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DATED 15 APRIL 2009

**CHEUNG YAN, PRISCILLA**

**AND**

**SEWCO INTERNATIONAL HOLDINGS LIMITED**

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**SERVICE AGREEMENT**

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## Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES .....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR.....	4
4. REMUNERATION AND BENEFITS.....	6
5. EXPENSES .....	7
6. HOLIDAYS.....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY.....	7
8. TERMINATION .....	8
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY .....	11
11. WAIVER.....	11
12. FORMER SERVICE AGREEMENT .....	12
13. INTERPRETATION .....	12
14. NOTICES .....	12
15. AMENDMENT.....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY .....	12
18. GOVERNING LAW .....	13

THIS AGREEMENT is made 15 April 2009

BETWEEN:-

- (1) **Cheung Yan, Priscilla** of Flat A, 7<sup>th</sup> Floor, Block 4, Beverly Villas, 16 La Salle Road, Kowloon Tong, Kowloon, Hong Kong (the "Director"); and
- (2) **Sewco International Holdings Limited** whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building, No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "Company").

WHEREAS:

- (1) In this Agreement, the "Group" shall mean the Company and its subsidiaries from time to time, and the expression "subsidiary" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Companies Ordinance") or any modification or re-enactment thereof.
- (2) The Director is currently an executive director of the Company and the Service Agreement entered into between the Company and the Director will expire on 27 June 2009.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

1. **TERM OF EMPLOYMENT**

- 1.1 The Company shall continue to appoint and retain the Director and the Director shall continue to serve the Company as an executive director of the Company subject to the provisions of this Agreement and the Bye-laws of the Company (the "Bye-laws"). Such employment shall be for a period of two (2) years commencing from 28 June 2009 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that she is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits her from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) in addition to her duties as a director, act as the Chairman of the Group and of the Executive Committee of the Company shall faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of her skills and ability;
- (c) in the discharge of her duties and in the exercise of her powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of her efforts, attention, abilities and time to the business of the Group and use her best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise her best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum and Bye-laws of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or any part of the world which the Board may reasonably require for the proper performance and exercise of her duties and powers under this Agreement.

- 2.2 The Director shall, if and so long as she is so required by the Company:
- (a) carry out the duties of her office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
  - (b) act as director, officer or employee of any subsidiary of the Company; and
  - (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by her on behalf of the Company under this Agreement.
- 2.3 The Director shall at all times keep the Board promptly and fully informed (in writing if so requested) of her conduct of the business or affairs of the Company or the Group and provide such explanations as the Board may require in connection therewith.
- 2.4 In addition to the Director's duties set forth in Clauses 2.1, 2.2 and 2.3, the Director shall, without prejudice to Clauses 2.1, 2.2 and 2.3, (a) act as the representative of the Company, and (b) assume all obligations as the Board may from time to time determine or as regulated under the Bye-laws or other relevant laws and regulations.

### 3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR

- 3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure her associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):
- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
  - (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or her associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or her associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that she shall not and that she shall procure that none of her associates (as defined in the Listing Rules) shall during her appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent herself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging her duties during her appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure her associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

- (a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or
- (b) use any secret, confidential or private information for her own purposes or for any purposes other than those of the Group; or
- (c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:
  - (i) relating to the business and affairs of the Group not in the public domain;
  - (ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which she may discover or make during her appointment hereunder; or
  - (iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by her to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of her service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

- (a) a fixed salary at the rate of HK\$84,000 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent. per annum;
- (b) a fully furnished accommodation at a monthly rate of not more than HK\$52,000 to be provided to the Director rent-free;
- (c) an allowance at a maximum monthly rate of HK\$23,000 payable in arrears at the end of each calendar month;
- (d) in so far as the housing benefit provided to and allowance claimed by the Director is less than the maximum amounts specified in Clauses 4.1 (b) and (c) above, the Director may be eligible for a discretionary payment which will take into account the elements of the housing benefit and allowance which have not been provided or claimed;
- (e) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20 million. Payment of such bonus shall be made on such date as the Board may resolve;
- (f) the entitlement of a chauffeur-driven car provided by the Company; and
- (g) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate in any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

#### 5. EXPENSES

The Company shall, subject to the production of receipts or other evidence satisfactory to the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by her in or about the discharge of her duties hereunder.

#### 6. HOLIDAYS

The Director shall be entitled to fourteen (14) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

#### 7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY

7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of her duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of her appointment (whether or not capable of being patented or registered and whether or not made or discovered in the course of her employment) in conjunction with or in any way affecting or relating to the business of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.



7.4 The Director hereby irrevocably and by way of security appoints the Company to be her attorney in her name and on her behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use her name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

## 8. TERMINATION

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

- (a) commit any irredeemable, serious or persistent breach whether wilful or not, of any of the provisions of this Agreement;
- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of her duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with her creditors generally or has a receiving order made against her;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect her position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing her duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling her duties under this Agreement or be removed from office by a ordinary resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring herself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;

- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
  - (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of the Bermuda or rules of any stock exchange including the Stock Exchange).
- 8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.
- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the Bye-laws relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which she retires), her appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of her appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in her possession or under her power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, she shall on or after the expiry of her appointment under this Agreement or its sooner determination, resign in writing from any office held by her as such director and from all other offices held by her with any member of the Group and to execute an acknowledgment under seal to the effect that she has no claims against the Company or any of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of her appointment under this Agreement 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 her as nominee for the Company or any members of the Group.

8.8 In the event of the Director failing to take any of the actions required to be taken by her under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.

8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).

## 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of her employment by the Company and for a period of two (2) years thereafter:

- (a) she will not and shall procure her associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) she possesses any secret, confidential or private information relating to the business of the Group at any time during her employment hereunder or at the time of the termination of her employment under this Agreement;
- (b) she will not and shall procure her associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
- (c) she will not and shall procure her associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) she will not and shall procure her associates (as defined in the Listing Rules) not to either on her/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his/her contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) she will not and shall procure her associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of her employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) she will not and shall procure her associates (as defined in the Listing Rules) not to either on her/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of her employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of her employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that she shall at the request of the Company enter into a direct agreement or undertaking with such company whereby she will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

#### 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

#### 11. WAIVER

No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **FORMER SERVICE AGREEMENT**

- 12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.
- 12.2 The Director hereby acknowledges that she has no outstanding claims of any kind against any member of the Group.

13. **INTERPRETATION**

The headings to the Clauses are for convenience only and have no legal effect.

14. **NOTICES**

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("business day" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

15. **AMENDMENT**

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

16. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange or other market on which she deals and every regulation and the Bye-laws in force for the time being in relation to dealings in shares, debentures or other securities of the companies in the Group and in relation to unpublished price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

17. **INDEMNITY**

- 17.1 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 her obligations under this Agreement or any of her obligations implied by law.

17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of her obligations under this Agreement or any of her obligations implied by law.


18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.

**SIGNED, SEALED and DELIVERED by**  
**Cheung Yan, Priscilla**  
in the presence of :-

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)  
)

A handwritten signature in black ink, appearing to be 'U-8' with a horizontal line through it.

**SIGNED by Cheung Man, Catherine**  
a director, for and on behalf of  
**Sewco International Holdings Limited**  
in the presence of :-

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)

A handwritten signature in black ink, appearing to be 'Catherine' in a cursive style.

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(5)

DATED 28<sup>th</sup> June 2007

**CHEUNG YAN, PRISCILLA**  
**AND**  
**SEWCO INTERNATIONAL HOLDINGS LIMITED**

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**SERVICE AGREEMENT**

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Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES.....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR.....	4
4. REMUNERATION AND BENEFITS.....	6
5. EXPENSES .....	7
6. HOLIDAYS.....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY.....	7
8. TERMINATION .....	8
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY .....	11
11. WAIVER.....	11
12. FORMER SERVICE AGREEMENT .....	12
13. INTERPRETATION.....	12
14. NOTICES .....	12
15. AMENDMENT .....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY .....	12
18. GOVERNING LAW .....	13

THIS AGREEMENT is made 28<sup>th</sup> June 2007

BETWEEN:-

- (1) **Cheung Yan, Priscilla** of Flat A, 7<sup>th</sup> Floor, Block 4, Beverly Villas, 16 La Salle Road, Kowloon Tong, Kowloon, Hong Kong (the "**Director**"); and
- (2) **Sewco International Holdings Limited** whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "**Company**").

WHEREAS:

- (1) In this Agreement, the "**Group**" shall mean the Company and its subsidiaries from time to time, and the expression "**subsidiary**" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies Ordinance**") or any modification or re-enactment thereof.
- (2) The Director shall be appointed as an executive director of the Company.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

**1. TERM OF EMPLOYMENT**

- 1.1 The Company shall appoint and retain the Director and the Director shall serve the Company as an executive director of the Company subject to the provisions of this Agreement and the articles of association of the Company. Such employment shall be for an initial period of two (2) years commencing from 28<sup>th</sup> June 2007 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that he is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) in addition to his duties as a director, act as the Chairman of the Group and shall faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of his skills and ability;
- (c) in the discharge of his duties and in the exercise of his powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of his efforts, attention, abilities and time to the business of the Group and use his best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise his best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum and articles of association of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or any part of the world which the Board may reasonably require for the proper performance and exercise of his duties and powers under this Agreement.

- 2.2 The Director shall, if and so long as he is so required by the Company:
- (a) carry out the duties of his office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
  - (b) act as director, officer or employee of any subsidiary of the Company; and
  - (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by him on behalf of the Company under this Agreement.
- 2.3 The Director shall at all times 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.
- 2.4 In addition to the Director's duties set forth in Clauses 2.1, 2.2 and 2.3, the Director being the Chairman of the Group shall, without prejudice to Clauses 2.1, 2.2 and 2.3, (a) act as the representative of the Company, (b) take the chair at every general meeting and Board meeting, and (c) assume all obligations as the Board may from time to time determine or as regulated under the articles of the association of the Company or other relevant laws and regulations.

### **3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR**

- 3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure his associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):
- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
  - (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or his associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or his associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that he shall not and that he shall procure that none of his associates (as defined in the Listing Rules) shall during his appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging his duties during his appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure his associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

- (a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or
- (b) use any secret, confidential or private information for his own purposes or for any purposes other than those of the Group; or
- (c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:
  - (i) relating to the business and affairs of the Group not in the public domain;
  - (ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which he may discover or make during his appointment hereunder; or
  - (iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of his service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

- (a) a fixed salary at the rate of HK\$84,000 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent. per annum;
- (b) a fully furnished accommodation at a monthly rate of not more than HK\$52,000 to be provided to the Director rent-free;
- (c) an allowance at a maximum monthly rate of HK\$23,000 payable in arrears at the end of each calendar month;
- (d) in so far as the housing benefit provided to and allowance claimed by the Director is less than the maximum amounts specified in Clauses 4(b) and (c) above, the Director may be eligible for a discretionary payment which will take into account the elements of the housing benefit and allowance which have not been provided or claimed;
- (e) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20million. Payment of such bonus shall be made on such date as the Board may resolve;
- (f) the entitlement of a chauffer-driven car provided by the Company; and
- (g) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

5. **EXPENSES**

The Company shall, subject to the production of receipts or other evidence satisfactory to the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by him in or about the discharge of his duties hereunder.

6. **HOLIDAYS**

The Director shall be entitled to eleven (11) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

7. **INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY**

7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of his duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of his appointment (whether or not capable of being patented or registered 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 of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.



7.4 The Director hereby irrevocably and by way of security appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

## 8. TERMINATION

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

- (a) commit any irredeemable, serious or persistent breach whether wilful or not, of any of the provisions of this Agreement;
- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of his duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with his creditors generally or has a receiving order made against him;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect his position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing his duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling his duties under this Agreement or be removed from office by a special resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring himself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;

- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
  - (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of the Cayman Islands or rules of any stock exchange including the Stock Exchange).
- 8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.
- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the articles of association of the Company relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which he retires), his appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of his appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in his possession or under his power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, he shall on or after the expiry of his appointment under this Agreement 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 of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of his appointment under this Agreement or its sooner determination, transfer without payment and in such manner as the Company may require, all such shares in any of the Company's subsidiaries or associated companies as are held by him as nominee for the Company or any members of the Group.

8.8 In the event of the Director failing to take any of the actions required to be taken by him under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.

8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).

## 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of his employment by the Company and for a period of two (2) years thereafter:

- (a) he will not and shall procure his associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) he possesses any secret, confidential or private information relating to the business of the Group at any time during his employment hereunder or at the time of the termination of his employment under this Agreement;
- (b) he will not and shall procure his associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
- (c) he will not and shall procure his associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) he will not and shall procure his associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of his employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of his employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of his employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that he shall at the request of the Company enter into a direct agreement or undertaking with such company whereby he will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

## 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

## 11. WAIVER

11.1 No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **FORMER SERVICE AGREEMENT**

- 12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.
- 12.2 The Director hereby acknowledges that he has no outstanding claims of any kind against any member of the Group.

13. **INTERPRETATION**

The headings to the Clauses are for convenience only and have no legal effect.

14. **NOTICES**

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("**business day**" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

15. **AMENDMENT**

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

16. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange 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 price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

17. **INDEMNITY**

- 17.1 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 this Agreement or any of his obligations implied by law.

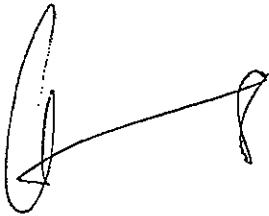
17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of his obligations under this Agreement or any of his obligations implied by law.

18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.

**SIGNED, SEALED and DELIVERED** by )  
**Cheung Yan, Priscilla** )  
in the presence of :- )



**SIGNED** by Cheung Man, Catherine )  
a director, for and on behalf of )  
**Sewco International Holdings Limited** )  
in the presence of :- )



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✓ (c)

DATED 12 February 2009

CHEUNG MAN, CATHERINE

AND

SEWCO INTERNATIONAL HOLDINGS LIMITED

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SERVICE AGREEMENT

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Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES .....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR.....	4
4. REMUNERATION AND BENEFITS .....	6
5. EXPENSES .....	7
6. HOLIDAYS .....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY .....	7
8. TERMINATION.....	8
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY.....	11
11. WAIVER .....	11
12. FORMER SERVICE AGREEMENT.....	12
13. INTERPRETATION .....	12
14. NOTICES .....	12
15. AMENDMENT .....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY.....	12
18. GOVERNING LAW.....	13

THIS AGREEMENT is made 12 February 2009

BETWEEN:-

- (1) Cheung Man, Catherine of 30C Grand Excelsior, 83 Waterloo Road, Ho Man Tin, Kowloon, Hong Kong (the "Director"); and
- (2) Sewco International Holdings Limited whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building, No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "Company").

WHEREAS:

- (1) In this Agreement, the "Group" shall mean the Company and its subsidiaries from time to time, and the expression "subsidiary" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Companies Ordinance") or any modification or re-enactment thereof.
- (2) The Director is currently an executive director of the Company and the Service Agreement entered into between the Company and the Director will expire on 4 February 2009.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

1. **TERM OF EMPLOYMENT**

- 1.1 The Company shall continue to appoint and retain the Director and the Director shall continue to serve the Company as an executive director of the Company subject to the provisions of this Agreement and the Bye-laws of the Company (the "Bye-laws"). Such employment shall be for a period of two (2) years commencing from 5 February 2009 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that she is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits her from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) in addition to her duties as a director, act as the Chairman of the Company's Remuneration Committee and shall faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of her skills and ability;
- (c) in the discharge of her duties and in the exercise of her powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of her efforts, attention, abilities and time to the business of the Group and use her best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise her best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum and Bye-laws of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or any part of the world which the Board may reasonably require for the proper performance and exercise of her duties and powers under this Agreement.

2.2 The Director shall, if and so long as she is so required by the Company:

- (a) carry out the duties of her office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
- (b) act as director, officer or employee of any subsidiary of the Company; and
- (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by her on behalf of the Company under this Agreement.

2.3 The Director shall at all times keep the Board promptly and fully informed (in writing if so requested) of her conduct of the business or affairs of the Company or the Group and provide such explanations as the Board may require in connection therewith.

2.4 In addition to the Director's duties set forth in Clauses 2.1, 2.2 and 2.3, the Director shall, without prejudice to Clauses 2.1, 2.2 and 2.3, (a) act as the representative of the Company, and (b) assume all obligations as the Board may from time to time determine or as regulated under the articles of the Bye-laws or other relevant laws and regulations.

### 3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR

3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure her associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):

- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
- (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or her associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or her associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that she shall not and that she shall procure that none of her associates (as defined in the Listing Rules) shall during her appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent herself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging her duties during her appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure her associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

- (a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or
- (b) use any secret, confidential or private information for her own purposes or for any purposes other than those of the Group; or
- (c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:
  - (i) relating to the business and affairs of the Group not in the public domain;
  - (ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which she may discover or make during her appointment hereunder; or
  - (iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by her to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of her service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

- (a) a fixed salary at the rate of HK\$28,000 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent. per annum;
- (b) a fully furnished accommodation at a monthly rate of not more than HK\$17,000 to be provided to the Director rent-free;
- (c) an allowance at a maximum monthly rate of HK\$11,200 payable in arrears at the end of each calendar month;
- (d) in so far as the housing benefit provided to and allowance claimed by the Director is less than the maximum amounts specified in Clauses 4.1 (b) and (c) above, the Director may be eligible for a discretionary payment which will take into account the elements of the housing benefit and allowance which have not been provided or claimed;
- (e) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20 million. Payment of such bonus shall be made on such date as the Board may resolve;
- (f) the entitlement of a car provided by the Company; and
- (g) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate in any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

#### 5. EXPENSES

The Company shall, subject to the production of receipts or other evidence satisfactory to the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by her in or about the discharge of her duties hereunder.

#### 6. HOLIDAYS

The Director shall be entitled to fourteen (14) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

#### 7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY

7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of her duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of her appointment (whether or not capable of being patented or registered and whether or not made or discovered in the course of her employment) in conjunction with or in any way affecting or relating to the business of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.



7.4 The Director hereby irrevocably and by way of security appoints the Company to be her attorney in her name and on her behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use her name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

## 8. TERMINATION

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

- (a) commit any irredeemable, serious or persistent breach whether wilful or not, of any of the provisions of this Agreement;
- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of her duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with her creditors generally or has a receiving order made against her;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect her position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing her duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling her duties under this Agreement or be removed from office by a ordinary resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring herself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;

- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
  - (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of the Bermuda or rules of any stock exchange including the Stock Exchange).
- 8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.
- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the Bye-laws relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which she retires), her appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of her appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in her possession or under her power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, she shall on or after the expiry of her appointment under this Agreement or its sooner determination, resign in writing from any office held by her as such director and from all other offices held by her with any member of the Group and to execute an acknowledgment under seal to the effect that she has no claims against the Company or any of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of her appointment under this Agreement 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 her as nominee for the Company or any members of the Group.

8.8 In the event of the Director failing to take any of the actions required to be taken by her under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.

8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).

#### 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of her employment by the Company and for a period of two (2) years thereafter:

- (a) she will not and shall procure her associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) she possesses any secret, confidential or private information relating to the business of the Group at any time during her employment hereunder or at the time of the termination of her employment under this Agreement;
- (b) she will not and shall procure her associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
- (c) she will not and shall procure her associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) she will not and shall procure her associates (as defined in the Listing Rules) not to either on her/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his/her contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) she will not and shall procure her associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of her employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) she will not and shall procure her associates (as defined in the Listing Rules) not to either on her/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of her employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of her employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that she shall at the request of the Company enter into a direct agreement or undertaking with such company whereby she will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

#### 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

#### 11. WAIVER

No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **FORMER SERVICE AGREEMENT**

- 12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.
- 12.2 The Director hereby acknowledges that she has no outstanding claims of any kind against any member of the Group.

13. **INTERPRETATION**

The headings to the Clauses are for convenience only and have no legal effect.

14. **NOTICES**

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("business day" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

15. **AMENDMENT**

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

16. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange or other market on which she deals and every regulation and the Bye-laws in force for the time being in relation to dealings in shares, debentures or other securities of the companies in the Group and in relation to unpublished price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

17. **INDEMNITY**

- 17.1 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 her obligations under this Agreement or any of her obligations implied by law.

17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of her obligations under this Agreement or any of her obligations implied by law.

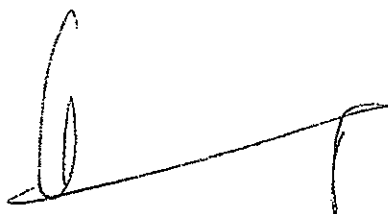
18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.



**SIGNED, SEALED and DELIVERED** by )  
Cheung Man, Catherine )  
in the presence of :- )



**SIGNED** by Cheung Yan, Priscilla )  
a director, for and on behalf of )  
**Sewco International Holdings Limited** )  
in the presence of :- )

DATED 12<sup>th</sup> April 2007

**CHEUNG MAN, CATHERINE**

**AND**

**SEWCO INTERNATIONAL HOLDINGS LIMITED**

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**SERVICE AGREEMENT**

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Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES .....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR .....	4
4. REMUNERATION AND BENEFITS .....	6
5. EXPENSES .....	7
6. HOLIDAYS .....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY .....	7
8. TERMINATION .....	8
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY .....	11
11. WAIVER .....	11
12. FORMER SERVICE AGREEMENT .....	12
13. INTERPRETATION .....	12
14. NOTICES .....	12
15. AMENDMENT .....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY .....	12
18. GOVERNING LAW .....	13



THIS AGREEMENT is made 12<sup>th</sup> April 2007

BETWEEN:-

- (1) **Cheung Man, Catherine** of 30C Grand Excelsior, 83 Waterloo Road, Ho Man Tin, Kowloon, Hong Kong (the "**Director**"); and
- (2) **Sewco International Holdings Limited** whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "**Company**").

WHEREAS:

- (1) In this Agreement, the "**Group**" shall mean the Company and its subsidiaries from time to time, and the expression "**subsidiary**" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies Ordinance**") or any modification or re-enactment thereof.
- (2) The Director shall be appointed as an executive director of the Company.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

**1. TERM OF EMPLOYMENT**

- 1.1 The Company shall appoint and retain the Director and the Director shall serve the Company as an executive director of the Company subject to the provisions of this Agreement and the articles of association of the Company. Such employment shall be for an initial period of two (2) years commencing from 5 February 2007 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that he is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) in addition to his duties as a director, act as the Chairman of the Group and shall faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of his skills and ability;
- (c) in the discharge of his duties and in the exercise of his powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of his efforts, attention, abilities and time to the business of the Group and use his best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise his best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum and articles of association of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or any part of the world which the Board may reasonably require for the proper performance and exercise of his duties and powers under this Agreement.

- 2.2 The Director shall, if and so long as he is so required by the Company:
- (a) carry out the duties of his office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
  - (b) act as director, officer or employee of any subsidiary of the Company; and
  - (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by him on behalf of the Company under this Agreement.
- 2.3 The Director shall at all times 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.
- 2.4 In addition to the Director's duties set forth in Clauses 2.1, 2.2 and 2.3, the Director being the Chairman of the Group shall, without prejudice to Clauses 2.1, 2.2 and 2.3, (a) act as the representative of the Company, (b) take the chair at every general meeting and Board meeting, and (c) assume all obligations as the Board may from time to time determine or as regulated under the articles of the association of the Company or other relevant laws and regulations.

### 3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR

- 3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure his associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):
- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
  - (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or his associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or his associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that he shall not and that he shall procure that none of his associates (as defined in the Listing Rules) shall during his appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging his duties during his appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure his associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

- (a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or
- (b) use any secret, confidential or private information for his own purposes or for any purposes other than those of the Group; or
- (c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:
  - (i) relating to the business and affairs of the Group not in the public domain;
  - (ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which he may discover or make during his appointment hereunder; or
  - (iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of his service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

(a) a fixed salary at the rate of HK\$28,000 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent. per annum;

(b) a fully furnished accommodation at a monthly rate of not more than HK\$17,000 to be provided to the Director rent-free;

(c) an allowance at a maximum monthly rate of HK\$11,200 payable in arrears at the end of each calendar month;

(d) in so far as the housing benefit provided to and allowance claimed by the Director is less than the maximum amounts specified in Clauses 4(b) and (c) above, the Director may be eligible for a discretionary payment which will take into account the elements of the housing benefit and allowance which have not been provided or claimed;

(e) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20million. Payment of such bonus shall be made on such date as the Board may resolve;

(f) the entitlement of a car provided by the Company; and

(g) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

## 5. EXPENSES

The Company shall, subject to the production of receipts or other evidence satisfactory to the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by him in or about the discharge of his duties hereunder.

## 6. HOLIDAYS

The Director shall be entitled to eleven (11) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

## 7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY

7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of his duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of his appointment (whether or not capable of being patented or registered 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 of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.

7.4 The Director hereby irrevocably and by way of security appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

## 8. TERMINATION

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

- (a) commit any irredeemable, serious or persistent breach whether wilful or not, of any of the provisions of this Agreement;
- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of his duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with his creditors generally or has a receiving order made against him;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect his position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing his duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling his duties under this Agreement or be removed from office by a special resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring himself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;

- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
  - (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of the Cayman Islands or rules of any stock exchange including the Stock Exchange).
- 8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.
- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the articles of association of the Company relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which he retires), his appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of his appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in his possession or under his power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, he shall on or after the expiry of his appointment under this Agreement 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 of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of his appointment under this Agreement or its sooner determination, transfer without payment and in such manner as the Company may require, all such shares in any of the Company's subsidiaries or associated companies as are held by him as nominee for the Company or any members of the Group.



- 8.8 In the event of the Director failing to take any of the actions required to be taken by him under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.
- 8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).

## 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

- 9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of his employment by the Company and for a period of two (2) years thereafter:
- (a) he will not and shall procure his associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) he possesses any secret, confidential or private information relating to the business of the Group at any time during his employment hereunder or at the time of the termination of his employment under this Agreement;
  - (b) he will not and shall procure his associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
  - (c) he will not and shall procure his associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) he will not and shall procure his associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of his employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of his employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of his employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that he shall at the request of the Company enter into a direct agreement or undertaking with such company whereby he will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

## 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

## 11. WAIVER

11.1 No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **FORMER SERVICE AGREEMENT**

- 12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.
- 12.2 The Director hereby acknowledges that he has no outstanding claims of any kind against any member of the Group.

13. **INTERPRETATION**

The headings to the Clauses are for convenience only and have no legal effect.

14. **NOTICES**

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("**business day**" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

15. **AMENDMENT**

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

16. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange 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 price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

17. **INDEMNITY**

- 17.1 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 this Agreement or any of his obligations implied by law.

17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of his obligations under this Agreement or any of his obligations implied by law.

18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.

**SIGNED, SEALED and DELIVERED** by  
**Cheung Man, Catherine**  
in the presence of :-

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) x   
)

**SIGNED** by Cheung Yan, Priscilla  
a director, for and on behalf of  
**Sewco International Holdings Limited**  
in the presence of :-

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DATED 1<sup>st</sup> December 2008

HUI KWOK CHU  
AND  
SEWCO INTERNATIONAL HOLDINGS LIMITED

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SERVICE AGREEMENT

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Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES .....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR.....	4
4. REMUNERATION AND BENEFITS.....	6
5. EXPENSES .....	7
6. HOLIDAYS.....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY .....	7
8. TERMINATION .....	8
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY .....	11
11. WAIVER.....	11
12. FORMER SERVICE AGREEMENT .....	12
13. INTERPRETATION.....	12
14. NOTICES .....	12
15. AMENDMENT .....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY .....	12
18. GOVERNING LAW .....	13



THIS AGREEMENT is made 1<sup>st</sup> DECEMBER 2008

BETWEEN:-

- (1) Hui Kwok Chu of Flat F, 20<sup>th</sup> Floor, Joyful Building, 16-18 Belcher's Street, Kennedy Town, Hong Kong (the "Director"); and
- (2) Sewco International Holdings Limited whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building, No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "Company").

WHEREAS:

- (1) In this Agreement, the "Group" shall mean the Company and its subsidiaries from time to time, and the expression "subsidiary" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "Companies Ordinance") or any modification or re-enactment thereof.
- (2) The Director shall be appointed as an executive director of the Company.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

**1. TERM OF EMPLOYMENT**

- 1.1 The Company shall appoint and retain the Director and the Director shall serve the Company as an executive director of the Company subject to the provisions of this Agreement and the bye-laws of the Company. Such employment shall be for an initial period of two (2) years commencing from 1 December 2008 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that he is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) in addition to his duties as a director, act as the Chief Executive Officer of the Group and shall faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of his skills and ability;
- (c) in the discharge of his duties and in the exercise of his powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of his efforts, attention, abilities and time to the business of the Group and use his best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise his best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum of association and bye-laws of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or Zhongshan of the People's Republic of China where the Group's factories situated or any part of the world which the Board may reasonably require for the proper performance and exercise of his duties and powers under this Agreement.

- 2.2 The Director shall, if and so long as he is so required by the Company:
- (a) carry out the duties of his office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
  - (b) act as director, officer or employee of any subsidiary of the Company; and
  - (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by him on behalf of the Company under this Agreement.
- 2.3 The Director shall at all times 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.

### 3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR

- 3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure his associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):
- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
  - (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or his associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or his associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that he shall not and that he shall procure that none of his associates (as defined in the Listing Rules) shall during his appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging his duties during his appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure his associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

- (a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or
- (b) use any secret, confidential or private information for his own purposes or for any purposes other than those of the Group; or
- (c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:
  - (i) relating to the business and affairs of the Group not in the public domain;
  - (ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which he may discover or make during his appointment hereunder; or
  - (iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of his service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

- (a) a fixed salary at the rate of HK\$50,000 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent per annum;
- (b) an allowance at a maximum monthly rate of HK\$20,800 payable in arrears at the end of each calendar month;
- (c) a China allowance at a maximum monthly rate of HK\$4,500 payable in arrears at the end of each calendar month;
- (d) in so far as the housing benefit provided to and allowance claimed by the Director is less than the maximum amounts specified in Clauses 4(b) above, the Director may be eligible for a discretionary payment which will take into account the elements of the housing benefit and allowance which have not been provided or claimed;
- (e) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20million. Payment of such bonus shall be made on such date as the Board may resolve; and
- (f) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate any share

option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

- 4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

5. **EXPENSES**

The Company shall, subject to the production of receipts or other evidence satisfactory to the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by him in or about the discharge of his duties hereunder.

6. **HOLIDAYS**

The Director shall be entitled to fourteen (14) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

7. **INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY**

- 7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of his duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

- 7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of his appointment (whether or not capable of being patented or registered 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 of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

- 7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.

7.4 The Director hereby irrevocably and by way of security appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

## 8. TERMINATION

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

- (a) commit any irredeemable, serious or persistent breach whether wilful or not, of any of the provisions of this Agreement;
- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of his duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with his creditors generally or has a receiving order made against him;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect his position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing his duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling his duties under this Agreement or be removed from office by a special resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring himself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;

- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
  - (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of Bermuda or rules of any stock exchange including the Stock Exchange).
- 8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.
- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the bye-laws of the Company relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which he retires), his appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of his appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in his possession or under his power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, he shall on or after the expiry of his appointment under this Agreement 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 of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of his appointment under this Agreement or its sooner determination, transfer without payment and in such manner as the Company may require, all such shares in any of the Company's subsidiaries or associated companies as are held by him as nominee for the Company or any members of the Group.



- 8.8 In the event of the Director failing to take any of the actions required to be taken by him under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.
- 8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).

## 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

- 9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of his employment by the Company and for a period of two (2) years thereafter:
- (a) he will not and shall procure his associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) he possesses any secret, confidential or private information relating to the business of the Group at any time during his employment hereunder or at the time of the termination of his employment under this Agreement;
  - (b) he will not and shall procure his associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
  - (c) he will not and shall procure his associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) he will not and shall procure his associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of his employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of his employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of his employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that he shall at the request of the Company enter into a direct agreement or undertaking with such company whereby he will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

## 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

## 11. WAIVER

11.1 No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

12. **FORMER SERVICE AGREEMENT**

- 12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.
- 12.2 The Director hereby acknowledges that he has no outstanding claims of any kind against any member of the Group.

13. **INTERPRETATION**

The headings to the Clauses are for convenience only and have no legal effect.

14. **NOTICES**

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("business day" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

15. **AMENDMENT**

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

16. **SHARE DEALINGS**

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange or other market on which he deals and every regulation and the bye-laws 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 price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

17. **INDEMNITY**

- 17.1 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 this Agreement or any of his obligations implied by law.

17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of his obligations under this Agreement or any of his obligations implied by law.

18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.

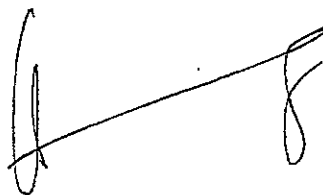
**SIGNED, SEALED and DELIVERED** by  
**Hui Kwok Chu**  
in the presence of :-

)  
)  
)



**SIGNED** by Cheung Yan, Priscilla  
a director, for and on behalf of  
**Sewco International Holdings Limited**  
in the presence of :-

)  
)  
)  
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(f)



DATED 1<sup>st</sup> December 2008

SHAM LOK SHING, EDWARD

AND

SEWCO INTERNATIONAL HOLDINGS LIMITED

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SERVICE AGREEMENT

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Table of Contents

	<u>Page</u>
1. TERM OF EMPLOYMENT .....	2
2. DUTIES .....	3
3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR.....	4
4. REMUNERATION AND BENEFITS.....	6
5. EXPENSES .....	6
6. HOLIDAYS.....	7
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY.....	7
8. TERMINATION .....	7
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	10
10. SEVERABILITY .....	11
11. WAIVER .....	11
12. FORMER SERVICE AGREEMENT .....	12
13. INTERPRETATION.....	12
14. NOTICES .....	12
15. AMENDMENT .....	12
16. SHARE DEALINGS .....	12
17. INDEMNITY .....	12
18. GOVERNING LAW .....	13



THIS AGREEMENT is made 1<sup>st</sup> DECEMBER 2008

BETWEEN:-

- (1) **Sham Lok Shing, Edward of Flat A, 6<sup>th</sup> Floor, Kui Shing Building, 296-302 Sai Yeung Choi Street North, Mongkok, Hong Kong (the "Director"); and**
- (2) **Sewco International Holdings Limited whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and its principal place of business in Hong Kong is at 18/F., Wing Wong Commercial Building, No. 557-559 Nathan Road, Yaumatei, Kowloon, Hong Kong (the "Company").**

WHEREAS:

- (1) In this Agreement, the "**Group**" shall mean the Company and its subsidiaries from time to time, and the expression "**subsidiary**" shall have the meaning set out in section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) (the "**Companies Ordinance**") or any modification or re-enactment thereof.
- (2) The Director shall be appointed as an executive director of the Company.
- (3) The parties have agreed to enter into this Agreement on the terms and conditions set out herein.

NOW IT IS HEREBY AGREED AND DECLARED as follows:

1. **TERM OF EMPLOYMENT**

- 1.1 The Company shall appoint and retain the Director and the Director shall serve the Company as an executive director of the Company subject to the provisions of this Agreement and the bye-laws of the Company. Such employment shall be for an initial period of two (2) years commencing from 1 December 2008 until the anniversary of the date of commencement, unless terminated by three (3) months' notice in writing served by either party on the other. The Company may at its sole and absolute discretion pay a proportionate amount of the salary in lieu of any required period of notice.
- 1.2 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 which the Director is entitled to under Clause 4.

1.3 The Director represents and warrants to the Company that he is fully capable of and not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into or performing all obligations and duties under this Agreement.

## 2. DUTIES

2.1 For the duration of this Agreement, the Director shall:

- (a) faithfully and diligently carry out such executive and management responsibilities and duties with regard to the operations of the Group and the promotion, development and expansion of its business as the board of directors of the Company (the "Board") may from time to time require;
- (b) perform all such duties in connection with the Group (including serving on the board of directors of subsidiaries or any other board or any committee of any member of the Group) as may from time to time be required and carry out all lawful and reasonable instructions of the Board according to the best of his skills and ability;
- (c) in the discharge of his duties and in the exercise of his powers, observe and comply with all resolutions, regulations and lawful directions from time to time made or given by the Board;
- (d) devote substantially the whole of his efforts, attention, abilities and time to the business of the Group and use his best endeavours to develop and extend the business of the Group;
- (e) not be engaged or interested in or concerned with any business which is in any respect in competition, directly or indirectly, with the business of the Group; and
- (f) exercise his best endeavours to procure the Company's compliance with the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"), the Hong Kong Codes on Takeovers and Mergers and Share Repurchases, the memorandum of association and bye-laws of the Company, and all other applicable laws, rules, regulations, guidelines and practice notes which are binding on or applicable to the Group or the Director including, without prejudice to the generality of the foregoing, the Director's undertaking to the Stock Exchange,

and it is agreed that the Director shall work in any place in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong") or Zhongshan of the People's Republic of China where the Group's factory situated or any part of the world which the Board may reasonably require for the proper performance and exercise of his duties and powers under this Agreement.

2.2 The Director shall, if and so long as he is so required by the Company:

- (a) carry out the duties of his office (as the same is described in Clause 2.1) on behalf of any subsidiary for the time being of the Company;
- (b) act as director, officer or employee of any subsidiary of the Company; and
- (c) carry out such duties attendant on any appointment under Clause 2.2(a), as if they were duties to be performed by him on behalf of the Company under this Agreement.

2.3 The Director shall at all times 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.

### 3. RESTRICTIONS ON OTHER ACTIVITIES BY THE DIRECTOR

3.1 For so long as the Director is employed under the terms of this Agreement but without prejudice to Clauses 3.2, 7 and 9, the Director shall not and shall procure his associates (as defined in the Listing Rules) not to (except with the prior sanction of a resolution of the Board):

- (a) be directly or indirectly engaged in or concerned with or interested in any other business which is in any respect in competition with or in opposition to, directly or indirectly, any business for the time being carried on by any company in the Group, provided that, this shall not prohibit the holding (directly or through nominees) of investments listed on any stock exchange as long as not more than five per cent. of the issued shares or stock of any class of any one company shall be so held without the prior sanction of a resolution of the Board (save that this restriction shall not apply to any holding of shares of the Company); and
- (b) be interested in any project or proposal for the acquisition or development of or investment in any business or asset in which any member of the Group has been during the continuance of this Agreement or is considering to acquire, develop or invest unless the Group shall have decided against such acquisition, development or investment or invited the Director or his associates (as defined in the Listing Rules) in writing to participate in, or consented in writing to the Director's or his associates' (as defined in the Listing Rules) acquisition or development of or investment in, such business or assets.

3.2 The Director covenants with and undertakes to the Company that he shall not and that he shall procure that none of his associates (as defined in the Listing Rules) shall during his appointment or at any time after the expiry of the term of appointment or its sooner determination, use the name of any member of the Group in Hong Kong or any other part of the world, or use in Hong Kong or any other territory in which the Group then operates any name which is the same as or similar to any of the registered or unregistered trade or service marks of the Group or any brand name or proposed brand name of any of the Group's products or service or proposed products or service, or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or its business for any purpose whatsoever (save for when the Director is discharging his duties during his appointment under this Agreement or other service agreements between the Director and the Company or any other member of the Group).

3.3 The Director shall not and shall procure his associates (as defined in the Listing Rules), either during or after the termination of the said appointment without limit in point of time, not to:

(a) divulge or communicate any secret, confidential or private information to any person or persons except to those of the officers of the Group whose province it is to know the same; or

(b) use any secret, confidential or private information for his own purposes or for any purposes other than those of the Group; or

(c) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any secret, confidential or private information:

(i) relating to the business and affairs of the Group not in the public domain;

(ii) relating to the working of any process or invention which is carried on or used by any company in the Group or which he may discover or make during his appointment hereunder; or

(iii) in respect of which any such company is bound by an obligation of confidence to any third party,

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally without requiring a significant expenditure of labour, skill or money.

3.4 For the purpose of this Agreement, "secret, confidential or private information" shall include all and any information (whether or not recorded in documentary form or on computer disk or tapes) relating to the business of the Group, dealings, affairs, and matters of the Group, including but without limitation to trade secrets, business methods, strategy, corporate plans, management system, new business opportunities and know-how, etc..

3.5 All notes, memoranda, records and writings and copies thereof made by the Director relating to the business of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the case may require) from time to time on demand and in any event upon the termination of his service to the Company.

3.6 Any dispute regarding any matter provided for in this Clause 3 shall be decided by the Board, whose decision shall be final, conclusive and binding as between the parties.

#### 4. REMUNERATION AND BENEFITS

4.1 The Company and/or any member of the Group shall pay to the Director during the continuance of this Agreement:

(a) a fixed salary at the rate of HK\$57,100 per month (inclusive of salary, commission but excluding housing reimbursement and allowances) payable in arrears at the end of each calendar month on a thirteen (13) month basis. After each completed year of service, such remuneration may be adjusted at the sole and absolute discretion of the Board provided that the increase cannot be more than twenty (20) per cent per annum;

(b) a China allowance at a maximum monthly rate of HK\$4,500 payable in arrears at the end of each calendar month;

(c) for each completed year of service, a discretionary bonus as may be decided by the Board provided that the total amount of bonus payable to all the directors of the Company for such year shall not exceed twenty-five (25) per cent. of the audited combined/consolidated profit after taxation and minority interests but before the extraordinary and exceptional items and the payment of such bonus for the relevant year (the "Profit") and provided further that the Profit for such year exceeds HK\$20million. Payment of such bonus shall be made on such date as the Board may resolve; and

(d) all reasonable medical expenses as provided under the Group's medical benefits scheme, if any.

4.2 Payment of the remuneration and bonus payable to the Director pursuant to Clause 4.1 shall be made either by the Company or by another company in the Group and if more than one company, in such proportions as the Board may from time to time think fit.

4.3 The Director may, at the discretion of the Board, be eligible to participate any share option scheme from time to time adopted by the Company in accordance with the terms and conditions of such share option scheme.

4.4 The Director shall not accept from any business associates/customers of the Company or of any member of the Group any gifts or benefits, monetary or otherwise, which exceeds the amount of HK\$500 without the prior consent of the Board.

#### 5. EXPENSES

The Company shall, subject to the production of receipts or other evidence satisfactory to

the Board, reimburse the Director all travelling, hotel, entertainment and other out-of-pocket expenses properly and reasonably incurred by him in or about the discharge of his duties hereunder.

6. **HOLIDAYS**

The Director shall be entitled to fourteen (14) working days' holiday (exclusive of statutory holidays in Hong Kong and sick leave) in each completed year of service to be taken by the Director at such times as may be convenient to the Group having regard to the requirements of the Group's business.

7. **INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY**

7.1 The parties foresee that the Director may make inventions or create other industrial or intellectual property in the course of his duties and agree that in this respect the Director has a special responsibility to further the interests of the Group.

7.2 Any invention, improvement or design made or process or information discovered or copyright work, trade and service marks, trade name or get-up created by the Director during the term of his appointment (whether or not capable of being patented or registered 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 of any company in the Group or capable of being used or adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

7.3 The Director if and whenever required to do so by the Company shall at the expense of a company in the Group apply or join with such company in applying for patent or other protection or registration for any such invention, improvement, design, process, information, copyright work, trade and service marks, trade name or get-up which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the sole beneficial right in the said patent or other protection or registration when obtained and all rights, title and interest to and in the same in such company or in such other person as the Company may specify.

7.4 The Director hereby irrevocably and by way of security appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing as may be necessary for the purpose of implementing the provisions of this Clause 7 and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 7 and in favour of any third party. A certificate in writing signed by a director or by the Secretary of the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case. The Director hereby agrees to confirm and ratify all such acts and instruments.

8. **TERMINATION**

8.1 This Agreement may be terminated forthwith by the Company without prior notice and compensation if the Director shall at any time:

(a) commit any irredeemable, serious or persistent breach whether wilful or not, of

any of the provisions of this Agreement;

- (b) be guilty of any dishonesty, grave misconduct or wilful neglect in the discharge of his duties under this Agreement;
- (c) become bankrupt or make any arrangement or composition with his creditors generally or has a receiving order made against him;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) be convicted of any criminal offence (other than an offence which in the reasonable opinion of the Board does not affect his position as a director of the Company);
- (f) become permanently incapacitated by accident or ill-health from performing his duties under this Agreement and for the purpose of this paragraph, incapacity for six (6) consecutive months or for an aggregate period of nine (9) months in any period of twelve (12) months shall be deemed to be a permanent incapacity;
- (g) become prohibited by law, the Listing Rules, the Hong Kong Codes on Takeovers and Mergers and Share Repurchases or any rules prescribed by the Stock Exchange from acting as a director or from fulfilling his duties under this Agreement or be removed from office by a special resolution of the shareholders of the Company in general meeting;
- (h) be guilty of conduct (in the reasonable opinion of the Board) likely to bring himself or any member of the Group into disrepute;
- (i) improperly divulge to any unauthorised person any secret, confidential or private information or any other business secret or details of the organisation, business of the Group (provided that this obligation shall not be extended to any such information which is in the public domain at the time of disclosure);
- (j) during the continuance of this Agreement be absent (other than during periods of holiday) for an aggregate of 90 working days;
- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; and
- (l) be disqualified to act as a director of any member of the Group under any applicable law (including the Companies Ordinance or the Companies Law of Bermuda or rules of any stock exchange including the Stock Exchange).

8.2 If the Company is for any reason not entitled to terminate this Agreement forthwith in accordance with Clause 8.1, it may, at any time after the occurrence of any of the events specified in Clause 8.1, by giving to the Director one (1) week's notice (or payment of salary in lieu of such notice or the unexpired part of such period, as the case may be), terminate this Agreement. It is also agreed that should any of the events specified in Clause 8.1 occur and the Company elects to terminate this Agreement, the "agreed

period" for the purposes of section 6(2)(c) of the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) is seven (7) calendar days.

- 8.3 If the Company becomes entitled to terminate the appointment of the Director under this Agreement pursuant to Clause 8.1, it shall be entitled (but without prejudice to its right subsequently to terminate such appointment on the same or any other ground) to suspend the appointment of the Director under this Agreement either in full or in part, with or without payment of remuneration for so long as it may think fit.
- 8.4 If the Director shall cease to be a director of the Company (otherwise than pursuant to the provisions of the bye-laws of the Company relating to the retirement of directors by rotation, provided that the Director is re-elected at the annual general meeting of the Company at which he retires), his appointment shall thereby automatically terminate but if such cessation shall be caused by any act or omission of either party without the consent, concurrence or complicity of the other then such act or omission shall be deemed a breach of this Agreement and termination hereunder shall be without prejudice to any claim for damages in respect of such breach.
- 8.5 On the termination of his appointment howsoever arising, the Director shall forthwith deliver to the Company all books, records, client's lists, accounts, statistics documents, papers, materials, credit cards, motor cars and other property of or relating to the business of the Group which may then be in his possession or under his power or control and all copies thereof or extracts therefrom made by or on behalf of the Director.
- 8.6 If the Director is at any time appointed as a director of any member of the Group, he shall on or after the expiry of his appointment under this Agreement 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 of its subsidiaries (as the case may be) for compensation for loss of office or otherwise.
- 8.7 The Director shall upon the expiry of his appointment under this Agreement or its sooner determination, transfer without payment and in such manner as the Company may require, all such shares in any of the Company's subsidiaries or associated companies as are held by him as nominee for the Company or any members of the Group.
- 8.8 In the event of the Director failing to take any of the actions required to be taken by him under Clauses 8.6 and 8.7 forthwith upon the request of 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 applicable laws. The Director agrees to confirm and ratify such documents and acts.
- 8.9 Termination of the Director's appointment under this Agreement shall be without prejudice to any rights which have accrued at the time of termination or to Clauses 3.2, 7 and 9 (all of which shall remain in full force and effect).



9. **NON-SOLICITATION AND RESTRICTIVE COVENANTS**

9.1 Save as disclosed in the prospectus of the Company for the listing of shares of the Company on the Main Board of the Stock Exchange or with the prior sanction of a resolution of the Board, the Director agrees that during the term of his employment by the Company and for a period of two (2) years thereafter:

- (a) he will not and shall procure his associates (as defined in the Listing Rules) not to engage or be engaged in Hong Kong and the People's Republic of China in which (i) the Group operates (the "Territory") whether directly or indirectly in the business of toys in the Territory or other business which any company in the Group shall have determined to carry on with a view to profit in the immediate or foreseeable future (the "Restricted Business") and/or (ii) he possesses any secret, confidential or private information relating to the business of the Group at any time during his employment hereunder or at the time of the termination of his employment under this Agreement;
- (b) he will not and shall procure his associates (as defined in the Listing Rules) not to take up employment with any person, firm, company or organisation engaged in the Territory (whether directly or indirectly) in any business involving or related to any of the Restricted Business (but this restriction shall not operate so as to prohibit an employment which does not involve duties relating to the Restricted Business) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Business;
- (c) he will not and shall procure his associates (as defined in the Listing Rules) not to be engaged in or concerned with or interested in as principal shareholder, employee, agent or otherwise (whether directly or indirectly) in any company, firm or business which as regards any goods or service is a supplier to or a customer of the Company or any other member of the Group;

- (d) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit, engage, employ or entice or endeavour to solicit engage, employ or entice (whether directly or indirectly) from the Company any director, manager or employee of any member of the Group whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant member of the Group;
- (e) he will not and shall procure his associates (as defined in the Listing Rules) not to directly or indirectly employ any person who has during the term of his employment been a director, manager, employee of or consultant to any member of the Group and who by reason of such employment is or may be likely to be in possession of any secret, confidential or private information relating to the Group's business or the business of the customers of the Group; and
- (f) he will not and shall procure his associates (as defined in the Listing Rules) not to either on his/its own account or for any person, firm, company or organisation, solicit business (whether directly or indirectly) from any person, firm, company or organisation which has dealt with the Company or any other member of the Group or which on the termination of his employment is in the process of negotiating with the Company or any such member of the Group in relation to any of the Restricted Business.

9.2 Since the Director may also obtain in the course of his employment by reason of services rendered for or offices held in any other member of the Group knowledge of the secret, confidential or private information of such company, the Director hereby agrees that he shall at the request of the Company enter into a direct agreement or undertaking with such company whereby he will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.

## 10. SEVERABILITY

While the restrictions contained in Clauses 3, 7 and 9 are considered by the parties 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 such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interests of the Group but would be valid if part of the wordings thereof were deleted or the periods (if any) thereof were reduced or the range of products or area dealt with thereby were reduced in scope, the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

## 11. WAIVER

11.1 No failure on the part of any party to exercise, and no delay on its part in exercising, any right to remedy under this Agreement will operate as a waiver thereof, nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or exercise of any other right or remedy. The rights or remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

## 12. FORMER SERVICE AGREEMENT

12.1 This Agreement shall be in substitution for any previous or existing service agreement (if any) or arrangements made orally or in writing between any member of the Group and the Director and for any terms of employment previously or currently in force between any such company and the Director and the Director shall have no claim in connection with any such superseded service agreement.

12.2 The Director hereby acknowledges that he has no outstanding claims of any kind against any member of the Group.

## 13. INTERPRETATION

The headings to the Clauses are for convenience only and have no legal effect.

## 14. NOTICES

Notices given under this Agreement shall be deemed effectively given to the Company if they are sent by post to or left at the principal place of business of the Company in Hong Kong and to the Director if they are sent by post to or left at the last known address of the Director. In the case of notice being sent by post, the notice shall be deemed (in the case of local mail) to have been received two business days ("business day" means a day other than Saturday on which banks in Hong Kong are generally open for business) after the time of despatch or (in the case of air mail) to have been received seven business days after the time of despatch.

## 15. AMENDMENT

This Agreement may not be amended, supplemented, modified or varied except by a written agreement or instrument signed by both parties.

## 16. SHARE DEALINGS

The Director shall comply where relevant with every rule of law, every regulation of the Stock Exchange or other market on which he deals and every regulation and the bye-laws 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 price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the 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.

## 17. INDEMNITY

17.1 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 this Agreement or any of his obligations implied by law.

17.2 The Company agrees and undertakes to indemnify and keep effectively indemnified in full the Director on demand from and against all actions, demands, claims, proceedings, liabilities, costs and expenses incurred or sustained by the Director, which are not as a result of or in connection with any material breach by, or gross negligence of, the Director of any of his obligations under this Agreement or any of his obligations implied by law.

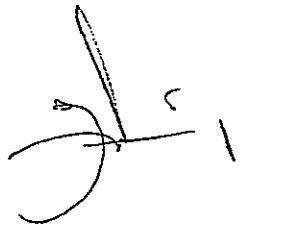
18. **GOVERNING LAW**

This Agreement is governed by and shall be construed in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in the determination of any dispute arising under this Agreement.

IN WITNESS whereof the parties have set their respective hands the day and year first above written.

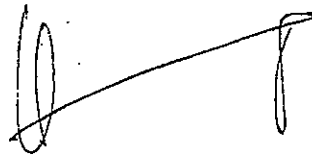
**SIGNED, SEALED and DELIVERED** by  
**Sham Lok Shing, Edward**  
in the presence of :-

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**SIGNED** by Cheung Yan, Priscilla  
a director, for and on behalf of  
**Sewco International Holdings Limited**  
in the presence of :-

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**SEWCO INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

Mr. Lam Chin Fung  
Flat B, 26/F., Majestic Court,  
8 Tsui Man Street, Happy Valley,  
Hong Kong.

15 April 2009

Dear Sir,

**Appointment as an Independent Non-Executive Director of  
Sewco International Holdings Limited  
(the "Company" together with its subsidiaries, the "Group")**

We hereby write to confirm the terms and conditions of your appointment as an independent non-executive director of the Company:-

1. Your appointment as an independent non-executive director of the Company will be renewed for a term of 1 year commencing from 27<sup>th</sup> June 2009 to 26<sup>th</sup> June 2010. Under the bye-laws of the Company (the "Bye-laws"), the office of a director of the Company is liable to be vacated in certain circumstances. In addition, under the Bye-laws, one-third of the directors of the Company are required to retire from office at each annual general meeting (they may, however, offer themselves for re-election).
2. Your role will be that of an independent non-executive director, bringing an objectivity and independence of view borne by your outside experience, helping the board of directors of the Company (the "Board") to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company. You shall be a member of the audit committee of the Company whose principal duties include the review and supervision of the Group's financial reporting process and internal controls; and a member of the remuneration committee of the Company whose principal duties include the recommendation on the Company's policy and structure for all the remuneration of directors and senior management.
3. In addition to your general fiduciary responsibilities, you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director. The Board may need you to serve on various sub-committees of the Board and/or to accept additional appointments in or on behalf of the Company.

4. In order to satisfy the requirements of a public company, you are expected to attend general meetings of the Company, each meeting of the Board and of any committees to which you are appointed as a member. If you are unavoidably unable to attend, as much prior notice as possible should be given to the chairman of the Board (the "Chairman").
5. You will be fully reimbursed for all reasonable out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company's procedures require you to obtain authorisation in advance from the Chairman for any item of expenditure over HK\$1,000 and any expenses to be incurred overseas or for foreign travel.
6. Because of your non-executive status, you are not eligible to participate in any bonus schemes or other benefits of the kind available to executive directors of the Company (except the Share Option Scheme adopted by the Company on 5 February 2002) but shall be entitled to an annual fee of HK\$50,000.
7. Your appointment will, in any event, be subject to the relevant provisions in the Bye-laws. In addition to these requirements, your appointment will at all times be terminable by six (6) months' prior written notice given by either you or the Company. Upon the expiry of notice served on you to terminate your appointment, you will resign from your office as a director (and from each and every other office or appointment you then hold in or on behalf of the Group) and, if you have not done so within seven days, you hereby irrevocably appoint any one of your fellow directors for the time being as your attorney to effect such resignation(s) on your behalf by signing any document(s) and doing any other act(s) or thing(s) as may be necessary or requisite.
8. Your appointment will terminate automatically without any requirement for notice or compensation if you:-
- 8.1 vacate your office under the terms of the Company's memorandum of association and Bye-laws;
  - 8.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in general meeting; or
  - 8.3 are not re-elected as a director when you submit yourself to re-election.
9. Your fiduciary duties to the Company require you at all times:-
- 9.1 to maintain the confidentiality of all information you acquire by virtue of your appointment;
  - 9.2 to act in good faith in the Company's interests at all times;
  - 9.3 to act at all times for the proper purposes of the Company;

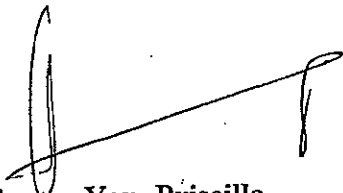


- 9.4 to carry out your responsibilities with the care, skill and diligence which the Company is reasonably entitled to expect from someone of your experience and expertise; and
- 9.5 to act only with the proper authority of the Company.
10. If any circumstances should arise in which it becomes necessary for you to seek separate independent legal advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable legal costs of doing so.
11. You must not make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community.
12. In order that the Board can give its approval, it will be necessary for you to disclose to the Board all other directorships and other (direct or indirect) interests, employments, consultancies or associations held by you or members of your family. You must also keep the Board informed on a continuing basis of all changes to such arrangements. During your appointment, you will not be free, unless prior written approval has been given by the Board, to take up new directorships or hold other interests in the same industry as the Group (as defined in paragraph 14 below) or which could give rise to a conflict of interest in some other way.
13. You shall not, either during the term of your appointment as an independent non-executive director of the Company or thereafter:-
- 13.1 use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of the Group whose province is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or
- 13.2 use for your own purpose or for any purposes other than those of the Group or disclose to any third party any information or knowledge of a confidential nature which you may from time to time acquire in relation to any member of the Group but so that this restriction shall cease to apply to any information or knowledge which may come into the public domain (otherwise than through your default).
14. You shall not, during the term of your appointment and for one year thereafter, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete (directly or indirectly), or has a significant business relationship with any Group company without the prior written consent of the Board.

15. You shall promptly upon request by the Company or in any event upon your ceasing to be a non-executive director of the Company deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company, and you shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.
16. By accepting this appointment, you will be deemed to have represented to the Company and The Stock Exchange of Hong Kong Limited that you have satisfied the independence requirements as stipulated in rule 3.13 of the Listing Rules.

Please sign, date and return the attached copy of this letter to us, confirming your acceptance of the appointment and its terms.

Yours sincerely,  
**For and on behalf of**  
**Sewco International Holdings Limited**



**Cheung Yan, Priscilla**  
**Chairman**

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I agree to the terms and conditions set out above relating to my appointment as an independent non-executive director of Sewco International Holdings Limited.



**SIGNED by Lam Chin Fung**

**SEWCO INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

Mr. Lam Chin Fung  
26/F., Flat B, Majestic Court,  
8 Tsui Man Street, Happy Valley,  
Hong Kong

2 June 2008

Dear Sir,

**Appointment as an Independent Non-Executive Director of  
Sewco International Holdings Limited  
(the "Company" together with its subsidiaries, the "Group")**

We hereby write to confirm the terms and conditions of your appointment as an independent non-executive director of the Company:-

1. Your appointment as an independent non-executive director of the Company will be for a term of 1 year commencing from 27<sup>th</sup> June 2008 to 26<sup>th</sup> June 2009. Under the bye-laws of the Company (the "Bye-laws"), the office of a director of the Company is liable to be vacated in certain circumstances. In addition, under the Bye-laws, one-third of the directors of the Company are required to retire from office at each annual general meeting (they may, however, offer themselves for re-election).
2. Your role will be that of an independent non-executive director, bringing an objectivity and independence of view borne by your outside experience, helping the board of directors of the Company (the "Board") to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company. You shall be a member of the audit committee of the Company whose principal duties include the review and supervision of the Group's financial reporting process and internal controls.
3. In addition to your general fiduciary responsibilities, you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director. The Board may need you to serve on various sub-committees of the Board and/or to accept additional appointments in or on behalf of the Company.


4. In order to satisfy the requirements of a public company, you are expected to attend general meetings of the Company, each meeting of the Board and of any committees to which you are appointed as a member. If you are unavoidably unable to attend, as much prior notice as possible should be given to the chairman of the Board (the "Chairman").
5. You will be fully reimbursed for all reasonable out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company's procedures require you to obtain authorisation in advance from the Chairman for any item of expenditure over HK\$1,000 and any expenses to be incurred overseas or for foreign travel.
6. Because of your non-executive status, you are not eligible to participate in any share option, bonus schemes or other benefits of the kind available to executive directors of the Company but shall be entitled to an annual fee of HK\$50,000.
7. Your appointment will, in any event, be subject to the relevant provisions in the Bye-laws. In addition to these requirements, your appointment will at all times be terminable by six (6) months' prior written notice given by either you or the Company. Upon the expiry of notice served on you to terminate your appointment, you will resign from your office as a director (and from each and every other office or appointment you then hold in or on behalf of the Group) and, if you have not done so within seven days, you hereby irrevocably appoint any one of your fellow directors for the time being as your attorney to effect such resignation(s) on your behalf by signing any document(s) and doing any other act(s) or thing(s) as may be necessary or requisite.
8. Your appointment will terminate automatically without any requirement for notice or compensation if you:-
  - 8.1 vacate your office under the terms of the Company's memorandum of association and bye-laws;
  - 8.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in general meeting (provided always that, where a poll is duly demanded, the result of the poll will count); or
  - 8.3 are not re-elected as a director when you submit yourself to re-election.
9. Your fiduciary duties to the Company require you at all times:-
  - 9.1 to maintain the confidentiality of all information you acquire by virtue of your appointment;
  - 9.2 to act in good faith in the Company's interests at all times;

- 9.3 to act at all times for the proper purposes of the Company;
- 9.4 to carry out your responsibilities with the care, skill and diligence which the Company is reasonably entitled to expect from someone of your experience and expertise; and
- 9.5 to act only with the proper authority of the Company.
10. If any circumstances should arise in which it becomes necessary for you to seek separate independent legal advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable legal costs of doing so.
11. You must not make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community.
12. In order that the Board can give its approval, it will be necessary for you to disclose to the Board all other directorships and other (direct or indirect) interests, employments, consultancies or associations held by you or members of your family. You must also keep the Board informed on a continuing basis of all changes to such arrangements. During your appointment, you will not be free, unless prior written approval has been given by the Board, to take up new directorships or hold other interests in the same industry as the Group (as defined below) or which could give rise to a conflict of interest in some other way.
13. You shall not, either during the term of your appointment as an independent non-executive director of the Company or thereafter:-
- 13.1 use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of the Group whose province is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or
- 13.2 use for your own purpose or for any purposes other than those of the Group or disclose to any third party any information or knowledge of a confidential nature which you may from time to time acquire in relation to any member of the Group but so that this restriction shall cease to apply to any information or knowledge which may come into the public domain (otherwise than through your default).

14. You shall not, during the term of your appointment and for one year thereafter, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete (directly or indirectly) or has a significant business relationship with any Group company without the prior written consent of the Board.
15. You shall promptly upon request by the Company or in any event upon your ceasing to be a non-executive director of the Company deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company, and you shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.
16. By accepting this appointment, you will be deemed to have represented to the Company and The Stock Exchange of Hong Kong Limited that you have satisfied the independence requirements as stipulated in rule 3.13 of the Listing Rules.

Please sign, date and return the attached copy of this letter to me, confirming your acceptance of the appointment and its terms.

Yours sincerely,  
**For and on behalf of**  
**Sewco International Holdings Limited**



**Cheung Yan, Priscilla**  
**Director**

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I agree to the terms and conditions set out above relating to my appointment as an independent non-executive director of Sewco International Holdings Limited.



**SIGNED** by Lam Chin Fung

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**SEWCO INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

Mr. Tse Wei Kin  
Flat A, 4/F Gallant Court,  
240-246 Prince Edward Road West,  
Kowloon, Hong Kong.

20 Feb 2009

Dear Sir,

**Appointment as an Independent Non-Executive Director of  
Sewco International Holdings Limited  
(the "Company" together with its subsidiaries, the "Group")**

We hereby write to confirm the terms and conditions of your appointment as an independent non-executive director of the Company:-

1. Your appointment as an independent non-executive director of the Company will be renewed for a term of 1 year commencing from 20<sup>th</sup> March 2009 to 19<sup>th</sup> March 2010. Under the bye-laws of the Company (the "Bye-laws"), the office of a director of the Company is liable to be vacated in certain circumstances. In addition, under the Bye-laws, one-third of the directors of the Company are required to retire from office at each annual general meeting (they may, however, offer themselves for re-election).
2. Your role will be that of an independent non-executive director, bringing an objectivity and independence of view borne by your outside experience, helping the board of directors of the Company (the "Board") to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company. You shall be a member of the audit committee of the Company whose principal duties include the review and supervision of the Group's financial reporting process and internal controls; and a member of the remuneration committee of the Company whose principal duties include the recommendation on the Company's policy and structure for all the remuneration of directors and senior management.

3. In addition to your general fiduciary responsibilities, you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director. The Board may need you to serve on various sub-committees of the Board and/or to accept additional appointments in or on behalf of the Company.
4. In order to satisfy the requirements of a public company, you are expected to attend general meetings of the Company, each meeting of the Board and of any committees to which you are appointed as a member. If you are unavoidably unable to attend, as much prior notice as possible should be given to the chairman of the Board (the "Chairman").
5. You will be fully reimbursed for all reasonable out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company's procedures require you to obtain authorisation in advance from the Chairman for any item of expenditure over HK\$1,000 and any expenses to be incurred overseas or for foreign travel.
6. Because of your non-executive status, you are not eligible to participate in any bonus schemes or other benefits of the kind available to executive directors of the Company (except the Share Option Scheme adopted by the Company on 5 February 2002) but shall be entitled to an annual fee of HK\$50,000.
7. Your appointment will, in any event, be subject to the relevant provisions in the Bye-laws. In addition to these requirements, your appointment will at all times be terminable by six (6) months' prior written notice given by either you or the Company. Upon the expiry of notice served on you to terminate your appointment, you will resign from your office as a director (and from each and every other office or appointment you then hold in or on behalf of the Group) and, if you have not done so within seven days, you hereby irrevocably appoint any one of your fellow directors for the time being as your attorney to effect such resignation(s) on your behalf by signing any document(s) and doing any other act(s) or thing(s) as may be necessary or requisite.
8. Your appointment will terminate automatically without any requirement for notice or compensation if you:-
  - 8.1 vacate your office under the terms of the Company's memorandum of association and Bye-laws;
  - 8.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in general meeting; or
  - 8.3 are not re-elected as a director when you submit yourself to re-election.

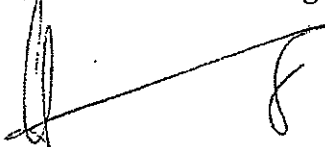


9. Your fiduciary duties to the Company require you at all times:-
- 9.1 to maintain the confidentiality of all information you acquire by virtue of your appointment;
  - 9.2 to act in good faith in the Company's interests at all times;
  - 9.3 to act at all times for the proper purposes of the Company;
  - 9.4 to carry out your responsibilities with the care, skill and diligence which the Company is reasonably entitled to expect from someone of your experience and expertise; and
  - 9.5 to act only with the proper authority of the Company.
10. If any circumstances should arise in which it becomes necessary for you to seek separate independent legal advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable legal costs of doing so.
11. You must not make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community.
12. In order that the Board can give its approval, it will be necessary for you to disclose to the Board all other directorships and other (direct or indirect) interests, employments, consultancies or associations held by you or members of your family. You must also keep the Board informed on a continuing basis of all changes to such arrangements. During your appointment, you will not be free, unless prior written approval has been given by the Board, to take up new directorships or hold other interests in the same industry as the Group (as defined in paragraph 14 below) or which could give rise to a conflict of interest in some other way.
13. You shall not, either during the term of your appointment as an independent non-executive director of the Company or thereafter:-
- 13.1 use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of the Group whose province is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or

- 13.2 use for your own purpose or for any purposes other than those of the Group or disclose to any third party any information or knowledge of a confidential nature which you may from time to time acquire in relation to any member of the Group but so that this restriction shall cease to apply to any information or knowledge which may come into the public domain (otherwise than through your default).
14. You shall not, during the term of your appointment and for one year thereafter, be a director or employee or agent of, or have any other material financial interest or involvement in, any business or enterprise which competes or is likely to compete (directly or indirectly) or has a significant business relationship with any Group company without the prior written consent of the Board.
15. You shall promptly upon request by the Company or in any event upon your ceasing to be a non-executive director of the Company deliver up to the Company all lists of clients or customers, correspondence and all other documents, papers and records which may have been prepared by you or have come into your possession as a director of the Company, and you shall not be entitled to and shall not retain any copies thereof. Title and copyright therein shall vest in the Company.
16. By accepting this appointment, you will be deemed to have represented to the Company and The Stock Exchange of Hong Kong Limited that you have satisfied the independence requirements as stipulated in rule 3.13 of the Listing Rules.

Please sign, date and return the attached copy of this letter to us, confirming your acceptance of the appointment and its terms.

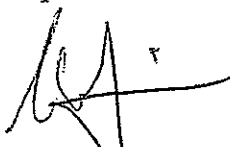
Yours sincerely,  
For and on behalf of  
Sewco International Holdings Limited



**Cheung Yan, Priscilla**  
**Chairman**

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I agree to the terms and conditions set out above relating to my appointment as an independent non-executive director of Sewco International Holdings Limited.



**SIGNED** by Tse Wei Kin

(J)

**SEWCO INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

Mr. Tse Wei Kin  
Front Unit, 1/F., Lung Ma Building  
550 Nathan Road, Kowloon  
Hong Kong

20 Feb 2008

Dear Sir,

**Appointment as an Independent Non-Executive Director of  
Sewco International Holdings Limited  
(the "Company" together with its subsidiaries, the "Group")**

We hereby write to confirm the terms and conditions of your appointment as an independent non-executive director of the Company:-

1. Your appointment as an independent non-executive director of the Company will be for a term of 1 year commencing from 20<sup>th</sup> March 2008 to 19<sup>th</sup> March 2009. Under the bye-laws of the Company (the "Bye-laws"), the office of a director of the Company is liable to be vacated in certain circumstances. In addition, under the Bye-laws, one-third of the directors of the Company are required to retire from office at each annual general meeting (they may, however, offer themselves for re-election).
2. Your role will be that of an independent non-executive director, bringing an objectivity and independence of view borne by your outside experience, helping the board of directors of the Company (the "Board") to provide the Company with effective leadership and ensuring the continuing effectiveness of the management team and the high standards of probity within the Company. You shall be a member of the audit committee of the Company whose principal duties include the review and supervision of the Group's financial reporting process and internal controls.
3. In addition to your general fiduciary responsibilities, you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive director. The Board may need you to serve on various sub-committees of the Board and/or to accept additional appointments in or on behalf of the Company.


4. In order to satisfy the requirements of a public company, you are expected to attend general meetings of the Company, each meeting of the Board and of any committees to which you are appointed as a member. If you are unavoidably unable to attend, as much prior notice as possible should be given to the chairman of the Board (the "Chairman").
5. You will be fully reimbursed for all reasonable out-of-pocket expenses you incur in discharging your duties on production of appropriate proofs of payment. The Company's procedures require you to obtain authorisation in advance from the Chairman for any item of expenditure over HK\$1,000 and any expenses to be incurred overseas or for foreign travel.
6. Because of your non-executive status, you are not eligible to participate in any share option, bonus schemes or other benefits of the kind available to executive directors of the Company but shall be entitled to an annual fee of HK\$50,000.
7. Your appointment will, in any event, be subject to the relevant provisions in the Bye-laws. In addition to these requirements, your appointment will at all times be terminable by six (6) months' prior written notice given by either you or the Company. Upon the expiry of notice served on you to terminate your appointment, you will resign from your office as a director (and from each and every other office or appointment you then hold in or on behalf of the Group) and, if you have not done so within seven days, you hereby irrevocably appoint any one of your fellow directors for the time being as your attorney to effect such resignation(s) on your behalf by signing any document(s) and doing any other act(s) or thing(s) as may be necessary or requisite.
8. Your appointment will terminate automatically without any requirement for notice or compensation if you:-
  - 8.1 vacate your office under the terms of the Company's memorandum of association and bye-laws;
  - 8.2 are removed from office as a director by any resolution duly proposed and resolved by the members of the Company in general meeting (provided always that, where a poll is duly demanded, the result of the poll will count); or
  - 8.3 are not re-elected as a director when you submit yourself to re-election.
9. Your fiduciary duties to the Company require you at all times:-
  - 9.1 to maintain the confidentiality of all information you acquire by virtue of your appointment;
  - 9.2 to act in good faith in the Company's interests at all times;

- 9.3 to act at all times for the proper purposes of the Company;
- 9.4 to carry out your responsibilities with the care, skill and diligence which the Company is reasonably entitled to expect from someone of your experience and expertise; and
- 9.5 to act only with the proper authority of the Company.
10. If any circumstances should arise in which it becomes necessary for you to seek separate independent legal advice about your responsibilities as a director of the Company, you will of course, be reimbursed for your reasonable legal costs of doing so.
11. You must not make any statements on the Company's behalf or concerning the Company to the press, media, venture capitalists, brokers, banks, financial analysts and/or anyone associated with the stock market or investor community.
12. In order that the Board can give its approval, it will be necessary for you to disclose to the Board all other directorships and other (direct or indirect) interests, employments, consultancies or associations held by you or members of your family. You must also keep the Board informed on a continuing basis of all changes to such arrangements. During your appointment, you will not be free, unless prior written approval has been given by the Board, to take up new directorships or hold other interests in the same industry as the Group (as defined below) or which could give rise to a conflict of interest in some other way.
13. You shall not, either during the term of your appointment as an independent non-executive director of the Company or thereafter:-
- 13.1 use to the detriment or prejudice of the Group or divulge or communicate to any person any trade secret or confidential information concerning the business or affairs of the Group (except to employees or directors of the Group whose province is to know the same) which may have come to your knowledge during the term of your appointment hereunder; or
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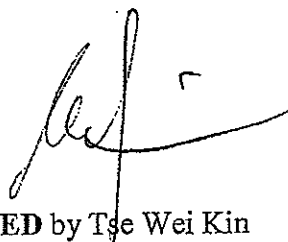
Yours sincerely,  
**For and on behalf of**  
**Sewco International Holdings Limited**



**Cheung Yan, Priscilla**  
**Director**

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I agree to the terms and conditions set out above relating to my appointment as an independent non-executive director of Sewco International Holdings Limited.



**SIGNED** by Tse Wei Kin