



新體育集團有限公司  
NEW SPORTS GROUP LIMITED

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Date: 30 May 2016

To: **Ms. Tang Lai Wah**  
Flat G, 11/F., Block 8  
Tung Chung Crescent  
Tung Chung Lantau  
New Territories

Dear Ms. Tang,

**Re: Appointment of an independent non-executive director of New Sports Group Limited (新體育集團有限公司) (the “Company” or “we” or “our”)**

We are pleased to confirm that our board of directors (the “**Directors**” and the “**Board**”) has appointed you as an independent non-executive Director of the Company for a term of three (3) years with effect from 30 May 2016. We now write to confirm the terms and conditions of your appointment.

**1. Term of Appointment**

- 1.1 You have been appointed as a director of the Company on 30 May 2016. You are designated as an independent non-executive director of the Company for a term commencing from 30 May 2016 to 29 May 2019 unless your appointment is terminated in accordance with paragraph 8 below.
- 1.2 We and our shareholders value continuity and experience on our Board. Subject to the agreement between yourself and us, re-election by our shareholders and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Hong Kong Listing Rules**”), we welcome and appreciate longer service beyond the initial term.

**2. Duties of the Directors**

- 2.1 Independent non-executive Directors have the same legal responsibilities to the Company as any other Director. Our Board as a whole is collectively responsible for promoting the success of the Company and its subsidiaries (collectively the “**Group**”) by directing and supervising their affairs in a responsible and effective manner.
- 2.2 You shall devote your time, attention and skill to your duties as an independent non-executive Director, and shall at all times act in the interests of the Group and shall faithfully and diligently perform such duties and exercise such powers consistent therewith as may from time to time be assigned to or vested in you by our Board or the Company.



2.3 You shall undertake the responsibilities of a director as set out in:

- (a) the Hong Kong Listing Rules (including but not limited to the provisions relating to directors as set out in Chapter 3, the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 and the Code of Corporate Governance Practices in Appendix 14);
- (b) the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (the “**Companies Ordinance**”);
- (c) the Companies Law (Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (“**Cayman Companies Law**”));
- (d) the Hong Kong Codes on Takeovers and Mergers and Share Repurchases;
- (e) the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
- (f) the articles of association of the Company (the “**Articles**”);
- (g) the “Non-statutory Guidelines on Directors’ Duties” issued by the Hong Kong Companies Registry in March 2014, which is set out in **Annex 1** in this letter, and

all applicable laws, rules, regulations, policies and procedures from time to time in force. In particular:

- (i) you shall faithfully and diligently perform such functions and exercise such powers as are appropriate to your position as an independent non-executive Director of a company listed on The Stock Exchange of Hong Kong Limited (“**Hong Kong Stock Exchange**”). You shall, without limitation, ensure the continuing effectiveness of the management team and the high standards of probity within the Company, scrutinize the Company’s performance in achieving agreed corporate goals and objectives, and monitor the reporting of the performance of the Company. Our Board may need you to serve on various committees or sub-committees of our Board and/or to accept additional appointments in or on behalf of the Company;
- (ii) you shall attend general meetings of the Company, meetings of our Board and of any committees or sub-committees of our Board to which you are appointed as a member. If you are unavoidably unable to attend, as much prior notice as possible should be given to the company secretary of the Company (the “**Company Secretary**”);
- (iii) we acknowledge that you have certain business interests other than those of the Company and that you have declared any conflicts that are apparent as of the present date. In the event that you become aware of any actual or potential conflicts of interest and duty, such as the holding of other directorships and major external appointments by you or your associates (as defined in the Hong Kong Listing Rules) in any business which may be competing with the



business of the Group from time to time, you shall disclose such interests to the Chairman of our Board (the “**Chairman**”) and the Company Secretary as soon as they become apparent. You shall also keep our Board fully informed on a continuing basis of all changes to such arrangements;

- (iv) you shall not engage in any activity in competition with the business of the Group, or otherwise engage in any activity which could prevent you from acting as an independent non-executive director of the Company in accordance with the applicable rules of the Hong Kong Stock Exchange; and
- (v) you shall inform our Board if you cease to qualify, or if you come to know of any circumstances which may render you no longer qualified, as a Director under the Hong Kong Listing Rules, the Companies Ordinance, the Cayman Companies Law, the Articles, or any other applicable rules and regulations. If our Board considers in its absolute discretion that you are no longer qualified as a Director and inform you thereof in writing, you shall resign as an independent non-executive Director without compensation upon the effective date of the notice.

2.4 In addition, you shall be a member of the Audit Committee, the Salary Review Committee and the Nomination Committee of the Board.

### **3. Duties of the Company**

- 3.1 We will provide such support to you as an independent non-executive Director in order to enable you to discharge your duties as an independent non-executive Director.
- 3.2 We will provide you with such director’s and officer’s liability insurance as we in its discretion considers necessary for the proper discharge of you duties.

### **4. Remuneration and Expenses**

- 4.1 You will receive a service fee of HK\$20,000.00 per month during the term of your appointment. In addition to the service fee, you will be entitled to a discretionary bonus to be determined by the Company from time to time. No additional fees or other remuneration will be paid for serving on Board committees unless otherwise agreed. We will reimburse you, against receipts or other satisfactory evidence, for all reasonable and out-of-pocket expenses (including travel expenses) you properly incur in performing the duties of your office.
- 4.2 It is our policy that independent non-executive Director’ fees will be reviewed annually. Such fees should reflect the likely workload, scale and complexity of our business and the responsibility involved. The fees are subject to the approval of our shareholders at the annual general meeting of the Company.



## 5. Outside Interests

- 5.1 You are asked to disclose the number and nature of offices held in public companies or organizations and other significant commitments, with the identity of the public companies or organizations and an indication of the time involved, upon our request from time to time.
- 5.2 It is accepted and acknowledged that you have business interests other than those of the Group and have declared any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest, these should be disclosed to the Chairman and the Company Secretary as soon as apparent.
- 5.3 You are asked to note that you should disclose your interest, or the interest of your associates (as such term is defined on the Hong Kong Listing Rules), if any, in a proposal, contract or transaction that the Company or any member of the Group is considering by declaring the nature of your interest upon receipt of the proposed agenda for a meeting of our Board.

## 6. Confidentiality

- 6.1 All information acquired during your appointment (the “**Confidential Information**”) is confidential to the Company and should not be released, either during your Appointment or following termination (by whatever means), to third parties without prior clearance from the Chairman.
- 6.2 Confidential Information does not include any information or material which is in the public domain other than as a result of a breach by yourself.
- 6.3 Your attention is also drawn to the requirements under both legislation and regulation as to the disclosure of price sensitive information. Consequently you are asked to avoid making any statements that might risk a breach of these requirements without prior clearance from the Chairman or the Company Secretary.

## 7. Share Dealings

- 7.1 You are requested to comply with all relevant rules and regulations of the Hong Kong Stock Exchange or other market on which the deals are conducted and the Articles in force for the time being in relation to dealings in shares or other securities of the Company and in relation to unpublished price-sensitive information affecting the shares, debentures or other securities of any member of the Group. Your attention is drawn to the codes of conduct for securities transactions as set out in the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 of the Hong Kong Listing Rules.
- 7.2 In relation to overseas dealings, you are also requested to comply with all laws of the state and all regulations of the relevant stock exchange, market or dealing system in which such dealings take place.
- 7.3 You must notify the Board of any interests which you have or acquire, which might reasonably be thought (by reference to Rule 3.13 of the Hong Kong Listing Rules or



otherwise) to jeopardise your independence from the Company.

- 7.4 You must not (and neither shall your spouse, minor children or any corporations in which you have a material interest) deal in any securities of the Company, except in accordance with the Company's code for securities transactions by directors.

## **8. Termination**

- 8.1 Your appointment as an independent non-executive Director may be terminated with immediate effect by the Company upon the following circumstances:

8.1.1 you are prohibited or disqualified from acting as a director of the Company under any applicable law or is publicly censured or criticised by the Hong Kong Stock Exchange or the Securities and Futures Commission of Hong Kong and our Board is of the view that the retention of office by you is prejudicial to the interests of the Company or investors in the Company;

8.1.2 you are guilty of any gross misconduct or willful neglect of duty or commit any material breach of the terms of your appointment (or, in the case of a breach which is capable of remedy, fails to remedy such breach to the satisfaction of our Board within 15 days of being called upon to do so in writing by our Board);

8.1.3 you are guilty of conduct likely to bring yourself or the Group or any member of the Group into grave disrepute;

8.1.4 you become bankrupt or make any arrangement or composition with your creditors or has a receiving order made against you;

8.1.5 you are convicted of any criminal offence involving dishonesty, or the specified penalty for which includes imprisonment (other than an offence which, in the reasonable opinion of our Board, does not affect your position in the Company); or

8.1.6 you become a lunatic or of unsound mind.

- 8.2 If you shall cease to be a Director (otherwise than pursuant to the provisions of the Articles relating to the retirement of Directors by rotation, provided that you are re-elected at the general meeting at which you retire), your appointment shall thereby automatically terminate. However, if such cessation shall be caused by any act or omission on your part without the consent, concurrence or complicity of our Board then such act or omission shall be deemed a breach of the terms hereof and termination hereunder shall be without prejudice to any claim for damages in respect of such breach. For the avoidance of doubt, you hereby consent to retirement by rotation in accordance with the Articles and the requirements of the Hong Kong Listing Rules at such time as may be required by our Board.



- 8.3 Either yourself or we may terminate this appointment by giving to the other at least one (1) month's notice in writing. In case of your resignation and upon such resignation, you may be required to provide written confirmation to the Company and the Hong Kong Stock Exchange as to the reasons of your resignation.
- 8.4 Upon the termination of your appointment (for whatever reason and howsoever caused), you shall, upon our request, resign immediately (if you have not already done so) from such offices held by you in the Company and in any other member of the Group including without limitation your directorship in the Company and membership in any committees or sub-committees of our Board, without any claim for compensation.
- 8.5 Termination of your appointment hereunder shall not affect the continued application of Clause 6 herein and the then accrued rights and liabilities of the parties under this letter. In addition, you shall have no claim against the Company for damages or otherwise by reason of termination of your appointment, other than for any remuneration and other expenses due under Clause 4 herein.

## 9. Undertakings

- 9.1 You shall not either during the term of your appointment or at any time thereafter divulge to any person whomsoever or to any body corporate or unincorporated and shall use your best endeavours to prevent the unauthorized publication or disclosure of any trade secret or confidential information concerning the business, finances or affairs of the Group which may have come to your knowledge during or in the course of the appointment.
- 9.2 You shall not make or communicate any statement (whether written or oral) to any representative of the press, television, radio or other media and shall not write any article for the press or otherwise for publication on any matter connected with or relating to the business of the Group without obtaining the prior written approval of our Board.
- 9.3 Forthwith upon the termination of your appointment (for whatever reason and howsoever caused), and at any other time as we shall so request, you shall deliver to us all documents (including books, records, documents, papers, accounts, correspondence, lists of customers, notes, memoranda, plans, drawings and other documents of whatsoever nature), models or samples, and other properties concerning the business, finances or affairs of the Group which may then be in your possession or under your power or control.

## 10. Entire Agreement

This letter of appointment shall be in substitution of any subsisting agreement(s) or arrangement(s) (oral or otherwise) made between us which shall be deemed to have been terminated by mutual consent and cease to have any further effect as from the date of your appointment.



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Website 網址 www.newsportsgp.com

## 11. Notices

Any notice required to be given by any party hereto to the other party shall be deemed validly served by hand delivery or by post to its address given herein or such other address as may from time to time be notified for this purpose. Any notice served by hand shall be deemed to have been served on delivery and any notice served by post shall be deemed to have been served 48 hours after the time at which it was posted.

## 12. Governing Law

This letter of appointment shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") and the parties hereto irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts for the purpose of any claims arising hereunder.

If at any time you have any comments or questions relating to your position as an independent non-executive Director, you are welcome to contact the Company Secretary.

Please confirm your acceptance of the above terms and conditions that govern your appointment by countersigning, dating and returning to us a copy of this letter.

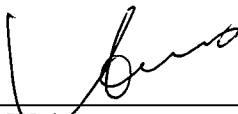
On behalf of the Company and our Board, we look forward to your joining our Board and to your valued participation in the successful direction of our activities.

Yours sincerely,

For and on behalf of  
**New Sports Group Limited**  
新體育集團有限公司

  
\_\_\_\_\_  
Director

Received and accepted by  
Tang Lai Wah  
on 30 May 2016

  
\_\_\_\_\_  
Tang Lai Wah

## Annex 1

### Non-statutory Guidelines on Directors' Duties

#### **Introduction**

In general the responsibilities and liabilities of directors derive from various sources, including the constitution of the company, case law and statute law. If a person does not comply with his duties as a director he may be liable to civil or criminal proceedings and may be disqualified from acting as a director.

Although case law sets out and elaborates on most of these significant principles, it tends to be complex and inaccessible. The objective of this Guide is to outline the general principles for a director in the performance of his functions and exercise of his powers.

All directors are advised to read this Guide and acquaint themselves with the general duties of directors outlined in the Guide. Companies should give copies of the Guide to their directors for information and reference. This Guide is readily accessible on the websites of the Companies Registry ([www.cr.gov.hk](http://www.cr.gov.hk)), the Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)), the Securities and Futures Commission ([www.sfc.hk](http://www.sfc.hk)), the Official Receiver's Office ([www.oro.gov.hk](http://www.oro.gov.hk)) and the Hong Kong Monetary Authority ([www.hkma.gov.hk](http://www.hkma.gov.hk)). Hard copies are also available at their offices.

In addition, directors are also encouraged to refer to more detailed reviews of the role and duties of directors in law. For example, the Hong Kong Institute of Directors ([www.hkiod.com](http://www.hkiod.com)) has issued the Guidelines for Directors and the Guide for Independent Non-Executive Directors. Directors should also refer to the Corporate Governance Code issued by the Hong Kong Exchanges and Clearing Limited ([www.hkex.com.hk](http://www.hkex.com.hk)) to improve the manner in which listed companies are managed.

It is important to note that all the general principles of directors' duties in this Guide are of equal importance. The statements are principles only and are not intended to be exhaustive statements of the law. Furthermore, statute or case law could require certain forms of conduct under specified circumstances. If directors are at all in doubt about the nature of their responsibilities and obligations, they should seek legal advice.

#### **The general principles of directors' duties**

##### **Principle 1      Duty to act in good faith for the benefit of the company as a whole**

A director of a company must act in good faith in the best interests of the company. This means that a director owes a duty to act in the interests of all its shareholders, present and future. In carrying out this duty, a director must (as far as practicable) have regard to the need to achieve outcomes that are fair as between its members.



**Principle 2      Duty to use powers for a proper purpose for the benefit of members as a whole**

A director of a company must exercise his powers for a “proper purpose”. This means that he must not exercise his powers for purposes that are different from purposes for which they were conferred. The primary and substantial purpose of the exercise of a director’s powers must be for the benefit of the company. If the primary motive is found to be for some other reasons (e.g. to benefit one or more directors and to gain control of the company), then the effects of his exercise of his power may be set aside. This duty can be breached even if he has acted in good faith.

**Principle 3      Duty not to delegate powers except with proper authorisation and duty to exercise independent judgement**

Except where authorised to do so by the company’s articles of association (the “constitution”) or any resolution, a director of a company must not delegate any of his powers. He must exercise independent judgement in relation to any exercise of his powers.

**Principle 4      Duty to exercise care, skill and diligence**

Section 465 of the Companies Ordinance (Cap. 622) provides that a director of a company must exercise reasonable care, skill and diligence. This means the care, skill and diligence that would be exercised by a reasonably diligent person with –

- (i) the general knowledge, skill and experience that may reasonably be expected of a person carrying out the functions carried out by the director in relation to the company; and
- (ii) the general knowledge, skill and experience that the director has.

**Principle 5      Duty to avoid conflicts between personal interests and interests of the company**

A director of a company must not allow personal interests to conflict with the interests of the company.

**Principle 6      Duty not to enter into transactions in which the directors have an interest except in compliance with the requirements of the law**

A director of a company has certain duties where he has a material interest in any transaction to which the company is, or may be, a party. Until he has complied with these duties, he must not, in the performance of his functions as a director, authorise, procure or permit the company to enter into a transaction. Furthermore, he must not enter into a transaction with the company, unless he has complied with the requirements of the law.

The law requires a director to disclose the nature and extent of his interest in respect of such transactions. Under certain circumstances the constitution may prescribe procedures to secure the approval of directors or members in respect of proposed transactions. A director must disclose the relevant interest to the extent required. Where applicable, he must secure the requisite approval of other directors or members.

**Principle 7      Duty not to gain advantage from use of position as a director**

A director of a company must not use his position as a director to gain (directly or indirectly) an advantage for himself, or someone else, or which causes detriment to the company.

**Principle 8      Duty not to make unauthorised use of company's property or information**

A director of a company must not use the company's property or information, or any opportunity that presents itself to the company, of which he becomes aware as a director of the company. This is except where the use or benefit has been disclosed to the company in general meeting and the company has consented to it.

**Principle 9      Duty not to accept personal benefit from third parties conferred because of position as a director**

A director or former director of a company must not accept any benefit from a third party, which is conferred because of the powers he has as director or by way of reward for any exercise of his powers as a director. This is unless the company itself confers the benefit, or the company has consented to it by ordinary resolution, or where the benefit is necessarily incidental to the proper performance of any of his functions as director.

**Principle 10     Duty to observe the company's constitution and resolutions**

A director of a company must act in accordance with the company's constitution. He must also comply with resolutions that are made in accordance with the company's constitution.

**Principle 11     Duty to keep accounting records**

A director of a company must take all reasonable steps to secure that the company keeps accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy the company's financial position and financial performance. To avoid breaching the fraudulent trading provisions in section 275 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32), a director must not allow the company to incur further credit knowing that there is no reasonable prospect of avoiding insolvency.