the restriction in that Clause.

11.6 Nothing in this Clause 11 (other than Clauses 11.2 and 11.7) shall apply to:

- (a) the direct or indirect holding of any securities listed on a recognised stock exchange where the total voting rights exercisable at general meetings of the company concerned as represented by such holding do not exceed five (5) per cent. of the total voting rights attaching to the securities of the same class as that held by the Executive and/or his Associates, provided that neither the Executive nor any of his Associates participate in or are otherwise involved in the management of the company; or
- (b) the holding by the Executive or any of his Associates of any securities of the Company or its holding company.

11.7 The Executive warrants to and in favour of the Company that save through his interests and the interests of his Associates in the Company or his employment by the Company pursuant to this Agreement, neither he nor any of his Associates is on the date of this Agreement engaged or interested in or is concerned with in Hong Kong, the PRC or elsewhere any of the specific businesses referred to in Clause 11.1(a)(iv) and (v). The warranty contained in this Clause shall be deemed repeated by the Executive every day during the Term.

11.8 While the restrictions contained in this Clause 11 are considered by the parties to be reasonable in all the circumstances it is agreed that if any one or more of such restrictions shall either taken by itself or themselves together be adjudged to go beyond what is reasonable in all the circumstances for the protection of the legitimate business of the Group but would be adjudged reasonable if any particular restriction or restrictions were deleted or if any part or parts of the wording thereof were deleted, restricted or limited in a particular manner, then the restriction contained in this Clause 11 shall apply with such deletion, restriction or limitation as the case may be.

11.9 In the event of and notwithstanding the expiry of the Term or its sooner determination, each of the parties covenants with and undertakes to the other of them that it or he

will at all times and in all respects continue to observe and comply with the provisions of this Clause 11 during the time periods stipulated in this Agreement.

## **12. TERMINATION**

12.1 The Company may forthwith terminate the appointment of the Executive under this Agreement without notice and/or compensation to the Executive if:

- (a) the Executive shall be disqualified to act as a director of any member of the Group under any applicable law, the Hong Kong Code on Takeovers and Mergers or any rules prescribed by the Stock Exchange;
- (b) the Executive shall be guilty of any dishonesty, gross misconduct or wilful neglect in the discharge of duty or shall commit any continued material breach of the terms of this Agreement after written warning (other than a breach which being capable of remedy shall be remedied by the Executive to the satisfaction of the Board within 30 days upon his being called upon to do so in writing by the Board);
- (c) the Executive shall be guilty of conduct likely to bring himself or any member of the Group into disrepute;
- (d) the Executive shall become bankrupt or make any arrangement or composition with his creditors or has a receiving order made against him;
- (e) any company (other than a member of the Group) in which the Executive is a director or a direct or indirect shareholder goes into liquidation or becomes insolvent or suffers the presentation of a winding up petition or analogous proceedings brought against it;
- (f) the Executive is convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect his position in the Company);
- (g) the Executive persistently refuses to carry out any reasonable lawful order given to him in the course of his employment or persistently fails diligently to attend to his duties hereunder;
- (h) the Executive shall during the Term be absent (other than during periods of holiday) for an aggregate period of more than 120 working days in any 12 month period;
- (i) there is any material or persistent deviation by the Executive from any matter or circumstances represented by him in the statement referred to in Clause 4.3(a);
- (j) the Executive is in material breach of any of the terms of the undertaking referred to in Clause 4.3(c); or



- (k) the Executive is not re-elected as a director of the Company at the general meeting of the Company at which he retires pursuant to the provisions of the Articles relating to the retirement of the directors (whether by rotation or otherwise).

- 12.2 Either party may terminate this Agreement by giving to the other party not less than three (3) months' written notice in writing. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 12.3 The Executive shall have no claim against the Company for damages or otherwise by reason of termination under this Clause 12 and no delay or forbearance by the Company in exercising any such right of termination shall constitute a waiver of that right.
- 12.4 For the avoidance of doubt, the Executive hereby consents to retirement by rotation in accordance with the Articles and the requirements of the Listing Rules at such time as may be required by the Board.

### **13. EFFECT OF TERMINATION**

- 13.1 All documents, records, correspondence, client lists, accounts, statistics, equipment or other property relating to the businesses or affairs of any member of the Group (including all those items referred to in Clauses 9 and 11.2) kept in the possession or under the control of the Executive and all copies thereof or extracts therefrom made by or on behalf of the Executive shall be and remain the property of the relevant member of the Group and shall be delivered up to the Company upon the expiry of the Term or its sooner determination.
- 13.2 If the Executive is at any time appointed a director of any member of the Group, he shall on or after the expiry of the Term or its sooner determination resign in writing from any office held by him as such director and from all other offices held by him with any member of the Group and to execute an acknowledgment under seal to the effect that he has no claims against the Company or any other member of the Group (as the case may be) for compensation for loss of office or otherwise.
- 13.3 The Executive shall upon the expiry of the Term or its sooner determination transfer, without payment and in such manner as the Company may require, all such shares in any of the Company's subsidiaries or associated companies as are held by him as nominee for the any member of the Group.
- 13.4 In the event of the Executive failing to take any of the actions required to be taken by him under Clauses 13.2 or 13.3 forthwith on request by the Company, the Company is hereby irrevocably and by way of security appointed the attorney of the Executive to appoint some person in the name of and on behalf of the Executive to sign, seal and deliver resignations to the relevant member of the Group and instruments of transfers of the relevant shares and to file such returns or take such other action as may be necessary or desirable under the Companies Law of the Cayman Islands, the BVI Business Companies Act, 2004 of the laws of the British Virgin Islands, the Companies Ordinance of Hong Kong, the Stamp Duty Ordinance of Hong Kong and

other applicable legislation. The Executive agrees to confirm and ratify such documents and acts.

#### **14. INDEMNITY**

- 14.1 The Company agrees to indemnify and hold harmless the Executive on demand from and against any and all losses, claims, damages, liabilities and expenses, including without limitation, any proceedings brought against the Executive, arising from the performance of his duties pursuant to or his appointment under this Agreement, so far as permitted by law, except in any case where the matter in respect of which indemnification is sought under this Clause was caused by the wilful default or wilful neglect of the Executive.
- 14.2 The Executive agrees and undertakes to indemnify and keep effectively indemnified in full the Group on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by any member of the Group, arising from, as a result of or in connection with any breach by the Executive of any of his obligations under Clause 9, Clause 10, Clause 11.1, Clause 11.2, Clause 11.3 and Clause 11.7 or his obligations implied by law in relation to any of the matters mentioned in such Clauses.

#### **15. EFFECT OF RECONSTRUCTION**

The Executive acknowledges that if before the expiration of the Term this Agreement is terminated by reason of the liquidation of the Company or the transfer of its business to another company for the purpose of reconstruction or amalgamation and he is offered employment with any concern or undertaking resulting from such reconstruction or amalgamation on terms and conditions which are both in form and substance no less favourable taken as a whole than the provisions of this Agreement he will have no claim against the Company (or any other member of the Group) in respect of such termination, provided that there is no change of business or control (as defined in the Hong Kong Code on Takeovers and Mergers) resulting from such reconstruction or amalgamation, otherwise the Executive shall be entitled to terminate this Agreement, but neither the Company nor the Executive shall have any claim in respect of such termination.

#### **16. SHARE DEALINGS**

- 16.1 The Executive shall comply with all applicable laws, rules, regulations and the Articles in force for the time being in relation to dealings in shares, debentures or other securities of the companies in the Group and in relation to unpublished price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the Executive shall also comply with all laws of the state and all regulations of the stock exchange, market or dealing system in which such dealings take place.
- 16.2 In addition to Clause 16.1, the Executive shall comply with the Model Code and the SFO and will not perform any act which may commit any offence under the SFO.

- 16.3 The Executive shall notify the Company of his interests and/or short positions in the shares and/or debentures of the Company and its associated corporations (as defined in section 308 of SFO) within such time period and in such manner as required under Part XV of the SFO.

**17. ENTIRE AGREEMENT**

- 17.1 This Agreement embodies all the terms and provisions of and relating to the employment of the Executive by the Company and/or by any member of the Group.
- 17.2 The terms of this Agreement may only be varied in writing by the parties hereto or their duly authorised agents.

**18. PRIOR AGREEMENTS**

This Agreement is in substitution for and shall supersede all former and existing agreements or arrangements made orally or in writing for the employment of the Executive by any member of the Group, which shall be deemed to have been cancelled with effect from the date of this Agreement and no party shall have any claim in respect of any such superseded agreements or arrangements.

**19. SERVICE OF NOTICE ETC.**

- 19.1 Any notice, claim, demand, court process or other communication under this Agreement (collectively “communication” in this Clause 19) shall be in the English or Chinese language and may be served or given personally or sent to the address or facsimile numbers (if any) stated after the relevant party’s name at the beginning of this Agreement or to such other address (which must be in Hong Kong) or facsimile numbers as may from time to time be notified in writing by one party to the other with specific reference to this Agreement, by the following means and the addressee of such communication shall be deemed to have received the same within the time stated adjacent to the relevant means of despatch:

| <u>Means of despatch</u> | <u>Time of deemed receipt</u> |
|--------------------------|-------------------------------|
| Local mail or courier    | 24 hours                      |
| Facsimile                | on despatch                   |
| Air courier/Speedpost    | 3 days                        |
| Airmail                  | 5 days                        |

- 19.2 A communication served in accordance with Clause 19.1 shall be deemed sufficiently served and in proving service and/or receipt of a communication it shall be sufficient to prove that such communication was left at the addressee’s address or that the envelope containing such communication was properly addressed and posted or despatched to the addressee’s address or that the communication was properly transmitted by facsimile to the addressee. In the case of communication by facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.

- 19.3 Nothing in this Clause 19 shall preclude the service of communication or the proof of such service by any mode permitted by law.

**20. GENERAL**

- 20.1 Save as provided under Clause 3.2 and subject to the Articles, none of the rights or duties of the Company or the Executive under this Agreement may be assigned, transferred, sub-contracted or delegated.
- 20.2 The failure of the Company at any time or times to require performance of any provision hereof shall in no manner affect the Company's right at a later time to enforce the same. No waiver by the Company of the breach of any term or covenant contained in this Agreement whether by conduct or otherwise in any one or more instances shall be deemed to be or construed as a further or continuing waiver of any such breach or a waiver of the breach of any other term or covenant contained in this Agreement. Each of the rights and remedies provided herein shall be in addition to and not exclusive of any rights or remedies provided by law.
- 20.3 Without prejudice to Clause 10.3 or 13.4, the Executive hereby irrevocably and by way of security appoints the Company and each member of the Group now or in the future existing to be his attorney and in his name and on his behalf and as his act and deed to sign execute and do all acts, things and documents which he is obliged to execute and do under the provisions of this Agreement and the Executive hereby agrees forthwith on the request of the Company to ratify and confirm all such things and documents signed, executed or done in pursuance of this power.

**21. PROPER LAW AND FORUM**

This Agreement shall in all respects be interpreted and construed in accordance with and governed by Hong Kong law and each of the parties hereto hereby irrevocably submits to the non-exclusive jurisdiction of the Hong Kong courts and waives all defences to any action arising hereunder brought in the courts of Hong Kong on the ground that such action is brought in an inconvenient forum.

**IN WITNESS** whereof the parties hereto entered into this Agreement the day and year first above written.

**EXECUTION PAGE**

**SIGNED** for and on behalf of )  
**QUALI-SMART HOLDINGS LIMITED** )  
by **LAU HO MING, PETER** )  
one of its directors, )  
in the presence of : )



**SIGNED, SEALED and DELIVERED** by )  
**HAU YIU POR** )  
in the presence of : )

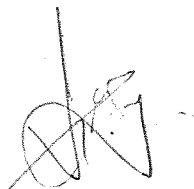
Witness to all the above signatures:

Witness' signature:

Witness' name:

Witness' occupation:

Witness' address:



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**TANG YUEN CHING IRENE**  
**COMPANY SECRETARY**

**EXECUTION PAGE**

**SIGNED** for and on behalf of )  
**QUALI-SMART HOLDINGS LIMITED** )  
 by **LAU HO MING, PETER** )  
 one of its directors, )  
 in the presence of : )

**SIGNED, SEALED and DELIVERED** by                     )  
**HAU YIU POR**                                                         )  
in the presence of :                                                 )

Man yik pot

Witness to all the above signatures:

Witness' signature:

Witness' name:

Witness' occupation:

Witness' address:

  
TANG YUEN CHING IRENE  
COMPANY SECRETARY