

Disclaimer: Certain personal information (being residential address and HKID card number) of the individual concerned contained in this document has been redacted for the reason of protection of privacy. The remaining information is considered adequate by (i) the Company and its directors and (ii) the legal advisers to the Company as to Hong Kong laws for the purpose of disclosing the nature and significance of this document, and for the Company to fulfill its relevant disclosure obligations under the Codes on Takeovers and Mergers and Share Buy-backs.

DATE: 31 December 2021

THELLOY DEVELOPMENT GROUP LIMITED

and

MR. LAM ARTHUR CHI PING

SERVICE AGREEMENT

SERVICE AGREEMENT

THIS AGREEMENT is made on 31 December 2021

BETWEEN:

- (1) **THELLOY DEVELOPMENT GROUP LIMITED**, a limited liability company incorporated in the Cayman Islands and having its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and its principal place of business in Hong Kong at 2/F, Centre 600, 82 King Lam Street, Lai Chi Kok, Kowloon, Hong Kong (the “**Company**”); and
- (2) **Mr. LAM ARTHUR CHI PING** (holder of Hong Kong identity card No. [REDACTED]) of [REDACTED] (the “**Director**”).

WHEREAS:

The Company has agreed to employ and the Director has agreed to accept her appointment as an executive director of the Company on the terms and conditions set out in this Agreement.

IT IS HEREBY AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement including the Recital, the following expressions have the following meanings, unless the context otherwise requires:

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| “ Agreement ” | means this agreement as may from time to time be amended, modified or supplemented pursuant to Clause 16.2; |
| “ Associate(s) ” | shall have the meaning as defined in the Rules Governing the Listing of Securities on Main Board; |
| “ Board ” | means the board of directors of the Company from time to time or the directors present at any meeting of the Board duly convened and held; |
| “ Business ” | means all the business, operations and affairs of the Group or any member of the Group from time to time; |
| “ Commencement Date ” | means 31 December 2021; |

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| “Group” | means the Company and any company which is for the time being a subsidiary or an Associate of the Company (excluding the holding company of the Company and any Associate of such holding company if the Company has an attributable interest of less than thirty (30) percent of the issued share capital of such Associate, except in relation to Clause 10); |
| “Main Board” | the Main Board of The Stock Exchange of Hong Kong Limited |
| “Hong Kong” | means the Hong Kong Special Administrative Region of the PRC; |
| “month” | means calendar month; |
| “PRC” | means the People’s Republic of China; |
| “Remuneration” | means the remuneration payable to the Director pursuant to Clause 5.1; |
| “subsidiary” | shall have the meaning ascribed thereto in section 2 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the laws of Hong Kong and the expression “subsidiaries” shall be construed accordingly; |
| “Term” | means the period from the Commencement Date until its expiry pursuant to Clause 2 or termination pursuant to Clause 12; |
| “working day” | means 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” | means calendar year. |
| “HK\$” | means the lawful currency of Hong Kong; |

1.2 In this Agreement including the Recitals:

- (a) references to Clauses in this Agreement are to clauses of this Agreement;
- (b) reference to any ordinance, regulation or other statutory provision includes reference to such ordinance, regulation or statutory 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 constructed 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, the Company appoints the Director and the Director accepts his appointment as an executive director of the Company with the duties described in Clause 3 for an initial term of three (3) years from the Commencement Date and renewable automatically for successive terms of one year each commencing from the day next after the expiry of the then current term of the Director's appointment, unless terminated by not less than two (2) months' notice in writing served by either party on the other party expiring at the end of the initial term or at any time thereafter. The same terms as set out in this Agreement shall apply to any renewed term of appointment of the Director, save as to the Remuneration, the applicable amount of which shall be such as may be prevailing in the immediately preceding term of this Agreement.

2.2 For the purposes only of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the laws of Hong Kong), and subject to Clause 12.6 below, the **"agreed period"** during the initial term and any renewed term of the Director's appointment hereunder shall be the unexpired period of the initial term and two months, respectively, and, where such unexpired period comprises 7 days or less, 7 days.

3. DUTIES

3.1 The Director shall during the Term:

- (a) serve the Company in the capacity of an executive director of the Company with such executive and management responsibilities and duties with regard to the Business and the development and expansion of the Business as the Board may reasonably direct;
- (b) unless prevented by ill health or engaged in businesses or offices in which the Director is permitted to engage under Clause 4, devote all of his time, attention and abilities during normal business hours and such additional hours as may reasonably be required to administer, supervise and manage the Business and use his best endeavours to promote the Business and welfare of the Group and to manage and supervise the Business;
- (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) at all times keep the Board promptly and fully informed of all matters relating to or in connection with performance and exercise of his duties and powers under this Agreement;
- (e) carry out his duties and exercise his powers jointly and collectively with any other director(s) or executive(s) of any member of the Group as shall from time to time be appointed by the Board to act jointly with the Director and the Board may at any time require the Director to cease performing or exercising any of his duties or powers under this Agreement;

- (f) comply with the Rules Governing the Listing of Securities on Main Board (the “**Main Board Listing Rules**”), which is published from time to time by The Stock Exchange of Hong Kong Limited and observe the provisions of the Hong Kong Code on Takeovers and Mergers approved from time to time by the Securities and Futures Commissions and the Securities and Futures Ordinance and any other legislations and regulations which may from time to time be in force in Hong Kong and applicable to the Director in his capacity as an executive director of the Company; and
 - (g) in the discharge of such duties and in the exercise of such powers, cause the Company and/or any member of the Group to strictly observe and comply with the following:
 - (i) the articles of association of the Company from time to time;
 - (ii) the Main Board Listing Rules;
 - (iii) all reasonable and lawful resolutions, instructions, regulations and directors from time to time passed, made or given by the Board; and
 - (iv) every rule of law and regulation applicable to any member of the Group.
- 3.2 The Director shall, if and so long as he is required by the Company and in consideration of the Remuneration, 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 (so far as applicable and save as regards all entitlements to the Remuneration or other benefits whatsoever, which shall not apply).
- 3.3 The Company may from time to time and at any time assign any title to the Director and any other duties to the Director in addition to or in substitution of any title then held by the Director (including, for the avoidance of doubt, that of a director) and the duties (if any) then assigned to his.
- 3.4 The Director 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.

4. OUTSIDE INTERESTS

- 4.1 The Director 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 engage 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 Director from:
- (a) being engaged, concerned or interested in any other business, trade or occupation with the prior written consent of the Board; or
 - (b) subject to the provisions of Clause 10.6(a) below, 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, whether directly or indirectly, competes in any way with or similar to the Business.

4.3 The following provisions shall apply in relation to any application for consent under Clause 4.2(a) above:

- (a) the Director shall furnish to the Board a detailed statement of the exact nature of the business, trade or occupation in which he wishes to engage, the exact nature of the duties and obligations imposed on and the extent of commitment required of or to be assumed by his and the amount of time that he intends to devote and is likely to be devoted for such purpose and such other documents or information as the Board may require from time to time;
- (b) if the Board is reasonably satisfied that the nature of the business, trade or occupation in which the Director wishes to engage is unlikely to compete with and is dissimilar to the Business and that the time likely to be devoted by the Director for such business, trade or occupation is unlikely to adversely affect the Business, consent shall be given by it to the Director for his engagement in such business, trade or occupation;
- (c) the Director shall (as a condition precedent to such consent) furnish to the Board an undertaking that the matter represented in the statement referred to in Clause 4.3(a) will at all times during the Term remain correct and accurate and that he will not during the Term act in variance thereof.

5. REMUNERATION AND EXPENSES

5.1 The Remuneration of the Director shall comprise:

- (a) (i) basic annual remuneration (including any sum payable to the Director as director's fee from any member of the Group) in the aggregate of HK\$1,080,000 per annum which shall be payable by twelve (12) equal monthly instalments of HK\$90,000 each in arrears on the last business day of each calendar month; and
- (ii) the basic annual remuneration stipulated in Clause 5.1(a)(i) shall be reviewed by the Remuneration Committee of the Board at each financial year end of the Company provided that:
 - (aa) in respect of each of the completed year of service, the basic annual remuneration payable to the Director may, subject to the discretion of the Board, be increased by not more than the percentage as recommended by the Remuneration Committee, if any;
 - (bb) the Director shall abstain from voting and not be counted in the quorum in respect of the resolution proposed at any meeting of the Board regarding the amount payable to himself in respect of his appointment hereunder; and
 - (cc) any increase in Remuneration shall, unless specified by the Board, become effective for all periods after 31 December of the year in which it is notified to the Director.
- (b) after each completed year of service, the Director may be entitled to a discretionary bonus to be determined by the Board of the Company by reference to the audited consolidated net profit attributable to the equity holders of the Company (the "**Net Profit**") provided that the aggregate amount of discretionary bonuses payable in each financial year to all executive directors of the Company shall not exceed the percentage as recommended by the Remuneration Committee, if any.

- 5.2 The bonus payable pursuant to Clause 5.1(b) shall be payable in respect of each financial year within one (1) calendar month after the audited consolidated accounts of the Group for such financial year have been approved by the Board.
- 5.3 The Director may, at the discretion of the Board, be granted share options entitling the Director 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.
- 5.4 The Company shall pay to the Director all reasonable expenses properly incurred by the Director in connection with the performance of the duties of the Director under this Agreement, in each case subject to such expenses being evidenced and vouched for in such manner as the Board may reasonably require.
- 5.5 The Director shall be entitled to all the benefits under any employee benefit plan including medical insurance coverage pursuant to the Company's medical scheme, insurance coverage for its employees adopted or to be adopted by the Company or its subsidiaries for the time being for any of their respective employee (including the Director) as the Board may determine from time to time.
- 5.6 Notwithstanding anything to the contrary contained in the articles of association of the Company or any member of the Group, the Director 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 Director 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 business associates or prospective business associates of the Group.
- 5.7 The Company may, with the written consent of the Director, deduct from the Director's Remuneration all sums from time to time owing from the Director to the Company or any member of the Group.

6. RETIREMENT FUND SCHEME PARTICIPATION

- 6.1 The Director shall be entitled during the Term to participate in and the Company shall procure that the Director 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) shall be offered to the Director shall be the same as those applicable to other employees of the Group.
- 6.2 For the purpose of section 32 of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), it is agreed that the Company may deduct from the Remuneration the amount of any contribution payable by the Director under the scheme in which the Director may elect to participate.

7. LEAVE

- 7.1 The Director shall be entitled to paid leave (exclusive of statutory holidays in Hong Kong, or other holdings on which banks are closed in Hong Kong and sick leave), the number of working days of which shall be resolved by the Board from time to time, in each completed year of services (or if this Agreement terminates before the end of the relevant year of service, on a pro-rata basis) to be taken by the Director at such time as may be approved by the Board which is convenient to the Group having regard to the requirements of the Group's business.

- 7.2 For the avoidance of doubt, the unused annual leave as referred to in Clause 7.1 cannot be carried forward to the next year of service, unless the Board determines otherwise, any untaken annual leave at the end of each year ended 31 December shall be forfeited.

8. CONFIDENTIALITY

Unless compelled by an order of a court of competent jurisdiction or any applicable law, rules and regulations (including those of any exchange), the Director shall not at any time during or after the Term use, divulge or communicate to or cause or enable any third party 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 secret, confidential or other 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 the 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, client's list, accounts, financial or trading information, formulas, designs, specifications, drawings or other confidential or personal information which the Director 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 other technical data, knowhow or specifications, whether in human or machine readable form and whether stored electronically or otherwise, or the finances, proposals, contractual arrangements, principals, joint venture partners, contracting parties, clients, employees or agents of any member of the Group ("**Information**"), 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 any unauthorised disclosure. The provisions of this Clause shall also not apply when the Director, who in performing his duties, need to communicate with any officer or employee of any member of the Group who is required to know the Information to carry out his duties.

9. COPYRIGHT AND INVENTIONS

- 9.1 In consideration of the Remuneration payable to the Director under this Agreement, the Director acknowledges that all rights of inventions, copyright works, designs, trade and service marks or other intellectual properties 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, drawings, sketches, schemes, models and specifications, whether in human or machine readable form and whether stored electronically or otherwise) shall belong absolutely to the Company and the Director 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.
- 9.2 If at any time during the Term, the Director shall either alone or jointly make, discover or acquire any business concept or idea, invention, discovery, design, 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 clients of the Group (hereafter together referred to as an "**Invention**") or if details of any Invention shall be communicated to the Director by any other employee of any member of the Group, then:
- (a) the Director 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 Director or his share therein if made or discovered jointly with any other party shall belong to and be the sole and 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 Director 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; and
- (d) none of the members of the Group shall be under any liability to account to the Director for any revenue or profit derived or resulting from any Invention.

9.3 The Director hereby irrevocably and by way of security appoints each Director of each member of the Group 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 9. The Director agrees to confirm and ratify all such acts and instruments.

10. RESTRICTIVE COVENANTS

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

- (a) at any time during the Term or within six (6) 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 or consultant 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 whether 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 Director); or
 - (ii) be interested in any project or proposal on behalf or for the benefit of any person who within twelve (12) months prior to the expiry or sooner determination of the Term is a principal, joint venture partner, contracting party or client or a potential principal, joint venture partner, contracting party or client of the Group or an Associate of any of the foregoing and, for this purpose, a potential principal, joint venture partner, contracting party or client is any person to whom the Group has made a proposal or presentation with a view to securing appointment as a consultant or the provision of services of the Group, co-operation for a business venture or undertaking, the entering into any material contract for the development of the 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 Director or his Associates in writing to participate in, or consented in writing to the Director 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) be engaged or interested in or concerned with any business which competes, directly or indirectly, with the Business or which is similar to the Business; and
- (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 part of the world 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.

10.2 Since the Director has obtained and is likely to obtain in the course of his employment hereunder Trade Secrets and other Confidential Information and since the Director 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 Director hereby agrees with the Company that in addition to the restriction contained in Clause 8 he will not 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 herself 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.

10.3 The Company hereby covenants with and undertakes in favour of the Director that neither it nor any member of the Group will after the expiry of the Term or its sooner determination use the Director's name or represent that the Director is carrying on or continuing to be or being connected with any member of the Group or their businesses whether in Hong Kong, the PRC or elsewhere.

10.4 For the purposes of Clause 10.1:

- (a) **“employee”** includes any staff of any of the sub-contractors of any member of the Group or any successors thereof; and
- (b) **“assets”** include intellectual property rights and know-how of all forms and descriptions 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.

10.5 For the purposes of Clause 10.2:

- (a) **“Trade Secrets”** means trade secrets including knowledge of and know-how in connection with the Group or any of the Businesses or proposed products 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 Director on the express basis that it is confidential; and
 - (ii) any other information or knowledge received or obtained by the Director which if used, divulged or communicated to any person other than in accordance with Clause 8 would have infringed the restriction in that Clause.

10.6 Nothing in this Clause 10 (other than Clauses 10.2 and 10.7) shall apply to:

- (a) the direct or indirect holding of any securities listed on a 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) percent of the total voting rights attaching to the securities of the same class as that held by the Director and/or his Associates, provided that neither the Director nor any of his Associates participates in or are otherwise involved in the management of the company; or
- (b) the holding by the Director or any of his Associates of any securities of the Company or its holding company.

10.7 The Director 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 on the date of this Agreement engages or is interested in or is concerned with in Hong Kong, the PRC or elsewhere any of the Businesses. The warranty contained in this Clause shall be deemed repeated by the Director every day during the Term.

10.8 While the restrictions contained in this Clause 10 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 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 10 shall apply with such deletion, restriction or limitation as the case may be.

10.9 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 10 during the periods stipulated in this Agreement.

11. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of The Stock Exchange of Hong Kong Limited or other market on which he deals and every regulation and the articles of association of the Company 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 inside information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the Director 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.

12. TERMINATION

- 12.1 Except for the occurrence of any of the events specified in Clause 12.5 herein below, either party may terminate this Agreement by giving to the other party at least two (2) months' prior notice in writing and the Company shall thereupon be released from the obligations to pay any further salary or employment benefits to the Director upon termination of employment.
- 12.2 The Director shall continue to be paid during absence due to incapacity through illness or injury as advised by a medical doctor approved by the Company for a total of up to ninety (90) days in any period of one year from the commencement of employment under this Agreement.
- 12.3 Thereafter, the Director shall continue to be paid salary only at the discretion of the Company provided that if such absence shall continue for twenty-five (25) weeks in any period of fifty-two (52) consecutive weeks, the Company may terminate the employment of the Director by notice given on a date not more than twenty-eight (28) days after the end of the twenty-fifth (25th) week and in that event the Company shall pay to the Director a sum equal to one (1) month's salary from the date of termination of his employment.
- 12.4 If the incapacity shall be or appear to be occasioned by actionable negligence of third party in respect of which damages are or may be recoverable, the Director shall immediately notify the Board of that fact and of any claim compromise settlement or judgement made or awarded in connection with it. The Director shall give to the Board all particulars the Company may reasonably require and shall if required by the Company refund to the Company that part of any damages recovered relating to loss of earnings for such period of the incapacity as the Board may reasonably determine provided that the amount to be refunded shall not exceed the amount of damages or compensation recovered by his less any costs borne by the Director in connection with the recovery of such damages or compensation and shall not exceed the total remuneration paid to him by way of salary in respect of the period of the incapacity.
- 12.5 The employment of the Director may be terminated by the Company without notice and compensation if: -
- (a) the Director shall be disqualified or prohibited to act as a director of any member of the Group under any applicable law, rules, practice directions, practice notes or guidance notes of any stock exchange;
 - (b) the Director shall be guilty of any dishonesty, gross misconduct or wilful default or neglect 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 Director to the satisfaction of the Board within 30 days upon his being called upon to do so in writing by the Board);
 - (c) the Director shall be guilty of conduct likely to bring himself or any member of the Group into disrepute;
 - (d) the Director 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 Director 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 Director 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 Director 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 Director shall during the Term be absent (other than during periods of holiday) for an aggregate period of 120 working days;
 - (i) there is any material or persistent deviation by the Director from any matter or circumstances represented by him in the statement referred to in Clause 4.3(a);
 - (j) the Director is in material breach of any of the terms of the undertaking referred to in Clause 4.3(c);
 - (k) the Director be convicted of any offence or be identified as an insider dealer under any applicable statutory enactment or regulations as in force from time to time; or
 - (l) the Director improperly divulges to any unauthorised person any information in breach of Clause 8.
- 12.6 The Company may, if it is advised that it is not entitled under the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) to terminate this Agreement by immediate notice pursuant to Clause 12.5, terminate this Agreement upon the occurrence of any of the events specified in that Clause by 7 days' notice in writing served on the Director and, in such event, the **"agreed period"** for the purpose of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) shall be 7 days.
- 12.7 The Director shall have no claim against the Company for damages or otherwise by reason of termination under Clauses 12.5 and 12.6 and no delay or forbearance by the Company in exercising any such right of termination shall constitute a waiver of that right.

13. EFFECT OF TERMINATION

- 13.1 All documents, records, correspondence, client lists, accounts, statistics, equipment or other property relating to the Business (including all those items referred to in Clause 8 above) kept in the possession or under the control of the Director and all copies thereof or extracts therefrom made by or on behalf of the Director 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 Director 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, remuneration, severance payments or otherwise.
- 13.3 The Director shall upon the expiry of 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 any member of the Group.

- 13.4 In the event of the Director 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 as the attorney of the Director to appoint such person in the name of and on behalf of the Director 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 laws of the Cayman Islands, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) and any other applicable legislation. The Director agrees to approve, confirm and ratify such documents and acts.

14. INDEMNITY

The Director 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 Director of any of his obligations under any clause of this Agreement or his obligations implied by law in relation to any of the matters mentioned in any clauses of this Agreement.

15. EFFECT OF RECONSTRUCTION

The Director 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 shall have no claim against the Company in respect of such termination, provided that there is no change of business or control resulting from such reconstruction or amalgamation, otherwise the Director shall be entitled to terminate this Agreement, but neither the Company nor the Director shall have any claim in respect of such termination.

16. ENTIRE AGREEMENT

- 16.1 This Agreement embodies all the terms and provisions of and relating to the employment of the Director by the Company and/or by any member of the Group.
- 16.2 The terms of this Agreement may only be varied in writing signed by or on behalf of the parties hereto.

17. 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 Director 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 against the other.

18. SERVICE OF NOTICE

18.1 Any notice, claim, demand, court process or other communication under this Agreement (collectively “**communication**” in this Clause 18) shall be in the English language and may be served or given personally or sent to the address (including cable address) stated after the relevant party’s name at the beginning of this Agreement or to such other address (which must be in Hong Kong), telex 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 dispatch |
| Air courier/Speed post | 3 days |
| Airmail | 5 days |

18.2 A communication served in accordance with Clause 18.1 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 facsimile transmission, such transmission shall be deemed properly transmitted on receipt of a satisfactory report of transmission printed out by the sending machine.

18.3 Nothing in this Clause 18 shall preclude the service of communication or the proof of such service by any mode permitted by law.

19. MISCELLANEOUS

19.1 Save as provided under Clause 3.2, none of the rights or duties of the Company or the Director under this Agreement may be assigned, transferred, sub-contracted or delegated.

19.2 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 either party of the breach by the other party 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.

19.3 Without prejudice to Clause 9.3 or 13.4, the Director 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 Director 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.

20. GOVERNING 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.

SIGNED for and on behalf of
THELLOY DEVELOPMENT
GROUP LIMITED
by **LAM KIN WING EDDIE**
one of its directors,
in the presence of:

)
)
)
)
)
)
)



SIGNED, SEALED and DELIVERED by
LAM ARTHUR CHI PING
in the presence of:

)
)
)

A handwritten signature in black ink, appearing to read "Arthur Chi Ping Lam", followed by a long horizontal line and a small flourish at the end.