

Dated the 4<sup>th</sup> day of March, 2021

**GIORDANO INTERNATIONAL LIMITED**

**AND**

**LAU KWOK KUEN, PETER**

---

**SERVICE AGREEMENT**

---

Table of Contents

<u>CLAUSE</u>	<u>PAGE</u>
1. DEFINITIONS.....	1
2. APPOINTMENT .....	2
3. TERM .....	2
4. SCOPE OF THE APPOINTMENT.....	2
5. REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS .....	3
6. CONFIDENTIALITY AND SHARE DEALINGS .....	5
7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY .	6
8. TERMINATION .....	6
9. NON-SOLICITATION AND RESTRICTIVE COVENANTS .....	7
10. NOTICES .....	8
11. CHOICE OF LAW.....	8

THIS SERVICE AGREEMENT ("Agreement") is made on the 4<sup>th</sup> day of March, 2021

BETWEEN

- (1) **GIORDANO INTERNATIONAL LIMITED** (佐丹奴國際有限公司), a limited liability company incorporated under the laws of Bermuda whose principal place of business in Hong Kong is situate at 5th Floor, Tin On Industrial Building, 777-779 Cheung Sha Wan Road, Kowloon, Hong Kong (the "Company"); and
- (2) **LAU KWOK KUEN, PETER** (劉國權), holder of Hong Kong Identity Card No. E467345(3), of House A6, Villa Cecil, 200 Victoria Road, Hong Kong (the "Appointee"),

each a "Party", and collectively the "Parties".

**IT IS HEREBY AGREED** as follows:

## 1. DEFINITIONS

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

- "Associated Company"** has the meaning given to it by the Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants and entitled "Hong Kong Accounting Standard on Investments in Associates".
- "Board"** the board of directors for the time being of the Company or the directors present at any meeting of the Board duly convened and held.
- "Effective Date"** January 1, 2021.
- "Group"** the Company and its direct or indirect subsidiaries from time to time (the term "**Subsidiary**" shall have the meaning given to it in Section 2 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) and any Associated Company.
- "Group Company"** any of (i) the Company, (ii) the companies which are for the time being controlled directly or indirectly by the Company and (iii) the Associated Companies for the time being of any of the above companies and "**Group Companies**" shall be construed accordingly.
- "HK\$"** Hong Kong dollars, the lawful currency of Hong Kong.
- "Position"** has the meaning given to it in Clause 2.
- "PRC"** the People's Republic of China and, for the purposes of this Agreement, shall exclude Hong Kong.
- "Restricted Businesses"** The businesses of manufacturing, retailing and/or distributing of apparel and other associated garment or accessory products that tend to compete or may compete with the business of any Group Company.
- "Share Option Scheme"** the employee share option scheme as may, from time to time, be implemented by the Company.

**“Total Aggregate Remuneration”** as defined in Clause 5.1.

- 1.2 References herein to Clause, sub-clauses and Schedule are to Clauses and sub-clauses of, and Schedule to this Agreement.
- 1.3 References to “**persons**” include bodies corporate or unincorporated, and references to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established.
- 1.4 References to any statute or statutory provision shall include any statute or statutory provision which amends, replaces or re-enacts, or has amended, replaced or re-enacted, it and vice versa, and shall include any statutory instrument, order, regulation or other subordinate legislation made thereunder.
- 1.5 Words importing the singular include the plural and vice versa, and words importing one gender include every gender.
- 1.6 Headings to Clauses are for convenience only and have no legal effect.

## **2. APPOINTMENT**

The Company shall employ the Appointee as Chairman and Chief Executive of the Company (the “**Position**”) on the terms and subject to the conditions set out herein.

## **3. TERM**

- 3.1 Subject to Clause 8, the Company shall retain the services of the Appointee for a term of three (3) years from the Effective Date (“**Term**”).
- 3.2 The Company shall review (“**Review**”) the terms and conditions of this Agreement at the end of twenty-four months from the Effective Date (i.e. on or after January 1, 2023).
- 3.3 Immediately after the twenty-four (24) months period of this Agreement, to the mutual satisfaction of both Parties, if this Agreement not be reviewed subject to the above Clause 3.2 and yet neither Parties terminates this Agreement in accordance with Clause 8.1; should the Company subsequently decide not to renew this Agreement at the expiry of the Term, then the Company shall pay the Appointee a gratuity payment at the expiry of the Term. The gratuity payment is equivalent to 12 month’s Total Aggregate Remuneration. For the avoidance of doubt, solely for the purposes of calculating the “Guaranteed Bonus” portion of the gratuity payment pursuant to this Clause 3.3, the “Guaranteed Bonus” shall be calculated by reference to and deemed to be the average of the preceding 3 year’s Guaranteed Bonus which the Appointee is entitled prior to the termination of this Agreement.

## **4. SCOPE OF THE APPOINTMENT**

- 4.1 The Appointee shall faithfully and diligently perform such duties and exercise such powers consistent with the Position as may from time to time be assigned to or vested in him and, in particular, shall be responsible for the overall management and control of the business of the Company (which shall, without limitation, include the general supervision of the Company’s investment in other Group Companies, act as director, officer or employee of any other Group Company as required by the Company from time to time and carry out such duties and

attendant on any such appointment as if they were duties to be performed by him on behalf of the Company) and shall obey the reasonable and lawful directions of the Board.

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

## 5. REMUNERATION, REIMBURSEMENT AND OTHER BENEFITS

- 5.1 The total aggregate remuneration payable or to be provided by the Group Companies in respect of the retention of the Appointee's services during the continuance of the Term of this Agreement shall be as follows:

- (a) a salary at the rate which as at the Effective Date shall be the amount equivalent to the salary amount for the year of 2020 (i.e. HK\$3,675,609.00 per annum) after having been adjusted according to Clause 5.4 below. Such salary shall be subject to further yearly adjustment as set out in Clause 5.4 or as may otherwise be mutually agreed between the Parties from time to time, and shall accrue on a day to day basis and be payable by twelve equal monthly payments in arrears; and
- (b) accommodation ("**Accommodation**") of a size and at a location commensurate with (in the reasonable opinion of the Company) the position of the Appointee to be used as his residence; and
- (c) a guaranteed cash bonus ("**Guaranteed Bonus**") which equals to 2.5 per cent of the Group's consolidated profits. Such consolidated profits are calculated based on the audited consolidated financial statements of the Group for the relevant financial year after deducting all expenses and outgoing (including all contractual and/or discretionary bonuses paid or payable to all directors of the Company (including the Appointee) by the Group Companies) for such financial year (i) before deducting taxation and before taking into account any extraordinary and exceptional items but excluding any minority interests (net of any relevant taxation); and (ii) after deducting losses carried forward, if any, from previous years ("**Annual Profits**") Provided That
  - (i) if the Appointee is appointed for only part of any financial year where a Guaranteed Bonus is payable, the Guaranteed Bonus payable in respect of that financial year shall be calculated as a ratable proportion of the Guaranteed Bonus in respect of the whole of that financial year; and
  - (ii) if the Annual Profits for any financial year shall be less than HK\$250,000,000, the Appointee shall not be entitled to any Guaranteed Bonus whatsoever in respect of such financial year;
- (d) a discretionary cash bonus at such amounts as the Board may determine; and
- (e) the use (whether for business or personal use) of a chauffeur driven motor car which is of a standard consistent with the position of the Appointee and the Company shall pay all vehicle registration fees, taxes and insurance premiums in respect of the car and shall pay or reimburse against receipts of all maintenance, repair and running costs in respect of the car and the cost of petrol;

(collectively, the "**Total Aggregate Remuneration**").

- 5.2 The Appointee shall be entitled to participate in such medical and life insurance policies and provident fund scheme(s) of the Group as the relevant Company may in its absolute discretion determine from time to time.

- 5.3 The Company shall re-imburse all travelling, hotel and other expenses properly incurred by the Appointee in connection with the Group's business or in attending and returning from meetings which are held in connection with the Group's affairs.
- 5.4 The amount of the Appointee's salary set out in Clause 5.1(a) shall be subject to review by the Board annually, provided that at each review the salary shall be adjusted by such amount as shall reflect any changes in the 12-month average movements in the Consumer Price Index (C) in the year immediately preceding the year in which the review takes place ("Year 1") as compared to such 12-month average movements in the year immediately preceding Year 1, as published by The Government of the Hong Kong Special Administrative Region in the year of such review (unless otherwise agreed by the Parties hereto). For the avoidance of doubt, the Appointee hereby agrees and accepts any such adjustment to his salary based on the average movements in the CPI and the salary shall be deemed automatically adjusted accordingly. The Appointee agrees to execute such letters of confirmation agreeing to the adjusted salary at the appropriate time. The adjustment to the Appointee's salary following a review shall take retrospective effect from January 1 each year.
- 5.5 The Appointee shall (in addition to normal public holidays) be entitled to twenty-two (22) working days (or such longer period as may be agreed between the Parties) paid holiday in each year during the continuance of his appointment. If the requirements or responsibilities of the appointment during any particular calendar year are such that the Appointee is not able to take all of such leave, any leave not so taken in that calendar year may be taken in the immediate subsequent calendar year during the term or any renewed term (as the case may be) of this Agreement but, if not so taken in such period of the following calendar year, then the untaken leave shall be lost. However, notwithstanding anything herein, if this Agreement is not renewed and following the final calendar year of the term of this Agreement there is untaken leave from the immediate previous calendar year, then the Company shall pay the proportionate salary (calculated according to the salary amount mentioned in Clause 5.1(a)) in cash to the Appointee in lieu of any untaken leave for that period. The Appointee acknowledges that his holiday entitlement under this Clause 5.5 shall be the total and absolute number of days of holiday which he is entitled during the term of this Agreement and, if the Appointee enters into service contracts with one or more of the Group Companies, the Appointee agrees that his aggregate holidays under all such contracts shall be the number of days set out in this Clause 5.5 (or such other period agreed between the Company and the Appointee).
- 5.6 The Company shall procure that there be paid the Appointee's salary and the other benefits under this Agreement during any period of absence on medical grounds up to a maximum of ninety (90) days in any period of 12 months Provided That the Appointee shall supply the Company with medical certificates covering the periods of absence. The Appointee acknowledges that his sickness payment under this Clause 5.6 shall be the total and absolute amount which he is entitled and, if the Appointee enters into service contracts with one or more of the Group Companies, the Appointee agrees that his aggregate sickness payment entitlement under all such contracts shall be the sickness payment entitlement set out in this Clause 5.6 (or such other entitlement agreed between the Company and the Appointee).
- 5.7 If the Appointee's absence shall be or appear to be occasioned by actionable negligence of a third party in respect of which damages are or may be recoverable, then all sums paid by the Company shall constitute loans to the Appointee who shall forthwith notify the Company of the relevant circumstances and of any claims, compromise, settlement or judgment made or awarded in connection therewith and shall give to the Company all such particulars of such matters as the Company may reasonably require and shall if the Company so requires refund to the Company such sum as the Company may determine provided that it shall not exceed:
- (a) the aggregate of the sums advanced by the Company to the Appointee in respect of the relevant period of incapacity; or (if less);

- (b) the amounts actually received by the Appointee in respect of each relevant claim, compromise, settlement or judgment.
- 5.8 The Appointee shall be entitled to participate in the Share Option Scheme upon the absolute discretion of the Board.
- 5.9 The Company shall procure and grant the Appointee an option to purchase at any time during the Term the existing Accommodation (i.e. House A6 and 2 Car Parking Spaces No. A6 of Villa Cecil, No. 200 Victoria Road, Hong Kong). Such purchase shall be made on normal commercial terms at a consideration to be mutually agreed by the Parties based upon a valuation prepared by a recognized independent professional valuer with reference to the prevailing market price of properties of comparable size and quality.
- 5.10 The Appointee agrees, acknowledges and confirms that the remuneration, benefits and reimbursements set out in this Clause 5 may be paid to him by any Group Company and such remuneration, benefits and reimbursements shall be the total and absolute amount which he is entitled to receive in respect of the retention of his services.

## 6. CONFIDENTIALITY AND SHARE DEALINGS

6.1 The Appointee shall not either during or after the termination of his appointment hereunder (without limit in point of time):

- (a) divulge or communicate to any person or persons except to those of the employees or officers of the Company whose province it is to know the same; or
- (b) use for his own purposes or for any purposes other than for the benefit of the business of the Company; or
- (c) through any failure to exercise all reasonable care and diligence cause any unauthorised disclosure of

any secret, confidential or private information (including without limitation any trade secret):

- (i) relating to the business affairs of the Company;
- (ii) relating to the working of any process or invention which is carried on or used by the Company or which he may discover or make during his appointment hereunder;
- (iii) in respect of which the Company is bound by an obligation of confidence to any third party

but so that these restrictions shall not apply to any information or knowledge which may (otherwise than through the default of the Appointee) become available to the public generally or which may be required to be disclosed by law or any applicable regulations.

6.2 All notes, memoranda, records and writings made by the Appointee relative to the business of the Company shall be and remain the property of the Company and shall be handed over by him to the Company (or to such other Group Company as the case may require) from time to time on demand and in any event upon his leaving the service of the Company.

6.3 The Appointee 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 Group Companies and in relation to unpublished price sensitive information affecting the shares, debentures or other securities of any Group Company. Provided always that in relation to overseas dealings, the Appointee 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.

## 7. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY

- 7.1 Any invention or improvement or design made or process or information discovered or copyright work or trade mark or trade name or get-up created by the Appointee during the continuance of this Agreement (whether capable of being patented or registered or not and whether or not made or discovered in the course of his appointment hereunder) in conjunction with or in any way affecting or relating to the business of the Company or capable of being used or adapted for use therein or in connection therewith shall forthwith be disclosed to the Company and shall belong to and be the absolute property of the Company.
- 7.2 The Appointee if and whenever required so to do by the Company or Group Company shall at the expense of the Company or Group Company apply or join with the Company or the respective Group Company in applying for letters patent or other protection or registration in any part of the world for any such invention improvement design process information work trade mark trade name or get-up as aforesaid and shall at the expense of the Company execute and do all instruments and things necessary for vesting the said letters patent or other protection or registration when obtained and all right title and interest to and in the same in the Company absolutely and as sole beneficial owner or in such other person as the Company may specify.
- 7.3 The Appointee hereby irrevocably appoints the Company to be his attorney in his name and on his behalf to execute and do any such instrument or thing and generally to use his name for the purpose of giving to the Company the full benefit of this Clause and in favour of any third party a certificate in writing signed by any 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.

## 8. TERMINATION

- 8.1 Subject to Clause 8.2, the Company shall procure the retention of the services of the Appointee for the term of three (3) years unless:
- (a) Subject to paragraphs (c) and (d) of this Clause 8.1, the Company gives not less than twelve (12) months' prior notice in writing to the Appointee, such notice to be referred to herein as "**Company Notice**". Notwithstanding anything else contained herein, upon receipt of the Company Notice, the Appointee shall have the right to elect as to whether he shall serve any and, if so, how much of the Company Notice period. Upon ceasing to provide the services following a Company Notice, the Appointee shall be entitled, in any event, to receive from the Company an amount equal to twelve (12) months' Total Aggregate Remuneration. For the avoidance of doubt, solely for the purposes of calculating the "Guaranteed Bonus" portion of the gratuity payment to this Clause 8.1(a), the "Guaranteed Bonus" shall be calculated by reference to and deemed to be the average of the preceding 3 year's Guaranteed Bonus which the Appointee is entitled in respect of the last completed financial year prior to the termination of this Agreement;
- (b) the Appointee gives not less than twelve (12) months' prior notice in writing to the Company. Under such circumstances, and subject at all times to Clause 8.1(c) below,



the Appointee shall also be entitled to a gratuity payment calculated in accordance with Clause 8.1 above; or

- (c) by notice in writing by the Company with immediate effect if the Appointee shall have committed any serious breach or repeated or continued (after warning) any material breach of his obligations under any service contract entered into between the Appointee and any Group Company and, if such breach is capable of remedy, have failed to remedy the same within 30 days after being required by the Board in writing to do so, or if the Appointee shall be guilty of any serious misconduct or shall have committed an act of bankruptcy or compounded with his creditors generally; or
- (d) by notice in writing by the Company with immediate effect if the Appointee is suffering from any mental or physical disability and has been certified by two doctors registered in Hong Kong that such disability will last for a period of one year or more and will prevent the Appointee from proper and efficient performance of his duties under this Agreement or from displaying the level of competence generally expected from persons holding positions similar to the office. Upon termination of the Appointee's employment as a result of mental or physical disability pursuant to this Clause 8.1(d), the Company shall make payment of the Total Aggregate Remuneration to the Appointee equivalent to the remainder of the term of this Agreement provided that the maximum amount payable shall not exceed the equivalent to one year's Total Aggregate Remuneration.

8.2 On the termination of the retention of the Appointee's services hereunder, the Appointee shall:

- (a) at any time or from time to time thereafter at the request of the Company resign from all offices held by him in any Group Company and should he fail to do so the Company is hereby irrevocably authorised to appoint some persons in his name and on his behalf to sign and do any documents or things necessary or requisite to give effect thereto; and
- (b) forthwith deliver to the Company all books, documents, papers, materials, credit cards, motor cars and other property of (or provided for by), or relating to the business of, the Group which may then be in his possession or under his power or control.

## 9. NON-SOLICITATION AND RESTRICTIVE COVENANTS

9.1 Subject to Clause 9.2, the Appointee agrees that during the term of this Agreement and for a period of twelve months thereafter:

- (a) he will not engage or be engaged, whether directly or indirectly, in any of the Restricted Businesses;
- (b) he will not take up employment with any person, firm, company or organisation engaged in Hong Kong, Taiwan, Singapore, the People's Republic of China or any other country/place where the Group has material operations whether directly or indirectly in any of the Restricted Businesses (but this restriction shall not operate so as to prohibit an employment, none of the duties of which relates to any of the Restricted Businesses) nor assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to the Restricted Businesses;
- (c) he will not either on his own account or for any person, firm, company or organisation solicit or entice or endeavour to solicit or entice away from any Group Company any director, manager or servant of any Group Company whether or not such person would commit any breach of his/her contract of employment by reason of leaving the service of the relevant Group Company;

- (d) he will not directly or indirectly employ any person who has during the currency of the Appointee's employment hereunder been a director, manager servant of or consultant to any Group Company and who by reason of such employment is or may be likely to be in possession of any confidential information or trade secrets relating to any Group Company's business or the business of the customers of any Group Company; and
- (e) he will not either on his own account or for any person, firm, company or organisation solicit business from any person, firm, company or organisation which at any time during the currency of his employment hereunder has dealt with the Company or any other Group Company or which on the termination of his employment is in the process of negotiating with the Company or any such Group Company in relation to the Restricted Businesses.

9.2 Each of paragraphs (a) to (e) of Clause 9.1 shall be deemed to constitute a separate agreement and shall be construed independently of the others.

9.3 The restrictions contained in Clause 9.1 are considered reasonable by the Company and the Appointee but in the event that any such restriction shall be found to be void but would be valid if some parts thereof were deleted or the period or area of application reduced such restriction shall apply with such modification as may be necessary to make it valid and effective.

**10. NOTICES**

Any notice required to be given hereunder shall, in the case of notice to the Company, be deemed duly served if left at or sent by registered post to the registered office for the time being of the Company and, in the case of notice to the Appointee, if handed to him personally or left at or sent by registered post to his last known address. Any such notice shall be deemed to be served at the time when the same is handed to or left at the address of the Party to be served and if served by post forty-eight (48) hours after posting.

**11. CHOICE OF LAW**

This Agreement shall be governed by and construed in accordance with Hong Kong laws and the Parties hereto agree to submit to the exclusive jurisdiction of the Hong Kong courts.

**IN WITNESS** whereof this Agreement has been executed the day and year first above written.

SIGNED by Mark Alan LOYND )  
 the Director, for and on behalf of )  
 GIORDANO INTERNATIONAL LIMITED )  
 in the presence of: )

*For and on behalf of*  
**GIORDANO INTERNATIONAL LIMITED**  
*(Incorporated in Bermuda with limited liability)*

  
 .....  
*Authorized Signature(s)*

SIGNED by LAU KWOK KUEN, PETER )  
 holder of Hong Kong Identity Card No. )  
 E467345(3), in the presence of: )

