



俊和集團  
CHUN WO HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Registered Office: Clarendon House, Church Street, Hamilton HM 11, Bermuda

Your reference :

Our reference :

CW/PE/042068

9 August 2004

Mr. Nip Yun Wing  
Flat E&F, 19/F, Block 11  
Laguna Verde  
Hung Hom  
Kowloon

Dear Mr. Nip,

Offer of Employment as Executive Director of Chun Wo Holdings Limited ("The Company")

We are pleased to offer you (as one party and hereinafter referred to as the "Employee") the employment in the Company (as another party) as the Executive Director of the Company on the following terms and conditions:

1. Employment Period

The Employment Period shall be for a term of three (3) years which shall commence on 10th November, 2004 or such earlier date as the Company and the Employee may agree in writing.

2. Duties

2.1 The Employee shall report directly to the Chairman and Managing Director of the Company and shall be responsible mainly for the following:

- (a) overseeing investment activities of the Group (means the Company, its subsidiaries and associated companies from time to time);
- (b) overseeing corporate finance activities of the Group, including without limitation, equity and debt financing;
- (c) promoting the corporate image and profile of the Group;
- (d) overseeing the accounting, personnel and administrative functions of the Group.; and
- (e) assisting the Group in areas where the Employee's knowledge and skill may contribute to the success of tasks, including but not limited to joint venture activities.

2.2 You shall, during the continuance of your employment,

- (a) serve the Company and any other companies within the Group, in the present capacity or in any other capacity as assigned to or promoted and, in such

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*[Handwritten signature and initials]*



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capacity, perform the duties and exercise the powers from time to time assigned to or vested in you by the Company.

- (b) comply with and conform to any lawful instructions or directions from time to time given or made by the board of directors of the Company and faithfully and diligently serve the Company and any other companies within the Group and use your best endeavours to promote the business and interests of the Group;
- (c) comply with the internal regulations of the Company from time to time in force;
- (d) devote yourself exclusively and diligently to the business and interests of the Company and personally attend thereto at all times during usual business hours and during such other times as the Company may reasonably require;
- (e) neither directly nor indirectly engage or be concerned in any other service or business whatsoever without the consent of the Company.
- (f) neither demand, accept nor permit any member of your family to demand or accept from any third parties which have business connection with the Company any gifts, benefits or advantages offered or given to you or a member of your family.

3. Remuneration

3.1 Salary

During the Employment Period, your salary will be HK\$2,016,000.- per annum payable on a 12-month basis at the rate of HK\$168,000.- per month in arrears upon completion of each month's service and pro-rata in respect of any incomplete month. It will be paid into your local bank account in Hong Kong dollars at the end of each calendar month.

3.2 Bonus

- 3.2.1 You shall be entitled to a basic non-discretionary bonus of HK\$250,000.- which is due and payable upon completion of each 12-month services and in case the service period is less than 12 months, such bonus shall be pro-rated and the pro-rata amount shall be due and payable on the last working day except that no bonus will be payable under this clause if you terminate the employment to the effect that your service period is less than 12 months under this employment.
- 3.2.2 You shall also be entitled to an additional annual bonus of not less than HK\$250,000.- for each 12-month services if either of the following occurs :-
  - (a) you have assisted the Group in raising not less than, for the first 12 months of your employment, HK\$300 Million, and for the second and third 12-month period respectively, HK\$200 Million, debt and/or equity

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- financing (as evidenced by the signing of any document and confirming by the finance-provider of the availability of such debt and/or equity financing); or
- (b) the investment portfolio managed by you have an average return of not less than 10% per annum.

This bonus shall be paid within 1 month after the expiry of each said 12-month period.

3.2.3 You shall also be entitled to another alternate bonus if the consolidated audited net profit of the Company (excluding development profit relating to the Choi Hung Park & Ride Development Project) for the financial year ending on 31.3.2006 and 31.3.2007 exceeds HK\$100 Million respectively. Under such circumstances,

- (a) (Subject to sub-clauses 3.2.3(b), (c), (d) and (e) below) Your bonus under this sub-clause shall be equivalent to 1.5% of the excess over HK\$100 Million
- (b) If the amount of the alternate bonus under sub-clause 3.2.3(a) is more than HK\$250,000, the Company shall then, irrespective of whether you are able to satisfy the conditions set out in sub-clauses 3.2.2(a) or 3.2.2(b), not be obliged to pay you any additional bonus under sub-clause 3.2.2;
- (c) If the amount of the alternate bonus under sub-clause 3.2.3(a) is less than HK\$250,000 and you are at the same time not entitled to the additional bonus under sub-clause 3.2.2, the Company shall then be obliged to pay you such amount of alternate bonus under sub-clause 3.2.3(a);
- (d) If the amount of the alternate bonus under sub-clause 3.2.3(a) is less than HK\$250,000 but you are at the same time entitled to the additional bonus under sub-clause 3.2.2, the Company shall then be obliged to first pay you such amount of alternate bonus under sub-clause 3.2.3(a) and then the difference between HK\$250,000 (which is your entitlement of additional bonus) and the actual amount of alternate bonus in accordance with the time limit set out in Clause 3.2.2;
- (e) The bonus payable under sub-clause 3.2.3 shall be paid to you within 2 months after the date on which the relevant full year financial results of the Company are published on local newspapers.

It is expressly agreed between the Company and you that you are still entitled to bonus under this clause 3.2.3 for one time in the event that your employment is terminated for whatever reasons (except those stated in

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clause 10.3) within 6 months before the date on which the next full year financial results of the Company are published on local newspapers.

3.3 Share Options

You shall be eligible to participate in the Company's employee share option scheme subject to the rules and conditions of the same. 3,200,000 share options shall be granted to you on the commencement date of the Employment Period and the option prices ("Option Price") of such options shall be the higher of the closing price of the Company's shares on the date of grant or the average closing price of the Company's shares on the five trading days immediately preceding the commencement date. Such share options shall be exercisable for 5 years commencing from the date of grant but shall be exercised on or before your last working day of services with the Company unless otherwise agreed by the board of directors of the Company.

4. Place of Work

You will be required as and when instructed by the Company to work in any place in Hong Kong and travel to any destinations for business purposes so as to promote the interests, needs and business opportunities of the Group or any of its joint ventures.

5. Working Hours

The Company's normal working hours are:

Mondays to Fridays	: 9:00a.m. - 6:00p.m.
Saturdays	: 9:00a.m. - 1:00p.m.
Lunch Hour	: 12:45p.m. - 1:45p.m.

You may be required to work overtime including on Sundays or public holidays in order to meet the operational needs of the Company.

6. Deductions

The Company shall be entitled at any time to deduct from your remuneration hereunder any monies due from you to the Company as may be permitted by the Hong Kong Employment Ordinance.

7. Annual Leave

In addition to the gazetted holidays, you will be entitled to 18 days paid annual leave for each completed year of service. Leave on Saturday will be counted as 0.5 working day



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except that leave on Saturday will be counted as 1 working day if leave is also taken on the Friday before or the Monday after.

7.1 If for any reason (other than upon the request of the Company) you shall not have taken your full entitlement of leave in any one year, you shall not have any claim against the Company in respect thereof nor shall you be entitled to any additional leave in any year in respect of leave not taken in previous year(s) unless mutually agreed between you and the Company; and

7.2 Application for leave of less than 7 consecutive days (including Sundays or holidays) shall be made at least 7 days prior to its commencement. Application for leave of 7 consecutive days (including Sundays or holidays) or more shall be made to the Company at least 14 days in advance and any such leave granted shall be taken at such time or times as the Company may approve. The Company reserves the right not to approve annual leave requests and/or to assign/re-assign such leave period in consultation with the Employee.

8. Medical Insurance Scheme

You and your spouse shall be eligible to join the Company's medical insurance scheme.

9. Provident Fund Scheme

You will be eligible to join the Company's Mandatory Provident Fund (MPF) Scheme.

10. Termination of Employment

10.1 Except as otherwise provided in Clause 10.2, the Company may terminate the employment by giving you a 12-month written notification during the first year and thereafter by giving you 6-month written notification or payment in lieu of notice (for avoidance of doubt, payment in lieu of notice is not applicable during the first year of service). You may also terminate the employment by giving the Company a 6-month written notification or payment in lieu of such notice.

10.2 The Company hereby unconditionally and irrevocably agrees and undertakes that if the Company elects to early terminate the employment for whatever reasons such that your employment will be for a period of less than 24 months and that the total amount of remuneration received by you under clause 3 before the termination of the employment, which shall include salary, bonus and any gain from share option (and for the purpose of this clause, you should exercise all share option on or before the last working day in case the closing price of the Company's shares on the last working day ("Closing Price") is higher than the Option Price, but if you have not done so and if the Closing Price is higher than the Option Price, you shall be deemed to have made a gain which is equal to the number of share option not exercised multiplied by the difference between the Closing Price and the Option Price), is less than HK\$4.5 Million, then the Company shall, on the last working day, pay you a

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terminal payment which is equal to the difference between HK\$4.5 Million and the total amount of remuneration received by you during the Employment Period (as determined on the aforesaid basis).

- 10.3 If at any time during the term of your employment, you shall be found guilty of or have committed any serious misconduct which in the opinion of the Company made in good faith is in any way detrimental to the interests of the Company or shall be in material breach of any of the terms of this Agreement including but not limited to wilful and serious neglect or refusal of performing your duties or you shall have committed any act of bankruptcy or become insolvent or make any arrangements or composition with your creditors generally or become thorough mental disorder incapable of managing your own business affairs or you shall be found guilty of persistent insobriety or be convicted of any criminal offence involving your integrity or honesty, the Company may terminate your employment hereunder forthwith without any notice or payment in lieu of notice and upon such termination you shall not be entitled to any payment whatsoever (other than salary actually accrued due and payable) for or in respect of the then current year of service, or to claim any compensation of damages for or in respect of or by reason of such termination. For avoidance of doubt, you shall also not be paid any of the terminal payment referred to in sub-clause 10.2 and not entitled to exercise any unexercised share options granted pursuant to clause 3.3.
- 10.4 This employment shall be for 3 years and be automatically terminated upon expiry of the said 3-year period.
- 10.5 For the avoidance of doubt, if you elect to early terminate the employment for whatever reason before the expiry of the 3-year term, you shall not be paid any of the terminal payment referred to in sub-clause 10.2.

11 Confidentiality

You shall not at any time during your employment under this Contract or after its termination use, divulge or communicate to or cause or enable any third party to become aware of or use or take away any of the trade secrets, accounts, financial or trading information or any other confidential or restricted information which you may receive or obtain in relation to the business, clients, customers, finances, dealings, know-how, technology or affairs of the Company or any other companies of the Group except with the authority of the Board of directors of the Company provided that the provisions of this Clause shall not apply to any information or material which is in the public domain other than as a result of a breach by you of this Clause.



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12. Undertakings

- 12.1 Upon the termination of the employment and/or at any other time if the Company shall so request, you shall deliver to the Company all documents (including correspondence, quotations, invoices, notes, memoranda, lists of customers, plans, drawings and other documents of whatsoever nature) compiled by or delivered to you concerning the business or affairs of the Company, and any other companies of the Group during the employment. For the avoidance of doubt it is hereby declared that the property in but not limited to all such documents as aforesaid shall at all times be vested in the Company or in any other companies of the Group as appropriate.
- 12.2 You shall not at any time during the continuance of your employment hereunder either on your own account or in conjunction with or on behalf of any other person or body corporate or unincorporated in competition with the Company directly or indirectly solicit or entice away from the Company any person or body corporate or unincorporated who now is or at any time during or at the date of the termination of the said employment may have become a customer or supplier or prospective customer or supplier of the Company and with whom you had personal contact or dealings during your said employment.
- 12.3 You shall not at any time during the continuance of your employment hereunder either on your own account or in conjunction with or on behalf of any other person or body corporate or unincorporated directly or indirectly solicit or entice away from the Company or employ or otherwise engage any person who now is or at any time during or at the date of the termination of the said employment may have become an employee of the Company and with whom you had contact during your said employment.
- 12.4 You shall not at any time or for any purpose after termination of your employment hereunder use either the English or Chinese name of the Company or any name similar thereto in connection with your own or any other name, entity or form in any way calculated to suggest that you are or have been connected with the Company's business, nor in any way hold yourself out as having had any such connection and will not use any information concerning the Company or its business or affairs or any customer of the Company which you may have acquired in the course of or as an incident to your employment by the Company for your own benefit or to the detriment or intended or probable detriment of the Company.

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- 12.5 You shall not at any time during the continuance of your employment hereunder either on your own account or in conjunction with or on behalf of any other person or body corporate or unincorporate either directly or indirectly be concerned or engaged in any other service or business in competition with the Company in Hong Kong or any other place in the world.
- 12.6 You agree that you will not, whether on your own account or on behalf of any firm or company or other person, for a period of 12 months after the termination of your employment, be engaged in or concerned in any capacity in any business concern which is in competition with the business of the Group (as that business exists at the time of termination) in Hong Kong or any other place where the Group has been carrying out business.

13 Use of Personal Data

The data that you have supplied for the purpose of employment will be used for, but not limited to, human resources management, remuneration payment, administration of employment benefits, and to support the Company's business development. The Company may pass your employment-related data to the Company's insurers, bankers, business partners and clients for the purposes stated above.

14. Miscellaneous

- 14.1 This Contract shall supersede any subsisting agreement or arrangement (oral or otherwise) made between the Company and you which shall be deemed to have been terminated by mutual consent as from the date on which this Contract is signed by both parties upon which this Contract shall become effective.
- 14.2 The expiration or termination of this Contract howsoever arising shall not operate to affect such of the provisions hereof as in accordance with their terms expressed or the terms that have effect thereafter.
- 14.3 If at any time any provision of this Contract is or becomes illegal, invalid or unenforceable in any respect, the legality, validity and enforceability of the remaining provisions of this Contract shall not be affected or impaired thereby.





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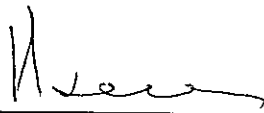
14.4 This Contract shall be governed by and construed in accordance with the laws of Hong Kong and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

Please signify your acceptance of this offer on the above terms and conditions by signing and returning to the undersigned the duplicate copy of this Contract.

Yours sincerely,  
For and on behalf of  
**CHUN WO HOLDINGS LIMITED**

Accepted by:

  
\_\_\_\_\_  
**PANG Kam Chun**  
Chairman  
Date: 9th August 2004

  
\_\_\_\_\_  
Mr. NIP Yun Wing [HKID No. D080010(5)]  
Date: 9th August 2004

KCP/EL/