

Dated 18 APRIL 2019

- (1) TEM HOLDINGS LIMITED
- (2) BRASCABOS INTERNATIONAL GROUP LIMITED

MASTER SALES AGREEMENT

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THIS AGREEMENT is made on 18 April 2019

BETWEEN:

- (1) **TEM HOLDINGS LIMITED**, a company incorporated in the Cayman Islands with limited liability whose principal place of business in Hong Kong is situate at Suite 1706, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong ("**TEM**"); and
- (2) **BRASCABOS INTERNATIONAL GROUP LIMITED**, a company incorporated in the British Virgin Islands with limited liability whose principal place of business is at Suite 1706, Tower 1, China Hong Kong City, 33 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong ("**BRASCABOS**").

(each a "**Party**" and together, the "**Parties**")

WHEREAS:

- (a) The shares of TEM are listed on the Stock Exchange (as defined below).
- (b) Members of the Group (as defined below) have entered into, and will continue to enter into, the Transactions (as defined below) with members of the Brascabos Group (as defined below).
- (c) Brascabos is indirectly wholly owned by Mr. Lau Man Tak, chairman and an executive director of TEM. Brascabos is therefore a connected person (as defined below) of TEM under the Listing Rules (as defined below). Accordingly, the Transactions are continuing connected transactions (within the meaning of the Listing Rules) for TEM.
- (d) The Parties agree that the Group and the Brascabos Group shall enter into, renew or extend agreements in respect of all Transactions on the terms of this Agreement and in accordance with the Listing Rules.

NOW IT IS HEREBY AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement (including the Recitals) the following words and expression shall, unless the context otherwise requires, have the following meanings:

Annual Caps means the maximum annual aggregate consideration payable by the Brascabos Group to the Group, in respect of the Transactions during the term of this Agreement, which shall not exceed the maximum annual value set in accordance with the Listing Rules;

Applicable Laws means and includes all applicable laws, rules, regulations, orders, judgements, decrees, guidelines, opinions, notices, circulars or rulings of any court, Governmental Authority;

Business Day means a day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are open for normal banking business;

connected person has the meaning given to it in the Listing Rules;

continuing connected transactions has the meaning given to it in the Listing Rules;

Effective Date means 18 April 2019;

Governmental Authority means any public, regulatory, taxing, administrative or governmental, agency or authority (including, without limitation, the Stock Exchange and the Securities and Futures Commission), other authority and any court at the national, provincial, municipal or local level;

Hong Kong means the Hong Kong Special Administrative Region of the PRC;

Group means TEM and its subsidiaries from time to time;

Initial Term has the meaning given to it under Clause 4.1;

Listing Rules means the Rules Governing the Listing of Securities on GEM of the Stock Exchange as amended and supplemented from time to time;

Brascabos Group means Brascabos and its subsidiaries from time to time;

Operational Agreement(s) means individual agreement(s) or order(s) which may be entered into between any member(s) of the Group and any member(s) of the Brascabos Group from time to time in relation to any of the Transactions at any time during the term of this Agreement;

Transactions means all existing and future transactions between members of the Group and members of the Brascabos Group in respect of the sale of power cords, cable/wire and harnesses by the Group to the Brascabos Group;

PRC means the People's Republic of China, which, for the purpose of this Agreement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan;

Stock Exchange means The Stock Exchange of Hong Kong Limited;

subsidiary means any entity which falls within the definition of "subsidiary" under the Listing Rules or the Companies Ordinance (Chapter 622 of the Laws of Hong Kong); and

Working Hours means 9:00 a.m. to 6:00 p.m. on a Business Day.

- 1.2 In this Agreement, unless the context otherwise requires:
- 1.2.1 references to the singular includes a reference to the plural and vice versa;
 - 1.2.2 references to times and dates are references to Hong Kong times and Hong Kong dates, respectively;
 - 1.2.3 references to any Recital or Clause is to a recital or clause (as the case may be) of, or to, this Agreement; and
 - 1.2.4 the headings are inserted for convenience only and shall not affect the construction of this Agreement.

2. GENERAL TERMS FOR TRANSACTIONS

- 2.1 At any time during the term of this Agreement, the relevant members of the Group and the Brascabos Group may from time to time enter into Operational Agreement(s) in relation to any Transaction(s) upon, and subject to, the terms and conditions in compliance with those of this Agreement as may be agreed between the relevant members of the Group and the relevant members of the Brascabos Group. For the avoidance of doubt, all existing agreements between the relevant members of the Group and the relevant members of the Brascabos Group in respect of the Transactions (to the extent which covers the Transactions after the Effective Date) shall be treated as Operational Agreements made pursuant to this Agreement as from the Effective Date.
- 2.2 The Parties agree that, from the Effective Date, the Transactions shall be conducted:
- 2.2.1 in the usual and ordinary course of business of the Group;
 - 2.2.2 on normal commercial terms (as defined in the Listing Rules) and based on the then prevailing market rates; and
 - 2.2.3 in compliance with all applicable provisions of the Listing Rules (including the Annual Caps), Applicable Laws, this Agreement and the relevant Operational Agreements.
- 2.3 The Parties agree that in the event of any conflict between the terms of this Agreement and the terms of any Operational Agreement, the terms of this Agreement shall prevail.
- 2.4 Each Party shall perform (or procure the performance of) all further acts and things and execute and deliver (or procure the execution and delivery of) such further

documents as may be required by law or as may be necessary or reasonably required by either Party to implement and give effect to this Agreement.

3. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS

- 3.1 Brascabos represents and warrants to TEM that it is a company legally established and validly existing under the laws of the British Virgin Islands.
- 3.2 Brascabos represents and warrants to TEM that it is duly authorised and has capacity to execute and be bound by this Agreement and shall be capable of performing its obligations under this Agreement.
- 3.3 For the principal purpose of enabling TEM to comply with its obligations under the Listing Rules, Brascabos undertakes to TEM, and procure members of the Brascabos Group, to allow TEM's independent non-executive directors and auditors sufficient access to the Brascabos Group's records for the purpose of reporting on the Transactions. For such purpose, Brascabos shall, and shall procure members of the Brascabos Group to, use its/their reasonable endeavours to give such information and assistance as TEM's independent non-executive directors and auditors may reasonably request. TEM's independent non-executive directors and auditors shall notify member(s) of the Brascabos Group of any such review in writing at least fifteen (15) Business Days or such a date as may be mutually agreed by both Parties in advance.

4. DURATION AND TERMINATION

- 4.1 This Agreement shall commence on the Effective Date, and shall continue up to and including 30 June 2021 (the "**Initial Term**"), unless terminated earlier in accordance with this Clause or Clause 4.2. Subject to compliance with the then relevant requirements of the rules of any stock exchange to which either Party is subject to, including, but not limited to, the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Initial Term or subsequent renewal term, this Agreement is automatically renewed for a successive period of three (3) years thereafter (or such other period permitted under the Listing Rules), provided always that either Party shall have the right to unilaterally terminate this Agreement at any time during the Initial Term or any subsequent renewal term by giving to the other Party not less than thirty (30) Business Days' prior written notice.
- 4.2 Without prejudice to the Parties' right to terminate this Agreement under Clause 4.1, either Party shall be entitled to terminate this Agreement with immediate effect if:
 - 4.2.1 Brascabos and the Brascabos Group cease to be connected persons of TEM, or the Transactions cease to be subject to the Listing Rules in relation to continuing connected transactions;

- 4.2.2 the other Party commits any continuing or material breach of any of the provisions of this Agreement (save for any breach which is caused by the Party seeking to rely on it/him) and, in the case of such a breach which is capable of remedy, fails to remedy the same within thirty (30) Business Days after receipt of a written notice giving full particulars of the breach and requiring it/him to be remedied;
 - 4.2.3 the other Party (in respect of a corporation) makes any voluntary arrangement with its creditors or becomes subject to an administration order;
 - 4.2.4 the other Party goes into liquidation or bankruptcy (except for the purposes of an amalgamation, reconstruction or other reorganisation and in such manner that the company resulting from the reorganisation effectively agrees to be bound by, or to assume the obligations imposed on, that other Party under this Agreement with the prior written consent of the Party seeking to rely on it); or
 - 4.2.5 the other Party ceases, or threatens to cease, to carry on business.
- 4.3 For the purpose of Clause 4.2.2, a breach shall be considered capable of remedy if the Party in breach can comply with the provision in question in all respects other than as to the time of performance (provided that time of performance is not of the essence).
- 4.4 Any waiver by either Party of a breach of any provision of this Agreement shall not be considered as a waiver of any subsequent breach of the same or any other provision.
- 4.5 The rights to terminate this Agreement given by this Clause 4 shall not prejudice any other right or remedy of either Party in respect of the breach concerned (if any) or any other breach.

5. NOTICES

5.1 Any notice, request, or other communication shall only be effective if it is in writing. Faxes are permitted.

5.2 Every notice, request, or other communication under this Agreement shall be sent to a Party at its address or number and for the attention of the individual set out below:

5.2.1 To TEM at:

Suite 1706, Tower 1

China Hong Kong City

33 Canton Road

Tsim Sha Tsui

Kowloon, Hong Kong

Telephone: [+852 3168-2070]

Facsimile: [+852 3168-2083]

Attention: [Mr. Vincent Ho Pang Cheng]

5.2.2 To Brascabos at:

Avenida Brasil, 3464 - Distrito Industrial

CEP 13505-600 - Rio Claro - SP - Brasil

Telephone: [+55 19 3522-5122]

Facsimile: [+55 19 3535-4597]

Attention: [Mr. Glauber Marcal da Silva Rizzi]

or to such other address or facsimile number as is notified by either Party to the other Party from time to time.

5.3 Any notice, request, or other communication given under this Agreement shall, in the absence of earlier receipt, be deemed to have been duly given as follows:

5.3.1 if delivered personally, on delivery;

5.3.2 if sent by post, two (2) clear Business Days after the date of posting;
and

5.3.3 if sent by facsimile, when despatched with confirmed answerback.

Any notice given under this Agreement outside Working Hours shall be deemed not to have been given until the start of the next period of Working Hours.

6. GENERAL PROVISIONS

6.1 Each Party shall pay its own costs relating to the preparation, execution and performance by it of this Agreement and each document referred to in this Agreement.

6.2 Nothing in this Agreement shall create, or be deemed to create, any binding obligations between the Parties to enter into any Transaction.

6.3 Neither Party to this Agreement shall assign, transfer, charge or otherwise deal with all or any of its rights under this Agreement nor grant, declare, create or dispose of any right or interest in it/him without the prior written consent of the other Party.

6.4 This Agreement may be executed in any number of counterparts, and by each Party on separate counterparts. Each counterpart is an original, but all counterparts shall together constitute one and the same instrument. Delivery of a counterpart of this Agreement by email attachment or telecopy shall be an effective mode of delivery.

6.5 No amendment of this Agreement (or of any of the documents referred to in this Agreement) shall be valid unless it is in writing and signed by or on behalf of both Parties.

6.6 Each of the provisions of this Agreement is severable. If any such provision is held to be or becomes invalid or unenforceable in any respect under the law of any jurisdiction it shall have no effect in that respect and the Parties shall use all reasonable efforts to replace it by a valid and enforceable substitute provision the effect of which is as close to its intended effect as possible.

6.7 This Agreement and the Operational Agreement(s) contain the entire agreement between the Parties hereto with respect to the subject matter hereof, and supersedes all previous agreements and understandings between the Parties.

6.8 If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable, in whole or in part, in any respect under the law of any jurisdiction, that shall not affect or impair:

6.8.1 the legality, validity or enforceability in that jurisdiction of the remainder of and/or any other provision of this Agreement; or

6.8.2 the legality, validity or enforceability under the law of any other jurisdiction of the remainder and/or any other provision of this Agreement.


7. GOVERNING LAW AND JURISDICTION

7.1 This Agreement shall be governed by, and construed in accordance with, the laws of Hong Kong.

7.2 The Parties irrevocably agree that the courts of Hong Kong shall have non-exclusive jurisdiction to settle any proceedings, suits, disputes or actions which may arise out of or in connection with this Agreement.

IN WITNESS WHEREOF this Agreement has been duly executed on the date first above written.

SIGNED by)
for and on behalf of)
TEM HOLDINGS LIMITED)
in the presence of:)



SIGNED by)
for and on behalf of)
BRACABOS INTERNATIONAL GROUP LIMITED)
in the presence of:)

