

(1) NEW FOCUS AUTO TECH HOLDINGS LIMITED

and

(2) TONG FEI

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**SERVICE AGREEMENT**

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**SERVICE AGREEMENT - EXECUTIVE DIRECTOR**

- DATED** : 1<sup>st</sup> July 2019
- PARTIES** : (1) NEW FOCUS AUTO TECH HOLDINGS LIMITED, a company incorporated in the Cayman Islands whose registered office is at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-111, Cayman Islands and its principal place of business in Hong Kong is at 5/F., 180 Hennessy Road, Wan Chai, Hong Kong (the "Company"); and
- (2) TONG Fei of Rm 1802 Unit 2 Bldg.10 Ya'ao Jinmaoyue, No. 15 East Hongjunying Rd, Chaoyang District, Beijing (the "Director").

**DEFINITIONS**

In this Agreement the following words shall have the following meanings:-

Agreement	this Agreement;
Articles	the articles of association of the Company from time to time;
associates	has the meaning ascribed to it under the Listing Rules;
Board	the board of directors of the Company including any committee of the board of directors of the Company duly appointed from time to time;
Group	the Company and its subsidiaries;
Hong Kong	the Hong Kong Special Administrative Region of the PRC;
Listing Rules	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
Macau	the Macau Special Administrative Region of the PRC;
PRC	the People's Republic of China;
Share(s)	the ordinary share(s) of HK\$0.10 each in the share capital of the Company; and
Subsidiary	has the meaning ascribed thereto in section 2 of the Companies Ordinance (Cap. 32, Laws of Hong Kong).

Any reference to a Clause is a reference to such clause of this Agreement, words importing the singular include the plural and vice versa, words importing a gender include every gender and any reference to a person includes a reference to a body corporate or unincorporate.

References to provisions of statutes, rules or regulations shall be deemed to include references to

such provisions as amended, modified or re-enacted from time to time.

## OPERATIVE PROVISIONS

### 1. Appointment

- 1.1 The Company shall engage the Director and the Director shall be appointed as an executive director of the Company during the term of this Agreement and in particular the Director shall be responsible for, inter alia, the overall business development, management and strategic planning of the Group.
- 1.2 This Agreement shall commence on 1<sup>st</sup> July 2019 and shall continue for a term of three (3) years, unless and until, subject to Clause 7, terminated by either party giving to the other not less than three (3) calendar months' prior notice in writing.
- 1.3 The Company shall be entitled to pay salary in lieu of notice, or of any unexpired period of notice.
- 1.4 The Director warrants and represents to the Company that by entering into and performing the obligations on his part contained in this Agreement he will not be in breach of any former terms and conditions of employment (whether express or implied) or of any other obligation binding on him.
- 1.5 The Director warrants and represents 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 and performing the obligations on his part contained in this Agreement.

### 2. Duties

- 2.1 Subject to Clause 2.3, the Director shall, except when he shall be prevented by ill health or injury, devote the whole of his working time, attention and abilities to the business of the Group and the duties of his office and shall use his best endeavours to promote and protect the interest of the Group subject to any lawful direction given to him by the Company. Without prejudice to the generality of the foregoing, the Director shall use all reasonable endeavours to develop the business of the Group and shall faithfully and diligently perform such duties and exercise such powers as may from time to time assigned to or vested in him by the Board.
- 2.2 The Director's normal working hours shall be between 9:00 a.m. and 5:30 p.m from Mondays to Fridays but the Director shall work overtime when necessary for the performance of his duties without additional remuneration. For the avoidance of doubt, the Director may not work in the fixed office but in a place where he think appropriate at his sole discretion.
- 2.3 The Director shall:-
  - 2.3.1 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

- 2.3.2 obey all reasonable and lawful directions, regulations and resolutions given to him by or under the authority of the Board.
- 2.4 The Director shall carry out his duties and exercise his powers jointly with any other director or Director as may 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 and pursuant to the Articles.
- 2.5 The Director may be required in pursuance of his duties hereunder:-
- 2.5.1 to perform services not only for the Company but also for any other company in the Group and to accept such offices in other companies in the Group as the Board may from time to time reasonably require, in all cases without further remuneration (except as otherwise agreed);
- 2.5.2 to work in Hong Kong and the PRC or such other places as the interests, needs, business and opportunities of the Company or any other company in the Group will require or make advisable.
- 2.6 During the course of his employment with the Company, the Director shall comply with the following:-
- 2.6.1 the provisions regarding securities transactions by directors contained in the Model Code for Securities Transactions by Directors of Listed Issuers (Appendix 10) and other provisions of the Listing Rules;
- 2.6.2 the provisions of the Companies Ordinance (Cap 32, Laws of Hong Kong) and the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (or any statutory re-enactment or modification);
- 2.6.3 any other requirements of The Stock Exchange of Hong Kong Limited;
- 2.6.4 the Articles and every rule of law and regulation applicable to any member of the Group; and
- 2.6.5 every applicable law, regulation, code of practice and rule to which the Company or any member of the Group is from time to time subject.
- 2.7 During the course of his employment with the Company, the Director shall use his reasonable endeavours to ensure that the Company complies with the Listing Rules and in particular the Code Provisions set out in the Code on Corporate Governance Practices (Appendix 14) of the Listing Rules (as amended from time to time) and every rule of law and regulation applicable to any member of the Group and to the Director.

### 3. Outside Activities

- 3.1 The Director shall not during his employment by the Company be directly or indirectly engaged or concerned in any other trade or business save as directorships in private companies or non-profit making organisations without serving an executive Director or

full-time role, a representative of the Company or any other company in the Group or with the previous written approval of the Board.

- 3.2 Clause 3.1 shall not preclude the Director from holding and exercising all rights in relation to the legal or equitable interest in the shares or securities of any company any part of whose share capital is listed or dealt in on any stock exchange so long as the interest of the Director in such shares or securities does not extend to more than three per cent (3%) of the total amount of such shares or securities and the Director notifies the Company of his interest in such shares or securities from time to time in accordance with the notification requirements of the Board from time to time.

#### 4. Remuneration and Expenses

- 4.1 As compensation for the services provided herein, the Company shall pay to the Director an amount of HK\$ 1,500,000 (Hong Kong Dollar One Million Five Hundred Thousands) annually from the date hereof. Payments shall be made to the Director equally on a monthly basis (being HK\$ 125,000 paid to the Director on the rear of every month). The Director shall be entitled to receive other monetary benefits, together with any other vested or un-vested benefits in accordance with the terms of the applicable option plans or arrangements.
- 4.2 The Director shall also be entitled to an annual bonus payment in such amount and payable as determined agreed at the beginning of each year between the Director and the Board provided that the aggregate sum of such bonus payments payable to all Director directors for the time being of the Company in any financial year shall, unless the Board shall determine otherwise, not exceed ten per cent (10%) of the audited consolidated net profit of the Company after taxation but before extraordinary items in any financial year ("Net Profit Sum"). For the avoidance of doubt, the Net Profit Sum for any financial year shall be determined by the auditors for the time being of the Company by reference to the audited consolidated accounts of the Company for the relevant financial year.
- 4.3 The Director shall be entitled to be reimbursed all reasonable travelling (which, for travelling on flights, shall mean business class), hotel and other expenses properly incurred by him in the performance of his duties under this Agreement, subject to the production to the Company at its request of supporting vouchers and documents in respect of such expenses and provided that such expenses are incurred in accordance with a budget approved by the Board and notified to the Director.
- 4.4 The Director shall be entitled to participate in a comprehensive health and hospitalisation insurance scheme with similar benefits and coverage to those under the existing scheme provided to the Director as at the date of this Agreement.
- 4.5 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.
- 4.6 Notwithstanding anything contained herein, the Director shall abstain from voting and shall not be counted in the quorum in respect of any resolution regarding the amount of compensation, annual salary, allowance, bonus and any other benefits to the Director.

5. Holidays

- 5.1 The Director shall be entitled to ten (10) working days' holiday (in addition to public holidays in the location in which the Director is based) in each holiday year at full salary to be taken at such time or times as may be approved by the Board.
- 5.2 The Company's holiday year commences on 1<sup>st</sup> January.

6. Confidentiality

- 6.1 The Director shall not make use of, divulge or communicate to any person (save in the proper performance of his duties under this Agreement) any of the trade secrets or other confidential information of or relating to any company in the Group which he may have received or obtained while in the service of the Group. This restriction shall continue to apply after the termination of the Director's engagement without limit in point of time but shall cease to apply to information ordered or required to be disclosed by a court of competent jurisdiction, The Stock Exchange of Hong Kong Limited or the Hong Kong Securities and Futures Commission.
- 6.2 The obligations of the Director under this Clause 6 shall be in addition to and not in substitution for any implied obligations imposed upon him by law in relation to the non-disclosure of information.
- 6.3 For the purposes of Clause 6.1, confidential information shall, without limitation, include:-
- 6.3.1 all lists of suppliers, customers or other clients;
  - 6.3.2 any designs, plans or drawings;
  - 6.3.3 all arrangements whereby any company in the Group is remunerated and the amount of such remuneration;
  - 6.3.4 any information relating to the future and potential arrangements or plans relating to the business development of the Group;
  - 6.3.5 any secret formula or recipe of any products developed or to be developed by the Group irrespective of whether patent right(s) is granted by any competent authority or not;
  - 6.3.6 any secret production or manufacturing process developed or to be developed by the Group irrespective of whether patent right(s) is granted by any competent authority or not;
  - 6.3.7 any trade secrets of or relating to the Group or its products, business, operations or conditions;
  - 6.3.8 any knowhow information relating to the Group's products, business or operations; and

6.3.9 any other information which the Board determines to be confidential.

## 7. Termination and Sickness

- 7.1 This Agreement shall be subject to termination by the Company by summary notice in writing if the Director: -
- 7.1.1 shall have committed any serious breach or (after warning in writing) repeated or continued any material breach of his obligations (including legal and fiduciary) hereunder; or
  - 7.1.2 shall have been guilty of conduct tending to bring himself or any company in the Group into disrepute; or
  - 7.1.3 shall become bankrupt or unable to pay his debts as they fall due or shall make any composition or arrangement with his creditors; or
  - 7.1.4 shall have become prohibited by law, rules or regulations from acting as a director under any applicable law or is publicly censured or criticized by The Stock Exchange of Hong Kong Limited or the Hong Kong Securities and Futures Commission and the Board is of the reasonable view that retention of office by him is prejudicial to the interest of the Group or shareholders of the Company as a whole; or
  - 7.1.5 shall be convicted of any arrestable criminal offence (other than an offence under any road traffic legislation in Hong Kong or elsewhere for which a fine or non-custodial penalty is imposed or such other criminal conviction which in a reasonable opinion of the Board does not affect his position in the Company); or
  - 7.1.6 shall have committed any act of dishonesty or wilful neglect of his duties; or
  - 7.1.7 shall have refused to carry out any reasonable lawful order given to him by the Board in the course of his employment or fails consistently or diligently to attend to his duties hereunder; or
  - 7.1.8 shall have improperly divulged to any unauthorised person any business secret or secret details of the organisation, business or client of the Group; or
  - 7.1.9 shall (whilst being a director of the Company) absent himself from meetings of the Board during a continuous period of six (6) 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, and the Board passes a resolution that he has been unable or is unlikely to be able to perform his duties hereunder.
- 7.2 If the Director shall during the continuance of this Agreement be incapacitated by ill-health or accident from performing his duties hereunder (and he shall if required produce to the Company evidence of such incapacity) for a period or periods aggregating 90 days or more in any period of 12 months, the Company may by written notice to the Director forthwith or as from a future date specified in the notice discontinue payment in whole or part of his remuneration under Clause 4 until such incapacity shall cease or (whether or not his

remuneration shall have been discontinued as aforesaid) terminate this Agreement by giving the balance of notice which the Director is entitled to receive under Clause 1 less the length of the period for which he has been incapacitated. Subject to the provisions of this Clause remuneration shall continue to be payable to the Director under Clause 4 notwithstanding such incapacity.

7.3 No delay or forbearance by the Company in exercising any such right of termination in Clauses 7.1 and 7.2 shall constitute a waiver of that right.

8. Obligations on Termination

Upon the termination of this Agreement howsoever arising the Director shall:-

8.1 forthwith or within seven days of a request from the Company resign from office as a director of the Company and all offices held by him in any other companies in the Group and his membership of any organisation acquired by virtue of his tenure of any such office and, should he fail to do so, he hereby irrevocably authorises any director of the Company in his name and on his behalf to sign any documents and do anything necessary or requisite to give effect thereto; and

8.2 deliver to the Board all property belonging to the Group including without limitation all documents and other records (whether on paper, magnetic tape or in any other form and including (without limitation) correspondence, lists of clients or customers, notes, memoranda, software, plans, drawings and other documents and records of whatsoever nature and all copies thereof) made or compiled or acquired by the Director during his employment hereunder and concerning the business, finances or affairs of the Group or its suppliers, customers or other clients.

9. Obligations after Termination

9.1 Within this Clause 9 the following words shall have the following meanings:-

Prohibited Business any business or activity carried on by any company in the Group at the Termination Date in which the Director shall have been directly concerned at any time in the Relevant Period;

Termination Date the date of termination of the Director's employment with the Company;

Relevant Period the 6 months period ending with the Termination Date;

Restricted Person any person, firm or company who:-

(i) was at the Termination Date a supplier, customer or other client of any company in the Group; or

(ii) was at the Termination Date negotiating with any company in the Group with a view to dealing with that company as a supplier, customer or otherwise; and

Territory Hong Kong, Macau and the PRC.



- 9.2 The Director shall not, so as to compete with the Company or any other company in the Group and/or so as to harm the goodwill of any such company, during the period of 6 months after the Termination Date, directly or indirectly, and whether as principal or otherwise, canvass or solicit business from or do business with any Restricted Person with whom the Director shall have had material dealings in the course of his duties hereunder in the Relevant Period within the Territory or with whom to the knowledge of the Director any member of staff under his control shall have had material dealings in the course of their employment in the Relevant Period within the Territory.
- 9.3 The Director shall not, during the period of 6 months after the Termination Date, directly or indirectly, induce or seek to induce any employee of the Company or any other company in the Group, who was an employee at the Termination Date and with whom the Director shall have had material dealings in the course of his duties hereunder in the Relevant Period, to leave that company's employment, whether or not this would be a breach of contract on the part of the employee.
- 9.4 The Director shall not, during the period of 6 months after the Termination Date, carry on or be interested in a Prohibited Business in competition with the Company or any other company in the Group in the Territory whether as principal, agent, director, partner, employee, proprietor or otherwise.
- 9.5 Each of the restrictions contained in this Clause 9 are considered reasonable by the Company and the Director and are intended to be separate and severable. In the event that any of these restrictions shall be held void, unlawful or unenforceable, but would be valid if part of the wording thereof were deleted, such restriction shall apply with such deletion as may be necessary to make it valid and effective.
10. Inventions, designs, etc.
- 10.1 If at any time during the continuance of his employment the Director, whether on his own or with any other person, makes, discovers or produces any invention, process, development or design whatsoever, insofar as relates to, or affects, or in the reasonable opinion of the Board is capable of being used or adapted for use and/or in connection with, the business or any product or intellectual property right of the Company or other company in the Group :-
- 10.1.1 the invention, process, development or design will be the absolute property of the Company; and
- 10.1.2 the Director will immediately disclose it to the Company in writing.
- 10.2 The Director, if and when required to do so by the Company (whether during the continuance of his employment or afterwards) and at its expense :-
- 10.2.1 apply, or join with the Company in applying for letters patent or other protection in any part of the world of any invention, process, development or design to which Clause 10.1 above applies;
- 10.2.2 execute or procure to be executed all instruments, and do or procure to be done all

things, which are necessary for vesting such letters patent or other protection in the Company or any nominee of the Company, or subsequently for renewing and maintaining the same in the name of the Company or its nominee; and

10.2.3 assist in defending any proceedings relating to, or the application for, such letters patent or other protection.

10.3 The Director hereby appoints the Company as his attorney in his name and on his behalf to execute all documents, and do all things, required in order to give full effect to the provisions of this clause.

#### 11. Amalgamation or Reconstruction

If at any time the Director's employment is terminated in connection with any reconstruction or amalgamation of the Company or its subsidiaries (whether by winding up or otherwise) and the Director receives an offer on terms no less favourable to him overall than the terms of this Agreement from any company involved in such reconstruction or amalgamation, the Director shall have no claim whatsoever against the Company or any such company arising out of such termination if he shall have refused to accept such offer of employment. The provisions of this Clause are without prejudice to the operation of statute or statutory regulations in appropriate cases.

#### 12. Benefits and Expense

The Company shall continue to provide health insurance on the same terms as provided to the senior executives of the Company for a period of three (3) years from the date hereof, provided that Director continues to provide the services contemplated hereby. The Company will reimburse Director for reasonable business expenses incurred on behalf of the Company prior to the date hereof. The Company shall also reimburse Director for reasonable out-of-pocket expenses incurred in connection with discharging his duties as a Board member. Any additional expenses will be reimbursed subject to receiving reasonable substantiating documentation relating to such expenses.

#### 13. Indemnification

The Company agrees to indemnify and hold The Director harmless to the fullest extent permitted by applicable law, as in effect at the time of the subject act or omission. In connection therewith, The Director shall be entitled to the protection by the Company against all costs, charges and expenses whatsoever incurred or sustained by The Director in connection with any action, suit or proceeding to which he may be made a party by reason of his being or having been a director, officer or employee of the Company. This provision shall survive any termination of The Director' service hereunder.

In the event of any claim or litigation against the Company and/or Director based upon any alleged conduct, acts or omissions of Director during the tenure of Director as an officer of the Company, whether known or unknown, threatened or not as of the time of this writing, the Company will cooperate with Director and provide to Director such information and documents as are necessary and reasonably requested by Director or his counsel, subject to

restrictions imposed by applicable laws or court order or injunction. The Company shall cooperate in all respects to ensure that Director has access all available insurance coverage and shall do nothing to damage Director's status as an insured, and shall provide all necessary information for Director to make or tender any claim under applicable coverage.

The Director shall assume no personal liabilities when he performs any act in the capacity of a director provided that such act does not violate the criminal law or constitute a crime. If Director, in the capacity of a director, performs in good faith an act, resulting in any claim or losses, the Company shall indemnify for the Director or make compensation to the Director.

14. Notices

Any notice to be given under this Agreement shall be in writing and deemed to be duly served when delivery of it is recorded (in the case of recorded delivery post), or when delivered (in the case of personal delivery) or despatched (in the case of telegram, cable, cablegram, telex or facsimile) to the relevant party's address appearing in this Agreement or to such other office or address as that party may hereafter specify to the notice-serving party by notice in writing.

15. Previous Contracts

This Agreement is in substitution for any previous contracts, arrangements or undertaking of service or for services between any company in the Group and the Director, and any such contracts, arrangements or undertakings shall be deemed to have been terminated by mutual consent as from the commencement of this Agreement.

16. Assignability

Neither the benefits nor obligations attaching to either party hereunder may be assigned or transferred to any third party.

17. Relationship

None of the provisions of the Agreement shall be deemed to constitute a partnership or joint venture between the parties for any purpose.

18. Governing Law

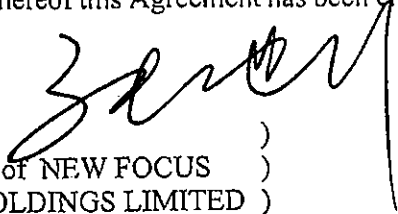
This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and each of the parties hereby irrevocably submits to the jurisdiction of the Hong Kong courts.

19. Headings

The headings used in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

IN WITNESS whereof this Agreement has been entered into the day and year first before written.

SIGNED by )  
for and on behalf of NEW FOCUS )  
AUTO TECH HOLDINGS LIMITED )  
in the presence of:- )

  
Lin Xiaohua

SIGNED by )  
TONG FEI )  
in the presence of:- )

