

SECURITIES AND EXCHANGE COMMISSION

FORM F-1/A

Registration statement for securities of certain foreign private issuers [amend]

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FILER

**A-Max Technology LTD**

CIK: **1337966** | IRS No.: **000000000** | State of Incorporation: **DO** | Fiscal Year End: **1231**  
Type: **F-1/A** | Act: **33** | File No.: **333-128297** | Film No.: **051099795**  
SIC: **3651** Household audio & video equipment

Mailing Address

*10/F, A-MAX TECHNOLOGY  
TOWER  
12-16 FUI YIU KOK STREET,  
TSUEN WAN  
NEW TERRITORIES K3 SAR*

Business Address

*10/F, A-MAX TECHNOLOGY  
TOWER  
12-16 FUI YIU KOK STREET,  
TSUEN WAN  
NEW TERRITORIES K3 SAR  
852 2798 6699*

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549  
**AMENDMENT NO. 1**  
**TO**  
**FORM F-1**  
**REGISTRATION STATEMENT**  
*Under*  
***THE SECURITIES ACT OF 1933***  
**A-MAX TECHNOLOGY LIMITED**

(Exact name of registrant as specified in its charter)

Not Applicable

(Translation of Registrant's name into English)

**Bermuda**  
(State or other jurisdiction of  
incorporation or organization)

**3651**  
(Primary Standard Industrial  
Classification Code Number)  
**10/F, A-MAX Technology Tower**  
**12-16 Fui Yiu Kok Street, Tsuen Wan**  
**New Territories, Hong Kong**  
**(852) 2798-6699**

**Not Applicable**  
(I.R.S. Employer  
Identification Number)

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

CT Corporation System  
111 Eighth Avenue  
New York, New York 10011  
(212) 664-1666

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

David T. Zhang, Esq.  
John A. Otoshi, Esq.  
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41<sup>st</sup> Floor, One Exchange Square  
8 Connaught Road  
Central, Hong Kong  
(852) 2522-7886

Chris K. H. Lin, Esq.  
Simpson Thacher & Bartlett LLP  
7<sup>th</sup> Floor, ICBC Tower  
3 Garden Road  
Central, Hong Kong  
(852) 2514-7600

**Approximate date of commencement of proposed sale to the public:**

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.  \_\_\_\_\_

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box.

**CALCULATION OF REGISTRATION FEE**

Title of each class of securities to be registered	Proposed maximum aggregate offering price (1)(2)	Amount of registration fee
Ordinary Shares, par value \$0.00002 per share(3)	\$ 150,000,000	\$ 17,655

- (1) Estimated solely for the purpose of determining the amount of registration fee in accordance with Rule 457(o) under the Securities Act of 1933.
- (2) Includes ordinary shares initially offered and sold outside the United States that may be resold from time to time in the United States either as part of their distribution or within 40 days after the later of the effective date of this registration statement and the date the shares are first bona fide offered to the public, and also includes ordinary shares that may be purchased by the underwriters pursuant to an over-allotment option. These ordinary shares are not being registered for the purpose of sales outside the United States.
- (3) American depositary shares issuable upon deposit of the ordinary shares registered have been registered under a separate registration statement on Form F-6 (Registration No. 333-128365). Each American depositary share represents ordinary shares.

**The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to such Section 8(a), may determine.**

## PART II

### INFORMATION NOT REQUIRED IN PROSPECTUS

#### ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The bye-laws of the Registrant provide for indemnification of the Registrant's officers and directors against all liabilities, losses, damages or expenses incurred or suffered by such party as an officer or director of the Registrant; provided that such indemnification shall not extend to any matter which would render it void pursuant to the Companies Act 1981 (the "Companies Act") as in effect from time to time in Bermuda.

The Companies Act provides that a Bermuda company may indemnify its directors in respect of any loss arising or liability attaching to them as a result of any negligence, default or breach of trust of which they may be guilty. However, the Companies Act also provides that any provision, whether contained in the company's bye-laws or in a contract or arrangement between the company and the director, indemnifying a director against any liability which would attach to him in respect of his fraud or dishonesty will be void.

Pursuant to the form of indemnification agreements filed as Exhibit 10.2 to this Registration Statement, we will agree to indemnify our directors and officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or officer.

The form of Underwriting Agreement to be filed as Exhibit 1.1 to this Registration Statement will also provide for indemnification of us and our officers and directors.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended (the "Securities Act") may be permitted to directors, officers or persons controlling us pursuant to the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

#### ITEM 7. RECENT SALES OF UNREGISTERED SECURITIES.

During the past three years, we have issued the following securities. Our March 2004 issuances of ordinary shares to Victor Hok Yiu Chan, Cheung Nam Kang, Liu Hsien-Ping, Lee Jaw-Lung and March 2004 issuance of preference shares to SIIS Multimedia (No. 1) Limited were exempt from registration in reliance on Regulation S under the Securities Act. Based on the representations of these shareholders, none of them was a "U.S. person" as defined under Rule 902. In addition, the sale and issuance of our shares were conducted outside the U.S. and there were no direct selling efforts in the U.S. Our June 2005 issuance of Series A Preferred Shares to General Atlantic was exempt from registration in reliance on Regulation D under the Securities Act. Based on the representations of General Atlantic, General Atlantic is an "accredited investor" as defined under Rule 501.

<u>Purchaser</u>	<u>Date of Sale or Issuance</u>	<u>Number of Securities*</u>	<u>Consideration (\$)</u>	<u>Underwriting Discount and Commission (\$)</u>
Victor Hok Yiu Chan	March 25, 2004	6,000 ordinary shares	Transfer of 2,870,667 shares in Techniques International	N/A
Cheung Nam Kang	March 25, 2004	2,400 ordinary shares	Transfer of 1,148,265 shares in Techniques International	N/A
Liu Hsien-Ping	March 25, 2004	2,250 ordinary shares	Transfer of 1,076,500 shares in Techniques International	N/A

<u>Purchaser</u>	<u>Date of Sale or Issuance</u>	<u>Number of Securities</u>	<u>Consideration (\$)</u>	<u>Underwriting Discount and Commission (\$)</u>
Lee Jaw-Lung	March 25, 2004	1,350 ordinary shares	Transfer of 645,900 shares in Techniques International	N/A
SIIS Multimedia (No. 1) Limited	March 25, 2004	2,998 preference shares	\$1,434,436	N/A
Allied Knight Finance Limited	November 30, 2004	892 ordinary shares	Conversion of 892 preference shares**	N/A
Brilliant Elite Limited	November 30, 2004	892 ordinary shares	Conversion of 892 preference shares**	N/A
Lucktime Management Limited	November 30, 2004	892 ordinary shares	Conversion of 892 preference shares**	N/A
Seamless China Profits Limited	November 30, 2004	322 ordinary shares	Conversion of 322 preference shares**	N/A
General Atlantic Partners (Bermuda), L.P.	June 17, 2005	99,967,752 Series A Preferred Shares	\$42,391,979.12	N/A
GAP-W International, LLC	June 17, 2005	29,798,080 Series A Preferred Shares	\$12,636,070.73	N/A
GAP Coinvestments III, LLC	June 17, 2005	7,721,435 Series A Preferred Shares	\$3,274,325.02	N/A
GAP Coinvestments IV, LLC	June 17, 2005	2,013,588 Series A Preferred Shares	\$853,875.16	N/A
GapStar, LLC	June 17, 2005	1,768,632 Series A Preferred Shares	\$749,999.97	N/A
GAPCO GmbH & Co. KG	June 17, 2005	221,079 Series A Preferred Shares	\$93,750.00	N/A

\* All share numbers do not reflect the 1:50,000 share split which went effective on June 17, 2005.

\*\* In September 2004, SIIS Multimedia (No. 1) Limited transferred 892, 892, 892 and 322 preference shares to each of Allied Knight Finance Limited, Brilliant Elite Limited, Lucktime Management Limited and Seamless China Profits Limited, respectively.

## ITEM 8. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) Exhibits

<u>Exhibit Number</u>	<u>Description of Document</u>
-----------------------	--------------------------------

1.1†

Form of Underwriting Agreement.

3.1\*

Bye-laws and Memorandum of Association of the Registrant, as currently in effect.

3.2†

Form of Amended and Restated Bye-laws and Memorandum of Association of the Registrant.

4.1\*\*

Registrant' s Specimen American Depositary Receipt (included in Exhibit 4.3 hereto).

4.2\*\*

Registrant' s Specimen Certificate for Ordinary Shares.

<b>Exhibit Number</b>	<b>Description of Document</b>
4.3**	Form of Deposit Agreement among the Registrant, the depository and holder of the American Depositary Receipts.
4.4*	Series A Preferred Share Subscription Agreement, dated as of May 27, 2005, among the Registrant and other parties therein.
4.5*	Shareholders Agreement, dated as of June 17, 2005, among the Registrant and other parties therein.
4.6*	Registration Rights Agreement, dated as of June 17, 2005, among the Registrant and other parties therein.
5.1**	Form of Opinion of Conyers Dill & Pearman regarding the validity of the ordinary shares being registered.
8.1**	Form of Opinion of Conyers Dill & Pearman regarding certain Bermuda tax matters.
8.2**	Form of Opinion of Latham & Watkins LLP regarding certain U.S. tax matters.
10.1**	2005 Share Incentive Plan.
10.2*	Form of Indemnification Agreement with the Registrant' s directors.
10.3**	Employment Agreement dated June 17, 2005 between the Registrant and Victor Chan.
10.4**	Employment Agreement dated June 17, 2005 between the Registrant and Diana Chan.
10.5**	Employment Agreement dated June 17, 2005 between the Registrant and Yu Xiao Dong.
10.6*	Windows Media Format Components Distribution License, dated June 1, 2004, between the Registrant and Microsoft Licensing, GP.
21.1*	Subsidiaries of the Registrant.
23.1*	Consent of Deloitte Touche Tohmatsu, Independent Registered Public Accounting Firm.
23.2**	Consent of Conyers Dill & Pearman (included in Exhibit 5.1 hereto).
23.3**	Consent of Latham & Watkins LLP (included in Exhibit 8.2 hereto).
23.4*	Consent of Richards Butler.
23.5*	Consent of Haiwen & Partners.
23.6*	Consent of H. Raymond Bingham.
23.7*	Consent of Peter Clarke.

- 24.1\* Powers of Attorney (included on signature page).
- 99.1\* Lease Agreement dated October 15, 2004 between the Registrant and Lucky Happy Development Limited.
- 99.2\* Code of Business Conduct and Ethics of the Registrant.
- 99.3\* Supplemental and Guarantee Agreement, dated January 21, 2003, among Registrant, Botany Investment Limited, Mr. Xuerao Chen and Mr. Yu Xiao Dong (Translation).
- 99.4\* Letter Agreement, dated November 17, 2004, between Registrant, Crosby Capital Partners (Hong Kong) Limited and its affiliate SBI Crosby Limited.
- 99.5\* Guarantee Agreement, dated as of August 31, 2004, between E2-Capital (Holdings) Limited and The Hong Kong and Shanghai Banking Corporation Limited.
- 99.6\* Guarantee Agreement, dated as of January 26, 2005, between E2-Capital (Holdings) Limited and Hang Seng Bank Limited.
- 99.7\* Guarantee Agreement, dated as of January 26, 2005, between E2-Capital (Holdings) Limited and The Hong Kong and Shanghai Banking Corporation Limited.
- 99.8\* Guarantee Agreement, dated as of January 26, 2005, between E2-Capital (Holdings) Limited and DBS Bank (Hong Kong).



Exhibit Number	Description of Document
99.9*	Guarantee Agreement, dated as of January 26, 2005, between E2-Capital (Holdings) Limited and The Hong Kong and Shanghai Banking Corporation Limited.
99.10*	Bermuda Tax Assurance, dated April 2, 2004.

- \* Filed previously
- \*\* Filed herewith
- † To be filed by amendment.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the Consolidated Financial Statements or the Notes thereto.

**ITEM 9. UNDERTAKINGS.**

The undersigned registrant hereby undertakes to provide to the underwriter at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

## SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Hong Kong, on September 23, 2005.

A-Max Technology Limited

By:

/s/ Victor Chan

Name:

**Victor Chan**

Title:

**Chairman and Chief Executive Officer**

## POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Victor Chan and Diana Chan as attorneys-in-fact with full power of substitution, for him or her in any and all capacities, to do any and all acts and all things and to execute any and all instruments which said attorney and agent may deem necessary or desirable to enable the registrant to comply with the Securities Act of 1933, as amended (the "Act"), and any rules, regulations and requirements of the Securities and Exchange Commission thereunder, in connection with the registration under the Act of ordinary shares of the registrant (the "Shares"), including, without limitation, the power and authority to sign the name of each of the undersigned in the capacities indicated below to the Registration Statement on Form F-1 to be filed with the Securities and Exchange Commission with respect to such Shares, to any and all amendments or supplements to such Registration Statement, whether such amendments or supplements are filed before or after the effective date of such Registration Statement, to any related Registration Statement filed pursuant to Rule 462(b) under the Act, and to any and all instruments or documents filed as part of or in connection with such Registration Statement or any and all amendments thereto, whether such amendments are filed before or after the effective date of such Registration Statement; and each of the undersigned hereby ratifies and confirms all that such attorney and agent shall do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Victor Chan</u> <b>Victor Chan</b>	Chairman of the Board / Chief Executive Officer (principal executive officer)	September 23, 2005
<u>/s/ Diana Chan</u> <b>Diana Chan</b>	Director / Chief Financial Officer (principal financial and accounting officer)	September 23, 2005
<u>/s/ *</u> <b>Yu Xiao Dong</b>	Director	September 23, 2005
<u>/s/ *</u> <b>Nam Kang Cheung</b>	Director	September 23, 2005

/s/ \*

September 23, 2005

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**Sin Just Wong**

Director

/s/ \*

September 23, 2005

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**Vince Feng**

Director

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Signature

Title

Date

/s/ \*

September 23, 2005

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**Philip Trahanas**

Director

/s/ \*

September 23, 2005

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**Donald J. Puglisi**

Authorized Representative  
in the United States

**Title: Managing Director,  
Puglisi & Associates**

\*By: /s/ Victor Chan

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**Victor Chan**

**Attorney-in-Fact**

**A-MAX TECHNOLOGY LIMITED**

**EXHIBIT INDEX**

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\* Filed previously

\*\* Filed herewith

† To be filed by amendment.

A-MAX TECHNOLOGY LIMITED

Matter : 383820 Issued to:

Type of Share : Ordinary :

Certificate No. : Date of Record :

No. of Shares : Transfer to cert. # :

Amount Paid : No. of Shares :

Par Value : US\$0.00002 Transfer Date :

**Incorporated in Bermuda**

**A-MAX TECHNOLOGY LIMITED**

This is to certify that

is/are the registered shareholders of:

No. of Shares	Type of Share	Par Value
Date of Record	Certificate Number	% Paid

The above shares are subject to the Memorandum of Association and Bye-Laws of the Company and transferable in accordance therewith.

**Given under the Common Seal of the Company**



\_\_\_\_\_ Director

\_\_\_\_\_ Director / Secretary

THE SHARES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED, OR UNDER ANY US STATE SECURITIES LAWS, AND MAY BE SOLD OR TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED ONLY IF SO REGISTERED OR AN EXEMPTION FROM REGISTRATION IS AVAILABLE. THE HOLDER OF THESE SHARES MAY BE REQUIRED TO DELIVER TO THE COMPANY, IF THE COMPANY SO REQUESTS, AN OPINION OF COUNSEL (SATISFACTORY IN FORM AND SUBSTANCE TO THE COMPANY) TO THE EFFECT THAT AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (OR QUALIFICATION UNDER STATE SECURITIES LAWS) IS AVAILABLE WITH RESPECT TO ANY TRANSFER OF THESE SHARES THAT HAS NOT BEEN SO REGISTERED.

**A-MAX TECHNOLOGY LIMITED**

**AND**

**THE BANK OF NEW YORK**

**as Depositary**

**AND**

**OWNERS AND BENEFICIAL OWNERS OF AMERICAN DEPOSITARY  
RECEIPTS**

**Deposit Agreement**

**Dated as of \_\_\_\_\_, 2005**

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## DEPOSIT AGREEMENT

**DEPOSIT AGREEMENT** dated as of \_\_\_\_\_, 2005 among A-MAX TECHNOLOGY LIMITED, incorporated under the laws of Bermuda (herein called the Company), THE BANK OF NEW YORK, a New York banking corporation (herein called the Depository), and all Owners and Beneficial Owners from time to time of American Depositary Receipts issued hereunder.

WITNESSETH:

**WHEREAS**, the Company desires to provide, as hereinafter set forth in this Deposit Agreement, for the deposit of Shares (as hereinafter defined) of the Company from time to time with the Depository or with the Custodian (as hereinafter defined) as agent of the Depository for the purposes set forth in this Deposit Agreement, for the creation of American Depositary Shares representing the Shares so deposited and for the execution and delivery of American Depositary Receipts evidencing the American Depositary Shares; and

**WHEREAS**, the American Depositary Receipts are to be substantially in the form of Exhibit A annexed hereto, with appropriate insertions, modifications and omissions, as hereinafter provided in this Deposit Agreement;

**NOW, THEREFORE**, in consideration of the premises, it is agreed by and between the parties hereto as follows:

### ARTICLE 1. DEFINITIONS.

The following definitions shall for all purposes, unless otherwise clearly indicated, apply to the respective terms used in this Deposit Agreement:

#### SECTION 1.1 American Depositary Shares.

The term "American Depositary Shares" shall mean the securities representing the interests in the Deposited Securities and evidenced by the Receipts issued hereunder. Each American Depositary Share shall represent the number of Shares specified in Exhibit A annexed hereto, until there shall occur a distribution upon Deposited Securities covered by Section 4.3 or a change in Deposited Securities covered by Section 4.8 with respect to which additional Receipts are not executed and delivered, and thereafter American Depositary Shares shall evidence the amount of Shares or Deposited Securities specified in such Sections.

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SECTION 1.2 Article; Section.

Wherever references are made in this Deposit Agreement to an “Article” or “Articles” or to a “Section” or “Sections”, such references shall mean an article or articles or a section or sections of this Deposit Agreement, unless otherwise required by the context.

SECTION 1.3 Beneficial Owner.

The term “Beneficial Owner” shall mean each person owning from time to time any beneficial interest in the American Depositary Shares evidenced by any Receipt.

SECTION 1.4 Commission.

The term “Commission” shall mean the Securities and Exchange Commission of the United States or any successor governmental agency in the United States.

SECTION 1.5 Company.

The term “Company” shall mean A-Max Technology Limited, incorporated under the laws of Bermuda, and its successors.

SECTION 1.6 Custodian.

The term “Custodian” shall mean the principal Hong Kong office of The Hongkong and Shanghai Banking Corporation Limited, as agent of the Depository for the purposes of this Deposit Agreement, and any other firm or corporation which may hereafter be appointed by the Depository pursuant to the terms of Section 5.5, as substitute or additional custodian or custodians hereunder, as the context shall require and shall also mean all of them collectively.

SECTION 1.7 deposit, deliver, execute, issue, register, surrender, transfer, withdraw or cancel.

The terms “deposit”, “deliver”, “execute”, “issue”, “register”, “surrender”, “transfer”, “withdraw” or “cancel”, when used with respect to Shares, shall refer, where the context requires, to an entry or entries or an electronic transfer or transfers in an account or accounts maintained by institutions authorized under the laws of Bermuda to effect transfers of securities and not to the physical transfer of certificates representing the Shares.

SECTION 1.8 Deposit Agreement.

The term “Deposit Agreement” shall mean this Agreement, as the same may be amended from time to time in accordance with the provisions hereof.

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SECTION 1.9 Depository; Corporate Trust Office.

The term “Depository” shall mean The Bank of New York, a New York banking corporation and any successor as depository hereunder. The term “Corporate Trust Office”, when used with respect to the Depository, shall mean the office of the Depository which at the date of this Agreement is 101 Barclay Street, New York, New York, 10286.

SECTION 1.10 Deposited Securities.

The term “Deposited Securities” as of any time shall mean Shares at such time deposited or deemed to be deposited under this Deposit Agreement and any and all other securities, property and cash received by the Depository or the Custodian in respect thereof and at such time held hereunder, subject as to cash to the provisions of Section 4.5.

SECTION 1.11 Dollars.

The term “Dollars” shall mean United States dollars.

SECTION 1.12 Foreign Registrar.

The term “Foreign Registrar” shall mean the entity that presently carries out the duties of registrar for the Shares or any successor as registrar for the Shares and any other appointed agent of the Company for the transfer and registration of Shares.

SECTION 1.13 Owner.

The term “Owner” shall mean the person in whose name a Receipt is registered on the books of the Depository maintained for such purpose.

SECTION 1.14 Receipts.

The term “Receipts” shall mean the American Depositary Receipts issued hereunder evidencing American Depositary Shares.

SECTION 1.15 Registrar.

The term “Registrar” shall mean any bank or trust company having an office in the Borough of Manhattan, The City of New York, which shall be appointed by the Depository to register Receipts and transfers of Receipts as herein provided.

SECTION 1.16 Restricted Securities.

The term “Restricted Securities” shall mean collectively or individually, as the context may require, Shares, or Receipts representing such Shares, which are acquired directly or indirectly from the Company or its affiliates (as defined in Rule 144 under the Securities Act) in a transaction or chain of transactions not involving any public offering or which are subject to resale limitations under Regulation D under that Act or both, or which are held directly or indirectly by an officer, director (or persons performing similar functions) or other affiliate of the Company, or which would require registration under the Securities Act in connection with the public offer and sale thereof in the United

States, or which are subject to other restrictions on sale or deposit under the laws of the United States, the People' s Republic of China, Bermuda or Hong Kong, or under a shareholder agreement or the Memorandum of Association and By-Laws, as amended, of the Company unless the sale of such Shares in the United States would be covered by an effective registration statement under the Securities Act.

#### SECTION 1.17 Securities Act.

The term "Securities Act" shall mean the United States Securities Act of 1933, as from time to time amended.

#### SECTION 1.18 Shares.

The term "Shares" shall mean Ordinary Shares in registered form of the Company, heretofore validly issued and outstanding and fully paid, nonassessable and that were not issued in violation of any pre-emptive rights of the holders of outstanding Shares or hereafter validly issued and outstanding and fully paid, nonassessable and that were not issued in violation of any pre-emptive rights of the holders of outstanding Shares or interim certificates representing such Shares.

### **ARTICLE 2. FORM OF RECEIPTS, DEPOSIT OF SHARES, EXECUTION AND DELIVERY, TRANSFER AND SURRENDER OF RECEIPTS.**

#### SECTION 2.1 Form and Transferability of Receipts.

Definitive Receipts shall be substantially in the form set forth in Exhibit A annexed to this Deposit Agreement, with appropriate insertions, modifications and omissions, as hereinafter provided. No Receipt shall be entitled to any benefits under this Deposit Agreement or be valid or obligatory for any purpose, unless such Receipt shall have been executed by the Depositary by the manual signature of a duly authorized signatory of the Depositary; provided, however, that such signature may be a facsimile if a Registrar for the Receipts shall have been appointed and such Receipts are countersigned by the manual or facsimile signature of a duly authorized officer of the Registrar. The Depositary shall maintain books on which each Receipt so executed and delivered as hereinafter provided and the transfer of each such Receipt shall be registered. Receipts bearing the manual or facsimile signature of a duly authorized signatory of the Depositary who was at any time a proper signatory of the Depositary shall bind the Depositary, notwithstanding that such signatory has ceased to hold such office prior to the execution and delivery of such Receipts by the Registrar or did not hold such office on the date of issuance of such Receipts.

The Receipts may be endorsed with or have incorporated in the text thereof such legends or recitals or modifications not inconsistent with the provisions of this Deposit Agreement as may be required by the Depositary or required to comply with any applicable law or regulations thereunder or with the rules and regulations of any securities exchange (which, for all purposes hereof, shall include the Nasdaq Stock

Market Inc.) upon which American Depositary Shares may be listed or to conform with any usage with respect thereto, or to indicate any special limitations or restrictions to which any particular Receipts are subject by reason of the date of issuance of the underlying Deposited Securities or otherwise.

Title to a Receipt (and to the American Depositary Shares evidenced thereby), when properly endorsed or accompanied by proper instruments of transfer, shall be transferable by delivery with the same effect as in the case of a negotiable instrument under the laws of New York; provided, however, that the Depositary, notwithstanding any notice to the contrary, may treat the Owner thereof as the absolute owner thereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in this Deposit Agreement and for all other purposes.

#### SECTION 2.2 Deposit of Shares.

Subject to the terms and conditions of this Deposit Agreement, Shares or evidence of rights to receive Shares may be deposited by delivery thereof to any Custodian hereunder, accompanied by any appropriate instrument or instruments of transfer, or endorsement, in form satisfactory to the Custodian, together with all such certifications as may reasonably be required by the Depositary or the Custodian in accordance with the provisions of this Deposit Agreement, and, if the Depositary requires, together with a written order directing the Depositary to execute and deliver to, or upon the written order of, the person or persons stated in such order, a Receipt or Receipts for the number of American Depositary Shares representing such deposit. No Share shall be accepted for deposit unless accompanied by evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in Bermuda or Hong Kong which is then performing the function of the regulation of currency exchange. If required by the Depositary, Shares presented for deposit at any time, whether or not the transfer books of the Company or the Foreign Registrar, if applicable, are closed, shall also be accompanied by an agreement or assignment, or other instrument satisfactory to the Depositary, which will provide for the prompt transfer to the Custodian of any dividend, or right to subscribe for additional Shares or to receive other property which any person in whose name the Shares are or have been recorded may thereafter receive upon or in respect of such deposited Shares, or in lieu thereof, such agreement of indemnity or other agreement as shall be satisfactory to the Depositary.

At the request and risk and expense of any person proposing to deposit Shares, and for the account of such person, the Depositary may receive certificates for Shares to be deposited, together with the other instruments herein specified, for the purpose of forwarding such Share certificates to the Custodian for deposit hereunder.

Upon each delivery to a Custodian of a certificate or certificates for Shares to be deposited hereunder, together with the other documents above specified, such

Custodian shall, as soon as transfer and recordation can be accomplished, present such certificate or certificates to the Company or the Foreign Registrar, if applicable, for transfer and recordation of the Shares being deposited in the name of the Depository or its nominee or such Custodian or its nominee.

Deposited Securities shall be held by the Depository or by a Custodian for the account and to the order of the Depository or at such other place or places as the Depository shall determine.

#### SECTION 2.3 Execution and Delivery of Receipts.

Upon receipt by any Custodian of any deposit pursuant to Section 2.2 hereunder (and in addition, if the transfer books of the Company or the Foreign Registrar, if applicable, are open, the Depository may in its sole discretion require a proper acknowledgment or other evidence from the Company that any Deposited Securities have been recorded upon the books of the Company or the Foreign Registrar, if applicable, in the name of the Depository or its nominee or such Custodian or its nominee), together with the other documents required as above specified, such Custodian shall notify the Depository of such deposit and the person or persons to whom or upon whose written order a Receipt or Receipts are deliverable in respect thereof and the number of American Depositary Shares to be evidenced thereby. Such notification shall be made by letter or, at the request, risk and expense of the person making the deposit, by cable, telex or facsimile transmission. Upon receiving such notice from such Custodian, or upon the receipt of Shares by the Depository, the Depository, subject to the terms and conditions of this Deposit Agreement, shall execute and deliver at its Corporate Trust Office, to or upon the order of the person or persons entitled thereto, a Receipt or Receipts, registered in the name or names and evidencing any authorized number of American Depositary Shares requested by such person or persons, but only upon payment to the Depository of the fees and expenses of the Depository for the execution and delivery of such Receipt or Receipts as provided in Section 5.9, and of all taxes and governmental charges and fees payable in connection with such deposit and the transfer of the Deposited Securities.

#### SECTION 2.4 Transfer of Receipts; Combination and Split-up of Receipts.

The Depository, subject to the terms and conditions of this Deposit Agreement, shall register transfers of Receipts on its transfer books from time to time, upon any surrender of a Receipt, by the Owner in person or by a duly authorized attorney, properly endorsed or accompanied by proper instruments of transfer, and duly stamped as may be required by the laws of the State of New York and of the United States of America. Thereupon the Depository shall execute a new Receipt or Receipts and deliver the same to or upon the order of the person entitled thereto.

The Depository, subject to the terms and conditions of this Deposit Agreement, shall upon surrender of a Receipt or Receipts for the purpose of effecting a split-up or combination of such Receipt or Receipts, execute and deliver a new Receipt or

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Receipts for any authorized number of American Depositary Shares requested, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered.

The Depositary may, with notice given as promptly as practicable to the Company, appoint one or more co-transfer agents for the purpose of effecting transfers, combinations and split-ups of Receipts at designated transfer offices on behalf of the Depositary. In carrying out its functions, a co-transfer agent may require evidence of authority and compliance with applicable laws and other requirements by Owners or persons entitled to Receipts and will be entitled to protection and indemnity to the same extent as the Depositary. The Depositary shall require each co-transfer agent that it appoints under this Section 2.4 to give notice in writing to the Depositary accepting such appointment and agreeing to abide by the applicable terms of this Deposit Agreement.

#### SECTION 2.5 Surrender of Receipts and Withdrawal of Shares.

Upon surrender at the Corporate Trust Office of the Depositary of a Receipt for the purpose of withdrawal of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and upon payment of the fee of the Depositary for the surrender of Receipts as provided in Section 5.9 and payment of all taxes and governmental charges payable in connection with such surrender and withdrawal of the Deposited Securities, and subject to the terms and conditions of this Deposit Agreement, the Owner of such Receipt shall be entitled to delivery, to him or upon his order, of the amount of Deposited Securities at the time represented by the American Depositary Shares evidenced by such Receipt. Delivery of such Deposited Securities may be made by the delivery of (a) certificates for Shares in the name of such Owner or as ordered by him or by certificates properly endorsed or accompanied by proper instruments of transfer to such Owner or as ordered by him and (b) any other securities, property and cash to which such Owner is then entitled in respect of such Receipts to such Owner or as ordered by him. Such delivery shall be made, as hereinafter provided, without unreasonable delay.

A Receipt surrendered for such purposes may be required by the Depositary to be properly endorsed in blank or accompanied by proper instruments of transfer in blank, and if the Depositary so requires, the Owner thereof shall execute and deliver to the Depositary a written order directing the Depositary to cause the Deposited Securities being withdrawn to be delivered to or upon the written order of a person or persons designated in such order. Thereupon the Depositary shall direct the Custodian to deliver at the office of such Custodian, subject to Sections 2.6, 3.1 and 3.2 and to the other terms and conditions of this Deposit Agreement, to or upon the written order of the person or persons designated in the order delivered to the Depositary as above provided, the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, except that the Depositary may make delivery to such person or persons at the Corporate Trust Office of the Depositary of any dividends or

distributions with respect to the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, or of any proceeds of sale of any dividends, distributions or rights, which may at the time be held by the Depositary.

At the request, risk and expense of any Owner so surrendering a Receipt, and for the account of such Owner, the Depositary shall direct the Custodian to forward any cash or other property (other than rights) comprising, and forward a certificate or certificates, if applicable, and other proper documents of title for, the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt to the Depositary for delivery at the Corporate Trust Office of the Depositary. Such direction shall be given by letter or, at the request, risk and expense of such Owner, by cable, telex or facsimile transmission.

The Depositary shall not deliver the Deposited Securities except (i) upon surrender of Receipts under this Section 2.5, (ii) in a surrender of the Deposited Securities to the Company or its agent in a transaction to which Section 4.8 applies or (iii) in connection with a sale of the Deposited Securities permitted under Section 3.2, 4.3, 4.4, 4.11 or 6.2.

#### SECTION 2.6 Limitations on Execution and Delivery, Transfer and Surrender of Receipts.

As a condition precedent to the execution and delivery, registration of transfer, split-up, combination or surrender of any Receipt or withdrawal of any Deposited Securities, the Depositary, Custodian or Registrar may require payment from the depositor of Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax, stamp duty or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as herein provided, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of this Deposit Agreement, including, without limitation, this Section 2.6.

The delivery of Receipts against deposits of Shares generally or against deposits of particular Shares may be suspended, or the transfer of Receipts in particular instances may be refused, or the registration of transfer of outstanding Receipts generally may be suspended, during any period when the transfer books of the Depositary are closed as provided in Section 5.1, or if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of this Deposit Agreement, or for any other reason, subject to the provisions of Section 7.7. Notwithstanding any other provision of this Deposit Agreement or the Receipts, the surrender of outstanding Receipts and withdrawal of



Deposited Securities may not be suspended subject only to (i) temporary delays caused by closing the transfer books of the Depository or the Company or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the Receipts or to the withdrawal of the Deposited Securities. Without limitation of the foregoing, the Depository shall not knowingly accept for deposit under this Deposit Agreement any Shares required to be registered under the provisions of the Securities Act for public sale in the United States, unless a registration statement is in effect as to such Shares.

#### SECTION 2.7 Lost Receipts, etc.

In case any Receipt shall be mutilated, destroyed, lost or stolen, the Depository shall execute and deliver a new Receipt of like tenor in exchange and substitution for such mutilated Receipt upon cancellation thereof, or in lieu of and in substitution for such destroyed, lost or stolen Receipt. Before the Depository shall execute and deliver a new Receipt in substitution for a destroyed, lost or stolen Receipt, the Owner thereof shall have (a) filed with the Depository (i) a request for such execution and delivery before the Depository has notice that the Receipt has been acquired by a bona fide purchaser and (ii) a sufficient indemnity bond and (b) satisfied any other reasonable requirements imposed by the Depository.

#### SECTION 2.8 Cancellation and Destruction of Surrendered Receipts.

All Receipts surrendered to the Depository shall be cancelled by the Depository. The Depository is authorized to destroy Receipts so cancelled.

#### SECTION 2.9 Pre-Release of Receipts.

The Depository may, notwithstanding Section 2.3, execute and deliver Receipts prior to the receipt of Shares pursuant to Section 2.2 ("Pre-Release"). The Depository may, pursuant to Section 2.5, deliver Shares upon the receipt and cancellation of Receipts which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depository knows that such Receipt has been Pre-Released. The Depository may receive Receipts in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom Receipts are to be delivered (the "Pre-Releasee") that the Pre-Releasee, or its customer, (i) owns the shares or Receipts to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or Receipts, as the case may be, to the Depository in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or Receipts, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depository, disposing of such Shares or Receipts, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depository determines, in good faith, will provide substantially similar liquidity and

security, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by American Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited hereunder; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it deems reasonably appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into hereunder with any particular Pre-Releasee on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Owners under the Deposit Agreement, the collateral referred to in clause (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Releasee's obligation to deliver Shares or Receipts upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing.

### **ARTICLE 3. CERTAIN OBLIGATIONS OF OWNERS AND BENEFICIAL OWNERS OF RECEIPTS.**

#### **SECTION 3.1 Filing Proofs, Certificates and Other Information.**

Any person presenting Shares for deposit or any Owner or Beneficial Owner of a Receipt may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of any Receipt or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any Deposited Securities until such proof or other information is filed or such certificates are executed or such representations and warranties made. If requested in writing, the Depositary shall, as promptly as practicable, provide the Company, at the expense of the Company, with copies of any such proofs, certificates or other information it receives pursuant to this section, unless prohibited by applicable law.

#### **SECTION 3.2 Liability of Owner for Taxes.**

If any tax or other governmental charge shall become payable by the Custodian or the Depositary with respect to any Receipt or any Deposited Securities represented by any Receipt, such tax or other governmental charge shall be payable by the Owner of such Receipt to the Depositary. The Depositary may refuse to effect any

transfer of such Receipt or any withdrawal of Deposited Securities represented by American Depositary Shares evidenced by such Receipt until such payment is made, and may withhold any dividends or other distributions, or may sell for the account of the Owner thereof any part or all of the Deposited Securities represented by the American Depositary Shares evidenced by such Receipt, and may apply such dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge and the Owner of such Receipt shall remain liable for any deficiency.

### SECTION 3.3 Warranties on Deposit of Shares.

Every person depositing Shares under this Deposit Agreement shall be deemed thereby to represent and warrant that such Shares and each certificate therefor, if applicable, are validly issued, fully paid, nonassessable and were not issued in violation of any pre-emptive rights of the holders of outstanding Shares and that the person making such deposit is duly authorized so to do. Every such person shall also be deemed to represent that the Shares are eligible for deposit in accordance with this Deposit Agreement and the General Instructions to Form F-6 under the Securities Act, and Receipts evidencing American Depositary Shares representing the Shares would not be, Restricted Securities. All representations and warranties deemed made under this Section 3.3 shall survive the deposit of Shares and delivery or surrender of Receipts.

## **ARTICLE 4. THE DEPOSITED SECURITIES.**

### SECTION 4.1 Cash Distributions.

Whenever the Depositary shall receive any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall, subject to the provisions of Section 4.5, convert such dividend or distribution into Dollars and shall distribute the amount thus received (net of the fees and expenses of the Depositary as provided in Section 5.9 hereof, if applicable) to the Owners entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively; provided, however, that in the event that the Company or the Depositary shall be required to withhold and does withhold from such cash dividend or such other cash distribution an amount on account of taxes, the amount distributed to the Owner of the Receipts evidencing American Depositary Shares representing such Deposited Securities shall be reduced accordingly. The Depositary shall distribute only such amount, however, as can be distributed without attributing to any Owner a fraction of one cent. Any such fractional amounts shall be rounded to the nearest whole cent and so distributed to Owners entitled thereto. The Company or its agent will remit to the appropriate governmental agency in Bermuda or Hong Kong all amounts withheld and owing to such agency. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental agencies, and the Depositary or the Company or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts.

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#### SECTION 4.2 Distributions Other Than Cash, Shares or Rights.

Subject to the provisions of Section 4.11 and Section 5.9, whenever the Depositary shall receive any distribution other than a distribution described in Sections 4.1, 4.3 or 4.4, the Depositary shall, subject to all applicable laws, cause the securities or property received by it to be distributed to the Owners entitled thereto, after deduction or upon payment of any fees and expenses of the Depositary or any taxes or other governmental charges, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, in any manner that the Depositary may deem equitable and practicable for accomplishing such distribution; provided, however, that if in the opinion of the Depositary such distribution cannot be made proportionately among the Owners entitled thereto, or if for any other reason (including, but not limited to, any requirement that the Company or the Depositary withhold an amount on account of taxes or other governmental charges or that such securities must be registered under the Securities Act in order to be distributed to Owners or Beneficial Owners) the Depositary deems such distribution not to be feasible, the Depositary may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of any such sale (net of the fees and expenses of the Depositary as provided in Section 5.9) shall be distributed by the Depositary to the Owners entitled thereto as in the case of a distribution received in cash. The Depositary may refuse to effect any distribution of securities under this Section 4.2 unless it has received an opinion of United States counsel for the Company that is satisfactory to the Depositary that the distribution does not require registration under the Securities Act.

#### SECTION 4.3 Distributions in Shares.

If any distribution upon any Deposited Securities consists of a dividend in, or free distribution of, Shares, the Depositary may, and shall if the Company shall so request in writing, distribute to the Owners of outstanding Receipts entitled thereto, in proportion to the number of American Depositary Shares representing such Deposited Securities held by them respectively, additional Receipts evidencing an aggregate number of American Depositary Shares representing the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and the issuance of American Depositary Shares evidenced by Receipts, including the withholding of any tax or other governmental charge as provided in Section 4.11 and the payment of fees and expenses of the Depositary as provided in Section 5.9. In lieu of delivering Receipts for fractional American Depositary Shares in any such case, the Depositary shall use reasonable efforts to sell the amount of Shares represented by the aggregate of such fractions and distribute any net proceeds to the Owners entitled to them, all in the manner and subject to the

conditions described in Section 4.1. If additional Receipts are not so distributed, each American Depositary Share shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

#### SECTION 4.4 Rights.

In the event that the Company shall offer or cause to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary shall have discretion as to the procedure to be followed in making such rights available to any Owners entitled to them or in disposing of such rights on behalf of any Owners otherwise entitled to them and making the net proceeds available to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its reasonable discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute to any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of American Depositary Shares held by such Owner, warrants or other instruments therefor in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an Owner of Receipts requests the distribution of warrants or other instruments in order to exercise the rights allocable to the American Depositary Shares of such Owner hereunder, the Depositary will make such rights available to such Owner upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law.

If the Depositary has distributed warrants or other instruments for rights to all or certain Owners, then upon instruction from such an Owner pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other charges as set forth in such warrants or other instruments, the Depositary shall, on behalf of such Owner, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited pursuant to Section 2.2 of this Deposit Agreement, and shall, pursuant to Section 2.3 of this Deposit Agreement, execute and deliver Receipts to such Owner. In the case of a distribution pursuant to the second paragraph of this section, such Receipts shall be legended in accordance with applicable U.S. laws, and shall be subject to the appropriate restrictions on sale, deposit, cancellation, and transfer under such laws.

If the Depositary determines in its reasonable discretion that it is not lawful and feasible to make such rights available to all or certain Owners, it may sell the rights, warrants or other instruments in proportion to the number of American Depositary Shares held by the Owners to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary as provided in Section 5.9 and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of this Deposit Agreement) for the account of such Owners otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any Receipt or otherwise.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to Owners or are registered under the provisions of such Act; provided, however, that nothing in this Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to such rights or underlying securities or to endeavor to have such a registration statement declared effective. If an Owner of Receipts requests distribution of warrants or other instruments, notwithstanding that there has been no such registration under the Securities Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Owner is exempt from such registration; provided, however, that the Company will have no obligation to cause its counsel to issue such opinion at the request of such Owner.

The Depositary shall not be responsible for any reasonable failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner in particular.

#### SECTION 4.5 Conversion of Foreign Currency.

Whenever the Depositary or the Custodian shall receive foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, such foreign currency into Dollars, and such Dollars shall be distributed to the Owners entitled thereto or, if the Depositary shall have distributed any warrants or other instruments which entitle the holders thereof to such Dollars, then to the holders of such warrants and/or

instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions, the date of delivery of any Receipt or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9.

If such conversion or distribution can be effected only with the approval or license of any government or agency thereof, the Depositary shall file such application for approval or license, if any, as it may deem desirable.

If at any time the Depositary shall determine that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable without excessively burdensome or otherwise unreasonable efforts, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, or if there are foreign exchange controls in place that prohibit such conversion, the Depositary may distribute the foreign currency (or an appropriate document evidencing the right to receive such foreign currency) received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any such conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make such conversion and distribution in Dollars to the extent permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled thereto.

#### SECTION 4.6 Fixing of Record Date.

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities or whenever the Depositary shall find it necessary or convenient, the Depositary shall fix a record date, which date shall be the same date, to the extent practicable, as the record date for the Deposited Securities or if different, as close thereto as practicable (a) for the determination of the Owners who shall be (i) entitled to receive such dividend, distribution or rights or the net proceeds of the sale thereof or (ii) entitled to give instructions for the exercise of voting rights at any such, (b) on or after which each American Depositary Share will represent

the changed number of Shares or (c) for any other matter. Subject to the provisions of Sections 4.1 through 4.5 and to the other terms and conditions of this Deposit Agreement, the Owners on such record date shall be entitled, as the case may be, to receive the amount distributable by the Depositary with respect to such dividend or other distribution or such rights or the net proceeds of sale thereof in proportion to the number of American Depositary Shares held by them respectively and to give voting instructions and to act in respect of any other such matter.

#### SECTION 4.7 Voting of Deposited Securities.

Upon receipt of notice of any meeting of holders of Shares or other Deposited Securities, if requested in writing by the Company the Depositary shall, as soon as practicable thereafter, mail to the Owners a notice, the form of which notice shall be in the discretion of the Depositary and shall contain (a) such information as is contained in such notice of meeting, and (b) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of the laws of Hong Kong and Bermuda and of the Memorandum of Association and By-Laws, as amended, of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective American Depositary Shares and (c) a statement as to the manner in which such instructions may be given. Upon the written request of an Owner of a Receipt on such record date, received on or before the date established by the Depositary for such purpose (the "Instruction Date"), the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the American Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to such Shares or other Deposited Securities other than in accordance with such instructions.

In order to give Owners a reasonable opportunity to instruct the Depositary as to the exercise of voting rights relating to Deposited Securities, if the Company requests the Depositary to act under the preceding paragraph, the Company shall give the Depositary notice of any such meeting not less than 30 days prior to the meeting date.

There can be no assurance that Owners generally or any Owner in particular will receive the notice described in the first paragraph of this Section 4.7 sufficiently prior to the Instruction Date to ensure that the Depositary will vote the Shares or Deposited Securities in accordance with the provisions of that paragraph.

#### SECTION 4.8 Changes Affecting Deposited Securities.

In circumstances where the provisions of Section 4.3 do not apply, upon any change in nominal value, change in par value, split-up, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization, reorganization, merger or consolidation or sale of assets affecting the Company or to which it is a party,



any securities which shall be received by the Depositary or a Custodian in exchange for or in conversion of or in respect of Deposited Securities, shall be treated as new Deposited Securities under this Deposit Agreement, and American Depositary Shares shall thenceforth represent, in addition to the existing Deposited Securities, if any, the new Deposited Securities so received in exchange or conversion, unless additional Receipts are delivered pursuant to the following sentence. In any such case the Depositary may execute and deliver additional Receipts as in the case of a dividend in Shares, or call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing such new Deposited Securities.

#### SECTION 4.9 Reports.

The Depositary shall make available for inspection by Owners at its Corporate Trust Office, as promptly as practicable after receipt, any reports and communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of such Deposited Securities by the Company. The Depositary shall also send to the Owners copies of such reports furnished by the Company pursuant to Section 5.6. Any such reports and communications, including any such proxy soliciting material, furnished to the Depositary by the Company shall be furnished in English.

#### SECTION 4.10 Lists of Owners.

Promptly upon request by the Company, the Depositary shall, at the expense of the Company, furnish to it a list, as of a recent date, of the names, addresses and holdings of American Depositary Shares by all persons in whose names Receipts are registered on the books of the Depositary.

#### SECTION 4.11 Withholding.

The Company or its agent will remit to the appropriate governmental agencies in Bermuda and Hong Kong all amounts withheld and owing to such agencies. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental agencies, and the Depositary or the Company or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts.

In the event that the Depositary determines that any distribution in property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may by public or private sale dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner as the Depositary deems necessary and practicable to pay any such taxes or charges and the Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners entitled thereto in proportion to the number of American Depositary Shares held by them respectively.

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## ARTICLE 5. THE DEPOSITARY, THE CUSTODIANS AND THE COMPANY.

### SECTION 5.1 Maintenance of Office and Transfer Books by the Depositary.

Until termination of this Deposit Agreement in accordance with its terms, the Depositary shall maintain in the Borough of Manhattan, The City of New York, facilities for the execution and delivery, registration, registration of transfers and surrender of Receipts in accordance with the provisions of this Deposit Agreement.

The Depositary shall keep books at its Corporate Trust Office for the registration of Receipts and transfers of Receipts which at all reasonable times shall be open for inspection by the Owners and the Company, provided that such inspection shall not be for the purpose of communicating with Owners in the interest of a business or object other than the business of the Company or a matter related to this Deposit Agreement or the Receipts.

The Depositary may close the transfer books, at any time or from time to time, when deemed expedient by it in connection with the performance of its duties hereunder or at the reasonable written request of the Company.

If any Receipts or the American Depositary Shares evidenced thereby are listed on one or more stock exchanges in the United States, the Depositary shall act as Registrar or, with notice given as promptly as practicable to the Company, appoint a Registrar or one or more co-registrars for registry of American Depositary Shares in accordance with any requirements of that exchange or exchanges. The Depositary shall require each Registrar and co-registrar that it appoints under this Section 5.1 to give notice in writing to the Depositary accepting such appointment and agreeing to abide by the applicable terms of this Deposit Agreement.

### SECTION 5.2 Prevention or Delay in Performance by the Depositary or Company.

Neither the Depositary nor the Company nor any of their respective directors, officers, employees, agents or affiliates shall incur any liability to any Owner or Beneficial Owner of any Receipt, if by reason of any provision of any present or future law or regulation of the United States, Hong Kong, the People' s Republic of China, Bermuda or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of the Memorandum of Association and By-Laws, as amended, of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any offering or distribution thereof, or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Company shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act

or thing which by the terms of this Deposit Agreement or the Deposited Securities it is provided shall be done or performed; nor shall the Depository or the Company or any of their respective directors, officers, employees, agents or affiliates incur any liability to any Owner or Beneficial Owner of any Receipt by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of this Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in this Deposit Agreement. Where, by the terms of a distribution pursuant to Sections 4.1, 4.2, or 4.3 of the Deposit Agreement, or an offering or distribution pursuant to Section 4.4 of the Deposit Agreement, or for any other reason, such distribution or offering may not be made available to Owners, and the Depository may not dispose of such distribution or offering on behalf of such Owners and make the net proceeds available to such Owners, then the Depository shall not make such distribution or offering, and shall allow any rights, if applicable, to lapse, in each such case without liability to the Company or the Depository.

### SECTION 5.3 Obligations of the Depository, the Custodian and the Company.

Neither the Company, nor its directors, officers, employees and agents assume any obligation nor shall it or any of them be subject to any liability under this Deposit Agreement to Owners or Beneficial Owners, except that the Company agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depository nor its directors, officers, employees and agents assume any obligation nor shall it or any of them be subject to any liability under this Deposit Agreement to any Owner or Beneficial Owner of any Receipt (including, without limitation, liability with respect to the validity or worth of the Deposited Securities), except that the Depository agrees to perform its obligations specifically set forth in this Deposit Agreement without negligence or bad faith.

Neither the Depository nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the Receipts that in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expenses and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depository.

Neither the Depository nor the Company shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or any other person believed by it in good faith to be competent to give such advice or information.

The Depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the Depository or in connection with any matter arising wholly after the removal or resignation of the Depository, provided that in connection with the issue out of which such potential liability arises the Depository performed its obligations without negligence or bad faith while it acted as Depository.

The Depository shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith.

No disclaimer of liability under the Securities Act is intended by any provision of this Deposit Agreement.

#### SECTION 5.4 Resignation and Removal of the Depository.

The Depository may at any time resign as Depository hereunder by written notice of its election so to do delivered to the Company, such resignation to take effect upon the appointment of a successor depository and its acceptance of such appointment as hereinafter provided.

The Depository may at any time be removed by the Company by 120 days prior written notice of such removal, which shall become effective upon the later to occur of (i) the 120<sup>th</sup> day after delivery of the notice to the Depository or (ii) the appointment of a successor depository and its acceptance of such appointment as hereinafter provided.

In case at any time the Depository acting hereunder shall resign or be removed, the Company shall use reasonable efforts to appoint a successor depository, which shall be a bank or trust company having an office in the Borough of Manhattan, The City of New York. Every successor depository shall execute and deliver to its predecessor and to the Company an instrument in writing accepting its appointment hereunder, and thereupon such successor depository, without any further act or deed, shall become fully vested with all the rights, powers, duties and obligations of its predecessor; but such predecessor, nevertheless, upon payment of all sums due it and on the written request of the Company shall execute and deliver an instrument transferring to such successor all rights and powers of such predecessor hereunder, shall duly assign, transfer and deliver all right, title and interest in the Deposited Securities to such successor, and shall deliver to such successor a list of the Owners of all outstanding Receipts. Any such successor depository shall promptly mail notice of its appointment to the Owners.

Any corporation into or with which the Depository may be merged or consolidated shall be the successor of the Depository without the execution or filing of any document or any further act.

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## SECTION 5.5 The Custodians.

The Custodian shall be subject at all times and in all respects to the directions of the Depositary and shall be responsible solely to it. Any Custodian may resign and be discharged from its duties hereunder by notice of such resignation delivered to the Depositary at least 30 days prior to the date on which such resignation is to become effective. If upon the effectiveness of such resignation there would be no Custodian acting hereunder, the Depositary shall, promptly after receiving such notice, appoint a substitute custodian or custodians, each of which shall thereafter be a Custodian hereunder. Whenever the Depositary in its discretion determines that it is in the best interest of the Owners to do so, it may appoint a substitute or additional custodian or custodians, each of which shall thereafter be one of the Custodians hereunder. Upon demand of the Depositary any Custodian shall deliver such of the Deposited Securities held by it as are requested of it to any other Custodian or such substitute or additional custodian or custodians. Each such substitute or additional custodian shall deliver to the Depositary, forthwith upon its appointment, an acceptance of such appointment satisfactory in form and substance to the Depositary.

Upon the appointment of any successor depositary hereunder, each Custodian then acting hereunder shall forthwith become, without any further act or writing, the agent hereunder of such successor depositary and the appointment of such successor depositary shall in no way impair the authority of each Custodian hereunder; but the successor depositary so appointed shall, nevertheless, on the written request of any Custodian, execute and deliver to such Custodian all such instruments as may be proper to give to such Custodian full and complete power and authority as agent hereunder of such successor depositary.

## SECTION 5.6 Notices and Reports.

On or before the first date on which the Company gives notice, by publication or otherwise, of any meeting of holders of Shares or other Deposited Securities, or of any adjourned meeting of such holders, or of the taking of any action in respect of any cash or other distributions or the offering of any rights, the Company agrees to transmit to the Depositary and the Custodian a copy of the notice thereof in the form given or to be given to holders of Shares or other Deposited Securities.

The Company will arrange for the translation into English, if not already in English, to the extent required pursuant to any regulation of the Commission, and the prompt transmittal by the Company to the Depositary and the Custodian of such notices and any other reports and communications which are made generally available by the Company to holders of its Shares. If requested in writing by the Company, the Depositary will arrange for the mailing, at the Company's expense, of copies of such notices, reports and communications to all Owners. The Company will timely provide the Depositary with the quantity of such notices, reports, and communications, as requested by the Depositary from time to time, in order for the Depositary to effect such mailings.

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#### SECTION 5.7 Distribution of Additional Shares, Rights, etc.

If the Company or any affiliate of the Company determines to make any issuance or distribution of (1) additional Shares, (2) rights to subscribe for Shares, (3) securities convertible into Shares, or (4) rights to subscribe for such securities (each a “Distribution”), the Company shall notify the Depositary in writing in English as promptly as practicable and in any event before the Distribution starts and, if requested in writing by the Depositary, the Company shall promptly furnish to the Depositary a written opinion from U.S. counsel for the Company that is reasonably satisfactory to the Depositary, stating whether or not the Distribution requires, or, if made in the United States, would require, registration under the Securities Act of 1933. If, in the opinion of that counsel, the Distribution requires, or, if made in the United States, would require, registration under the Securities Act of 1933, that counsel shall furnish to the Depositary a written opinion as to whether or not there is a registration statement under the Securities Act of 1933 in effect that will cover that Distribution.

The Company agrees with the Depositary that neither the Company nor any entity or person controlled by, controlling or under common control with the Company will at any time deposit any Shares, either originally issued or previously issued and reacquired by the Company or any such affiliate, unless a Registration Statement is in effect as to such Shares under the Securities Act or the Company furnishes to the Depositary a written opinion from U.S. counsel for the Company, which counsel shall be reasonably satisfactory to the Depositary, stating that the Shares to be deposited could be offered and sold publicly by the holder in the United States without further registration of those Shares under the Securities Act.

#### SECTION 5.8 Indemnification.

The Company agrees to indemnify the Depositary, its directors, employees, agents and affiliates and any Custodian against, and hold each of them harmless from, any liability or expense (including, but not limited to, the fees and expenses of counsel) which may arise out of (a) any registration with the Commission of Receipts, American Depositary Shares or Deposited Securities or the offer or sale thereof in the United States or (b) acts performed or omitted, pursuant to the provisions of this Deposit Agreement and of the Receipts, as the same may be amended, modified or supplemented from time to time, (i) by either the Depositary or a Custodian or their respective directors, employees, agents and affiliates, except for any liability or expense arising out of the negligence or bad faith of either of them, or (ii) by the Company or any of its directors, employees, agents and affiliates.

The Depositary agrees to indemnify the Company, its directors, employees, agents and affiliates and hold them harmless from any liability or expense

(including, but not limited to, the reasonable fees and expense of counsel), which may arise out of acts performed or omitted by the Depository or its Custodian or their respective directors, employees, agents and affiliates due to their negligence or bad faith.

If an action, proceeding (including, but not limited to, any governmental investigation), claim or dispute (collectively, a "Proceeding") in respect of which indemnity may be sought by either party is brought or asserted against the other party, the party seeking indemnification (the "Indemnitee") shall promptly (and in no event more than ten (10) days after receipt of notice of such Proceeding) notify the party obligated to provide such indemnification (the "Indemnitor") of such Proceeding. The failure of the Indemnitee to so notify the Indemnitor shall not impair the Indemnitee's ability to seek indemnification from the Indemnitor (but only for costs, expenses and liabilities incurred after such notice) unless such failure adversely affects the Indemnitor's ability to adequately oppose or defend such Proceeding. Upon receipt of such notice from the Indemnitee, the Indemnitor shall be entitled to participate in such Proceeding and, to the extent that it shall so desire and provided no conflict of interest exists as specified in subparagraph (b) below or there are no other defenses available to Indemnitee as specified in subparagraph (d) below, to assume the defense thereof with counsel reasonably satisfactory to the Indemnitee (in which case all attorney's fees and expenses shall be borne by the Indemnitor and the Indemnitor shall in good faith defend the Indemnitee). The Indemnitee shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be borne by the Indemnitee unless (a) the Indemnitor agrees in writing to pay such fees and expenses, (b) the Indemnitee shall have reasonably and in good faith concluded that there is a conflict of interest between the Indemnitor and the Indemnitee in the conduct of the defense of such action, (c) the Indemnitor fails, within ten (10) days prior to the date the first response or appearance is required to be made in such Proceeding, to assume the defense of such Proceeding with counsel reasonably satisfactory to the Indemnitee or (d) there are legal defenses available to Indemnitee that are different from or are in addition to those available to the Indemnitor. No compromise or settlement of such Proceeding may be effected by either party without the other party's consent unless (i) there is no finding or admission of any violation of law and no effect on any other claims that may be made against such other party and (ii) the sole relief provided is monetary damages that are paid in full by the party seeking the settlement. Neither party shall have any liability with respect to any compromise or settlement effected without its consent, which shall not be unreasonably withheld. The Indemnitor shall have no obligation to indemnify and hold harmless the Indemnitee from any loss, expense or liability incurred by the Indemnitee as a result of a default judgment entered against the Indemnitee unless such judgment was entered after the Indemnitor agreed, in writing, to assume the defense of such Proceeding.

## SECTION 5.9 Charges of Depositary.

The Company agrees to pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Company from time to time. The Depositary shall present its statement for such charges and expenses to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering Receipts or to whom Receipts are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the Receipts or Deposited Securities or a distribution of Receipts pursuant to Section 4.3), or by Owners, as applicable: (1) taxes, stamp duty and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depositary or its nominee or the Custodian or its nominee on the making of deposits or withdrawals hereunder, (3) such cable, telex and facsimile transmission expenses as are expressly provided in this Deposit Agreement, (4) such expenses as are incurred by the Depositary in the conversion of foreign currency pursuant to Section 4.5, (5) a fee of \$5.00 or less per 100 American Depositary Shares (or portion thereof) for the execution and delivery of Receipts pursuant to Section 2.3, 4.3 or 4.4 and the surrender of Receipts pursuant to Section 2.5 or 6.2, (6) a fee of \$.02 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 hereof, (7) a fee for the distribution of securities pursuant to Section 4.2, such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities (for purposes of this clause 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depositary to Owners, (8) a fee of \$.02 or less per American Depositary Share (or portion thereof) for depositary services, which will accrue on the last day of each calendar year and which will be payable as provided in clause (9) below; provided, however, that no fee will be assessed under this clause (8) to the extent a fee of \$.02 was charged pursuant to clause (6) above during that calendar year and (9) any other charge payable by the Depositary, any of the Depositary's agents, including the Custodian, or the agents of the Depositary's agents in connection with the servicing of Shares or other Deposited Securities (which charge shall be assessed against Owners as of the date or dates set by the Depositary in accordance with Section 4.6 and shall be payable at the sole discretion of the Depositary by billing such Owners for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

The Depositary, subject to Section 2.9 hereof, may own and deal in any class of securities of the Company and its affiliates and in Receipts.



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#### SECTION 5.10 Retention of Depository Documents.

The Depository is authorized to destroy those documents, records, bills and other data compiled during the term of this Deposit Agreement at the times permitted by the laws or regulations governing the Depository unless the Company reasonably requests that such papers be retained for a longer period or be delivered to the Company or to a successor depository.

#### SECTION 5.11 Exclusivity.

Subject to Sections 5.4 and 6.2, the Company agrees not to appoint any other depository for issuance of American or global depository receipts so long as The Bank of New York is acting as Depository hereunder.

#### SECTION 5.12 List of Restricted Securities Owners.

From time to time, the Company shall provide to the Depository a list setting forth, to the actual knowledge of the Company, those persons or entities who beneficially own Restricted Securities. The Company agrees to advise in writing each of the persons or entities so listed that such Restricted Securities are ineligible for deposit hereunder. The Depository may rely on such a list or update but shall not be liable for any action or omission made in reliance thereon.

### **ARTICLE 6. AMENDMENT AND TERMINATION.**

#### SECTION 6.1 Amendment.

The form of the Receipts and any provisions of this Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depository without the consent of Owners and Beneficial Owners in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of Owners, shall, however, not become effective as to outstanding Receipts until the expiration of thirty days after notice of such amendment shall have been given to the Owners of outstanding Receipts. Every Owner at the time any amendment so becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Owner of any Receipt to surrender such Receipt and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

#### SECTION 6.2 Termination.

The Depository shall at any time at the direction of the Company terminate this Deposit Agreement by mailing notice of such termination to the Owners of all Receipts then outstanding at least 30 days prior to the date fixed in such notice for such

termination. The Depositary may likewise terminate this Deposit Agreement by mailing notice of such termination to the Company and the Owners of all Receipts then outstanding if at any time 60 days shall have expired after the Depositary shall have delivered to the Company a written notice of its election to resign and a successor depositary shall not have been appointed and accepted its appointment as provided in Section 5.4. On and after the date of termination, the Owner of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depositary, (b) payment of the fee of the Depositary for the surrender of Receipts referred to in Section 2.5, and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depositary thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the Owners thereof, and shall not give any further notices or perform any further acts under this Deposit Agreement, except that the Depositary shall continue to collect dividends and other distributions pertaining to Deposited Securities, shall sell rights and other property as provided in this Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depositary (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges). At any time after the expiration of six months from the date of termination, the Depositary may sell the Deposited Securities then held hereunder and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it hereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of Receipts which have not theretofore been surrendered, such Owners thereupon becoming general creditors of the Depositary with respect to such net proceeds. After making such sale, the Depositary shall be discharged from all obligations under this Deposit Agreement, except for its obligations to the Company under Section 5.8 and to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depositary for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of this Deposit Agreement, and any applicable taxes or governmental charges). Upon the termination of this Deposit Agreement, the Company shall be discharged from all obligations under this Deposit Agreement except for its obligations to the Depositary under Sections 5.8 and 5.9 hereof.

## **ARTICLE 7. MISCELLANEOUS.**

### **SECTION 7.1 Counterparts.**

This Deposit Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of such counterparts shall constitute

one and the same instrument. Copies of this Deposit Agreement shall be filed with the Depository and the Custodians and shall be open to inspection by any Owner or Beneficial Owner of a Receipt during business hours.

SECTION 7.2 No Third Party Beneficiaries.

This Deposit Agreement is for the exclusive benefit of the parties hereto (which shall include the Owners and Beneficial Owners) and shall not be deemed to give any legal or equitable right, remedy or claim whatsoever to any other person, except as otherwise specifically provided in this Agreement with respect to co-transfer agents and the Custodian.

SECTION 7.3 Severability.

In case any one or more of the provisions contained in this Deposit Agreement or in the Receipts should be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein or therein shall in no way be affected, prejudiced or disturbed thereby.

SECTION 7.4 Owners and Beneficial Owners as Parties; Binding Effect.

The Owners and Beneficial Owners of Receipts from time to time shall be parties to this Deposit Agreement and shall be bound by all of the terms and conditions hereof and of the Receipts by acceptance thereof.

SECTION 7.5 Notices.

Any and all notices to be given to the Company shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to A-Max Technology Limited, 10/F, A-MAX Technology Tower, 12-16 Fui Yiu Kok Street, Tsuen Wan, New Territories, Hong Kong, Attention: Diana Chan, or any other place to which the Company may have transferred its principal office with notice to the Depository.

Any and all notices to be given to the Depository shall be deemed to have been duly given if in English and personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to The Bank of New York, 101 Barclay Street, New York, New York 10286, Attention: American Depository Receipt Administration, or any other place to which the Depository may have transferred its Corporate Trust Office with notice to the Company.

Any and all notices to be given to any Owner shall be deemed to have been duly given if personally delivered or sent by mail or cable, telex or facsimile transmission confirmed by letter, addressed to such Owner at the address of such Owner as it appears on the transfer books for Receipts of the Depository, or, if such Owner shall have filed with the Depository a written request that notices intended for such Owner be mailed to some other address, at the address designated in such request.

Delivery of a notice sent by mail or cable, telex or facsimile transmission shall be deemed to be effected at the time when a duly addressed letter containing the same (or a confirmation thereof in the case of a cable, telex or facsimile transmission) is deposited, postage prepaid, in a post-office letter box. The Depository or the Company may, however, act upon any cable, telex or facsimile transmission received by it, notwithstanding that such cable, telex or facsimile transmission shall not subsequently be confirmed by letter as aforesaid.

SECTION 7.6 Governing Law.

This Deposit Agreement and the Receipts shall be interpreted and all rights hereunder and thereunder and provisions hereof and thereof shall be governed by the laws of the State of New York without regard to conflicts of laws, rules or principles thereof.

SECTION 7.7 Compliance with U.S. Securities Laws.

Notwithstanding anything in this Deposit Agreement to the contrary, the Company and the Depository each agrees that it will not exercise any rights it has under this Deposit Agreement to permit the withdrawal or delivery of Deposited Securities in a manner which would violate the U.S. securities laws, including, but not limited to, Section I.A.(1) of the General Instructions to the Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

SECTION 7.8 Submission to Jurisdiction; Appointment of Agent for Service of Process.

The Company hereby (i) irrevocably designates and appoints CT Corporation System, 111 Eighth Avenue, New York, New York, as the Company's authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company agrees to deliver, upon the execution and delivery of this Deposit Agreement, a written acceptance by such agent of its appointment as such agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment in full force and effect for so long as any American Depositary Shares or Receipts remain outstanding or this Agreement remains in force. In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

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SECTION 7.9 Arbitration.

In the event the Depository is advised that a judgment of a court in the United States may not be recognized, the following provisions shall apply:

(i) Any controversy, claim or cause of action brought by any party or parties hereto against any other party or parties hereto arising out of or relating to the Deposit Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(ii) The place of the arbitration shall be the City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

(iii) The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If either or both parties fail to select an arbitrator, or if such alignment (in the event there is more than two parties) shall not have occurred, within sixty (60) calendar days after the initiating party serves the arbitration demand or the two arbitrators fail to select a third arbitrator within sixty (60) calendar days of the selection of the second arbitrator, the American Arbitration Association shall appoint the arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association may appoint the arbitrators from among the nationals of any country, whether or not a party is a national of that country.

(iv) The arbitrators shall have no authority to award damages not measured by the prevailing party's actual damages and shall have no authority to award any consequential, special or punitive damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of this Deposit Agreement.

(v) In the event any third-party action or proceeding is instituted against the Depository relating to or arising from any act or failure to act by the Company, the Company hereby submits to the personal jurisdiction of the court or administrative agency in which such action or proceeding is brought.

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IN WITNESS WHEREOF, A-MAX TECHNOLOGY LIMITED and THE BANK OF NEW YORK have duly executed this agreement as of the day and year first set forth above and all Owners and Beneficial Owners shall become parties hereto upon acceptance by them of Receipts issued in accordance with the terms hereof.

A-MAX TECHNOLOGY LIMITED

By: \_\_\_\_\_

Name:

Title:

THE BANK OF NEW YORK,  
as Depositary

By: \_\_\_\_\_

Name:

Title:

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No.

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**AMERICAN DEPOSITARY SHARES**  
**(Each American Depositary Share represents \_\_\_\_ (\_\_)**  
**deposited Share)**

**THE BANK OF NEW YORK**  
**AMERICAN DEPOSITARY RECEIPT**  
**FOR ORDINARY SHARES,**  
**PAR VALUE \$0.00002 PER SHARE, OF**  
**A-MAX TECHNOLOGY LIMITED**  
**(INCORPORATED UNDER THE LAWS OF BERMUDA)**

The Bank of New York as depositary (hereinafter called the Depositary), hereby certifies that \_\_\_\_\_, or registered assigns IS THE OWNER OF

**AMERICAN DEPOSITARY SHARES**

representing deposited Ordinary Shares (herein called Shares) of A-Max Technology Limited, incorporated under the laws of Bermuda (herein called the Company). At the date hereof, each American Depositary Share represents \_\_ (\_\_) Share which are either deposited or subject to deposit under the Deposit Agreement referred to below at the principal Hong Kong office of The Hongkong and Shanghai Banking Corporation Limited (herein called the Custodian). The Depositary's Corporate Trust Office is located at a different address than its principal executive office. Its Corporate Trust Office is located at 101 Barclay Street, New York, N.Y. 10286, and its principal executive office is located at One Wall Street, New York, N.Y. 10286.

**THE DEPOSITARY'S CORPORATE TRUST OFFICE ADDRESS IS**  
**101 BARCLAY STREET, NEW YORK, N.Y. 10286**

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## **1. THE DEPOSIT AGREEMENT.**

This American Depositary Receipt is one of an issue (herein called Receipts), all issued and to be issued upon the terms and conditions set forth in the deposit agreement, dated as of \_\_\_\_\_, 2005 (the "Deposit Agreement"), by and among the Company, the Depositary, and all Owners and Beneficial Owners from time to time of Receipts issued thereunder, each of whom by accepting a Receipt agrees to become a party thereto and become bound by all the terms and conditions thereof. The Deposit Agreement sets forth the rights of Owners and Beneficial Owners of the Receipts and the rights and duties of the Depositary in respect of the Shares deposited thereunder and any and all other securities, property and cash from time to time received in respect of such Shares and held thereunder (such Shares, securities, property, and cash are herein called Deposited Securities). Copies of the Deposit Agreement are on file at the Depositary's Corporate Trust Office in New York City and at the office of the Custodian.

The statements made on the face and reverse of this Receipt are summaries of certain provisions of the Deposit Agreement and are qualified by and subject to the detailed provisions of the Deposit Agreement, to which reference is hereby made. Capitalized terms not defined herein shall have the meanings set forth in the Deposit Agreement.

## **2. SURRENDER OF RECEIPTS AND WITHDRAWAL OF SHARES.**

Upon surrender at the Corporate Trust Office of the Depositary of this Receipt, and upon payment of the fee of the Depositary provided in this Receipt, and subject to the terms and conditions of the Deposit Agreement, the Owner hereof is entitled to delivery, to him or upon his order, of the amount of Deposited Securities at the time represented by the American Depositary Shares for which this Receipt is issued. Delivery of such Deposited Securities may be made by the delivery of (a) certificates for Shares in the name of the Owner hereof or as ordered by him or by certificates properly endorsed or accompanied by proper instruments of transfer to such Owner or as ordered by him and (b) any other securities, property and cash to which such Owner is then entitled in respect of this Receipt to such Owner or as ordered by him. Such delivery will be made at the option of the Owner hereof, either at the office of the Custodian or at the Corporate Trust Office of the Depositary, provided that the forwarding of certificates for Shares or other Deposited Securities for such delivery at the Corporate Trust Office of the Depositary shall be at the risk and expense of the Owner hereof. Notwithstanding any other provision of the Deposit Agreement or this Receipt, the surrender of outstanding Receipts and withdrawal of Deposited Securities may be suspended only for (i) temporary delays caused by closing the transfer books of the Depositary or the Company or the deposit of Shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes and similar charges, and (iii) compliance with any U.S. or foreign laws or governmental regulations relating to the Receipts or to the withdrawal of the Deposited Securities.



### **3. TRANSFERS, SPLIT-UPS, AND COMBINATIONS OF RECEIPTS.**

The transfer of this Receipt is registrable on the books of the Depositary at its Corporate Trust Office by the Owner hereof in person or by a duly authorized attorney, upon surrender of this Receipt properly endorsed for transfer or accompanied by proper instruments of transfer and funds sufficient to pay any applicable transfer taxes and the expenses of the Depositary and upon compliance with such regulations, if any, as the Depositary may establish for such purpose. This Receipt may be split into other such Receipts, or may be combined with other such Receipts into one Receipt, evidencing the same aggregate number of American Depositary Shares as the Receipt or Receipts surrendered. As a condition precedent to the execution and delivery, registration of transfer, split-up, combination, or surrender of any Receipt or withdrawal of any Deposited Securities, the Depositary, the Custodian, or Registrar may require payment from the depositor of Shares or the presenter of the Receipt of a sum sufficient to reimburse it for any tax, stamp duty or other governmental charge and any stock transfer or registration fee with respect thereto (including any such tax or charge and fee with respect to Shares being deposited or withdrawn) and payment of any applicable fees as provided in this Receipt, may require the production of proof satisfactory to it as to the identity and genuineness of any signature and may also require compliance with any regulations the Depositary may establish consistent with the provisions of the Deposit Agreement or this Receipt.

The delivery of Receipts against deposits of Shares generally or against deposits of particular Shares may be suspended, or the transfer of Receipts in particular instances may be refused, or the registration of transfer of outstanding Receipts generally may be suspended, during any period when the transfer books of the Depositary are closed as provided in Section 5.1 of the Deposit Agreement, or if any such action is deemed necessary or advisable by the Depositary or the Company at any time or from time to time because of any requirement of law or of any government or governmental body or commission, or under any provision of the Deposit Agreement or this Receipt, or for any other reason. Without limitation of the foregoing, the Depositary shall not knowingly accept for deposit under the Deposit Agreement any Shares required to be registered under the provisions of the Securities Act for public sale in the United States, unless a registration statement is in effect as to such Shares.

### **4. LIABILITY OF OWNER FOR TAXES.**

If any tax or other governmental charge shall become payable with respect to any Receipt or any Deposited Securities represented hereby, such tax or other governmental charge shall be payable by the Owner hereof to the Depositary. The Depositary may refuse to effect any transfer of this Receipt or any withdrawal of Deposited Securities represented by American Depositary Shares evidenced by such Receipt until such payment is made, and may withhold any dividends or other distributions, or may sell for the account of the Owner hereof any part or all of the Deposited Securities represented by the American Depositary Shares evidenced by this Receipt, and may apply such dividends or other distributions or the proceeds of any such sale in payment of such tax or other governmental charge and the Owner hereof shall remain liable for any deficiency.

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## **5. WARRANTIES OF DEPOSITORS.**

Every person depositing Shares under the Deposit Agreement shall be deemed thereby to represent and warrant that such Shares and each certificate therefor, if applicable, are validly issued, fully paid, nonassessable and were not issued in violation of any pre-emptive rights of the holders of outstanding Shares and that the person making such deposit is duly authorized so to do. Every such person shall also be deemed to represent that the Shares are eligible for deposit in accordance with the Deposit Agreement and the General Instructions to Form F-6 under the Securities Act, and Receipts evidencing American Depositary Shares representing the Shares would not be, Restricted Securities. All representations and warranties deemed made under Section 3.3 of the Deposit Agreement shall survive the deposit of Shares and delivery or surrender of Receipts.

## **6. FILING PROOFS, CERTIFICATES, AND OTHER INFORMATION.**

Any person presenting Shares for deposit or any Owner or Beneficial Owner of a Receipt may be required from time to time to file with the Depositary or the Custodian such proof of citizenship or residence, exchange control approval, or such information relating to the registration on the books of the Company or the Foreign Registrar, if applicable, to execute such certificates and to make such representations and warranties, as the Depositary may deem necessary or proper. The Depositary may withhold the delivery or registration of transfer of any Receipt or the distribution of any dividend or sale or distribution of rights or of the proceeds thereof or the delivery of any Deposited Securities until such proof or other information is filed or such certificates are executed or such representations and warranties made. If requested in writing, the Depositary shall, as promptly as practicable, provide the Company, at the expense of the Company, with copies of any such proofs, certificates or other information it receives pursuant to this Article, unless prohibited by applicable law. No Share shall be accepted for deposit unless accompanied by evidence satisfactory to the Depositary that any necessary approval has been granted by any governmental body in Bermuda or Hong Kong which is then performing the function of the regulation of currency exchange.

## **7. CHARGES OF DEPOSITARY.**

The Company agrees to pay the fees, reasonable expenses and out-of-pocket charges of the Depositary and those of any Registrar only in accordance with agreements in writing entered into between the Depositary and the Company from time to time. The Depositary shall present its statement for such charges and expenses to the Company once every three months. The charges and expenses of the Custodian are for the sole account of the Depositary.

The following charges shall be incurred by any party depositing or withdrawing Shares or by any party surrendering Receipts or to whom Receipts are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by the Company or an exchange of stock regarding the Receipts or Deposited Securities or a distribution of Receipts pursuant to Section 4.3 of the Deposit Agreement), or by Owners, as applicable: (1) taxes, stamp duty and other governmental charges, (2) such registration fees as may from time to time be in effect for the registration of transfers of Shares generally on the Share register of the Company or Foreign Registrar and applicable to transfers of Shares to or from the name of the Depository or its nominee or the Custodian or its nominee on the making of deposits or withdrawals under the Deposit Agreement, (3) such cable, telex and facsimile transmission expenses as are expressly provided in the Deposit Agreement, (4) such expenses as are incurred by the Depository in the conversion of foreign currency pursuant to Section 4.5 of the Deposit Agreement, (5) a fee of \$5.00 or less per 100 American Depositary Shares (or portion thereof) for the execution and delivery of Receipts pursuant to Section 2.3, 4.3 or 4.4 of the Deposit Agreement and the surrender of Receipts pursuant to Section 2.5 or 6.2 of the Deposit Agreement, (6) a fee of \$.02 or less per American Depositary Share (or portion thereof) for any cash distribution made pursuant to the Deposit Agreement, including, but not limited to Sections 4.1 through 4.4 of the Deposit Agreement, (7) a fee for the distribution of securities pursuant to Section 4.2 of the Deposit Agreement, such fee being in an amount equal to the fee for the execution and delivery of American Depositary Shares referred to above which would have been charged as a result of the deposit of such securities (for purposes of this clause 7 treating all such securities as if they were Shares) but which securities are instead distributed by the Depository to Owners, (8) a fee of \$.02 or less per American Depositary Share (or portion thereof) for depository services, which will accrue on the last day of each calendar year and which will be payable as provided in clause (9) below; provided, however, that no fee will be assessed under this clause (8) to the extent a fee of \$.02 was charged pursuant to clause (6) above during that calendar year and (9) any other charge payable by the Depository, any of the Depository's agents, including the Custodian, or the agents of the Depository's agents in connection with the servicing of Shares or other Deposited Securities (which charge shall be assessed against Owners as of the date or dates set by the Depository in accordance with Section 4.6 of the Deposit Agreement and shall be payable at the sole discretion of the Depository by billing such Owners for such charge or by deducting such charge from one or more cash dividends or other cash distributions).

The Depository, subject to Section 2.9 of the Deposit Agreement, may own and deal in any class of securities of the Company and its affiliates and in Receipts.

#### **8. PRE-RELEASE OF RECEIPTS.**

The Depository may, notwithstanding Section 2.3 of the Deposit Agreement, execute and deliver Receipts prior to the receipt of Shares pursuant to Section 2.2 of the Deposit Agreement ("Pre-Release"). The Depository may, pursuant to Section 2.5 of the

Deposit Agreement, deliver Shares upon the receipt and cancellation of Receipts which have been Pre-Released, whether or not such cancellation is prior to the termination of such Pre-Release or the Depositary knows that such Receipt has been Pre-Released. The Depositary may receive Receipts in lieu of Shares in satisfaction of a Pre-Release. Each Pre-Release will be (a) preceded or accompanied by a written representation and agreement from the person to whom Receipts are to be delivered (the "Pre-Releasee") that the Pre-Releasee, or its customer, (i) owns the shares or Receipts to be remitted, as the case may be, (ii) assigns all beneficial rights, title and interest in such Shares or Receipts, as the case may be, to the Depositary in its capacity as such and for the benefit of the Owners, and (iii) will not take any action with respect to such Shares or Receipts, as the case may be, that is inconsistent with the transfer of beneficial ownership (including, without the consent of the Depositary, disposing of such Shares or Receipts, as the case may be), other than in satisfaction of such Pre-Release, (b) at all times fully collateralized with cash, U.S. government securities or such other collateral as the Depositary determines, in good faith, will provide substantially similar liquidity and security, (c) terminable by the Depositary on not more than five (5) business days notice, and (d) subject to such further indemnities and credit regulations as the Depositary deems appropriate. The number of Shares not deposited but represented by American Depositary Shares outstanding at any time as a result of Pre-Releases will not normally exceed thirty percent (30%) of the Shares deposited hereunder; provided, however, that the Depositary reserves the right to disregard such limit from time to time as it deems reasonably appropriate, and may, with the prior written consent of the Company, change such limit for purposes of general application. The Depositary will also set Dollar limits with respect to Pre-Release transactions to be entered into hereunder with any particular Pre-Releasee on a case-by-case basis as the Depositary deems appropriate. For purposes of enabling the Depositary to fulfill its obligations to the Owners under the Deposit Agreement, the collateral referred to in clause (b) above shall be held by the Depositary as security for the performance of the Pre-Releasee's obligations to the Depositary in connection with a Pre-Release transaction, including the Pre-Releasee's obligation to deliver Shares or Receipts upon termination of a Pre-Release transaction (and shall not, for the avoidance of doubt, constitute Deposited Securities hereunder).

The Depositary may retain for its own account any compensation received by it in connection with the foregoing.

#### **9. TITLE TO RECEIPTS.**

It is a condition of this Receipt and every successive Owner and Beneficial Owner of this Receipt by accepting or holding the same consents and agrees, that title to this Receipt when properly endorsed or accompanied by proper instruments of transfer, is transferable by delivery with the same effect as in the case of a negotiable instrument; under the laws of New York; provided, however, that the Depositary, notwithstanding any notice to the contrary, may treat the person in whose name this Receipt is registered on the books of the Depositary as the absolute owner hereof for the purpose of determining the person entitled to distribution of dividends or other distributions or to any notice provided for in the Deposit Agreement and for all other purposes.

## **10. VALIDITY OF RECEIPT.**

This Receipt shall not be entitled to any benefits under the Deposit Agreement or be valid or obligatory for any purpose, unless this Receipt shall have been executed by the Depositary by the manual signature of a duly authorized signatory of the Depositary; provided, however, that such signature may be a facsimile if a Registrar for the Receipts shall have been appointed, and such Receipts are countersigned by the manual or facsimile signature of a duly authorized officer of the Registrar.

## **11. REPORTS; INSPECTION OF TRANSFER BOOKS.**

The Company is subject to the periodic reporting requirements of the Securities Exchange Act of 1934 and, accordingly, files certain reports with the Securities and Exchange Commission (hereinafter called the "Commission").

Such reports and communications will be available for inspection and copying at the public reference facilities maintained by the Commission located at 450 Fifth Street, N.W., Washington, D.C. 20549.

The Depositary will make available for inspection by Owners of Receipts at its Corporate Trust Office, as promptly as practicable after receipt, any reports and communications, including any proxy soliciting material, received from the Company which are both (a) received by the Depositary as the holder of the Deposited Securities and (b) made generally available to the holders of such Deposited Securities by the Company. The Depositary shall also send to the Owners of Receipts copies of such reports when furnished by the Company pursuant to the Deposit Agreement. Any such reports and communications, including any such proxy soliciting material, furnished to the Depositary by the Company shall be furnished in English.

The Depositary shall keep books at its Corporate Trust Office for the registration of Receipts and transfers of Receipts which at all reasonable times shall be open for inspection by the Owners and the Company, provided that such inspection shall not be for the purpose of communicating with Owners of Receipts in the interest of a business or object other than the business of the Company or a matter related to the Deposit Agreement or the Receipts.

## **12. DIVIDENDS AND DISTRIBUTIONS.**

Whenever the Depositary shall receive any cash dividend or other cash distribution on any Deposited Securities, the Depositary shall, if at the time of receipt thereof any amounts received in a foreign currency can in the judgment of the Depositary be converted on a reasonable basis into United States dollars transferable to the United States, and subject to the Deposit Agreement, convert such dividend or distribution into Dollars and shall distribute the amount thus received (net of the fees and expenses of the

Depository as provided in the Deposit Agreement, if applicable) to the Owners of Receipts entitled thereto, provided, however, that in the event that the Company or the Depository shall be required to withhold and does withhold from such cash dividend or such other cash distribution in respect of any Deposited Securities an amount on account of taxes, the amount distributed to the Owners of the Receipts evidencing American Depositary Shares representing such Deposited Securities shall be reduced accordingly.

Subject to the provisions of Sections 4.11 and 5.9 of the Deposit Agreement, whenever the Depository shall receive any distribution other than a distribution described in Sections 4.1, 4.3 or 4.4 of the Deposit Agreement, the Depository shall, subject to all applicable laws, cause the securities or property received by it to be distributed to the Owners of Receipts entitled thereto, after deduction or upon payment of any fees and expenses of the Depository or any taxes or other governmental charges, in any manner that the Depository may deem equitable and practicable for accomplishing such distribution; provided, however, that if in the opinion of the Depository such distribution cannot be made proportionately among the Owners of Receipts entitled thereto, or if for any other reason the Depository deems such distribution not to be feasible, the Depository may adopt such method as it may deem equitable and practicable for the purpose of effecting such distribution, including, but not limited to, the public or private sale of the securities or property thus received, or any part thereof, and the net proceeds of any such sale (net of the fees of the Depository as provided in Section 5.9 of the Deposit Agreement) shall be distributed by the Depository to the Owners of Receipts entitled thereto as in the case of a distribution received in cash. The Depository may refuse to effect any distribution of securities under Section 4.2 of the Deposit Agreement unless it has received an opinion of United States counsel for the Company that is satisfactory to the Depository that the distribution does not require registration under the Securities Act.

If any distribution upon any Deposited Securities consists of a dividend in, or free distribution of, Shares, the Depository may distribute to the Owners of outstanding Receipts entitled thereto, additional Receipts evidencing an aggregate number of American Depositary Shares representing the amount of Shares received as such dividend or free distribution, subject to the terms and conditions of the Deposit Agreement with respect to the deposit of Shares and the issuance of American Depositary Shares evidenced by Receipts, including the withholding of any tax or other governmental charge as provided in Section 4.11 of the Deposit Agreement and the payment of the fees and expenses of the Depository as provided in Section 5.9 of the Deposit Agreement. In lieu of delivering Receipts for fractional American Depositary Shares in any such case, the Depository shall use reasonable efforts to sell the amount of Shares represented by the aggregate of such fractions and distribute any net proceeds to the Owners entitled to them, all in the manner and subject to the conditions set forth in the Deposit Agreement. If additional Receipts are not so distributed, each American Depositary Share shall thenceforth also represent the additional Shares distributed upon the Deposited Securities represented thereby.

The Company or its agent will remit to the appropriate governmental agencies in Bermuda and Hong Kong all amounts withheld and owing to such agencies. The Depositary will forward to the Company or its agent such information from its records as the Company may reasonably request to enable the Company or its agent to file necessary reports with governmental agencies, and the Depositary or the Company or its agent may file any such reports necessary to obtain benefits under the applicable tax treaties for the Owners of Receipts. In the event that the Depositary determines that any distribution in property (including Shares and rights to subscribe therefor) is subject to any tax or other governmental charge which the Depositary is obligated to withhold, the Depositary may by public or private sale dispose of all or a portion of such property (including Shares and rights to subscribe therefor) in such amounts and in such manner as the Depositary deems necessary and practicable to pay any such taxes or charges and the Depositary shall distribute the net proceeds of any such sale after deduction of such taxes or charges to the Owners of Receipts entitled thereto.

### **13. CONVERSION OF FOREIGN CURRENCY.**

Whenever the Depositary or the Custodian shall receive foreign currency, by way of dividends or other distributions or the net proceeds from the sale of securities, property or rights, and if at the time of the receipt thereof the foreign currency so received can in the judgment of the Depositary be converted on a reasonable basis into Dollars and the resulting Dollars transferred to the United States, the Depositary shall convert or cause to be converted, by sale or in any other manner that it may determine, such foreign currency into Dollars, and such Dollars shall be distributed to the Owners entitled thereto or, if the Depositary shall have distributed any warrants or other instruments which entitle the holders thereof to such Dollars, then to the holders of such warrants and/or instruments upon surrender thereof for cancellation. Such distribution may be made upon an averaged or other practicable basis without regard to any distinctions among Owners on account of exchange restrictions, the date of delivery of any Receipt or otherwise and shall be net of any expenses of conversion into Dollars incurred by the Depositary as provided in Section 5.9 of the Deposit Agreement.

If such conversion or distribution can be effected only with the approval or license of any government or agency thereof, the Depositary shall file such application for approval or license, if any, as it may deem desirable.

If at any time the Depositary shall determine that in its judgment any foreign currency received by the Depositary or the Custodian is not convertible on a reasonable basis into Dollars transferable to the United States, or if any approval or license of any government or agency thereof which is required for such conversion is denied or in the opinion of the Depositary is not obtainable without excessively burdensome or otherwise unreasonable efforts, or if any such approval or license is not obtained within a reasonable period as determined by the Depositary, or if there are foreign exchange controls in place that prohibit such conversion, the Depositary may distribute the foreign

currency (or an appropriate document evidencing the right to receive such foreign currency) received by the Depositary to, or in its discretion may hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled to receive the same.

If any such conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the Owners entitled thereto, the Depositary may in its discretion make such conversion and distribution in Dollars to the extent permissible to the Owners entitled thereto and may distribute the balance of the foreign currency received by the Depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of, the Owners entitled thereto.

#### 14. **RIGHTS.**

In the event that the Company shall offer or cause to be offered to the holders of any Deposited Securities any rights to subscribe for additional Shares or any rights of any other nature, the Depositary shall have discretion as to the procedure to be followed in making such rights available to any Owners to them or in disposing of such rights on behalf of any Owners otherwise entitled to them and making the net proceeds available to such Owners or, if by the terms of such rights offering or for any other reason, the Depositary may not either make such rights available to any Owners or dispose of such rights and make the net proceeds available to such Owners, then the Depositary shall allow the rights to lapse. If at the time of the offering of any rights the Depositary determines in its reasonable discretion that it is lawful and feasible to make such rights available to all Owners or to certain Owners but not to other Owners, the Depositary may distribute, to any Owner to whom it determines the distribution to be lawful and feasible, in proportion to the number of American Depositary Shares held by such Owner, warrants or other instruments therefor in such form as it deems appropriate.

In circumstances in which rights would otherwise not be distributed, if an Owner of Receipts requests the distribution of warrants or other instruments in order to exercise the rights allocable to the American Depositary Shares of such Owner under the Deposit Agreement, the Depositary will make such rights available to such Owner upon written notice from the Company to the Depositary that (a) the Company has elected in its sole discretion to permit such rights to be exercised and (b) such Owner has executed such documents as the Company has determined in its sole discretion are reasonably required under applicable law.

If the Depositary has distributed warrants or other instruments for rights to all or certain Owners, then upon instruction from such an Owner pursuant to such warrants or other instruments to the Depositary from such Owner to exercise such rights, upon payment by such Owner to the Depositary for the account of such Owner of an amount equal to the purchase price of the Shares to be received upon the exercise of the rights, and upon payment of the fees and expenses of the Depositary and any other charges as set



forth in such warrants or other instruments, the Depositary shall, on behalf of such Owner, exercise the rights and purchase the Shares, and the Company shall cause the Shares so purchased to be delivered to the Depositary on behalf of such Owner. As agent for such Owner, the Depositary will cause the Shares so purchased to be deposited pursuant to Section 2.2 of the Deposit Agreement, and shall, pursuant to Section 2.3 of the Deposit Agreement, execute and deliver Receipts to such Owner. In the case of a distribution pursuant to the second paragraph of this Article, such Receipts shall be legended in accordance with applicable U.S. laws, and shall be subject to the appropriate restrictions on sale, deposit, cancellation and transfer under such laws.

If the Depositary determines in its reasonable discretion that it is not lawful and feasible to make such rights available to all or certain Owners, it may sell the rights, warrants or other instruments in proportion to the number of American Depositary Shares held by the Owners to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees and expenses of the Depositary as provided in Section 5.9 of the Deposit Agreement and all taxes and governmental charges payable in connection with such rights and subject to the terms and conditions of the Deposit Agreement) for the account of such Owners otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such Owners because of exchange restrictions or the date of delivery of any Receipt or otherwise.

The Depositary will not offer rights to Owners unless both the rights and the securities to which such rights relate are either exempt from registration under the Securities Act with respect to a distribution to Owners or are registered under the provisions of the Securities Act; provided, however, that nothing in the Deposit Agreement shall create any obligation on the part of the Company to file a registration statement with respect to such rights or underlying securities or to endeavor to have such a registration statement declared effective. If an Owner of Receipts requests distribution of warrants or other instruments, notwithstanding that there has been no such registration under the Securities Act, the Depositary shall not effect such distribution unless it has received an opinion from recognized counsel in the United States for the Company upon which the Depositary may rely that such distribution to such Owner is exempt from such registration; provided, however, that the Company shall have no obligation to cause its counsel to issue such opinion at the request of such Owner.

The Depositary shall not be responsible for any reasonable failure to determine that it may be lawful or feasible to make such rights available to Owners in general or any Owner in particular.

#### 15. **RECORD DATES.**

Whenever any cash dividend or other cash distribution shall become payable or any distribution other than cash shall be made, or whenever rights shall be issued with

respect to the Deposited Securities, or whenever for any reason the Depositary causes a change in the number of Shares that are represented by each American Depositary Share, or whenever the Depositary shall receive notice of any meeting of holders of Shares or other Deposited Securities, or whenever the Depositary shall find it necessary or convenient, the Depositary shall fix a record date, which date shall be the same date, to the extent practicable, as the record date for the Deposited Securities or if different, as close thereto as practicable (a) for the determination of the Owners of Receipts who shall be (i) entitled to receive such dividend, distribution or rights or the net proceeds of the sale thereof or (ii) entitled to give instructions for the exercise of voting rights at any such meeting, (b) on or after which each American Depositary Share will represent the changed number of Shares or (c) for any other matter, subject to the provisions of the Deposit Agreement.

#### **16. VOTING OF DEPOSITED SECURITIES.**

Upon receipt of notice of any meeting of holders of Shares or other Deposited Securities, if requested in writing by the Company the Depositary shall, as soon as practicable thereafter, mail to the Owners a notice, the form of which notice shall be in the discretion of the Depositary and shall contain (a) such information as is contained in such notice of meeting, and (b) a statement that the Owners as of the close of business on a specified record date will be entitled, subject to any applicable provision of the laws of Hong Kong and Bermuda and of the Memorandum of Association and By-Laws, as amended, of the Company, to instruct the Depositary as to the exercise of the voting rights, if any, pertaining to the amount of Shares or other Deposited Securities represented by their respective American Depositary Shares and (c) a statement as to the manner in which such instructions may be given. Upon the written request of an Owner of a Receipt on such record date, received on or before the date established by the Depositary for such purpose (the "Instruction Date"), the Depositary shall endeavor, in so far as practicable, to vote or cause to be voted the amount of Shares or other Deposited Securities represented by the American Depositary Shares evidenced by such Receipt in accordance with the instructions set forth in such request. The Depositary shall not vote or attempt to exercise the right to vote that attaches to such Shares or other Deposited Securities other than in accordance with such instructions.

There can be no assurance that Owners generally or any Owner in particular will receive the notice described in the first paragraph of Section 4.7 of the Deposit Agreement sufficiently prior to the Instruction Date to ensure that the Depositary will vote the Shares or Deposited Securities in accordance with the provisions of that paragraph.

#### **17. CHANGES AFFECTING DEPOSITED SECURITIES.**

In circumstances where the provisions of Section 4.3 of the Deposit Agreement do not apply, upon any change in nominal value, change in par value, split-up, consolidation or any other reclassification of Deposited Securities, or upon any recapitalization,

reorganization, merger or consolidation, or sale of assets affecting the Company or to which it is a party, any securities which shall be received by the Depositary or a Custodian in exchange for or in conversion of or in respect of Deposited Securities shall be treated as new Deposited Securities under the Deposit Agreement, and American Depositary Shares shall thenceforth represent, in addition to the existing Deposited Securities, if any, the new Deposited Securities so received in exchange or conversion, unless additional Receipts are delivered pursuant to the following sentence. In any such case the Depositary may execute and deliver additional Receipts as in the case of a dividend in Shares, or call for the surrender of outstanding Receipts to be exchanged for new Receipts specifically describing such new Deposited Securities.

#### **18. LIABILITY OF THE COMPANY AND DEPOSITARY.**

Neither the Depositary nor the Company nor any of their respective directors, officers, employees, agents or affiliates shall incur any liability to any Owner or Beneficial Owner of any Receipt, if by reason of any provision of any present or future law or regulation of the United States, Hong Kong, the People' s Republic of China, Bermuda or any other country, or of any governmental or regulatory authority or stock exchange, or by reason of any provision, present or future, of the Memorandum of Association and By-Laws, as amended, of the Company, or by reason of any provision of any securities issued or distributed by the Company, or any Offering or distribution thereof or by reason of any act of God or war or terrorism or other circumstances beyond its control, the Depositary or the Company shall be prevented, delayed or forbidden from, or be subject to any civil or criminal penalty on account of, doing or performing any act or thing which by the terms of the Deposit Agreement or Deposited Securities it is provided shall be done or performed; nor shall the Depositary or the Company or any of their respective directors, officers, employees, agents or affiliates incur any liability to any Owner or Beneficial Owner of a Receipt by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or thing which by the terms of the Deposit Agreement it is provided shall or may be done or performed, or by reason of any exercise of, or failure to exercise, any discretion provided for in the Deposit Agreement. Where, by the terms of a distribution pursuant to Sections 4.1, 4.2 or 4.3 of the Deposit Agreement, or an offering or distribution pursuant to Section 4.4 of the Deposit Agreement, or for any other reason, such distribution or offering may not be made available to Owners of Receipts, and the Depositary may not dispose of such distribution or offering on behalf of such Owners and make the net proceeds available to such Owners, then the Depositary shall not make such distribution or offering, and shall allow any rights, if applicable, to lapse in each such case without liability to the Company or the Depositary.

Neither the Company nor the Depositary nor any of their directors, officers, employees, agents or affiliates assumes any obligation or shall be subject to any liability under the Deposit Agreement to Owners or Beneficial Owners of Receipts, except that the Company and the Depositary agree to perform their obligations specifically set forth

in the Deposit Agreement without negligence or bad faith. The Depository shall not be subject to any liability with respect to the validity or worth of the Deposited Securities. Neither the Depository nor the Company shall be under any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any Deposited Securities or in respect of the Receipts that in its opinion may involve it in expense or liability, unless indemnity satisfactory to it against all expenses and liability shall be furnished as often as may be required, and the Custodian shall not be under any obligation whatsoever with respect to such proceedings, the responsibility of the Custodian being solely to the Depository. Neither the Depository nor the Company shall be liable for any action or nonaction by it in reliance upon the advice of or information from legal counsel, accountants, any person presenting Shares for deposit, any Owner or Beneficial Owner of a Receipt, or any other person believed by it in good faith to be competent to give such advice or information. The Depository shall not be liable for any acts or omissions made by a successor depository whether in connection with a previous act or omission of the Depository or in connection with any matter arising wholly after the removal or resignation of the Depository, provided that in connection with the issue out of which such potential liability arises the Depository performed its obligations without negligence or bad faith while it acted as Depository. The Depository shall not be responsible for any failure to carry out any instructions to vote any of the Deposited Securities, or for the manner in which any such vote is cast or the effect of any such vote, provided that any such action or nonaction is in good faith. No disclaimer of liability under the Securities Act is intended by any provision of the Deposit Agreement.

#### **19. RESIGNATION AND REMOVAL OF THE DEPOSITARY.**

The Depository may at any time resign as Depository under the Deposit Agreement by written notice of its election so to do delivered to the Company, such resignation to take effect upon the appointment of a successor depository and its acceptance of such appointment as provided in the Deposit Agreement. The Depository may at any time be removed by the Company by 120 days prior written notice of such removal, which shall become effective upon the later to occur of the (i) 120<sup>th</sup> day after delivery of the notice to the Depository or (ii) the appointment of a successor depository and its acceptance of such appointment as provided in the Deposit Agreement. Whenever the Depository in its discretion determines that it is in the best interest of the Owners of Receipts to do so, it may appoint a substitute or additional custodian or custodians.

#### **20. AMENDMENT.**

The form of the Receipts and any provisions of the Deposit Agreement may at any time and from time to time be amended by agreement between the Company and the Depository without the consent of Owners and Beneficial Owners in any respect which they may deem necessary or desirable. Any amendment which shall impose or increase any fees or charges (other than taxes and other governmental charges, registration fees, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or which shall otherwise prejudice any substantial existing right of Owners of Receipts,

shall, however, not become effective as to outstanding Receipts until the expiration of 30 days after notice of such amendment shall have been given to the Owners of outstanding Receipts. Every Owner of a Receipt at the time any amendment so becomes effective shall be deemed, by continuing to hold such Receipt, to consent and agree to such amendment and to be bound by the Deposit Agreement as amended thereby. In no event shall any amendment impair the right of the Owner of any Receipt to surrender such Receipt and receive therefor the Deposited Securities represented thereby, except in order to comply with mandatory provisions of applicable law.

## **21. TERMINATION OF DEPOSIT AGREEMENT.**

The Depository shall at any time at the direction of the Company terminate the Deposit Agreement by mailing notice of such termination to the Owners of all Receipts then outstanding at least 30 days prior to the date fixed in such notice for such termination. The Depository may likewise terminate the Deposit Agreement by mailing notice of such termination to the Company and the Owners of all Receipts then outstanding if at any time 60 days shall have expired after the Depository shall have delivered to the Company a written notice of its election to resign and a successor depository shall not have been appointed and accepted its appointment as provided in the Deposit Agreement. On and after the date of termination, the Owner of a Receipt will, upon (a) surrender of such Receipt at the Corporate Trust Office of the Depository, (b) payment of the fee of the Depository for the surrender of Receipts referred to in Section 2.5 of the Deposit Agreement and (c) payment of any applicable taxes or governmental charges, be entitled to delivery, to him or upon his order, of the amount of Deposited Securities represented by the American Depositary Shares evidenced by such Receipt. If any Receipts shall remain outstanding after the date of termination, the Depository thereafter shall discontinue the registration of transfers of Receipts, shall suspend the distribution of dividends to the Owners thereof, and shall not give any further notices or perform any further acts under the Deposit Agreement, except that the Depository shall continue to collect dividends and other distributions pertaining to Deposited Securities, shall sell rights and other property as provided in the Deposit Agreement, and shall continue to deliver Deposited Securities, together with any dividends or other distributions received with respect thereto and the net proceeds of the sale of any rights or other property, in exchange for Receipts surrendered to the Depository (after deducting, in each case, the fee of the Depository for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement and any applicable taxes or governmental charges). At any time after the expiration of six months from the date of termination, the Depository may sell the Deposited Securities then held under the Deposit Agreement and may thereafter hold uninvested the net proceeds of any such sale, together with any other cash then held by it thereunder, unsegregated and without liability for interest, for the pro rata benefit of the Owners of Receipts which have not theretofore been surrendered, such Owners thereupon becoming general creditors of the Depository with respect to such net proceeds. After making such sale, the Depository shall be discharged from all obligations under the

Deposit Agreement, except for its obligations to the Company under Section 5.8 of the Deposit Agreement and to account for such net proceeds and other cash (after deducting, in each case, the fee of the Depository for the surrender of a Receipt, any expenses for the account of the Owner of such Receipt in accordance with the terms and conditions of the Deposit Agreement, and any applicable taxes or governmental charges). Upon the termination of the Deposit Agreement, the Company shall be discharged from all obligations under the Deposit Agreement except for its obligations to the Depository under Sections 5.8 and 5.9 of the Deposit Agreement.

**23. SUBMISSION TO JURISDICTION; APPOINTMENT OF AGENT FOR SERVICE OF PROCESS.**

The Company has (i) irrevocably designated and appointed CT Corporation System, 111 Eighth Avenue, New York, New York, as the Company's authorized agent upon which process may be served in any suit or proceeding arising out of or relating to the Shares or Deposited Securities, the American Depositary Shares, the Receipts or this Agreement, (ii) consents and submits to the jurisdiction of any state or federal court in the State of New York in which any such suit or proceeding may be instituted, and (iii) agrees that service of process upon said authorized agent shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company agrees to deliver, upon the execution and delivery of the Deposit Agreement, a written acceptance by such agent of its appointment as such agent. The Company further agrees to take any and all action, including the filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment in full force and effect for so long as any American Depositary Shares or Receipts remain outstanding or the Deposit Agreement remains in force. In the event the Company fails to continue such designation and appointment in full force and effect, the Company hereby waives personal service of process upon it and consents that any such service of process may be made by certified or registered mail, return receipt requested, directed to the Company at its address last specified for notices hereunder, and service so made shall be deemed completed five (5) days after the same shall have been so mailed.

**24. ARBITRATION.**

In the event the Depository is advised that a judgment of a court in the United States court may not be recognized, the following provisions shall apply:

(i) Any controversy, claim or cause of action brought by any party or parties hereto against any other party or parties hereto arising out of or relating to the Deposit Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and judgment upon the award rendered by the arbitrators may be entered in any court having jurisdiction thereof.

(ii) The place of the arbitration shall be the City of New York, State of New York, United States of America, and the language of the arbitration shall be English.

(iii) The number of arbitrators shall be three, each of whom shall be disinterested in the dispute or controversy, shall have no connection with any party thereto, and shall be an attorney experienced in international securities transactions. Each party shall appoint one arbitrator and the two arbitrators shall select a third arbitrator who shall serve as chairperson of the tribunal. If a dispute, controversy or cause of action shall involve more than two parties, the parties shall attempt to align themselves in two sides (i.e., claimant and respondent), each of which shall appoint one arbitrator as if there were only two parties to such dispute, controversy or cause of action. If either or both parties fail to select an arbitrator, or if such alignment (in the event there is more than two parties) shall not have occurred, within sixty (60) calendar days after the initiating party serves the arbitration demand or the two arbitrators fail to select a third arbitrator within sixty (60) calendar days of the selection of the second arbitrator, the American Arbitration Association shall appoint the arbitrator or arbitrators in accordance with its rules. The parties and the American Arbitration Association may appoint the arbitrators from among the nationals of any country, whether or not a party is a national of that country.

(iv) The arbitrators shall have no authority to award damages not measured by the prevailing party's actual damages and shall have no authority to award any consequential, special or punitive damages, and may not, in any event, make any ruling, finding or award that does not conform to the terms and conditions of the Deposit Agreement.

In the event any third-party action or proceeding is instituted against the Depository relating to or arising from any act or failure to act by the Company, the Company hereby submits to the personal jurisdiction of the court or administrative agency in which such action or proceeding is brought.

## **25. COMPLIANCE WITH U.S. SECURITIES LAWS.**

Notwithstanding anything in the Deposit Agreement to the contrary, the Company and the Depository each agrees that it will not exercise any rights it has under the Deposit Agreement to permit the withdrawal or delivery of Deposited Securities in a manner which would violate the U.S. securities laws, including, but not limited to, Section I.A.(1) of the General Instructions to the Form F-6 Registration Statement, as amended from time to time, under the Securities Act.

[ ], 2005

A-Max Technology Limited  
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New Territories  
Hong Kong

DIRECT LINE: 441-299-  
E-MAIL: cltan@cdp.bm  
OUR REF: TCL/193211  
YOUR REF:

Dear Sirs

**A-Max Technology Limited (the “Company”)**

We have acted as special legal counsel in Bermuda to the Company in connection with a registration statement on form F-1 (Registration No.333-128297) originally filed with the U.S. Securities and Exchange Commission (the “Commission”) on 13 September, 2005, as amended to [ ], 2005 (the “Registration Statement”) relating to the registration under the U.S. Securities Act of 1933, as amended, (the “Securities Act”) of an aggregate of [number] common shares, par value US\$ each, of which [number] (the “Issued Shares”) are being offered by the Company and [number] (the “Selling Shareholder Shares”) are being offered by certain selling shareholders of the Company.

For the purposes of giving this opinion, we have examined a copy of the Registration Statement. We have also reviewed the memorandum of association and the bye-laws of the Company, each certified by the Secretary of the Company on [ ], 2005, copies of unanimous written resolutions of the board of directors of the Company dated 9 September, 2005 (the “Minutes”), a copy of the register of members of the Company, certified as true by a director of the Company on [ ], 2005, a certificate executed by a director of the Company dated [ ], 2005 and such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (a) the genuineness and authenticity of all signatures and the conformity to the originals of all copies (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken, (b) that where a document has been examined by us in draft form, it will be or has been executed and/or filed in the form of that draft, and where a number of drafts of a document have been examined by us all changes thereto have been marked or otherwise drawn to our attention, (c) the accuracy and completeness of all factual representations made in the Registration Statement and other documents reviewed by us, and (d) that there is no provision of the law of any jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda.



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On the basis of and subject to the foregoing, we are of the opinion that:

1. The Company is duly incorporated and existing under the laws of Bermuda in good standing (meaning solely that it has not failed to make any filing with any Bermuda government authority or to pay any Bermuda government fees or tax which would make it liable to be struck off the Register of Companies and thereby cease to exist under the laws of Bermuda).
2. When issued and paid for as contemplated by the Registration Statement, the Issued Shares will be validly issued, fully paid and non-assessable (which term means when used herein that no further sums are required to be paid by the holders thereof in connection with the issue of such shares).
3. The Selling Shareholder Shares are validly issued, fully paid and non-assessable.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the references to our firm under the captions “Legal Matters”, “Taxation” and “Enforceability of Civil Liabilities” in the prospectus forming a part of the Registration Statement. In giving this consent, we do not hereby admit that we are experts within the meaning of Section 11 of the Securities Act or that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder.

Yours faithfully

CONYERS DILL & PEARMAN

[ ], 2005

A-Max Technology Limited  
10/F, A-Max Technology Tower  
12-16 Fui Yiu Kok Street, Tsuen Wan  
New Territories  
Hong Kong

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E-MAIL: cltan@cdp.bm  
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YOUR REF:

Dear Sirs,

**A-Max Technology Limited (the “Company”)**

We have acted as special legal counsel in Bermuda to the Company in connection with an initial public offering of certain ordinary shares in the Company in the form of American Depositary Shares (the “Shares”) as described in the prospectus (the “Prospectus”) contained in the Company’s registration statement on Form F-1 originally filed with the United States Securities and Exchange Commission on September 13, 2005, and as amended up to [ ], 2005 (the “Registration Statement”).

For the purposes of giving this opinion, we have examined and relied upon copies of the following documents:

- (i) the Registration Statement; and
- (ii) a draft of the prospectus (the “Prospectus”) contained in the Registration Statement.

We have also reviewed (1) the memorandum of association and the bye-laws of the Company, each certified by the Secretary of the Company on [ ], 2005, (2) a copy of a tax assurance given under the hand of the Registrar of Companies for the Minister of Finance on 2 April, 2004 and in effect until 28 March, 2016, and (3) such other documents and made such enquiries as to questions of law as we have deemed necessary in order to render the opinion set forth below.

We have assumed (i) the genuineness and authenticity of all signatures, stamps and seals and the conformity to the originals of all copies of documents (whether or not certified) examined by us and the authenticity and completeness of the originals from which such copies were taken; (ii) the accuracy and completeness of all factual representations made in the Prospectus and Registration Statement and other documents reviewed by us, and (iii) that there is no provision of the law of any

jurisdiction, other than Bermuda, which would have any implication in relation to the opinions expressed herein.

We have made no investigation of and express no opinion in relation to the laws of any jurisdiction other than Bermuda. This opinion is to be governed by and construed in accordance with the laws of Bermuda and is limited to and is given on the basis of the current law and practice in Bermuda.

On the basis of and subject to the foregoing, we are of the opinion that the statements relating to Bermuda tax matters set forth under the caption "Taxation-Bermuda taxation" in the Prospectus are true and accurate based on current law and practice at the date of this letter and that such statements constitute our opinion.

We hereby consent to the filing with the Securities and Exchange Commission of this letter as an exhibit to the Registration Statement of which the Prospectus is a part, and the reference to us under the captions "Legal matters", "Taxation" and "Enforceability of civil liabilities" in the Prospectus contained in the Registration Statement. In giving the foregoing consent, we do not admit that we are within the category of persons whose consent is required under section 7 of the United States Securities Act of 1933 as amended.

Yours faithfully,

**CONYERS DILL & PEARMAN**

## LATHAM &amp; WATKINS LLP

[ ], 2005

53rd at Third  
 885 Third Avenue  
 New York, New York 10022-4834  
 Tel: (212) 906-1200 Fax: (212) 751-4864  
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## FIRM / AFFILIATE OFFICES

Boston	New York
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London	Shanghai
Los Angeles	Silicon Valley
Milan	Singapore
Moscow	Tokyo
New Jersey	Washington, D.C.

A-Max Technology Limited  
 10/F, A-MAX Technology Tower  
 12-16 Fui Yiu Kok Street, Tsuen Wan  
 New Territories, Hong Kong

Re: [ ] American Depositary Shares, representing [ ] Ordinary Shares of A-Max Technology Limited (the "Company")

Ladies and Gentlemen:

In connection with the proposed public offering on the date hereof of [ ] American Depositary Shares ("ADSs"), each representing [ ] ordinary shares, par value \$0.00002 per share ("Ordinary Shares"), of the Company, pursuant to the registration statement on Form F-1 under the Securities Act of 1933, as amended (the "Act"), originally filed by the Company with the Securities and Exchange Commission (the "Commission") on September 13, 2005, as amended to date (the "Registration Statement"), you have requested our opinion concerning the statements in the Registration Statement under the caption "Taxation – United States Federal Income Taxation."

The facts, as we understand them, and upon which with your permission we rely in rendering the opinion herein, are set forth in the Registration Statement.

In our capacity as counsel to the Company, we have made such legal and factual examinations and inquiries, including an examination of originals or copies certified or otherwise identified to our satisfaction of such documents, corporate records and other instruments as we have deemed necessary or appropriate for purposes of this opinion. In our examination, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures thereon, the legal capacity of natural persons executing such documents and the conformity to authentic original documents of all documents submitted to us as copies. For the purpose of our opinion, we have not made an independent investigation, or audit of the facts set forth in the above-referenced documents.

We are opining herein as to the effect on the subject transaction only of the federal income tax laws of the United States and we express no opinion with respect to the applicability thereto, or the effect thereon, of other federal laws, the laws of any state or any other jurisdiction or as to any matters of municipal law or the laws of any other local agencies within any state.

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**LATHAM & WATKINS** LLP

Based on such facts and subject to the limitations set forth in the Registration Statement, the statements of law or legal conclusions in the Registration Statement under the caption “Taxation – United States Federal Income Taxation” constitute the opinion of Latham & Watkins LLP as to the material United States federal income tax consequences of an investment in the ADSs or ordinary shares.

No opinion is expressed as to any matter not discussed herein.

This opinion is rendered to you as of the date of this letter, and we undertake no obligation to update this opinion subsequent to the date hereof. This opinion is based on various statutory provisions, regulations promulgated thereunder and interpretations thereof by the Internal Revenue Service and the courts having jurisdiction over such matters, all of which are subject to change either prospectively or retroactively. Also, any variation or difference in the facts from those set forth in the Registration Statement may affect the conclusions stated herein.

This opinion is furnished to you, and is for your use in connection with the transactions set forth in the Registration Statement. This opinion may not be relied upon by you for any other purpose, or furnished to, quoted to, or relied upon by any other person, firm or corporation, for any purpose, without our prior written consent, except that this opinion may be relied upon by persons entitled to rely on it pursuant to applicable provisions of federal securities law.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to the use of our name under the caption “Legal Matters” in the prospectus included in the Registration Statement. In giving such consent, we do not thereby admit that we are within the category of persons whose consent is required under Section 7 of the Act, or the rules or regulations of the Commission promulgated thereunder.

Very truly yours,

Latham & Watkins LLP

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**A-MAX TECHNOLOGY LIMITED****2005 SHARE INCENTIVE PLAN****ARTICLE 1****PURPOSE**

The purpose of the A-Max Technology Limited 2005 Share Incentive Plan (the “Plan”) is to promote the success and enhance the value of A-Max Technology Limited, a Bermuda limited liability company (the “Company”) by linking the personal interests of the members of the Board, Employees and Consultants to those of Company shareholders and by providing such individuals with an incentive for outstanding performance to generate superior returns to Company shareholders. The Plan is further intended to provide flexibility to the Company in its ability to motivate, attract, and retain the services of members of the Board, Employees and Consultants upon whose judgment, interest, and special effort the successful conduct of the Company’ s operation is largely dependent.

**ARTICLE 2****DEFINITIONS AND CONSTRUCTION**

Wherever the following terms are used in the Plan they shall have the meanings specified below, unless the context clearly indicates otherwise. The singular pronoun shall include the plural where the context so indicates.

2.1 “Applicable Laws” means the legal requirements relating to the Plan and the Awards under applicable provisions of the corporate and securities laws of Bermuda, the Code, the PRC tax laws, rules, regulations and government orders, the rules of any applicable Share exchange or national market system, and the laws and the rules of any jurisdiction applicable to Awards granted to residents therein.

2.2 “Award” means an Option, a Restricted Share award, or a Restricted Share Unit award granted to a Participant pursuant to the Plan.

2.3 “Award Agreement” means any written agreement, contract, or other instrument or document evidencing an Award, including through electronic medium.

2.4 “Board” means the Board of Directors of the Company.

2.5 “Change in Control” means and includes each of the following: (a) (i) the merger or consolidation of the Company or a Subsidiary into or with one or more Persons, (ii) the merger or consolidation of one or more Persons into or with the Company or a Subsidiary or (iii) a tender offer or other business combination if, in the case of (i), (ii) or (iii), the shareholders of the Company prior to such merger or consolidation do not retain, directly or indirectly, at least a majority of the voting power of the surviving Person or (b) the voluntary issuance, sale, conveyance, exchange or transfer to another Person of (i) the voting Share Capital of the Company or a Subsidiary if, after such sale, conveyance, exchange or transfer, the shareholders

of the Company prior to such issuance, sale, conveyance, exchange or transfer do not retain, directly or indirectly, at least a majority of the voting power of the Company or (c) the voluntary sale, conveyance, exchange or transfer to another Person of all or substantially all of the assets of the Company or (d) the Company's shareholders approve a liquidation or dissolution of the Company.

The Committee shall determine whether a Change in Control of the Company has occurred under the above definition, and the date of the occurrence of such Change in Control and any incidental matters relating thereto.

2.6 "Code" means the Internal Revenue Code of 1986 of the United States, as amended.

2.7 "Committee" means the committee of the Board described in Article 11.

2.8 "Consultant" means any consultant or adviser if: (a) the consultant or adviser renders bona fide services to the Company or a Subsidiary; (b) the services rendered by the consultant or adviser are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company's securities; and (c) the consultant or adviser is a natural person who has contracted directly with the Company or a Subsidiary to render such services.

2.9 "Disability" means that the Participant qualifies to receive long-term disability payments under the Company's long-term disability insurance program, as it may be amended from time to time, to which the Participant provides services regardless of whether the Participant is covered by such policy.

2.10 "Effective Date" shall have the meaning set forth in Section 12.1.

2.11 "Employee" means any officer or other employee (as defined in accordance with Section 3401(c) of the Code) of the Company or any Subsidiary. A person shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company, or (b) transfers between locations of the Company or between the Company, any Subsidiary or any successor. For purposes of Incentive Share Options, no such leave may exceed 90 days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. Neither service as a director nor payment of a director's fee by the Company shall be sufficient, by itself, to constitute "employment" by the Company

2.12 "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

2.13 "Fair Market Value" means, as of any date, the value of Shares determined as follows:

(a) If the Shares are listed on any recognized stock exchange or a national market system, including without limitation, the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such Shares (or the closing bid, if no sales were reported) as quoted on such exchange or system for the last market trading day prior to the date of determination, as reported in *The Wall Street Journal* or such other source as the Committee deems reliable;

(b) If the Shares are regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean of the closing bid and asked prices for the Shares on the date prior to the date of determination as reported in *The Wall Street Journal* or such other source as the Committee deems reliable; or

(c) In the absence of an established market for the Shares, the Fair Market Value thereof shall be determined in good faith by the Committee.

2.14 “Incentive Share Option” means an Option that is intended to meet the requirements of Section 422 of the Code or any successor provision thereto.

2.15 “Independent Director” means a member of the Board who is not an Employee of the Company.

2.16 “Non-Qualified Share Option” means an Option that is not intended to be an Incentive Share Option.

2.17 “Option” means a right granted to a Participant pursuant to Article 5 of the Plan to purchase a specified number of Shares at a specified price during specified time periods. An Option may be either an Incentive Share Option or a Non-Qualified Share Option.

2.18 “Participant” means a person who, as a member of the Board, Employee or Consultant, has been granted an Award pursuant to the Plan.

2.19 “Plan” means this A-Max Technology Limited 2005 Share Incentive Plan, as amended from time to time.

2.20 “Person” means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

2.21 “PRC” means the People’s Republic of China.

2.22 “Restricted Share” means a Share awarded to a Participant pursuant to Article 6 that is subject to certain restrictions and may be subject to risk of forfeiture.

2.23 “Restricted Share Unit” means an Award granted pursuant to Section 7.6.

2.24 “Securities Act” means the Securities Act of 1933 of the United States, as amended.

2.25 “Share” means the ordinary share capital of the Company, par value US\$0.00002 per share, and such other securities of the Company that may be substituted for Shares pursuant to Article 10.



2.26 “Share Capital” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, such Person’s share capital (including, without limitation, ordinary shares and preferred shares) and any and all rights, warrants or options exchangeable for or convertible into such share capital.

2.27 “Share Payment” means (a) a payment in the form of Shares, or (b) an option or other right to purchase Shares, as part of any bonus, deferred compensation or other arrangement, made in lieu of all or any portion of the compensation, granted pursuant to Article 8.

2.28 “Subsidiary” means any “subsidiary corporation” as defined in Section 424(f) of the Code and any applicable regulations promulgated thereunder or any corporation or other entity of which a majority of the outstanding voting shares or voting power is beneficially owned directly or indirectly by the Company.

### **ARTICLE 3**

#### **SHARES SUBJECT TO THE PLAN**

##### **3.1 Number of Shares.**

(a) Subject to Section 3.1(b) and 3.2, the aggregate number of Shares which may be issued or transferred pursuant to Awards under the Plan shall be 99,043,396 shares.

(b) To the extent that an Award terminates, expires, or lapses for any reason, any Shares subject to the Award shall again be available for the grant of an Award pursuant to the Plan. Additionally, any Shares tendered or withheld to satisfy the grant or exercise price or tax withholding obligation pursuant to any Award shall again be available for the grant of an Award pursuant to the Plan. To the extent permitted by applicable law or any exchange rule, Shares issued in assumption of, or in substitution for, any outstanding awards of any entity acquired in any form of combination by the Company or any Subsidiary shall not be counted against Shares available for grant pursuant to this Plan.

3.2 Shares Distributed. Any Shares distributed pursuant to an Award may consist, in whole or in part, of authorized and unissued Shares, treasury or Shares purchased on the open market. Additionally, in the discretion of the Committee, American Depository Shares in an amount equal to the number of Shares which otherwise would be distributed pursuant to an Award may be distributed in lieu of Shares in settlement of any Award. If the number of Shares represented by an American Depository Share is other than on a one-to-one basis, the limitations of Section 3.1 shall be adjusted to reflect the distribution of American Depository Shares in lieu of Shares.

### **ARTICLE 4**

#### **ELIGIBILITY AND PARTICIPATION**

4.1 Eligibility. Persons eligible to participate in this Plan include Employees, Consultants and all members of the Board, as determined by the Committee.

4.2 Participation. Subject to the provisions of the Plan, the Committee may, from time to time, select from among all eligible individuals, those to whom Awards shall be granted and shall determine the nature and amount of each Award. No individual shall have any right to be granted an Award pursuant to this Plan.

4.3 Jurisdictions. In order to assure the viability of Awards granted to Participants employed in various jurisdictions, the Committee may provide for such special terms as it may consider necessary or appropriate to accommodate differences in local law, tax policy, or custom applicable in the jurisdiction in which the Participant resides or is employed. Moreover, the Committee may approve such supplements to, or amendments, restatements, or alternative versions of, the Plan as it may consider necessary or appropriate for such purposes without thereby affecting the terms of the Plan as in effect for any other purpose; *provided, however*, that no such supplements, amendments, restatements, or alternative versions shall increase the share limitations contained in Section 3.1 of the Plan. Notwithstanding the foregoing, the Committee may not take any actions hereunder, and no Awards shall be granted, that would violate any Applicable Laws.

## ARTICLE 5

### OPTIONS

5.1 General. The Committee is authorized to grant Options to Participants on the following terms and conditions:

(a) Exercise Price. The exercise price per Share subject to an Award shall be determined by the Committee and set forth in the Award Agreement; *provided* that the exercise price for any Award shall not be less than Fair Market Value on the date the Award is granted.

(b) Time and Conditions of Exercise. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, including exercise prior to vesting; *provided* that the term of any Option granted under the Plan shall not exceed ten years, except as provided in Section 10.2. The Committee shall also determine any conditions, if any, that must be satisfied before all or part of an Option may be exercised.

(c) Payment. The Committee shall determine the methods by which the exercise price of an Option may be paid, the form of payment, including, without limitation (i) cash or check denominated in U.S. Dollars, (ii) Shares held for such period of time as may be required by the Committee in order to avoid adverse financial accounting consequences and having a Fair Market Value on the date of delivery equal to the aggregate exercise price of the Option or exercised portion thereof, (iii) by delivery of a notice that the Participant has placed a market sell order with a broker with respect to Shares then issuable upon exercise of the Option, and that the broker has been directed to pay a sufficient portion of the net proceeds of the sale to the Company in satisfaction of the Option exercise price; *provided* that payment of such proceeds is then made to the Company upon settlement of such sale), and the methods by which Shares shall be delivered or deemed to be delivered to Participants (iv) other property acceptable to the Committee with a Fair Market Value equal to the exercise price, or (v) any combination of

the foregoing. Notwithstanding any other provision of the Plan to the contrary, no Participant who is a member of the Board or an “executive officer” of the Company within the meaning of Section 13(k) of the Exchange Act shall be permitted to pay the exercise price of an Option in any method which would violate Section 13(k) of the Exchange Act.

(d) Evidence of Grant. All Options shall be evidenced by an Award Agreement between the Company and the Participant. The Award Agreement shall include such additional provisions as may be specified by the Committee.

5.2 Incentive Share Options. Incentive Share Options shall be granted only to Employees of the Company or Subsidiary of the Company which is a corporation. Incentive Share Options may not be granted to Employees of a Related Entity. The terms of any Incentive Share Options granted pursuant to the Plan, in addition to the requirements of Section 5.1, must comply with the following additional provisions of this Section 5.2:

(a) Exercise Price. The exercise price per Share shall be set by the Committee; *provided* that subject to Section 5.2(e) the exercise price for any Incentive Share Option shall not be less than 100% of the Fair Market Value on the date of grant.

(b) Expiration. Subject to Section 5.2(e), an Incentive Share Option may not be exercised to any extent by anyone after the first to occur of the following events:

(i) Ten years from the date it is granted, unless an earlier time is set in the Award Agreement;

(ii) Three months after the Participant’s termination of employment as an Employee; and

(iii) One year after the date of the Participant’s termination of employment or service on account of Disability or death.

Upon the Participant’s Disability or death, any Incentive Share Options exercisable at the Participant’s Disability or death may be exercised by the Participant’s legal representative or representatives, by the person or persons entitled to do so pursuant to the Participant’s last will and testament, or, if the Participant fails to make testamentary disposition of such Incentive Share Option or dies intestate, by the person or persons entitled to receive the Incentive Share Option pursuant to the applicable laws of descent and distribution.

(c) Individual Dollar Limitation. The aggregate Fair Market Value (determined as of the time the Award is granted) of all Shares with respect to which Incentive Share Options are first exercisable by a Participant in any calendar year may not exceed \$100,000 or such other limitation as imposed by Section 422(d) of the Code, or any successor provision. To the extent that Incentive Share Options are first exercisable by a Participant in excess of such limitation, the excess shall be considered Non-Qualified Share Options.

(d) Ten Percent Owners. An Incentive Share Option shall be granted to any individual who, at the date of grant, owns shares possessing more than ten percent of the total combined voting power of all classes of equity securities of the Company only if such Award is granted at a price that is not less than 110% of Fair Market Value on the date of grant and the Award is exercisable for no more than five years from the date of grant.

(e) Notice of Disposition. The Participant shall give the Company prompt notice of any disposition of Shares acquired by exercise of an Incentive Share Option within (i) two years from the date of grant of such Incentive Share Option, or (ii) one year after the transfer of such Shares to the Participant.

(f) Right to Exercise. During a Participant's lifetime, an Incentive Share Option may be exercised only by the Participant.

## ARTICLE 6

### RESTRICTED SHARES

6.1 Grant of Restricted Shares. The Committee is authorized to make Awards of Restricted Shares to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. All Awards of Restricted Shares shall be evidenced by an Award Agreement.

6.2 Issuance and Restrictions. Restricted Shares shall be subject to such restrictions on transferability and other restrictions as the Committee may impose (including, without limitation, limitations on the right to vote Restricted Shares or the right to receive dividends on the Restricted Share). These restrictions may lapse separately or in combination at such times, pursuant to such circumstances, in such installments, or otherwise, as the Committee determines at the time of the grant of the Award or thereafter.

6.3 Forfeiture. Except as otherwise determined by the Committee at the time of the grant of the Award or thereafter, upon termination of employment or service during the applicable restriction period, Restricted Shares that are at that time subject to restrictions shall be forfeited; *provided, however*, that, except as otherwise provided by Section [ ], the Committee may (a) provide in any Restricted Share Award Agreement that restrictions or forfeiture conditions relating to Restricted Shares will be waived in whole or in part in the event of terminations resulting from specified causes, and (b) in other cases waive in whole or in part restrictions or forfeiture conditions relating to Restricted Shares.

6.4 Certificates for Restricted Shares. Restricted Shares granted pursuant to the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Shares are registered in the name of the Participant, certificates must bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Shares, and the Company may, at its discretion, retain physical possession of the certificate until such time as all applicable restrictions lapse.

## ARTICLE 7

### OTHER TYPES OF AWARDS

7.1 Restricted Share Units. The Committee is authorized to make Awards of Restricted Share Units to any Participant selected by the Committee in such amounts and subject to such terms and conditions as determined by the Committee. At the time of grant, the Committee shall specify the date or dates on which the Restricted Share Units shall become fully vested and nonforfeitable, and may specify such conditions to vesting as it deems appropriate. At the time of grant, the Committee shall specify the maturity date applicable to each grant of Restricted Share Units which shall be no earlier than the vesting date or dates of the Award and may be determined at the election of the grantee. On the maturity date, the Company shall transfer to the Participant one unrestricted, fully transferable Share for each Restricted Share Unit scheduled to be paid out on such date and not previously forfeited. The Committee shall specify the purchase price, if any, to be paid by the grantee to the Company for such Shares.

7.2 Term. Except as otherwise provided herein, the term of any Award of Restricted Share Units shall be set by the Committee in its discretion.

7.3 Exercise or Purchase Price. The Committee may establish the exercise or purchase price, if any, of any Award of Restricted Share Units; *provided, however*, that such price shall not be less than the par value of a Share, unless otherwise permitted by Applicable Law.

7.4 Exercise Upon Termination of Employment or Service. An Award of Restricted Share Units shall only be exercisable or payable while the Participant is an Employee, Consultant or a member of the Board, as applicable; *provided, however*, that the Committee in its sole and absolute discretion may provide that an Award of Restricted Share Units may be exercised or paid subsequent to a termination of employment, or following a Change of Control of the Company, or because of the Participant's retirement, death or Disability, or otherwise.

7.5 Form of Payment. Payments with respect to any Awards granted under this Article 7 shall be made in cash (denominated in U.S. Dollars), in Shares or a combination of both, as determined by the Committee.

7.6 Award Agreement. All Awards under this Article 7 shall be subject to such additional terms and conditions as determined by the Committee and shall be evidenced by an Award Agreement.

## ARTICLE 8

### PROVISIONS APPLICABLE TO AWARDS

8.1 Stand-Alone and Tandem Awards. Awards granted pursuant to the Plan may, in the discretion of the Committee, be granted either alone, in addition to, or in tandem with, any other Award granted pursuant to the Plan. Awards granted in addition to or in tandem with other Awards may be granted either at the same time as or at a different time from the grant of such other Awards.

8.2 Award Agreement. Awards under the Plan shall be evidenced by Award

Agreements that set forth the terms, conditions and limitations for each Award which may include the term of an Award, the provisions applicable in the event the Participant's employment or service terminates, and the Company's authority to unilaterally or bilaterally amend, modify, suspend, cancel or rescind an Award.

8.3 Limits on Transfer. No right or interest of a Participant in any Award may be pledged, encumbered, or hypothecated to or in favor of any party other than the Company or a Subsidiary, or shall be subject to any lien, obligation, or liability of such Participant to any other party other than the Company or a Subsidiary. Except as otherwise provided by the Committee, no Award shall be alienated, assigned, transferred, sold, or otherwise disposed of by a Participant other than by will or the laws of descent and distribution. The Committee by express provision in the Award or an amendment thereto may permit an Award (other than an Incentive Share Option) to be transferred to, exercised by and paid to certain persons or entities related to the Participant, including but not limited to members of the Participant's family, charitable institutions, or trusts or other entities whose beneficiaries or beneficial owners are members of the Participant's family and/or charitable institutions, or to such other persons or entities as may be expressly approved by the Committee, pursuant to such conditions and procedures as the Committee may establish. Any permitted transfer shall be subject to the condition that the Committee receive evidence satisfactory to it that the transfer is being made for estate and/or tax planning purposes (or to a "blind trust" in connection with the Participant's termination of employment or service with the Company or a Subsidiary to assume a position with a governmental, charitable, educational or similar non-profit institution) and on a basis consistent with the Company's lawful issue of securities.

8.4 Beneficiaries. Notwithstanding Section 8.3, a Participant may, in the manner determined by the Committee, designate a beneficiary to exercise the rights of the Participant and to receive any distribution with respect to any Award upon the Participant's death. A beneficiary, legal guardian, legal representative, or other person claiming any rights pursuant to the Plan is subject to all terms and conditions of the Plan and any Award Agreement applicable to the Participant, except to the extent the Plan and Award Agreement otherwise provide, and to any additional restrictions deemed necessary or appropriate by the Committee. If the Participant is married and resides in a community property jurisdiction, a designation of a person other than the Participant's spouse as his or her beneficiary with respect to more than 50% of the Participant's interest in the Award shall not be effective without the prior written consent of the Participant's spouse. If no beneficiary has been designated or survives the Participant, payment shall be made to the person entitled thereto pursuant to the Participant's will or the laws of descent and distribution. Subject to the foregoing, a beneficiary designation may be changed or revoked by a Participant at any time provided the change or revocation is filed with the Committee.

8.5 Share Certificates. Notwithstanding anything herein to the contrary, the Company shall not be required to issue or deliver any certificates evidencing shares of Share pursuant to the exercise of any Award, unless and until the Board has determined, with advice of counsel, that the issuance and delivery of such certificates is in compliance with all Applicable Laws, regulations of governmental authorities and, if applicable, the requirements of any exchange on which the Shares are listed or traded. All Share certificates delivered pursuant to the Plan are subject to any stop-transfer orders and other restrictions as the Committee deems necessary or

advisable to comply with federal, state, or foreign jurisdiction, securities or other laws, rules and regulations and the rules of any national securities exchange or automated quotation system on which the Shares are listed, quoted, or traded. The Committee may place legends on any Share certificate to reference restrictions applicable to the Share. In addition to the terms and conditions provided herein, the Board may require that a Participant make such reasonable covenants, agreements, and representations as the Board, in its discretion, deems advisable in order to comply with any such laws, regulations, or requirements. The Committee shall have the right to require any Participant to comply with any timing or other restrictions with respect to the settlement or exercise of any Award, including a window-period limitation, as may be imposed in the discretion of the Committee.

8.6 Paperless Administration. Subject to Applicable Laws, the Committee may make Awards, provide applicable disclosure and procedures for exercise of Awards by an internet website or interactive voice response system for the paperless administration of Awards.

8.7 Foreign Currency. A Participant may be required to provide evidence that any U.S. dollars used to pay the exercise price of any Award were acquired and taken out of the jurisdiction in which the Participant resides in accordance with Applicable Laws, including foreign exchange control laws and regulations.

## ARTICLE 9

### CHANGES IN CAPITAL STRUCTURE

9.1 Adjustments. In the event of any dividend, share split, combination or exchange of Shares, amalgamation, arrangement or consolidation, spin-off, recapitalization or other distribution (other than normal cash dividends) of Company assets to its shareholders, or any other change affecting the shares of Shares or the share price of a Share, the Committee shall make such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change with respect to (a) the aggregate number and type of shares that may be issued under the Plan (including, but not limited to, adjustments of the limitations in Section 3.1); (b) the terms and conditions of any outstanding Awards (including, without limitation, any applicable performance targets or criteria with respect thereto); and (c) the grant or exercise price per share for any outstanding Awards under the Plan.

9.2 Acceleration upon a Change of Control. Except as may otherwise be provided in any Award Agreement or any other written agreement entered into by and between the Company and a Participant, if a Change of Control occurs and a Participant's Options or Restricted Shares settled in Shares are not converted, assumed, or replaced by a successor, such Awards shall become fully exercisable and all forfeiture restrictions on such Awards shall lapse; and provided such Change of Control is a change in the ownership or effective control of the Company or in the ownership of or a substantial portion of the assets of the Company within the meaning of Section 409A of the Code, then all Restricted Share Units, shall become deliverable upon the Change of Control. Upon, or in anticipation of, a Change of Control, the Committee may in its sole discretion provide for (i) any and all Awards outstanding hereunder to terminate at a specific time in the future and shall give each Participant the right to exercise such Awards during a period of time as the Committee shall determine, (ii) either the purchase of any Award for an

amount of cash equal to the amount that could have been attained upon the exercise of such Award or realization of the Participant' s rights had such Award been currently exercisable or payable or fully vested (and, for the avoidance of doubt, if as of such date the Committee determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant' s rights, then such Award may be terminated by the Company without payment), (iii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion the assumption of or substitution of such Award by the successor or surviving corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of Shares and prices, or (iv) provide for payment of Awards in cash based on the value of Shares on the date of the Change of Control plus reasonable interest on the Award through the date such Award would otherwise be vested or have been paid in accordance with its original terms, if necessary to comply with Section 409A of the Code.

9.3 Outstanding Awards - Other Changes. In the event of any other change in the capitalization of the Company or corporate change other than a Change in Control if the Committee determines that action is appropriate in order to prevent the dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan or with respect to any Award under the Plan, to facilitate such transactions or events or to give effect to such changes in laws, regulations or principles, the Committee, in its sole discretion and on such terms and conditions as it deems appropriate, either by amendment of the terms of any outstanding Awards or by action taken prior to the occurrence of such transaction or event and either automatically or upon the Participant' s request, is hereby authorized to take any one or more of the following actions:

(a) To provide for either (i) termination of any such Award in exchange for an amount of cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of such Award (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction or event described in this Section 9.3 the Committee determines in good faith that no amount would have been attained upon the exercise of such Award, then such Award may be terminated by the Company without payment) or (ii) the replacement of such Award with other rights or property selected by the Committee in its sole discretion;

(b) To provide that such Award be assumed by the successor or survivor corporation, or a parent or subsidiary thereof, or shall be substituted for by similar options covering the shares of the successor or survivor corporation, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and exercise prices; and

(c) To make adjustments in the number and type of Shares (or other securities or property) subject to outstanding Awards and/or in the terms and conditions of the Awards (including the exercise price), and the criteria included in, outstanding Awards and Awards which may be granted in the future;

(d) To provide that such Award shall be exercisable or fully vested with respect to all shares covered thereby, notwithstanding anything to the contrary in the Plan or the applicable Award Agreement; and



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(e) To provide that the Award cannot vest or be exercised after such event.

9.4 No Other Rights. Except as expressly provided in the Plan, no Participant shall have any rights by reason of any subdivision or consolidation of Shares of any class, the payment of any dividend, any increase or decrease in the number of shares of any class or any dissolution, liquidation, merger, or consolidation of the Company or any other corporation. Except as expressly provided in the Plan or pursuant to action of the Committee under the Plan, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number of shares subject to an Award or the grant or exercise price of any Award.

## ARTICLE 10

### ADMINISTRATION

10.1 Committee. Unless and until the Board delegates administration of the Plan to a Committee as set forth below, the Plan shall be administered by the full Board, and for such purposes the term "Committee" as used in this Plan shall be deemed to refer to the Board. The Board, at its discretion or as otherwise necessary to comply with the requirements of Rule 16b-3 promulgated under the Exchange Act or to the extent required by any other applicable rule or regulation, shall delegate administration of the Plan to a committee. Notwithstanding the foregoing, the full Board, acting by a majority of its members in office, shall conduct the general administration of the Plan with respect to all Awards granted to Independent Directors and for purposes of such Awards the term "Committee" as used in this Plan shall be deemed to refer to the Board. Appointment of Committee members shall be effective upon acceptance of appointment. The Board may abolish the Committee at any time and revest in the Board the administration of the Plan. Committee members may resign at any time by delivering written notice to the Board. Vacancies in the Committee may only be filled by the Board.

10.2 Action by the Committee. A majority of the Committee shall constitute a quorum. The acts of a majority of the members present at any meeting at which a quorum is present, and acts approved in writing by a majority of the Committee in lieu of a meeting, shall be deemed the acts of the Committee. Each member of the Committee is entitled to, in good faith, rely or act upon any report or other information furnished to that member by any officer or other employee of the Company or any Subsidiary, the Company's independent certified public accountants, or any executive compensation consultant or other professional retained by the Company to assist in the administration of the Plan.

10.3 Authority of Committee. Subject to any specific designation in the Plan, the Committee has the exclusive power, authority and discretion to:

- (a) Designate Participants to receive Awards;
- (b) Determine the type or types of Awards to be granted to each Participant;
- (c) Determine the number of Awards to be granted and the number of Shares to which an Award will relate;

(d) Determine the terms and conditions of any Award granted pursuant to the Plan, including, but not limited to, the exercise price, grant price, or purchase price, any restrictions or limitations on the Award, any schedule for lapse of forfeiture restrictions or restrictions on the exercisability of an Award, and accelerations or waivers thereof, any provisions related to non-competition and recapture of gain on an Award, based in each case on such considerations as the Committee in its sole discretion determines;

(e) Determine whether, to what extent, and pursuant to what circumstances an Award may be settled in, or the exercise price of an Award may be paid in, cash, Shares, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(f) Prescribe the form of each Award Agreement, which need not be identical for each Participant;

(g) Decide all other matters that must be determined in connection with an Award;

(h) Establish, adopt, or revise any rules and regulations as it may deem necessary or advisable to administer the Plan;

(i) Interpret the terms of, and any matter arising pursuant to, the Plan or any Award Agreement; and

(j) Make all other decisions and determinations that may be required pursuant to the Plan or as the Committee deems necessary or advisable to administer the Plan.

10.4 Decisions Binding. The Committee's interpretation of the Plan, any Awards granted pursuant to the Plan, any Award Agreement and all decisions and determinations by the Committee with respect to the Plan are final, binding, and conclusive on all parties.

## ARTICLE 11

### EFFECTIVE AND EXPIRATION DATE

11.1 Effective Date. The Plan is effective as of the date the Plan is approved by the Company's shareholders (the "Effective Date"). The Plan will be deemed to be approved by the shareholders if it receives the affirmative vote of the holders of a majority of the share capital of the Company present or represented and entitled to vote at a meeting duly held in accordance with the applicable provisions of the Company's Memorandum of Association and Articles of Association. Notwithstanding the foregoing, the Effective Date shall not be later than the first anniversary of the date on which the Board adopts the Plan (the "Board Adoption Date"). Between the Board Adoption Date and the Effective Date, the Committee may grant Options to any persons pursuant to the terms of the Plan, provided that none of such persons shall be allowed to exercise the Options prior to the Effective Date.

11.2 Expiration Date. The Plan will expire on, and no Award may be granted pursuant to the Plan after, the tenth anniversary of the Effective Date. Any Awards that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Plan and the applicable Award Agreement.

## ARTICLE 12

### AMENDMENT, MODIFICATION, AND TERMINATION

12.1 Amendment, Modification, And Termination. With the approval of the Board, at any time and from time to time, the Committee may terminate, amend or modify the Plan; *provided, however*, that (a) to the extent necessary and desirable to comply with any applicable law, regulation, or stock exchange rule, the Company shall obtain shareholder approval of any Plan amendment in such a manner and to such a degree as required, and (b) shareholder approval is required for any amendment to the Plan that (i) increases the number of Shares available under the Plan (other than any adjustment as provided by Article 9), (ii) permits the Committee to grant Options with an exercise price that is below Fair Market Value on the date of grant, (iii) permits the Committee to extend the exercise period for an Option beyond ten years from the date of grant, or (iv) results in a material increase in benefits or a change in eligibility requirements.

12.2 Awards Previously Granted. Except with respect to amendments made pursuant to Section 13.14, no termination, amendment, or modification of the Plan shall adversely affect in any material way any Award previously granted pursuant to the Plan without the prior written consent of the Participant.

## ARTICLE 13

### GENERAL PROVISIONS

13.1 No Rights to Awards. No Participant, employee, or other person shall have any claim to be granted any Award pursuant to the Plan, and neither the Company nor the Committee is obligated to treat Participants, employees, and other persons uniformly.

13.2 No Shareholders Rights. No Award gives the Participant any of the rights of a Shareholder of the Company unless and until Shares are in fact issued to such person in connection with such Award.

13.3 Taxes. No Shares shall be delivered under the Plan to any Participant until such Participant has made arrangements acceptable to the Committee for the satisfaction of any income and employment tax withholding obligations under Applicable Laws, including without limitation the PRC tax laws, rules, regulations and government orders or the U.S. Federal, state or local tax laws, as applicable. The Company or any Subsidiary shall have the authority and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local and foreign taxes (including the Participant's payroll tax obligations) required by law to be withheld with respect to any taxable event concerning a Participant arising as a result of this Plan. The Committee may in its discretion and in satisfaction of the foregoing requirement allow a Participant to elect to have the Company withhold Shares otherwise issuable under an Award (or allow the return of Shares) having a Fair Market Value equal to the sums required to be withheld. Notwithstanding any other provision of the Plan, the number of Shares which may be withheld with respect to the issuance, vesting,

exercise or payment of any Award (or which may be repurchased from the Participant of such Award after such Shares were acquired by the Participant from the Company) in order to satisfy the Participant's federal, state, local and foreign income and payroll tax liabilities with respect to the issuance, vesting, exercise or payment of the Award shall, unless specifically approved by the Committee, be limited to the number of Shares which have a Fair Market Value on the date of withholding or repurchase equal to the aggregate amount of such liabilities based on the minimum statutory withholding rates for federal, state, local and foreign income tax and payroll tax purposes that are applicable to such supplemental taxable income.

13.4 No Right to Employment or Services. Nothing in the Plan or any Award Agreement shall interfere with or limit in any way the right of the Service Recipient to terminate any Participant's employment or services at any time, nor confer upon any Participant any right to continue in the employ or service of any Service Recipient.

13.5 Unfunded Status of Awards. The Plan is intended to be an "unfunded" plan for incentive compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give the Participant any rights that are greater than those of a general creditor of the Company or any Subsidiary.

13.6 Indemnification. To the extent allowable pursuant to applicable law, each member of the Committee or of the Board shall be indemnified and held harmless by the Company from any loss, cost, liability, or expense that may be imposed upon or reasonably incurred by such member in connection with or resulting from any claim, action, suit, or proceeding to which he or she may be a party or in which he or she may be involved by reason of any action or failure to act pursuant to the Plan and against and from any and all amounts paid by him or her in satisfaction of judgment in such action, suit, or proceeding against him or her; *provided* he or she gives the Company an opportunity, at its own expense, to handle and defend the same before he or she undertakes to handle and defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such persons may be entitled pursuant to the Company's Memorandum of Association and Articles of Association, as a matter of law, or otherwise, or any power that the Company may have to indemnify them or hold them harmless.

13.7 Relationship to other Benefits. No payment pursuant to the Plan shall be taken into account in determining any benefits pursuant to any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company or any Subsidiary except to the extent otherwise expressly provided in writing in such other plan or an agreement thereunder.

13.8 Expenses. The expenses of administering the Plan shall be borne by the Company and its Subsidiaries.

13.9 Titles and Headings. The titles and headings of the Sections in the Plan are for convenience of reference only and, in the event of any conflict, the text of the Plan, rather than such titles or headings, shall control.

13.10 Fractional Shares. No fractional shares of Share shall be issued and the Committee shall determine, in its discretion, whether cash shall be given in lieu of fractional shares or whether such fractional shares shall be eliminated by rounding up or down as appropriate.

13.11 Government and Other Regulations. The obligation of the Company to make payment of awards in Share or otherwise shall be subject to all Applicable Laws, rules, and regulations, and to such approvals by government agencies as may be required. The Company shall be under no obligation to register any of the Shares paid pursuant to the Plan under the Securities Act or any other similar law in any applicable jurisdiction. If the Shares paid pursuant to the Plan may in certain circumstances be exempt from registration pursuant to the Securities Act or other Applicable Laws the Company may restrict the transfer of such shares in such manner as it deems advisable to ensure the availability of any such exemption.

13.12 Governing Law. The Plan and all Award Agreements shall be construed in accordance with and governed by the laws of Bermuda.

13.13 Section 409A. To the extent that the Committee determines that any Award granted under the Plan is or may become subject to Section 409A of the Code, the Award Agreement evidencing such Award shall incorporate the terms and conditions required by Section 409A of the Code. To the extent applicable, the Plan and the Award Agreements shall be interpreted in accordance with Section 409A of the Code and the U.S. Department of Treasury regulations and other interpretative guidance issued thereunder, including without limitation any such regulation or other guidance that may be issued after the Effective Date. Notwithstanding any provision of the Plan to the contrary, in the event that following the Effective Date the Committee determines that any Award may be subject to Section 409A of the Code and related Department of Treasury guidance (including such Department of Treasury guidance as may be issued after the Effective Date), the Committee may adopt such amendments to the Plan and the applicable Award agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, that the Committee determines is necessary or appropriate to (a) exempt the Award from Section 409A of the Code and /or preserve the intended tax treatment of the benefits provided with respect to the Award, or (b) comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance.

13.14 Appendices. The Committee may approve such supplements, amendments or appendices to the Plan as it may consider necessary or appropriate for purposes of compliance with applicable laws or otherwise and such supplements, amendments or appendices shall be considered a part of the Plan; provided, however, that no such supplements shall increase the share limitations contained in Sections 3.1 of the Plan.

**EMPLOYMENT AGREEMENT**

EMPLOYMENT AGREEMENT (this “Agreement”), effective as of June 17, 2005 (the “Effective Date”), by and between A-Max Technology Limited, a company organized and existing under the laws of Bermuda (the “Company”), and Victor Hok Yiu Chan (“Executive”).

WHEREAS, the Company desires to continue to employ Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the employment of Executive by the Company during the term of this Agreement;

WHEREAS, Executive desires to accept such continued employment with and participation in the ownership of the Company and to enter into this Agreement; and

WHEREAS, Executive is willing to accept continued employment on the terms hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to the provisions of Section 10 of the Agreement, this Agreement shall be effective for a period commencing on the Effective Date and ending on the day immediately preceding the third anniversary of the Effective Date (the “Initial Term”); provided, however, that such term shall be automatically extended for successive twelve (12) month periods unless, no later than 60 days prior to the expiration of the Initial Term or any extension thereof, either party hereto shall provide written notice to the other party hereto of its or his desire not to extend the term hereof (the Initial Term together with any extension shall be referred to hereinafter as the “Employment Term”).

2. Position.

(a) Executive shall serve as the Chief Executive Officer of the Company. In such position, Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the “Board”). Executive shall report to the Board.

(b) During the Employment Term, Executive will devote his business time and best efforts to the performance of his duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict with the rendition of such services either directly or indirectly, without the prior written consent of the Board.

(c) The Executive shall also be or act as the Chief Executive Officer of A-Max Technology Co., Ltd., or such other managerial position or positions with the Company

or any of its subsidiaries or affiliated companies as shall hereafter be designated by the Board without additional or further remuneration or compensation, and unless otherwise determined by the Board, shall have such authority and powers commensurate with his position(s).

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary (the “Base Salary”) at the monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. Upon successful completion of an initial public offering, the Base Salary will be increased to a monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. The Board may from time to time review and increase Executive’s Base Salary in its sole discretion, or it may decrease such Base Salary, but only to conform with an across-the-board decrease affecting all of the Company’s senior officers.

4. Bonus. Executive shall be afforded the opportunity to earn a cash bonus in respect of each calendar year ending during the Employment Term, the amount of which, if any, shall be determined by the Board in its sole discretion (each year’s award granted pursuant to this Section 4 shall hereinafter be referred to as the “Bonus”).

5. Equity. Upon the consummation of, or as soon as reasonably practicable after the consummation of, the initial public offering of ordinary shares or ADS’s representing ordinary shares of the Company pursuant to the United States Securities Act of 1933, as amended (the “IPO”), Executive shall be granted the number of restricted ordinary shares of the Company equal to the product of (a) 30% multiplied by (b) the total shares approved by the Board and granted for the period, pursuant to the shares based compensation plan. Such restricted ordinary shares shall be granted pursuant to the shares based compensation plan of the Company approved by the Board and such additional agreements entered into by the Company and Executive in connection therewith. Executive may be granted additional equity in the Company on terms and at a time determined at the sole discretion of the Board.

6. Employee Benefits. During the Employment Term, Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company. The Company shall pay the reasonable cost of membership for the Executive, his spouse and dependent children not greater than twenty-one (21) years of age, for a private patient medical plan, with a reputable medical expense insurance scheme as the Company shall decide from time to time.

7. Holiday. Executive shall be entitled to twenty-five (25) days annual paid holiday, at times convenient to the Company. Any entitlement to holiday remaining at the end of the calendar year may be carried forward to the next calendar year, but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata on a monthly basis throughout the calendar year.

8. Sickness or Injury. The Executive shall be paid in full during any period of absence from work due to sickness or injury, not to exceed thirty (30) days in any twelve (12) month period, provided that the Executive must submit satisfactory evidence of the sickness or

injury from a qualified medical practitioner with respect to any period of absence in excess of fourteen (14) days. The Executive's Base Salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which the Executive is entitled to from the Company.

9. Business Expenses. During the Employment Term, reasonable business expenses incurred by Executive in the performance of his duties hereunder shall be reimbursed by the Company in accordance with Company policies.

10. Termination. Notwithstanding any other provision of the Agreement:

(a) For Cause by the Company. The Employment Term, and Executive's employment hereunder, may be terminated at any time by the Company for "Cause" upon delivery of a "Notice of Termination" (as defined in Section 10(e)) by the Company to Executive. For purposes of this Agreement, "Cause" shall mean, in each case, as reasonably determined by the Board: (i) conviction of, or entry of a pleading of guilty or no contest by, Executive with respect to a felony or any lesser crime of which fraud or dishonesty is a material element; (ii) Executive's willful dishonesty towards the Company; (iii) Executive's continued failure to perform substantially all of his duties with the Company, or a failure to follow the lawful direction of the Board after the Board delivers a written demand for substantial performance and Executive neglects to cure such a failure to the reasonable satisfaction of the Board within 15 days; (iv) Executive's material, knowing and intentional failure to comply with applicable laws with respect to the execution of the Company's business operations or his material breach of this Agreement; (v) Executive's theft, fraud, embezzlement, dishonesty or similar conduct which has resulted or is likely to result in material damage to the Company or any of its affiliates or subsidiaries; or (vi) Executive's habitual intoxication or continued abuse of illegal drugs which materially interferes with Executive's ability to perform his assigned duties and responsibilities.

If Executive is terminated for Cause pursuant to this Section 10(a), he shall be entitled to receive only his Base Salary through the date of termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive's termination of employment for Cause pursuant to this Section 10(a) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(b) Disability or Death. The Employment Term, and Executive's employment hereunder, shall terminate immediately upon his death or following delivery of a Notice of Termination by the Company to Executive if Executive becomes physically or mentally incapacitated and is therefore unable for a period of ninety (90) consecutive days or one-hundred twenty (120) days during any consecutive six (6) month period to perform his duties with substantially the same level of quality as immediately prior to such incapacity (such incapacity is hereinafter referred to as "Disability"). Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case



may be) shall be entitled to receive his Base Salary through the date of termination and any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. Executive or Executive' s estate (as the case may be) shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive' s termination for Disability or death shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive (or his estate, as the case may be) shall not participate in any severance plan, policy or program of the Company.

(c) Without Cause by the Company. The Employment Term, and Executive' s employment hereunder, may be terminated by the Company without Cause (other than by reason of Executive' s death or disability) following the delivery of a Notice of Termination to Executive. If Executive' s employment is terminated by the Company without Cause (other than by reason of Disability or death), Executive shall receive, within 30 days following termination, a lump sum payment of (i) any earned but unpaid Base Salary through the date of termination, and (ii) any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. In addition, subject to Executive' s Compliance with Sections 11, 12, and 13 below, Executive shall receive continued payments of the Base Salary for six (6) months following termination. Executive shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due to Executive following a termination pursuant to this Section 10(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(d) Termination by Executive. The Employment Term, and Executive' s employment hereunder, may be terminated by Executive following the delivery of a Notice of Termination to the Company. Upon a termination by Executive pursuant to this Section 10(d), Executive shall be entitled to his Base Salary through the date of such termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following termination pursuant to this Section 10(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(e) Notice of Termination. Any purported termination of employment by the Company or Executive shall be communicated by a written Notice of Termination to Executive or the Company, respectively, delivered in accordance with Section 15(g) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in the Agreement relied upon, the date of termination, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated. The date of termination of Executive' s employment shall be the date so stated in the Notice of Termination, which date shall be no less than 30 days (90 days in the case of a termination by Executive) following the delivery of a Notice of Termination; provided, however, that in the case of a termination for Cause by the Company, the date of termination shall be the date the Notice of Termination is delivered in accordance with Section 15(g).

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## 11. Non-Competition/Non-Solicitation/Related Business.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its subsidiaries and affiliates collectively the (“A-Max Group”) and accordingly agrees as follows:

(i) During the Employment Term and for a period of two years following the earlier of (A) the expiration of the Employment Term and (B) the date Executive ceases to be employed by the A-Max Group (the “Restricted Period”), Executive will not directly or indirectly, (w) engage in any business for Executive’s own account that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (x) enter the employ of, or render any services to, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (y) acquire a financial interest in, or otherwise become actively involved with, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (z) interfere with business relationships (whether formed before or after the Effective Date) between the A-Max Group and customers or suppliers of, or consultants to, the A-Max Group.

(ii) Notwithstanding anything to the contrary in the Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any person that is not engaged in the business of the A-Max Group which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 1% or more of any class of securities of such person.

(iii) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the A-Max Group, or directly or indirectly hire, any person who is an employee of or consultant then under contract with any member of the A-Max Group or who was an employee of or consultant then under contract with the A-Max Group within the six month period preceding such activity without the A-Max Group’s written consent.

(b) It is expressly understood and agreed that although Executive and the A-Max Group consider the restrictions contained in this Section 11 to be reasonable, if a judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) Attached hereto as Exhibit A is a list of all businesses in which Executive has an equity or debt interest on the Effective Date, and the relationships between such businesses and the A-Max Group. Executive shall update such list whenever he acquires or disposes of any such interest.

(d) The Company and A-Max Technology Co. Ltd. will be the exclusive vehicles to hold all of Executive's portable digital audio and consumer electronics products businesses. Any opportunities presented to Executive in the nature of portable digital audio or consumer electronics products must be offered to the Company, and not to any other affiliate or subsidiary of the Company, without the prior consent of the Board.

12. Nondisparagement. Executive agrees (whether during or after Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its affiliates or the officers, directors, managers or shareholders of the Company or its affiliates unless giving truthful testimony under subpoena.

13. Confidentiality. Executive shall not, without the prior written consent of the A-Max Group, use, divulge, disclose or make accessible to any other person, firm, partnership, corporation or other entity, any "Confidential Information" (as defined below) except while employed by the A-Max Group, in furtherance of the business of and for the benefit of the A-Max Group, or any "Personal Information" (as defined below); provided that Executive may disclose such information when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of the A-Max Group, or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order Executive to divulge, disclose or make accessible such information; provided, further, that in the event that Executive is ordered by a court or other government agency to disclose any Confidential Information or Personal Information, Executive shall (i) promptly notify the Company of such order, (ii) at the written request of the Company, diligently contest such order at the sole expense of the Company as expenses occur, and (iii) at the written request of the Company, seek to obtain, at the sole expense of the Company, such confidential treatment as may be available under applicable laws for any information disclosed under such order. For purposes of this Section 13, (i) "Confidential Information" shall mean non-public information concerning the financial data, strategic business plans, product development (or other proprietary product data), customer lists, marketing plans and other non-public, proprietary and confidential information relating to the business of the A-Max Group or its customers, that, in any case, is not otherwise available to the public (other than by Executive's breach of the terms hereof) and (ii) "Personal Information" shall mean any information concerning the personal, social or business activities of the officers, directors, principals, shareholders, agents and employees of any member of the A-Max Group. Upon termination of Executive's employment with the Company, Executive shall return all Company property, including, without limitation, files, records, disks and any media containing Confidential Information or Personal Information.

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#### 14. Personal Data.

(a) Executive agrees that his personal data may be used, held and/or stored (by whatever means) by the Company for the purposes of:

(i) making disclosure as required by law or the rules and regulation of any regulatory body, including, without limitation, the Inland Revenue Department, the Immigration Department, The Stock Exchange of Hong Kong and The Securities and Futures Commission of Hong Kong or their equivalents in any jurisdiction;

(ii) promotion and marketing of the A-Max Group;

(iii) compiling statistical information, employee and shareholder profiles;

(iv) maintaining and updating the register of members of the Company and establishing benefit entitlements, such as dividends, rights issues and bonus issues; or

(v) any other incidental purpose which is reasonably necessary or desirable in connection with the business of the A-Max Group.

(b) Executive further agrees that data held by the Company relating to him will generally be kept confidential but the A-Max Group may, to the extent necessary for achieving the purposes set out in Section 14(a) above or any of them, make such inquiries as it considers necessary to confirm the accuracy of the personal data and in particular, it may disclose, obtain, transfer (whether within or outside Hong Kong) his personal data to, from or with any of the following persons or entities:

(i) any regulatory or government bodies;

(ii) any agents, contractors or third party service providers who offer administrative, telecommunications, computer or other services in connection with the operation of the A-Max Group business;

(iii) any other persons or institutions with which the A-Max Group has dealings, including banks, solicitors, accountants, stock brokers or the principal and branch share registrar; or

(iv) any other persons the Board considers such disclosure, obtaining or transfer to be necessary or desirable to achieve the purposes set out above.

15. Specific Performance. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Sections 11, 12 or 13 herein would be inadequate and, in recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law,

the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

16. Miscellaneous.

(a) Acceptance. Executive hereby represents that his performance and execution of this Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement. Executive hereby represents that he has provided the Company or its counsel with a copy of each and every material agreement between Executive and each and every former employer of Executive.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong without regard to its conflicts of laws provisions.

(c) Entire Agreement/Amendments. This Agreement and the Proprietary Invention Assignment and Confidentiality Agreement between Executive and the Company dated as of June 17, 2005 (the "Confidentiality Agreement") contain the entire understanding of the parties with respect to the employment of Executive by the Company as of the Effective Date. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein or in the Confidentiality Agreement. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto. Sections 11, 12, 13, 14, 15 and 16 survive the termination of Executive's employment with the Company, except as otherwise specifically stated therein.

(d) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(e) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(f) Assignment. Executive shall not have the right to assign his interest in this Agreement, any rights under this Agreement or any duties imposed under this Agreement. This Agreement may be assigned by the Company to any member of the A-Max Group and any successor in interest to substantially all of the business operations of the Company. Such assignment shall become effective when the Company notifies Executive of such assignment or at such later date as may be specified in such notice. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor company, provided that any assignee expressly assumes the obligations, rights and privileges of this Agreement.

(g) Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if delivered by overnight courier service, or if sent by facsimile transmission, addressed to the respective addresses or sent via facsimile to the respective facsimile numbers, as the case may be, as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt; provided, however, that (i) notices sent by personal delivery or overnight courier shall be deemed given when delivered and (ii) notices sent by facsimile transmission shall be deemed given upon the sender's receipt of confirmation of complete transmission.

If to Executive, to:

10/F, A-Max Technology Tower

12-16 Fui Yiu Kok Street

Tsuen Wan, New Territories

Hong Kong

Fax: (852) 2753-6226

Attn: Diana Chan

or such other address as shall most currently appear on the records of the Company.

If to the Company, to:

10/F, A-Max Technology Tower

12-16 Fui Yiu Kok Street

Tsuen Wan, New Territories

Hong Kong

Fax: (852) 2753-6226

Attn: Diana Chan

(h) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such taxes and other amounts as may be required to be withheld pursuant to any applicable law or regulation.

(i) Continuation of Employment. Unless the parties otherwise agree in writing, continuation of Executive' s employment with the Company beyond the expiration of the Employment Term shall be deemed an employment "at will" and shall not be deemed to extend any of the provisions of this Agreement, and Executive' s employment may thereafter be terminated at will by Executive or the Company.

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(j) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.



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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

EXECUTIVE

/s/ Victor Chan

\_\_\_\_\_

A-MAX TECHNOLOGY LIMITED

By: /s/

\_\_\_\_\_

Authorized Signatory

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**EXHIBIT A**

**List of all businesses in which Victor Hok Yiu Chan has an equity or debt interest**

- (1) Billion Creation Limited - shareholder of Company.
- (2) Teambest Limited - shareholder of Company.
- (3) Vital Champion Limited - shareholder of Company.
- (4) A-Com Computer (Hong Kong) Limited - dormant company and no relationship to A-Max Group

**EMPLOYMENT AGREEMENT**

EMPLOYMENT AGREEMENT (this “Agreement”), effective as of June 17, 2005 (the “Effective Date”), by and between A-Max Technology Limited, a company organized and existing under the laws of Bermuda (the “Company”), and Diana Chan (“Executive”).

WHEREAS, the Company desires to continue to employ Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the employment of Executive by the Company during the term of this Agreement;

WHEREAS, Executive desires to accept such continued employment with and participation in the ownership of the Company and to enter into this Agreement; and

WHEREAS, Executive is willing to accept continued employment on the terms hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to the provisions of Section 10 of the Agreement, this Agreement shall be effective for a period commencing on the Effective Date and ending on the day immediately preceding the third anniversary of the Effective Date (the “Initial Term”); provided, however, that such term shall be automatically extended for successive twelve (12) month periods unless, no later than 60 days prior to the expiration of the Initial Term or any extension thereof, either party hereto shall provide written notice to the other party hereto of its or her desire not to extend the term hereof (the Initial Term together with any extension shall be referred to hereinafter as the “Employment Term”).

2. Position.

(a) Executive shall serve as the Chief Financial Officer of the Company. In such position, Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the “Board”). Executive shall report to the Board.

(b) During the Employment Term, Executive will devote her business time and best efforts to the performance of her duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict with the rendition of such services either directly or indirectly, without the prior written consent of the Board.

(c) The Executive shall also be or act as the Chief Financial Officer of A-Max Technology Co., Ltd., or such other managerial position or positions with the Company or any of its subsidiaries or affiliated companies as shall hereafter be designated by the Board without additional or further remuneration or compensation, and unless otherwise determined by the Board, shall have such authority and powers commensurate with her position(s).

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary (the “Base Salary”) at the monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. Upon successful completion of an initial public offering, the Base Salary will be increased to a monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. The Board may from time to time review and increase Executive’s Base Salary in its sole discretion, or it may decrease such Base Salary, but only to conform with an across-the-board decrease affecting all of the Company’s senior officers.

4. Bonus. Executive shall be afforded the opportunity to earn a cash bonus in respect of each calendar year ending during the Employment Term, the amount of which, if any, shall be determined by the Board in its sole discretion (each year’s award granted pursuant to this Section 4 shall hereinafter be referred to as the “Bonus”).

5. Equity. Upon the consummation of, or as soon as reasonably practicable after the consummation of, the initial public offering of ordinary shares or ADS’ s representing ordinary shares of the Company pursuant to the United States Securities Act of 1933, as amended (the “IPO”), Executive shall be granted the number of restricted ordinary shares of the Company equal to the product of (a) 10% multiplied by (b) the total shares approved by the Board and granted for the period, pursuant to the shares based compensation plan. Such restricted ordinary shares shall be granted pursuant to the shares based compensation plan of the Company approved by the Board and such additional agreements entered into by the Company and Executive in connection therewith. Executive may be granted additional equity in the Company on terms and at a time determined at the sole discretion of the Board.

6. Employee Benefits. During the Employment Term, Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company. The Company shall pay the reasonable cost of membership for the Executive, her spouse and dependent children not greater than twenty-one (21) years of age, for a private patient medical plan, with a reputable medical expense insurance scheme as the Company shall decide from time to time.

7. Holiday. Executive shall be entitled to twenty-five (25) days annual paid holiday, at times convenient to the Company. Any entitlement to holiday remaining at the end of the calendar year may be carried forward to the next calendar year, but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata on a monthly basis throughout the calendar year.

8. Sickness or Injury. The Executive shall be paid in full during any period of absence from work due to sickness or injury, not to exceed thirty (30) days in any twelve (12) month period, provided that the Executive must submit satisfactory evidence of the sickness or

injury from a qualified medical practitioner with respect to any period of absence in excess of fourteen (14) days. The Executive's Base Salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which the Executive is entitled to from the Company.

9. Business Expenses. During the Employment Term, reasonable business expenses incurred by Executive in the performance of her duties hereunder shall be reimbursed by the Company in accordance with Company policies.

10. Termination. Notwithstanding any other provision of the Agreement:

(a) For Cause by the Company. The Employment Term, and Executive's employment hereunder, may be terminated at any time by the Company for "Cause" upon delivery of a "Notice of Termination" (as defined in Section 10(e)) by the Company to Executive. For purposes of this Agreement, "Cause" shall mean, in each case, as reasonably determined by the Board: (i) conviction of, or entry of a pleading of guilty or no contest by, Executive with respect to a felony or any lesser crime of which fraud or dishonesty is a material element; (ii) Executive's willful dishonesty towards the Company; (iii) Executive's continued failure to perform substantially all of her duties with the Company, or a failure to follow the lawful direction of the Board after the Board delivers a written demand for substantial performance and Executive neglects to cure such a failure to the reasonable satisfaction of the Board within 15 days; (iv) Executive's material, knowing and intentional failure to comply with applicable laws with respect to the execution of the Company's business operations or her material breach of this Agreement; (v) Executive's theft, fraud, embezzlement, dishonesty or similar conduct which has resulted or is likely to result in material damage to the Company or any of its affiliates or subsidiaries; or (vi) Executive's habitual intoxication or continued abuse of illegal drugs which materially interferes with Executive's ability to perform her assigned duties and responsibilities.

If Executive is terminated for Cause pursuant to this Section 10(a), he shall be entitled to receive only her Base Salary through the date of termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive's termination of employment for Cause pursuant to this Section 10(a) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(b) Disability or Death. The Employment Term, and Executive's employment hereunder, shall terminate immediately upon her death or following delivery of a Notice of Termination by the Company to Executive if Executive becomes physically or mentally incapacitated and is therefore unable for a period of ninety (90) consecutive days or one-hundred twenty (120) days during any consecutive six (6) month period to perform her duties with substantially the same level of quality as immediately prior to such incapacity (such incapacity is hereinafter referred to as "Disability"). Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case

may be) shall be entitled to receive her Base Salary through the date of termination and any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. Executive or Executive' s estate (as the case may be) shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive' s termination for Disability or death shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive (or her estate, as the case may be) shall not participate in any severance plan, policy or program of the Company.

(c) Without Cause by the Company. The Employment Term, and Executive' s employment hereunder, may be terminated by the Company without Cause (other than by reason of Executive' s death or disability) following the delivery of a Notice of Termination to Executive. If Executive' s employment is terminated by the Company without Cause (other than by reason of Disability or death), Executive shall receive, within 30 days following termination, a lump sum payment of (i) any earned but unpaid Base Salary through the date of termination, and (ii) any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. In addition, subject to Executive' s Compliance with Sections 11, 12, and 13 below, Executive shall receive continued payments of the Base Salary for six (6) months following termination. Executive shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due to Executive following a termination pursuant to this Section 10(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(d) Termination by Executive. The Employment Term, and Executive' s employment hereunder, may be terminated by Executive following the delivery of a Notice of Termination to the Company. Upon a termination by Executive pursuant to this Section 10(d), Executive shall be entitled to her Base Salary through the date of such termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following termination pursuant to this Section 10(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(e) Notice of Termination. Any purported termination of employment by the Company or Executive shall be communicated by a written Notice of Termination to Executive or the Company, respectively, delivered in accordance with Section 15(g) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in the Agreement relied upon, the date of termination, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated. The date of termination of Executive' s employment shall be the date so stated in the Notice of Termination, which date shall be no less than 30 days (90 days in the case of a termination by Executive) following the delivery of a Notice of Termination; provided, however, that in the case of a termination for Cause by the Company, the date of termination shall be the date the Notice of Termination is delivered in accordance with Section 15(g).

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## 11. Non-Competition/Non-Solicitation/Related Business.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its subsidiaries and affiliates collectively the (“A-Max Group”) and accordingly agrees as follows:

(i) During the Employment Term and for a period of two years following the earlier of (A) the expiration of the Employment Term and (B) the date Executive ceases to be employed by the A-Max Group (the “Restricted Period”), Executive will not directly or indirectly, (w) engage in any business for Executive’s own account that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (x) enter the employ of, or render any services to, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (y) acquire a financial interest in, or otherwise become actively involved with, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (z) interfere with business relationships (whether formed before or after the Effective Date) between the A-Max Group and customers or suppliers of, or consultants to, the A-Max Group.

(ii) Notwithstanding anything to the contrary in the Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any person that is not engaged in the business of the A-Max Group which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 1% or more of any class of securities of such person.

(iii) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the A-Max Group, or directly or indirectly hire, any person who is an employee of or consultant then under contract with any member of the A-Max Group or who was an employee of or consultant then under contract with the A-Max Group within the six month period preceding such activity without the A-Max Group’s written consent.

(b) It is expressly understood and agreed that although Executive and the A-Max Group consider the restrictions contained in this Section 11 to be reasonable, if a judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) Attached hereto as Exhibit A is a list of all businesses in which Executive has an equity or debt interest on the Effective Date, and the relationships between such businesses and the A-Max Group. Executive shall update such list whenever he acquires or disposes of any such interest.

(d) The Company and A-Max Technology Co. Ltd. will be the exclusive vehicles to hold all of Executive's portable digital audio and consumer electronics products businesses. Any opportunities presented to Executive in the nature of portable digital audio or consumer electronics products must be offered to the Company, and not to any other affiliate or subsidiary of the Company, without the prior consent of the Board.

12. Nondisparagement. Executive agrees (whether during or after Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its affiliates or the officers, directors, managers or shareholders of the Company or its affiliates unless giving truthful testimony under subpoena.

13. Confidentiality. Executive shall not, without the prior written consent of the A-Max Group, use, divulge, disclose or make accessible to any other person, firm, partnership, corporation or other entity, any "Confidential Information" (as defined below) except while employed by the A-Max Group, in furtherance of the business of and for the benefit of the A-Max Group, or any "Personal Information" (as defined below); provided that Executive may disclose such information when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of the A-Max Group, or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order Executive to divulge, disclose or make accessible such information; provided, further, that in the event that Executive is ordered by a court or other government agency to disclose any Confidential Information or Personal Information, Executive shall (i) promptly notify the Company of such order, (ii) at the written request of the Company, diligently contest such order at the sole expense of the Company as expenses occur, and (iii) at the written request of the Company, seek to obtain, at the sole expense of the Company, such confidential treatment as may be available under applicable laws for any information disclosed under such order. For purposes of this Section 13, (i) "Confidential Information" shall mean non-public information concerning the financial data, strategic business plans, product development (or other proprietary product data), customer lists, marketing plans and other non-public, proprietary and confidential information relating to the business of the A-Max Group or its customers, that, in any case, is not otherwise available to the public (other than by Executive's breach of the terms hereof) and (ii) "Personal Information" shall mean any information concerning the personal, social or business activities of the officers, directors, principals, shareholders, agents and employees of any member of the A-Max Group. Upon termination of Executive's employment with the Company, Executive shall return all Company property, including, without limitation, files, records, disks and any media containing Confidential Information or Personal Information.



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#### 14. Personal Data.

(a) Executive agrees that her personal data may be used, held and/or stored (by whatever means) by the Company for the purposes of:

(i) making disclosure as required by law or the rules and regulation of any regulatory body, including, without limitation, the Inland Revenue Department, the Immigration Department, The Stock Exchange of Hong Kong and The Securities and Futures Commission of Hong Kong or their equivalents in any jurisdiction;

(ii) promotion and marketing of the A-Max Group;

(iii) compiling statistical information, employee and shareholder profiles;

(iv) maintaining and updating the register of members of the Company and establishing benefit entitlements, such as dividends, rights issues and bonus issues; or

(v) any other incidental purpose which is reasonably necessary or desirable in connection with the business of the A-Max Group.

(b) Executive further agrees that data held by the Company relating to him will generally be kept confidential but the A-Max Group may, to the extent necessary for achieving the purposes set out in Section 14(a) above or any of them, make such inquiries as it considers necessary to confirm the accuracy of the personal data and in particular, it may disclose, obtain, transfer (whether within or outside Hong Kong) her personal data to, from or with any of the following persons or entities:

(i) any regulatory or government bodies;

(ii) any agents, contractors or third party service providers who offer administrative, telecommunications, computer or other services in connection with the operation of the A-Max Group business;

(iii) any other persons or institutions with which the A-Max Group has dealings, including banks, solicitors, accountants, stock brokers or the principal and branch share registrar; or

(iv) any other persons the Board considers such disclosure, obtaining or transfer to be necessary or desirable to achieve the purposes set out above.

15. Specific Performance. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Sections 11, 12 or 13 herein would be inadequate and, in recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law,

the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

16. Miscellaneous.

(a) Acceptance. Executive hereby represents that her performance and execution of this Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement. Executive hereby represents that he has provided the Company or its counsel with a copy of each and every material agreement between Executive and each and every former employer of Executive.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong without regard to its conflicts of laws provisions.

(c) Entire Agreement/Amendments. This Agreement and the Proprietary Invention Assignment and Confidentiality Agreement between Executive and the Company dated as of June 17, 2005 (the "Confidentiality Agreement") contain the entire understanding of the parties with respect to the employment of Executive by the Company as of the Effective Date. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein or in the Confidentiality Agreement. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto. Sections 11, 12, 13, 14, 15 and 16 survive the termination of Executive's employment with the Company, except as otherwise specifically stated therein.

(d) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(e) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(f) Assignment. Executive shall not have the right to assign her interest in this Agreement, any rights under this Agreement or any duties imposed under this Agreement. This Agreement may be assigned by the Company to any member of the A-Max Group and any successor in interest to substantially all of the business operations of the Company. Such assignment shall become effective when the Company notifies Executive of such assignment or at such later date as may be specified in such notice. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor company, provided that any assignee expressly assumes the obligations, rights and privileges of this Agreement.

(g) Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if delivered by overnight courier service, or if sent by facsimile transmission, addressed to the respective addresses or sent via facsimile to the respective facsimile numbers, as the case may be, as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt; provided, however, that (i) notices sent by personal delivery or overnight courier shall be deemed given when delivered and (ii) notices sent by facsimile transmission shall be deemed given upon the sender's receipt of confirmation of complete transmission.

If to Executive, to:

10/F, A-Max Technology Tower  
12-16 Fui Yiu Kok Street  
Tsuen Wan, New Territories  
Hong Kong  
Fax: (852) 2753-6226

or such other address as shall most currently appear on the records of the Company.

If to the Company, to:

10/F, A-Max Technology Tower  
12-16 Fui Yiu Kok Street  
Tsuen Wan, New Territories  
Hong Kong  
Fax: (852) 2753-6226

Attn: Diana Chan

(h) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such taxes and other amounts as may be required to be withheld pursuant to any applicable law or regulation.

(i) Continuation of Employment. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Company beyond the expiration of the Employment Term shall be deemed an employment "at will" and shall not be deemed to extend any of the provisions of this Agreement, and Executive's employment may thereafter be terminated at will by Executive or the Company.

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(j) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

EXECUTIVE

/s/ Diana Chan \_\_\_\_\_

A-MAX TECHNOLOGY LIMITED

By: /s/ \_\_\_\_\_

Authorized Signatory

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**EXHIBIT A**

**List of all businesses in which Diana Chan has an equity or debt interest**

None

**EMPLOYMENT AGREEMENT**

EMPLOYMENT AGREEMENT (this “Agreement”), effective as of June 17, 2005 (the “Effective Date”), by and between A-Max Technology Limited, a company organized and existing under the laws of Bermuda (the “Company”), and Dong Yu Xiao (“Executive”).

WHEREAS, the Company desires to continue to employ Executive and to enter into an agreement embodying the terms of such employment and considers it essential to its best interests and the best interests of its stockholders to foster the employment of Executive by the Company during the term of this Agreement;

WHEREAS, Executive desires to accept such continued employment with and participation in the ownership of the Company and to enter into this Agreement; and

WHEREAS, Executive is willing to accept continued employment on the terms hereinafter set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein and for other good and valuable consideration, the parties hereby agree as follows:

1. Term of Employment. Subject to the provisions of Section 10 of the Agreement, this Agreement shall be effective for a period commencing on the Effective Date and ending on the day immediately preceding the third anniversary of the Effective Date (the “Initial Term”); provided, however, that such term shall be automatically extended for successive twelve (12) month periods unless, no later than 60 days prior to the expiration of the Initial Term or any extension thereof, either party hereto shall provide written notice to the other party hereto of its or his desire not to extend the term hereof (the Initial Term together with any extension shall be referred to hereinafter as the “Employment Term”).

2. Position.

(a) Executive shall serve as the Chief Operating Officer of the Company. In such position, Executive shall have such duties and authority as shall be determined from time to time by the Board of Directors of the Company (the “Board”). Executive shall report to the Board.

(b) During the Employment Term, Executive will devote his business time and best efforts to the performance of his duties hereunder and will not engage in any other business, profession or occupation for compensation or otherwise which would conflict with the rendition of such services either directly or indirectly, without the prior written consent of the Board.

(c) The Executive shall also be or act as the Chief Operating Officer of A-Max Technology Co., Ltd., or such other managerial position or positions with the Company or any of its subsidiaries or affiliated companies as shall hereafter be designated by the Board without additional or further remuneration or compensation, and unless otherwise determined by the Board, shall have such authority and powers commensurate with his position(s).

3. Base Salary. During the Employment Term, the Company shall pay Executive a base salary (the “Base Salary”) at the monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. Upon successful completion of an initial public offering, the Base Salary will be increased to a monthly rate of HKD \_\_\_\_\_, payable in regular installments in accordance with the Company’s usual payroll practices. The Board may from time to time review and increase Executive’s Base Salary in its sole discretion, or it may decrease such Base Salary, but only to conform with an across-the-board decrease affecting all of the Company’s senior officers.

4. Bonus. Executive shall be afforded the opportunity to earn a cash bonus in respect of each calendar year ending during the Employment Term, the amount of which, if any, shall be determined by the Board in its sole discretion (each year’s award granted pursuant to this Section 4 shall hereinafter be referred to as the “Bonus”).

5. Equity. Upon the consummation of, or as soon as reasonably practicable after the consummation of, the initial public offering of ordinary shares or ADS’ s representing ordinary shares of the Company pursuant to the United States Securities Act of 1933, as amended (the “IPO”), Executive shall be granted the number of restricted ordinary shares of the Company equal to the product of (a) 10% multiplied by (b) the total shares approved by the Board and granted for the period, pursuant to the shares based compensation plan. Such restricted ordinary shares shall be granted pursuant to the shares based compensation plan of the Company approved by the Board and such additional agreements entered into by the Company and Executive in connection therewith. Executive may be granted additional equity in the Company on terms and at a time determined at the sole discretion of the Board.

6. Employee Benefits. During the Employment Term, Executive shall be provided with benefits on the same basis as benefits are generally made available to other senior executives of the Company. The Company shall pay the reasonable cost of membership for the Executive, his spouse and dependent children not greater than twenty-one (21) years of age, for a private patient medical plan, with a reputable medical expense insurance scheme as the Company shall decide from time to time.

7. Holiday. Executive shall be entitled to twenty-five (25) days annual paid holiday, at times convenient to the Company. Any entitlement to holiday remaining at the end of the calendar year may be carried forward to the next calendar year, but no further. The entitlement to holiday (and on termination of employment to holiday pay in lieu of holiday) accrues pro rata on a monthly basis throughout the calendar year.

8. Sickness or Injury. The Executive shall be paid in full during any period of absence from work due to sickness or injury, not to exceed thirty (30) days in any twelve (12) month period, provided that the Executive must submit satisfactory evidence of the sickness or



injury from a qualified medical practitioner with respect to any period of absence in excess of fourteen (14) days. The Executive's Base Salary during any period of absence due to sickness or injury shall be inclusive of any sickness allowance or other amount to which the Executive is entitled to from the Company.

9. Business Expenses. During the Employment Term, reasonable business expenses incurred by Executive in the performance of his duties hereunder shall be reimbursed by the Company in accordance with Company policies.

10. Termination. Notwithstanding any other provision of the Agreement:

(a) For Cause by the Company. The Employment Term, and Executive's employment hereunder, may be terminated at any time by the Company for "Cause" upon delivery of a "Notice of Termination" (as defined in Section 10(e)) by the Company to Executive. For purposes of this Agreement, "Cause" shall mean, in each case, as reasonably determined by the Board: (i) conviction of, or entry of a pleading of guilty or no contest by, Executive with respect to a felony or any lesser crime of which fraud or dishonesty is a material element; (ii) Executive's willful dishonesty towards the Company; (iii) Executive's continued failure to perform substantially all of his duties with the Company, or a failure to follow the lawful direction of the Board after the Board delivers a written demand for substantial performance and Executive neglects to cure such a failure to the reasonable satisfaction of the Board within 15 days; (iv) Executive's material, knowing and intentional failure to comply with applicable laws with respect to the execution of the Company's business operations or his material breach of this Agreement; (v) Executive's theft, fraud, embezzlement, dishonesty or similar conduct which has resulted or is likely to result in material damage to the Company or any of its affiliates or subsidiaries; or (vi) Executive's habitual intoxication or continued abuse of illegal drugs which materially interferes with Executive's ability to perform his assigned duties and responsibilities.

If Executive is terminated for Cause pursuant to this Section 10(a), he shall be entitled to receive only his Base Salary through the date of termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive's termination of employment for Cause pursuant to this Section 10(a) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(b) Disability or Death. The Employment Term, and Executive's employment hereunder, shall terminate immediately upon his death or following delivery of a Notice of Termination by the Company to Executive if Executive becomes physically or mentally incapacitated and is therefore unable for a period of ninety (90) consecutive days or one-hundred twenty (120) days during any consecutive six (6) month period to perform his duties with substantially the same level of quality as immediately prior to such incapacity (such incapacity is hereinafter referred to as "Disability"). Upon termination of Executive's employment hereunder for either Disability or death, Executive or Executive's estate (as the case

may be) shall be entitled to receive his Base Salary through the date of termination and any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. Executive or Executive' s estate (as the case may be) shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following Executive' s termination for Disability or death shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive (or his estate, as the case may be) shall not participate in any severance plan, policy or program of the Company.

(c) Without Cause by the Company. The Employment Term, and Executive' s employment hereunder, may be terminated by the Company without Cause (other than by reason of Executive' s death or disability) following the delivery of a Notice of Termination to Executive. If Executive' s employment is terminated by the Company without Cause (other than by reason of Disability or death), Executive shall receive, within 30 days following termination, a lump sum payment of (i) any earned but unpaid Base Salary through the date of termination, and (ii) any earned but unpaid Bonus for any calendar year preceding the year in which the termination occurs. In addition, subject to Executive' s Compliance with Sections 11, 12, and 13 below, Executive shall receive continued payments of the Base Salary for six (6) months following termination. Executive shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due to Executive following a termination pursuant to this Section 10(c) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(d) Termination by Executive. The Employment Term, and Executive' s employment hereunder, may be terminated by Executive following the delivery of a Notice of Termination to the Company. Upon a termination by Executive pursuant to this Section 10(d), Executive shall be entitled to his Base Salary through the date of such termination and he shall have no further rights to any compensation (including any Base Salary or Bonus) or any other benefits under this Agreement. All other benefits, if any, due Executive following termination pursuant to this Section 10(d) shall be determined in accordance with the plans, policies and practices of the Company; provided, however, that Executive shall not participate in any severance plan, policy or program of the Company.

(e) Notice of Termination. Any purported termination of employment by the Company or Executive shall be communicated by a written Notice of Termination to Executive or the Company, respectively, delivered in accordance with Section 15(g) hereof. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in the Agreement relied upon, the date of termination, and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of employment under the provision so indicated. The date of termination of Executive' s employment shall be the date so stated in the Notice of Termination, which date shall be no less than 30 days (90 days in the case of a termination by Executive) following the delivery of a Notice of Termination; provided, however, that in the case of a termination for Cause by the Company, the date of termination shall be the date the Notice of Termination is delivered in accordance with Section 15(g).

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11. Non-Competition/Non-Solicitation/Related Business.

(a) Executive acknowledges and recognizes the highly competitive nature of the businesses of the Company and its subsidiaries and affiliates collectively the (“A-Max Group”) and accordingly agrees as follows:

(i) During the Employment Term and for a period of [two] years following the earlier of (A) the expiration of the Employment Term and (B) the date Executive ceases to be employed by the A-Max Group (the “Restricted Period”), Executive will not directly or indirectly, (w) engage in any business for Executive’s own account that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (x) enter the employ of, or render any services to, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, (y) acquire a financial interest in, or otherwise become actively involved with, any person engaged in any business that competes with the business of the A-Max Group in any geographical area in which the A-Max Group does business, directly or indirectly, as an individual, partner, shareholder, officer, director, principal, agent, trustee or consultant, or (z) interfere with business relationships (whether formed before or after the Effective Date) between the A-Max Group and customers or suppliers of, or consultants to, the A-Max Group.

(ii) Notwithstanding anything to the contrary in the Agreement, Executive may, directly or indirectly own, solely as an investment, securities of any person that is not engaged in the business of the A-Max Group which are publicly traded on a national or regional stock exchange or on the over-the-counter market if Executive (A) is not a controlling person of, or a member of a group which controls, such person and (B) does not, directly or indirectly, own 1% or more of any class of securities of such person.

(iii) During the Restricted Period, Executive will not, directly or indirectly, solicit or encourage to cease to work with the A-Max Group, or directly or indirectly hire, any person who is an employee of or consultant then under contract with any member of the A-Max Group or who was an employee of or consultant then under contract with the A-Max Group within the six month period preceding such activity without the A-Max Group’s written consent.

(b) It is expressly understood and agreed that although Executive and the A-Max Group consider the restrictions contained in this Section 11 to be reasonable, if a judicial determination is made by a court of competent jurisdiction that the time or territory or any other restriction contained in the Agreement is an unenforceable restriction against Executive, the provisions of the Agreement shall not be rendered void but shall be deemed amended to apply as to such maximum time and territory and to such maximum extent as such court may judicially determine or indicate to be enforceable. Alternatively, if any court of competent jurisdiction finds that any restriction contained in this Agreement is unenforceable, and such restriction cannot be amended so as to make it enforceable, such finding shall not affect the enforceability of any of the other restrictions contained herein.

(c) Attached hereto as Exhibit A is a list of all businesses in which Executive has an equity or debt interest on the Effective Date, and the relationships between such businesses and the A-Max Group. Executive shall update such list whenever he acquires or disposes of any such interest.

(d) The Company and A-Max Technology Co. Ltd. will be the exclusive vehicles to hold all of Executive's portable digital audio and consumer electronics products businesses. Any opportunities presented to Executive in the nature of portable digital audio or consumer electronics products must be offered to the Company, and not to any other affiliate or subsidiary of the Company, without the prior consent of the Board.

12. Nondisparagement. Executive agrees (whether during or after Executive's employment with the Company) not to issue, circulate, publish or utter any false or disparaging statements, remarks or rumors about the Company or its affiliates or the officers, directors, managers or shareholders of the Company or its affiliates unless giving truthful testimony under subpoena.

13. Confidentiality. Executive shall not, without the prior written consent of the A-Max Group, use, divulge, disclose or make accessible to any other person, firm, partnership, corporation or other entity, any "Confidential Information" (as defined below) except while employed by the A-Max Group, in furtherance of the business of and for the benefit of the A-Max Group, or any "Personal Information" (as defined below); provided that Executive may disclose such information when required to do so by a court of competent jurisdiction, by any governmental agency having supervisory authority over the business of the A-Max Group, or by any administrative body or legislative body (including a committee thereof) with jurisdiction to order Executive to divulge, disclose or make accessible such information; provided, further, that in the event that Executive is ordered by a court or other government agency to disclose any Confidential Information or Personal Information, Executive shall (i) promptly notify the Company of such order, (ii) at the written request of the Company, diligently contest such order at the sole expense of the Company as expenses occur, and (iii) at the written request of the Company, seek to obtain, at the sole expense of the Company, such confidential treatment as may be available under applicable laws for any information disclosed under such order. For purposes of this Section 13, (i) "Confidential Information" shall mean non-public information concerning the financial data, strategic business plans, product development (or other proprietary product data), customer lists, marketing plans and other non-public, proprietary and confidential information relating to the business of the A-Max Group or its customers, that, in any case, is not otherwise available to the public (other than by Executive's breach of the terms hereof) and (ii) "Personal Information" shall mean any information concerning the personal, social or business activities of the officers, directors, principals, shareholders, agents and employees of any member of the A-Max Group. Upon termination of Executive's employment with the Company, Executive shall return all Company property, including, without limitation, files, records, disks and any media containing Confidential Information or Personal Information.

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#### 14. Personal Data.

(a) Executive agrees that his personal data may be used, held and/or stored (by whatever means) by the Company for the purposes of:

(i) making disclosure as required by law or the rules and regulation of any regulatory body, including, without limitation, the Inland Revenue Department, the Immigration Department, The Stock Exchange of Hong Kong and The Securities and Futures Commission of Hong Kong or their equivalents in any jurisdiction;

(ii) promotion and marketing of the A-Max Group;

(iii) compiling statistical information, employee and shareholder profiles;

(iv) maintaining and updating the register of members of the Company and establishing benefit entitlements, such as dividends, rights issues and bonus issues; or

(v) any other incidental purpose which is reasonably necessary or desirable in connection with the business of the A-Max Group.

(b) Executive further agrees that data held by the Company relating to him will generally be kept confidential but the A-Max Group may, to the extent necessary for achieving the purposes set out in Section 14(a) above or any of them, make such inquiries as it considers necessary to confirm the accuracy of the personal data and in particular, it may disclose, obtain, transfer (whether within or outside Hong Kong) his personal data to, from or with any of the following persons or entities:

(i) any regulatory or government bodies;

(ii) any agents, contractors or third party service providers who offer administrative, telecommunications, computer or other services in connection with the operation of the A-Max Group business;

(iii) any other persons or institutions with which the A-Max Group has dealings, including banks, solicitors, accountants, stock brokers or the principal and branch share registrar; or

(iv) any other persons the Board considers such disclosure, obtaining or transfer to be necessary or desirable to achieve the purposes set out above.

15. Specific Performance. Executive acknowledges and agrees that the Company's remedies at law for a breach or threatened breach of any of the provisions of Sections 11, 12 or 13 herein would be inadequate and, in recognition of this fact, Executive agrees that, in the event of such a breach or threatened breach, in addition to any remedies at law,

the Company, without posting any bond, shall be entitled to obtain equitable relief in the form of specific performance, temporary restraining order, temporary or permanent injunction or any other equitable remedy which may then be available.

16. Miscellaneous.

(a) Acceptance. Executive hereby represents that his performance and execution of this Agreement does not and will not constitute a breach of any agreement or arrangement to which he is a party or is otherwise bound, including, without limitation, any noncompetition or employment agreement. Executive hereby represents that he has provided the Company or its counsel with a copy of each and every material agreement between Executive and each and every former employer of Executive.

(b) Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong without regard to its conflicts of laws provisions.

(c) Entire Agreement/Amendments. This Agreement and the Proprietary Invention Assignment and Confidentiality Agreement between Executive and the Company dated as of June 17, 2005 (the "Confidentiality Agreement") contain the entire understanding of the parties with respect to the employment of Executive by the Company as of the Effective Date. There are no restrictions, agreements, promises, warranties, covenants or undertakings between the parties with respect to the subject matter herein other than those expressly set forth herein or in the Confidentiality Agreement. This Agreement may not be altered, modified, or amended except by written instrument signed by the parties hereto. Sections 11, 12, 13, 14, 15 and 16 survive the termination of Executive's employment with the Company, except as otherwise specifically stated therein.

(d) No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver of such party's rights or deprive such party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement.

(e) Severability. In the event that any one or more of the provisions of this Agreement shall be or become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not be affected thereby.

(f) Assignment. Executive shall not have the right to assign his interest in this Agreement, any rights under this Agreement or any duties imposed under this Agreement. This Agreement may be assigned by the Company to any member of the A-Max Group and any successor in interest to substantially all of the business operations of the Company. Such assignment shall become effective when the Company notifies Executive of such assignment or at such later date as may be specified in such notice. Upon such assignment, the rights and obligations of the Company hereunder shall become the rights and obligations of such successor company, provided that any assignee expressly assumes the obligations, rights and privileges of this Agreement.

(g) Notice. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given if delivered personally, if delivered by overnight courier service, or if sent by facsimile transmission, addressed to the respective addresses or sent via facsimile to the respective facsimile numbers, as the case may be, as set forth below, or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only upon receipt; provided, however, that (i) notices sent by personal delivery or overnight courier shall be deemed given when delivered and (ii) notices sent by facsimile transmission shall be deemed given upon the sender's receipt of confirmation of complete transmission.

If to Executive, to:

10/F, A-Max Technology Tower  
12-16 Fui Yiu Kok Street  
Tsuen Wan, New Territories  
Hong Kong  
Fax: (852) 2753-6226

or such other address as shall most currently appear on the records of the Company.

If to the Company, to:

10/F, A-Max Technology Tower  
12-16 Fui Yiu Kok Street  
Tsuen Wan, New Territories  
Hong Kong  
Fax: (852) 2753-6226

Attn: Diana Chan

(h) Withholding Taxes. The Company may withhold from any amounts payable under this Agreement such taxes and other amounts as may be required to be withheld pursuant to any applicable law or regulation.

(i) Continuation of Employment. Unless the parties otherwise agree in writing, continuation of Executive's employment with the Company beyond the expiration of the Employment Term shall be deemed an employment "at will" and shall not be deemed to extend any of the provisions of this Agreement, and Executive's employment may thereafter be terminated at will by Executive or the Company.

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(j) Counterparts. This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.



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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the day and year first above written.

EXECUTIVE

/s/ Yu Xiao Dong \_\_\_\_\_

A-MAX TECHNOLOGY LIMITED

By: /s/ \_\_\_\_\_  
Authorized Signatory

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**EXHIBIT A**

**List of all businesses in which Dong Yu Xiao has an equity or debt interest**

- (1) Billion Creation Limited - shareholder of Company.
- (2) Teambest Limited - shareholder of Company.
- (3) Vital Champion Limited - shareholder of Company.