

Dated: 26 August 2018

**CHINA KANGDA FOOD COMPANY LIMITED**

and

**GAO YANXU**

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**SERVICE AGREEMENT**

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**THIS AGREEMENT** is made the 26<sup>th</sup> of August 2018

**BETWEEN:**

- (1) **CHINA KANGDA FOOD COMPANY LIMITED**, an exempted company incorporated in Bermuda with limited liability whose registered office is at Canon's Court 22 Victoria Street, Hamilton HM 12, Bermuda (the "**Company**"); and
- (2) **GAO YANXU** (holder of People's Republic of China's Passport No. G27016166) of Room 302, Unit 3, Block 8, Jin Hai Yuan, Zhuhai Third Zone, Jiaonan City, Qingdao, Shandong Province, the People's Republic of China ("**Mr. Gao**").

**BY WHICH IT IS AGREED as follows:**

**1. Purpose and Interpretation**

- (A) This Agreement sets out the terms and conditions upon and subject to which (i) the Company agrees to employ Mr. Gao as its executive director for a period as prescribed in clause 4 of this Agreement and (ii) Mr. Gao agrees to continue to serve the Company as an executive director thereafter by providing the Company with the services hereinafter described.
- (B) In this Agreement, unless the context otherwise requires:
  - (1) the following words and expressions bear the following meanings:

"Agreement"	this agreement (including the recitals), as the same may be amended or supplemented from time to time;
"Appointment"	the appointment of Mr. Gao as an executive director of the Company as effected by Clause 2;
"Associate"	has the meaning ascribed to it in Chapter 1 of the Listing Rules;
"Board"	the board of directors of the Company;
"Business"	the business carried on from time to time by the Group or any of the companies within the Group;
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
"Confidential Information"	in relation to businesses carried on by the Group, all information, know-how, trade secrets and records (in whatever form held), including (without limitation) all formulae, designs, specifications, drawings, data, manuals

and instructions, customer lists, business plans and forecasts, technical or other expertise and computer<sup>4</sup> software, accounting and tax records, correspondence, orders and enquiries which are confidential or not generally known;

"Group"	the Company and its subsidiaries (as defined in the Listing Rules) from time to time;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
"PRC"	the People's Republic of China;
"SGX-ST"	The Singapore Exchange Securities Trading Limited
"SGX-ST Listing Rules"	the rules and regulations of the SGX-ST (as amended from time to time)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong;
"RMB"	Renminbi, the lawful currency of the PRC; and
"%"	per cent.

- (2) Words and phrases defined in Section 2 of the Companies Ordinance shall, where the context so admits, be construed as having the same meaning in this Agreement.
- (3) References to Clauses and sub-Clauses are references to the clauses and sub-clauses of this Agreement respectively.
- (4) Words importing gender or the neuter include both genders and the neuter.
- (5) Words importing persons include individuals, firms, companies, corporations and unincorporated bodies of persons.
- (6) Words importing the singular include the plural and vice versa.
- (7) The headings in this Agreement are for convenience only and do not affect the interpretation hereof.

**2. Appointment and Duties**

The Company shall employ Mr. Gao and Mr. Gao shall serve the Company as an executive director of the Company for a period as prescribed in clause 4 of this Agreement subject to and upon the terms hereinafter set out. This Agreement shall be effective from 26 August 2018.

**3. Director's Basic Obligation**

Mr. Gao undertakes with the Company during the duration of his employment as an executive director of the Company to use his best endeavours to carry out his duties hereunder and to protect, promote and act in the best interests of the Group.

**4. Duration of the Appointment**

Subject to Clause 7, the Appointment has commenced with effect from 26 August 2018 and will end on 25 August 2019 subject to re-election by the shareholders of the Company, provided always that either the Company or Mr. Gao may terminate the Appointment by giving to the other party not less than 1-month notice in writing or by payment in lieu of such notice.

**5. Director's Services**

(A) Mr. Gao shall, without limitation:

- (1) faithfully and diligently perform such duties and exercise such powers as are consistent with his office in relation to the Company and/or the Group according to the best of his skill and ability;
- (2) in the discharge of such duties and in the exercise of such powers observe and comply with the bye-laws of the Company (as may be amended from time to time) and all reasonable and lawful resolutions, regulations and directions from time to time made or given by the Board;
- (3) in pursuance of his duties hereunder perform such services for the Group and (without further remuneration unless otherwise agreed) accept such offices in the Group as the Board may from time to time reasonably require provided the same are consistent with his office;
- (4) at all times keep the Board promptly and fully informed (in writing if so requested) in connection with the performance of such powers and duties; and
- (5) comply with the Listing Rules and the SGX-ST Listing Rules (including but not limited to the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules), the Codes on Takeovers and Mergers and Share Repurchases, the Securities and Futures Ordinance

(Cap. 571 of the Laws of Hong Kong), and other relevant laws and regulations of Hong Kong and Singapore or elsewhere (including but not limited to the Singapore Code on Takeovers and Mergers and the Singapore Code of Corporate Governance), and any other codes, practices, regulations and guidelines issued by the Company, all as amended from time to time.

- (B) Mr. Gao may be required to work in Hong Kong and the PRC or such other location(s) in Hong Kong and the PRC as the Board may from time to time direct and Mr. Gao may also be required to travel and work outside Hong Kong and the PRC as directed by the Board from time to time.
- (C) During the continuance of the Appointment, Mr. Gao shall be allowed to join any associations or clubs as committee members or be appointed as non-executive director and/or independent non-executive director of other companies listed on The Stock Exchange and SGX-ST provided that: (i) the business of those listed companies do not compete with the Business; and (ii) his appointment to such non-executive and independent non-executive directorships of those listed companies does not affect the obligation of the Director as stipulated in Clause 3.
- (D) During the continuance of the Appointment, subject to obtaining the prior written approval of the Board, Mr. Gao shall also be allowed to be appointed as a director of other private (non-listed) companies in addition to the companies in which he is a director.

## 6. Remuneration and Reimbursement

- (A) Mr. Gao shall receive during the continuance of the Appointment, a monthly salary of RMB6,000. Such fee shall be increased annually at a rate to be determined from time to time by the Board based on factors including, but not limited to duties, qualifications, experience and performance of Mr. Gao, provided that Mr. Gao shall abstain from voting and not be counted in the quorum in respect of the resolution regarding the increase of remuneration in relation to himself.
- (B) In respect of each financial year during the Appointment, Mr. Gao may be paid, at the absolute discretion of the Board, a management bonus in a sum to be determined by the Board at its absolute discretion having regard to the operating results of the Group and the performance of Mr. Gao, provided that the aggregate amount of management bonuses payable to all the executive directors of the Company in respect of any financial year of the Group shall not exceed 10% of the audited consolidated profit after taxation and minority interests but before (i) extraordinary items for the relevant financial year; and (ii) the payment of such bonuses as shown in the Group's audited consolidated accounts for the relevant financial year. In the event that the Board decides to pay Mr. Gao a management bonus in such amount as determined by the Board at its absolute discretion, the management bonus shall be payable within 3 months after the availability of the audited consolidated accounts of the Group for the relevant financial year. Subject to the above, the amount of management bonus

payable to Mr. Gao shall be decided by a majority in number of the members of the Board, provided that Mr. Gao shall abstain from voting and shall not be counted in the quorum in respect of the resolution regarding the amount so payable to himself.

- (C) Mr. Gao shall continue to receive his salary during any period(s) of absence on medical grounds up to a maximum of 12 weeks in any period of 12 months or such longer period as is required under the employment laws of the relevant jurisdiction Provided that Mr. Gao shall if required supply the Company with medical certificates covering the period(s) of absence. Mr. Gao shall not receive any salary after the period as aforesaid until he resumes his duties hereunder.
- (D) Payment of such salary and discretionary bonus as referred to in Clauses 6(A) and 6(B) respectively above to Mr. Gao shall be made by the Company and/or by another company in the Group as the Board may from time to time think fit.
- (E) Mr. Gao shall be reimbursed all out-of-pocket expenses (including expenses of entertainment, subsistence, travelling and IDD charges) reasonably and properly incurred by him on behalf of the Company upon production of the relevant records of payment of the expenses.
- (F) Subject to prior approval by the Board, Mr. Gao shall be entitled to reimbursement from the Company of any periodic subscription or membership fees of any associations or clubs of which Mr. Gao himself is a member or subscriber in connection with the Group's business, provided that such subscription or membership is made at the request of the Company, and which fees shall be evidenced in such manner as the Board may require.
- (G) Except as specifically provided herein, Mr. Gao shall not be entitled to receive any remuneration (be it director's fees or otherwise) in respect of any services provided by him hereunder or any compensation or fees whatsoever from any member of the Group or be reimbursed in respect of any expenses incurred by him in the discharge of his duties hereunder.

## **7. Termination of the appointment**

- (A) Without prejudice to the accrued rights (if any) or remedies of either party under or pursuant to this Agreement:
  - (1) Mr. Gao shall be entitled to terminate the Appointment by 1-month notice in writing without any form of damages or compensation to the Company if any money due and payable by the Company to Mr. Gao under or pursuant to this Agreement is in arrears by 14 days and is not paid in full by the Company to Mr. Gao;
  - (2) the Company shall be entitled to terminate the Appointment without any compensation to Mr. Gao:
    - (a) by notice in writing given at any time taking immediate effect if:

- (i) Mr. Gao shall have been incapacitated or prevented by reason of ill health, injury or accident from performing his duties hereunder for a period of or periods aggregating 12 weeks in the preceding 12 months, provided that if at any time during the currency of a notice given pursuant to this sub-paragraph Mr. Gao shall provide a medical certificate satisfactory to the Board to the effect that he has fully recovered his physical and/or mental health and that no recurrence of illness or incapacity can reasonably be anticipated, the Company shall withdraw such notice;
  - (ii) Mr. Gao shall retire from office by rotation pursuant to the bye-laws of the Company and does not offer himself for re-election; or
- (b) by summary notice in writing if Mr. Gao shall at any time:
- (i) commit any serious or persistent breach of any of the provisions herein contained (and to the extent that such breach is capable of remedy shall fail to remedy such breach within 30 days after written warning given by the Board);
  - (ii) be guilty of any grave misconduct or wilful default or neglect in the discharge of his duties hereunder (and to the extent that such breach is capable of remedy shall fail to remedy such breach within 30 days after written warning given by the Board);
  - (iii) become bankrupt or have a bankruptcy order made against him or suspend payment of his debts or compound with or make any arrangement or composition with his creditors generally;
  - (iv) become a lunatic or of unsound mind or become a patient for any purpose of any statute relating to mental health;
  - (v) absent himself from the meetings of the Board during a continuous period of 3 months, without special leave of absence from the Board, and his alternate director (if any) shall not during such period have attended in his stead provided that Mr. Gao shall not be deemed as absent from any meeting of the Board if Mr. Gao shall take holidays under Clause 10;
  - (vi) become prohibited by law (including the laws of Hong Kong and Singapore) or otherwise required by The Stock Exchange, SGX-ST, the Securities and Futures Commission, the Monetary Authority of Singapore or

any other competent authority from acting as a director;

- (vii) be guilty of conduct tending to bring himself or any company in the Group into disrepute or which adversely affect the interests of the Group in any way whatsoever;
  - (viii) be prohibited by law (including the laws of Hong Kong and Singapore) from fulfilling his duties hereunder; \*
  - (ix) persistently refuse to carry out any reasonable or lawful order given to him in the course of his employment or persistently fail to attend diligently to his duties under this Agreement (to the extent that such refusal or failure is capable of remedy shall fail to remedy the same within 30 days after written warning given by the Board);
  - (x) 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); or
  - (xi) be evidenced that Mr. Gao has improperly divulged to any unauthorized person any Confidential Information or any other business secret or details of the organization, business or clientele of the Group.
- (B) If Mr. Gao shall have refused or failed to agree to accept without reasonable grounds an appointment offered to him, on terms equal to or better than the terms in effect under this Agreement, by a person or company which has either acquired or agreed to acquire the whole or substantially the whole of the undertaking and assets of the Company or which shall own or has agreed to acquire the whole or not less than 90 per cent of the issued share capital of the Company, Mr. Gao shall have no claim whatsoever against the Company if the Company is subsequently voluntarily wound up within 6 months from the date of acquisition.
- (C) On the termination of the Appointment howsoever arising Mr. Gao shall:
- (1) at any time and from time to time thereafter at the request of the Company resign from office as a director of the Company and all offices held by him in any company in the Group;
  - (2) forthwith deliver to the Company all books, documents, papers, materials, credit cards (if any) 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
  - (3) not at any time thereafter represent himself to be connected with the Group.

- (D) Notwithstanding any provision in this Agreement, the provisions of Clauses 8, 9, 11 to 19 shall continue to apply notwithstanding the termination of this Agreement.

**8. Restrictions on Mr. Gao**

- (A) Mr. Gao hereby covenants with and undertakes to the Company that during the Appointment Mr. Gao shall not, and shall procure that none of his Associates, either alone or jointly or as manager, director (including shadow director), agent, representative, in-house consultant, partner or employee for or of any person or company shall, be engaged in or concerned with or interested in any business which in any respect, competes with the Business, 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 5 per cent of the issued shares or stock of any class of any one company shall be so held save that this restriction shall not apply to any holding of shares or stock of the Company.
- (B) Mr. Gao hereby covenants with and undertakes to the Company that Mr. Gao shall not, and shall procure that none of his Associates, either alone or jointly or as manager, director (including shadow director), agent, representative, in-house consultant, partner or employee for or of any person or company shall, either during or after the termination of the Appointment without limit in point of time except where authorised or required by his duties:
- (1) divulge or communicate any Confidential Information to any person except to those of the officials of the Group or to the Company's holding company(ies) or fellow subsidiaries whose province is to know the same; or
  - (2) use or cause, permit or suffer to be used any Confidential Information for his own purpose or for any purpose other than that of the Group; or
  - (3) through any failure to exercise all due care and diligence cause any unauthorised disclosure of any Confidential Information, including without limitation those:
    - (a) relating to the dealings, organisation, business, finance, transactions or any other affairs of the Group or any of its joint venture or strategic partners or its clients or customers; or
    - (b) 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 the Appointment; or
    - (c) in respect of which any company in the Group 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 Mr. Gao) become available to the public generally without requiring a

significant expenditure of labour, skill or money.

- (C) In addition and without prejudice to Clause 8(A), Mr. Gao hereby covenants with and undertakes to the Company that, subject to the exception provided under Clause 8(A), for a period of one year after the expiry or the termination of the Appointment, Mr. Gao shall not, and shall procure that none of his Associates will, either alone or jointly or as manager, director (including shadow director), agent, representative, consultant, partner or employee for or of any person or company:
- (1) engage or be engaged in Hong Kong or those regions and markets within the PRC in which any member of the Group operates or has operated any part of the Business from time to time, in any business which competes with the Business;
  - (2) take up employment with any person, firm, company or organisation engaged in Hong Kong or those regions and markets within the PRC in which any member of the Group operates or has operated any part of the Business from time to time, in any business which competes with the Business (but this restriction shall not operate to prohibit an employment where the employer is another listed company or none of the duties of which relate to the Business);
  - (3) solicit or entice or endeavor to solicit or entice away from any company in the Group any director or member of senior management of or in-house consultant to any company in 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 company in the Group;
  - (4) employ any person who has at any time during the currency of the Appointment been a director or member of senior management of or in-house consultant to any company in the Group and who by reason of such employment is or may be likely to be in possession of such information which if that person was Mr. Gao would be covered by the confidentiality restrictions of this Clause 8; or
  - (5) solicit or endeavor to solicit business from any person, firm, company or organisation which at any time during the currency of the Appointment has dealt with the Company or any other company in the Group or which on the termination of the Appointment is in the process of negotiating with the Company or any such company in the Group in relation to the Business.
- (D) For a period of one year after the expiry or the termination of the Appointment, Mr. Gao shall not, and shall procure that none of his Associates will, either alone or jointly or as manager, director (including shadow director), agent, representative, in-house consultant, partner or employee for any person, directly or indirectly, in Hong Kong or the PRC or any other part of the world use the name or trading style of any member of the Group or represent himself or themselves as carrying on or continuing or being connected with any member of the Group or the Business for any purpose whatsoever.

- (E) Mr. Gao shall not at any time make any untrue or misleading statement in relation to the Group and/or the Business.
- (F) If requested by (and at the cost of) the Company or any other company in the Group, since Mr. Gao may obtain in the course of the Appointment by reason of services rendered for or offices held in any other company in the Group knowledge of Confidential Information such as trade secrets of such company Mr. Gao hereby agrees that he will enter into an 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.
- (G) All documents, price lists, accounts, statistics, correspondence, notes, memoranda, records and writings made by Mr. Gao in relation to the Business or concerning any of its dealings or affairs or the dealings or affairs of any clients or customers of the Group shall be and shall remain the property of the Group and shall be handed over by Mr. Gao to the Company (or to such other company in the Group as the case may be) from time to time on demand and in any event upon his leaving the service of the Company and Mr. Gao shall not retain any copy thereof.
- (H) The covenants in each paragraph of Clause 8(C) above are independent of each other and are not to be construed restrictively by reference to one another.
- (I) While the restrictions contained in this Clause 8 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 unenforceable as going beyond what is reasonable in all the circumstances for the protection of the interests of the Company or the Group or for any other reason whatsoever, but would be adjudged to be enforceable if part of the wording thereof were deleted or the periods (if any) thereof were reduced or limited in a particular manner, the said restriction shall apply with such modifications as may be necessary to make it valid and enforceable.
- (J) Mr. Gao shall comply with (a) every rule of law applicable to any member of the Group whether in Hong Kong, Singapore, the PRC, the British Virgin Islands, the Cayman Islands or elsewhere and (b) the Listing Rules and the SGX-ST Listing Rules (c) every regulation of the Company for the time being in force, in relation to dealings in shares or other securities of the Company or any other member of 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 Mr. Gao 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 and in relation to the discharge of his functions and duties as a director of the Company (including without limitation to those of Singapore).

**9. Inventions and other industrial or intellectual property**

- (A) The parties foresee that Mr. Gao may make inventions or create other industrial or intellectual property in the course of his duties hereunder and agree that in this respect Mr. Gao has a special responsibility to further the interests of the Group.
- (B) Any invention or improvement or design made or process or information discovered or copyright work or trade mark or trade name or get-up relating to the Business created by Mr. Gao during the continuance of the Appointment (whether capable of being patented or registered or not and whether or not made or discovered in the course of his Appointment) in conjunction with or in any way affecting or relating to the Business or capable of being used or adapted for use therein or in connection therewith shall (unless such invention or improvement or design was made or process or information discovered or copyright work or trade name or get-up were in existence prior to the commencement of a similar business by any company in the Group) 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.
- (C) Mr. Gao shall subject to Clause 9(B) above, if and whenever required so to do by the Company at the expense of a company in the Group apply or join with such company in applying for letters patent or other protection or registration for any such invention, improvement, design, process, information work, trade mark, trade name or get-up relating to the Business as aforesaid which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the said letters patent or other protection or registration when obtained and all rights, title and interests to and in the same in such company absolutely and as sole beneficial owner or in such other person as the Company may specify.
- (D) If requested by (and at the cost of) the Company, Mr. Gao hereby agrees that he will appoint 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.

**10. Holidays**

- (A) Mr. Gao shall (in addition to normal public holidays and sick leave) be entitled to 21 working days paid holidays in each year during the continuance of the Appointment to be taken at such time or times as the Board may approve.
- (B) Any holidays if not taken during the relevant year, and with the approval of the Board, may be carried forward to a subsequent year and the holiday entitlements for that subsequent year shall be deemed to be increased by the number of days so carried forward.

## 11. Waiver

- (A) Time is of the essence of this Agreement but no failure or delay on the part of either party to exercise any power, right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy by that party.
- (B) The remedies provided herein are cumulative and are not exclusive of any remedies provided by law.

## 12. Former service agreements

This Agreement shall be in substitution for and supersedes all and any previous service agreements entered into between the Company and Mr. Gao and for any terms of employment previously in force between the Company and Mr. Gao, whether or not on a legal or formal basis which shall be deemed to have been cancelled with effect from the effective date of this Agreement.

## 13. Notices

All notices, requests, demands, consents or other communications to or upon the parties under or pursuant to this Agreement shall be in writing addressed to the relevant party at such party's address set out below (or at such other address or telex or facsimile numbers as such party may hereafter specify to the other party) and shall be deemed to have been duly given or made:

- (1) in the case of a communication by letter, 7 days (if overseas) or 48 hours (if local) after despatch or, if such letter is delivered by hand, on the day of delivery; or
- (2) in the case of a communication by telex or facsimile, when sent provided that the transmission is confirmed by the answer back of the recipient (in the case of telex) or by a transmission report (in the case of facsimile).

The Company's address: Suite A, 5/F, Centre Mark II, 305-313 Queen's Road Central, Hong Kong

Fax No: (852)2180-9008 (Attention: Ms. Joan Chan)

The Director's address: Room 302, Unit 3, Block 8, Jin Hai Yuan, Zhuhai Third Zone, Jiaonan City, Qingdao, Shandong Province, the People's Republic of China

Fax No: (86)532-8616-1323 (Attention: Mr. Gao Yanxu)

**14. Assignability**

This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and assigns and personal representatives (as the case may be), provided always that Mr. Gao may not assign his obligations and liabilities under this Agreement without the prior written consent of the Company.

**15. Relationship**

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

**16. Amendment**

This Agreement may not be amended, supplemented or modified except by a written agreement or instrument signed by or on behalf of the parties hereto.

**17. Severability**

Any provision of this Agreement prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Agreement and rendered ineffective so far as is possible without modifying the remaining provisions of this Agreement. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties to the full extent permitted by such law to the end that this Agreement shall be a valid and binding agreement enforceable in accordance with its terms.

**18. Law and Jurisdiction**

This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong and the parties hereby submit to the non-exclusive jurisdiction of the courts of Hong Kong.

(The following space is intentionally left blank)

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

SIGNED by FANG YU  
for and on behalf of  
CHINA KANGDA FOOD  
COMPANY LIMITED in the presence of:

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SIGNED, SEALED and DELIVERED by  
GAO YANXU in the presence of:

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