

Dated the 24th day of August 2001

JESSICA PUBLICATIONS LIMITED

AND

NG JESSICA YUK MUI

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DIRECTOR'S SERVICE AGREEMENT

in respect of

JESSICA PUBLICATIONS LIMITED

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SOLICITORS

**Preston|Gates|Ellis**

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THIS AGREEMENT is made on the 24th day of August 2001

BETWEEN:

1. JESSICA PUBLICATIONS LIMITED, a company incorporated with limited liability in the Cayman Islands and whose principal place of business is at Units B, C & D, 17/F., Aik San Building, 14 Westlands Road, Quarry Bay, Hong Kong (the "Company"); and
2. NG JESSICA YUK MUI of 12A, Belleview Garden, 5 Belleview Drive, Repulse Bay, Hong Kong (the "Executive").

WHEREBY IT IS AGREED as follows:

1. INTERPRETATION

1.01 In this Agreement, unless the context requires otherwise:

"Articles of Association"	means the articles of association of the Company adopted on 29th June 2001 and includes any amendments thereto from time to time;
"Board"	means the board of directors for the time being of the Company;
"Business"	means all the business and affairs carried on from time to time by the Company and/or any member of the Group;
"GEM Listing Rules"	means the rules governing the Listing of Securities on The Growth Enterprise Market of the Stock Exchange;
"Group"	means the Company and its subsidiaries from time to time and member of the Group shall be construed accordingly;
"HK\$"	means Hong Kong dollars;
"Hong Kong"	means the Hong Kong Special Administrative Region of the Peoples Republic of China;
"month"	means calendar month;
"subsidiary" and "holding company"	have the meanings attributed to them in Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong);
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited;
"Termination"	means termination of this Agreement howsoever; and
"Termination Date"	means the date the Termination becomes effective.

1.02 References herein to Clauses are to clauses in this Agreement and references to sub-clauses are to sub-clauses of the Clauses in which they respectively appear.

- 1.03 Headings in this Agreement are for convenience only and shall not affect the construction of this Agreement.
- 1.04 Unless the context requires otherwise, words importing the singular only shall include the plural and vice versa and words importing natural persons shall include corporations and unincorporated associations and words importing the masculine gender only shall include the feminine gender and the neuter gender and vice versa.

## 2. APPOINTMENT

The Company shall employ the Executive and the Executive shall serve the Company as an executive director of the Company upon the terms and conditions hereinafter appearing and subject to the Articles of Association.

## 3. DURATION

Subject to Clause 10, the Company shall employ the Executive with effect from 24th August 2001 for an initial fixed term of 1 year and shall continue thereafter until terminated by either party by giving three (3) months notice in writing at any time to the other.

## 4. EXECUTIVES DUTIES

The Executive shall, during the continuance of his employment hereunder:

- (a) serve the Company as an executive director and, in such capacity, perform the duties and exercise the powers from time to time assigned to or vested in him by the Board;
- (b) in pursuance of his duties hereunder, perform such services for the Group and (without further remuneration unless otherwise agreed) accept such offices in the Group as the Board may from time to time reasonably require and, without limiting the generality of this Clause to act as a director of the Company and of each of its subsidiaries; and he will perform those duties at such place or places in Hong Kong or elsewhere as the Board may from time to time determine;
- (c) comply with and conform to any lawful instructions or directions from time to time given or made by the Board and faithfully and diligently serve the Group and use his best endeavours to promote the business and interests thereof;
- (d) devote such business time and attention as is necessary to perform his duties hereunder except in case of incapacity through illness or accident in which case he shall forthwith notify the secretary of the Company of such incapacity and shall furnish to the Board such evidence thereof as it may require;
- (e) keep the Board promptly and fully informed (in writing if so requested) of his conduct of the business or affairs of the Company or the Group and provide such explanations as the Board may require in connection therewith;
- (f) carry out his duties and exercise his powers jointly and collectively with any other director or executive of any member of the Group as shall from time to time be appointed by the Board and the Board may at any time require the Executive to cease performing or exercising any of his duties or powers under this Agreement; and

- (g) ensure that he is fully aware of his legal obligations, and all his obligations under the Articles of Association, GEM Listing Rules and other relevant regulations and requirements, as a director of the Company.

## 5. OUTSIDE INTERESTS

- 5.01 Subject to Clause 11, the Executive may with the prior written consent of the Board become a director of one or more companies outside the Group or be engaged, concerned or interested directly or indirectly in non-Group business, trades or offices which do not, collectively, involve any significant devotion of time or attention provided that such prior consent shall not be required in respect of the matters set out in the prospectus of the Company in connection with the listing of its shares on the Stock Exchange.
- 5.02 Any dispute regarding any matter provided for in Clause 5.01 shall be decided by the Board, whose decision shall be final and conclusive as between the parties. The Executive shall furnish to the Company with such information as the Board may require in connection with any such matter.

## 6. REMUNERATION

- 6.01 The remuneration of the Executive shall be:
  - (a) (i) a fixed salary at the rate of Hong Kong Dollars 23,000.00 per month for the period from 24 August 2001 to 30 September 2001, and Hong Kong Dollars 21,850.00 effective from 1 October 2001 and for each month thereafter, which is deemed to accrue on a day to day basis, payable (including any sum payable to the Executive as directors fee from any members of the Group) in arrears on the last business day of each calendar month; and
  - (ii) at the discretion of the Company any increment in the salary stipulated in Clause 6.01(a)(i) shall be reviewed by a committee comprising of two or more independent non-executive directors of the Company;
  - (b) after completion of one calendar year of service with the Company, the Executive will receive an amount equivalent to one extra month's basic salary and such payment will be paid before the Chinese New Year.

## 7. EXPENSES

The Company shall reimburse the Executive for all reasonable expenses properly incurred in the performance of his duties hereunder and the Executive will, if so required, provide the Company with receipts or other evidence to the payment of such expenses.

## 8. DEDUCTIONS

The Company shall be entitled at any time to deduct from the Executive's remuneration hereunder any monies due from him to the Company including, but not limited to, contribution payable by him under the Retirement Scheme, any outstanding loans, advances, the cost of repairing any damage to or loss of the Company's property caused by him (and of recovering the same) and any other monies owed by him to the Company provided that any such deduction made shall be in compliance with the provisions of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) in force from time to time.

9. **LEAVE**

The Executive shall be entitled in respect of each year of service with the Company to 11 working days leave (excluding public holidays) with full pay, which leave shall be taken at such time or times as may be approved by the Board having regard to the exigencies of the Group's business provided that:

- (a) if the employment of the Executive hereunder is to cease on the completion of any year of service, the Executive shall be entitled to take his leave immediately prior to the end of such year of service notwithstanding that at that time such year of service shall not have been completed;
- (b) if the employment of the Executive hereunder is to cease (for any reason other than termination pursuant to Clause 10.03) during any year of service, the Executive shall be entitled to an amount of leave proportionate to the part of the year during which he has been employed by the Company.

10. **TERMINATION**

- 10.01 Either party may terminate this Agreement by giving to the other party at least three (3) months notice in writing expiring not earlier than 24th August 2002.
- 10.02 If the Executive is at any time incapacitated by illness, injury or accident from performing his duties hereunder and (if so required) furnishes the Board with evidence satisfactory to it of such incapacity and the cause thereof he shall be entitled to receive his full salary for the first six (6) months or any shorter period during which such incapacity continues and if he continues to be so incapacitated for more than six (6) consecutive months or if he is so incapacitated at different times for more than 180 days in any one period of fifty-two (52) consecutive weeks then and in either of such cases his employment may be determined by the Company by two (2) months notice in writing.
- 10.03 The Company may determine the Executive's employment hereunder forthwith without any notice or payment in lieu of notice and upon such determination the Executive shall not be entitled to any bonus or any payment whatsoever (other than salary actually accrued due and payable) for or in respect of the then current year of service or to claim any compensation or damages for or in respect of or by reason of such determination, if the Executive shall at any time :
- (i) commit any serious or persistent breach of any of the provisions herein contained (and to the extent that such breach is capable of remedy shall fail to remedy such breach within fourteen (14) days after written notice given by the Board);
  - (ii) be guilty of any act of dishonesty, grave misconduct or wilful default or wilful neglect in the discharge of his duties hereunder (and to the extent that such breach is capable of remedy shall fail to remedy such breach within fourteen (14) days after written notice is given by the Board);
  - (iii) without prejudice to the generality of (ii) above be proven to have carried out any fraudulent activity or fraudulently to have failed to carry out any activity, after the date hereof, whether or not in connection with the affairs of the Group;

- (iv) become bankrupt or have a receiving order made against him or suspend payment of his debts or compound with his creditors generally;
- (v) become a lunatic or of unsound mind;
- (vi) become permanently incapacitated by illness or other like causes so as to prevent the Executive from performing his duties and obligations hereunder;
- (vii) absent himself from the meetings of the Board during a continuous period of three (3) months, without special leave of absence from the Board, and his alternate director (if any) shall not during such period have attended in his stead;
- (viii) become prohibited by law from acting as a director;
- (ix) be prohibited by law from fulfilling his duties hereunder;
- (x) be convicted of any criminal offence (other than traffic offence or an offence which in the reasonable opinion of the Board does not affect his position as a director of the Company);
- (xi) be convicted of any offence which in the reasonable opinion of the Board will seriously prejudice the performance of his duties hereunder or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time.
- (xii) without cause refuse to carry out any reasonable and lawful order given to him by the Board during the term of his employment hereunder or persistently fail to attend to his duties hereunder; or
- (xiii) improperly divulge to any unauthorised person any business secret of the Business, organisation or clientele of the Company and/or any members of the Group.

10.04 The employment of the Executive hereunder shall terminate automatically in the event his ceasing to be a director of the Company for whatever reason whether by reason of his not being re-elected as a director of the Company at any general meeting or by virtue of a resolution passed by the members of the Company in general meeting to remove him as a director or otherwise but if such termination shall be caused by any act or omission of either party without the consent of the other, such act or omission shall be deemed to constitute a breach of this Agreement, and such termination shall be without prejudice to any claim for damages in respect of such breach.

10.05 In the event of termination of the Executive's employment hereunder, the Executive shall not be entitled to claim any other compensation whatsoever from the Company in respect of such termination except where the Board otherwise agrees or as expressly provided for in this Agreement.

10.06 In the event of termination of the Executive's employment for whatever reason, the Executive shall:

- (a) forthwith resign as a director of the Company and (if appropriate) as a director of any other members of the Group; and
- (b) transfer without payment to the Company or as the Company may direct any shares or property held by the Executive on behalf of any members of the Group; and

- (c) not at any time thereafter represent himself to be connected with the Group; and
- (d) subject to the provisions of Clause 10.05, shall cease to be entitled to any benefits under this Agreement.

10.07 The Executive hereby irrevocably appoints the Company his lawful attorney in his name and on his behalf, in the event of his failure to do so, to execute all documents under hand or under seal and/or do all things necessary to give effect to his resignation and any transfer referred to in Clause 10.06 or to file such returns or take such other action as may be necessary or desirable under the Companies Law (2000 Revision) of the Cayman Islands, the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or other applicable legislation, and a certificate in writing signed by the legal advisor to the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case and any third party shall be entitled to rely on such certificate without further enquiry provided howsoever that such resignation or resignations shall be given and accepted on the footing that it is or they are without prejudice to any claims which the Executive may have against any such company or which any such company may have against the Executive arising out of this Agreement or its termination.

10.08 Any delay or forbearance by the Company in exercising any right to terminate this Agreement shall not constitute a waiver of such right.

10.09 If notice is served by either party pursuant to Clause 10.01 above, for up to a maximum of 6 months, the Company shall not be obliged to provide any work for the Executive or to assign to or vest in the Executive any powers, duties or functions and may in its discretion suspend the Executive on full salary and other contractual benefits save as below and require the Executive:

- (a) not to enter any premises of the Company or any members of the Group; and
- (b) to abstain from contacting any customers, clients, employees or suppliers of the Company or any members of the Group.

10.10 The Executive shall not be employed by or provide services to any third party (whether paid or unpaid) during the period for which he is suspended pursuant to this Clause.

## **11. EXECUTIVES WARRANTIES AND UNDERTAKINGS**

11.01 The Executive represents and warrants that he is not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into this Agreement or from performing his duties hereunder.

11.02 The Executive shall not either during the continuance of his employment hereunder or at any time thereafter except as authorised or required by the duties herein provided, divulge to any person whomsoever or to any body corporate or unincorporated and shall use his best endeavours to prevent the unauthorised publication or disclosure of any trade secret or any confidential information concerning the business or finances of any member of the Group or any of its dealings, transactions or affairs which may come to his knowledge during or in the course of his employment. Confidential information shall include, without limitation, lists or details of customers, suppliers, information relating to the working of any process of invention carried on or used by the Company or any member of the Group, information relating to research projects, prices, discounts, mark-ups, future business strategy, marketing and price-sensitive information.



- 11.03 Forthwith upon the termination of the employment of the Executive hereunder, and/or at any other time if the Company shall so request, the Executive shall deliver to the Company all documents (including books, records, documents, papers, accounts, correspondence, lists of customers, notes, memoranda, plans, drawings and other documents of whatsoever nature) credit cards, models or samples and other property concerning the business, finances or affairs of any member of the Group which may then be in his possession or control. For the avoidance of doubt it is hereby declared that the property in all such documents as aforesaid shall at all times be vested in the relevant member of the Group.
- 11.04 Save as disclosed in the prospectus of the Company in connection with the listing of its shares on the Stock Exchange, the Executive shall not at any time during the continuance of his employment hereunder or for a period of twelve (12) months thereafter in any country or place where any member of the Group carries on business or has during the twelve (12) months up to and including the date of termination of the Executive's employment hereunder carried on business (as the case may be), carry on or be employed, concerned or interested directly or indirectly whether as a shareholder, director, executive, partner, agent or otherwise and whether alone or jointly with others in any business carried on by any member of the Group during the continuance of the said employment in competition with any member of the Group (other than as a holder of not more than five percent (5%) of the issued shares or debentures of any company listed on any recognised stock exchange).
- 11.05 The Executive shall not at any time during the continuance of his employment hereunder or for a period of twelve (12) months thereafter either on his own account or in conjunction with or on behalf of any other person or body corporate or unincorporated in competition with any member of the Group, directly or indirectly, solicit or entice away from any member of the Group any person or body corporate or unincorporated any customer or supplier of any member of the Group whether the Executive had personal contact or dealings during his said employment or otherwise.
- 11.06 The Executive shall not at any time during the continuance of his employment hereunder or for a period of twelve (12) months thereafter either on his own account or in conjunction with or on behalf of any other person or body corporate or incorporate directly or indirectly solicit or entice away from any member of the Group or employ or otherwise engage any employee of any member of the Group, whether the Executive had contact with such person during his said employment or otherwise.
- 11.07 The Executive hereby agrees that the restrictions in this Clause 11 are reasonable and necessary in all the circumstances for the protection of the business and interests of the Group and do not work harshly upon him.
- 11.08 While the restrictions contained in this Clause 11 are considered by the parties hereto to be reasonable in all the circumstances it is recognised that restrictions of the nature in question may fail for technical reasons unforeseen and accordingly it is hereby agreed and declared that if any of such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the Group but would be valid if part of the wording thereof were deleted or the periods thereof reduced or the range of activities or area dealt with thereby reduced in scope the said restriction shall apply with such modifications as may be necessary to make it valid and effective.
- 11.09 The Executive shall comply where relevant with every rule of law, every regulation and code of practice of the Stock Exchange or any other stock exchange on which he deals and every regulation, code of practice and the articles of association of the relevant companies in the Group in force 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, including the

minimum standard with respect to securities transaction by directors set out in Rules 5.41 to 5.59 of the GEM Listing Rules and the provisions of the Securities (Insider Dealing) Ordinance (Chapter 395 of the Laws of Hong Kong). 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.

- 11.10 The Executive shall, during the continuance of his employment hereunder, not demand or accept or permit any member of his family to demand or accept from third parties any gifts, benefits or advantages offered or given to the Executive or a member of his family by reason of his employment with the Company.

## **12. INVENTIONS AND OTHER INDUSTRIAL AND INTELLECTUAL PROPERTY**

- 12.01 The parties foresee that the Executive may make inventions or create other industrial or intellectual property in the course of performance of his duties hereunder and agree that in this respect the Executive has a special responsibility to further the interests of the Group.
- 12.02 Any concept, idea, invention or improvement or design made or process or information discovered or copyright work or trade mark or trade name or get-up relating to the Business created by the Executive or communicated to the Executive by any other employee of the Company or any member of the Group during the continuance of his employment (whether capable of being patented or registered or not and whether or not made or discovered in the course of his employment) in conjunction with or in any way affecting or relating to the Business or capable of being used or adapted for use therein or in connection therewith (including but not limited to the sole right (to the exclusion of the Executive and any other person) to exploit such concept, idea, invention, improvement, design, process, information, copyright work, trade mark, trade name or get-up by any means and in all media whether now known or hereafter devised) shall (unless such concept, idea, invention or improvement or design was made or process or information discovered or copyright work or trade mark or trade name or get-up were in existence prior to the commencement of a similar business by any company in the Group) belong to and be the absolute property of such company in the Group as the Company may direct and shall forthwith be disclosed in writing to the Company.
- 12.03 The Executive shall subject to Clause 12.02 above, if and whenever required so to do by the Company at the expense of any relevant company in the Group as part of his duties hereunder apply or join with such company in applying for, obtaining and/or renewing letters patent or other protection or registration for any such concept, idea, invention, improvement, design process, information work, trade mark, trade name or get-up relating to the Business in such countries as the Company may direct as aforesaid which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the said letters patent or other protection or registration when obtained and all right title and interest to and in the same in such company absolutely and as sole beneficial owner or in such other person as the Company may specify and such company or person shall not be liable to the Executive for any revenue or profit derived or resulting from such concept, idea, invention, improvement, design, process, information, work, trade mark, trade name or get-up.
- 12.04 The Executive hereby irrevocably appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 12 and a certificate in writing signed by any director or by the secretary for the time being of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case and any third party shall be entitled to rely on such certificate without further enquiry.



**14. ACKNOWLEDGEMENT**

The Executive hereby acknowledges that Preston Gates & Ellis only act for the Company in connection with this Agreement and the Executive has been duly advised to seek independent legal advice and to obtain separate legal representation.

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

SIGNED by FOO Kit Tak  
for and on behalf of  
JESSICA PUBLICATIONS LIMITED  
in the presence of:

WILSON TOG



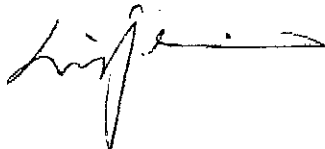
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For and on behalf of  
Jessica Publications Limited

  
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Authorized Signature(s)

SIGNED, SEALED AND DELIVERED by  
NG JESSICA YUK MUI  
in the presence of:

WILSON TOG



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