

**Private and Confidential**

**Dated 12 September, 2007**

**BIG JUMP INVESTMENTS LIMITED**

as borrower,

**MR. ZHANG XI**

as guarantor

and

**SANFULL SECURITIES LIMITED**

as lender

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**LOAN AGREEMENT**  
for a facility of up to HK\$1,900,000

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RICHARDS BUTLER  
20th Floor  
Alexandra House  
16-20 Chater Road  
Central  
Hong Kong  
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**THIS AGREEMENT** dated 12 September, 2007 is made

**BETWEEN:-**

- (1) Big Jump Investments Limited, a company incorporated under the laws of the British Virgin Islands whose registered office is situate at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Borrower");
- (2) Mr. Zhang Xi, holder of the People's Republic of China Passport Number 15082635 and the sole beneficial owner of the Borrower (the "Guarantor"); and
- (2) Sanfull Securities Limited, a company incorporated in Hong Kong with limited liability whose registered office is at Suite 2001-6, 20/F Cosco Tower, 183 Queen's Road Central, Hong Kong (the "Lender")

**RECITALS**

- (1) On 12 September, 2007, the Borrower entered into a sale and purchase agreement (the "SPA") with the existing controlling shareholders of BEP International Holdings Limited (the "Company") pursuant to which the Borrower agreed to acquire 172,650,000 shares (the "Shares") of HK\$0.01 each in the share capital of the Company at a consideration HK\$128,000,000 which is equivalent to HK\$0.741 per Share.
- (2) The Company is a company incorporated in Bermuda with limited liabilities and the Shares of which are listed and dealt with on the main board of The Stock Exchange of Hong Kong Limited.
- (3) Pursuant to Rule 26 of The Hong Kong Code on Takeovers and Mergers, the Borrower is required to make an unconditional cash offer for all the Shares other than those which already owned or agreed to be acquired by the Borrower and parties acting in concert with it upon completion of the SPA.

**IT IS AGREED** as follows:-

1. **INTERPRETATION**

1.1 In this Agreement, unless the context requires otherwise:-

"Advance" means (as the context may indicate) the advance made or to be made by the Lender to the Borrower under this Agreement.

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

"Dollars" or "HK\$" means the lawful currency for the time being of Hong Kong.

"Drawdown Date" means such Business Day as may be stated in the Drawdown Request.

"Drawdown Request" means a drawdown request substantially in the form of Schedule 2.

"Event of Default" means any of the events specified in Clause 8.

"Guarantee" means the deed of guarantee and indemnity executed or to be executed by the Guarantor in respect of the obligations of the Borrower under this Agreement.

"Guarantor" means Mr. Zhang Xi (holder of Philippines Passport Number 15082635).

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Indebtedness" means any obligation for the payment or repayment of money, whether as principal or as surety and whether present or future, actual or contingent, primary or collateral, several or joint, secured or unsecured, subordinated or unsubordinated.

"Interest Rate" means the rate of interest charged on the Advance, being 2% per month.

"Loan" means the aggregate principal amount of up to HK\$51,900,000 advanced or to be advanced to the Borrower by the Lender under this Agreement.

"Offer" means the unconditional cash offer to be made by the Borrower for all the Shares other than those which already owned or agreed to be acquired by the Borrower and parties acting in concert with it upon completion of the SPA and pursuant to Rule 26 of The Hong Kong Code on Takeovers and Mergers.

"Repayment Date" means the date falling two (2) months after the last Drawdown Date as may be specified in the Drawdown Request or, if extended by the Borrower in accordance with Clause 4.1, the Repayment Date as extended.

"Security Documents" means the Guarantee and the Share Charge, and any other documents or instruments which may hereafter be executed from time to time as a further security for all or any part of the Borrower's obligations under this Agreement.

"Security Interests" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest or encumbrance of any other kind securing or conferring any priority of payment in respect of any obligation of any person and includes any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any applicable law.

"Security Party" means at any time, the Borrower and the Guarantor and any other person who/which has provided security for all or any part of the obligations of the Borrower under this Agreement.

"Share Charge" means a pledge in the form set out in Schedule 3.

"SPA" means the sale and purchase agreement dated 12 September, 2007 entered into

between the Borrower as purchaser and Best Practice Enterprises Limited and Target World Enterprises Limited as vendors in relation to the acquisition of 172,650,000 Shares at a consideration HK\$128,000,000 which is equivalent to HK\$0.741 per Share.

"Taxes" includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature together with interest thereon and penalties in respect thereof (other than tax on the overall net income of the Lender) and "Taxation" shall be construed accordingly.

1.2 **Construction:** In this Agreement, unless the context otherwise requires:-

- (a) references to "Clauses" and "Schedules" are references to the clauses of, and schedules to, this Agreement and references to this Agreement include its Schedules;
- (b) a reference in a Clause to a "sub-clause" is a reference to a sub-clause of that Clause;
- (c) references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as amended, varied, novated or supplemented in accordance with the terms thereof, or as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of this Agreement or the relevant document, required to be obtained as a condition to such amendment, variation, novation or supplement being permitted) the prior written consent of the Lender;
- (d) the plural includes the singular and words importing gender or the neuter include both genders and the neuter and vice versa;
- (e) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any state or any agency thereof; and
- (f) any reference to the "Borrower" or the "Lender" shall, where the context permits, be construed so as to include their/its and any subsequent successors and permitted transferees and permitted assigns in accordance with their respective interests.

1.3 Clause headings, sub-headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

2. **THE LOAN**

Subject to the terms and conditions of this Agreement, the Lender hereby agrees to make available to the Borrower a loan of up to HK\$51,900,000 for the purpose of financing the Borrower in making an unconditional cash offer for all the Shares other than those which already owned or agreed to be acquired by the Borrower and parties acting in concert with it upon completion of the SPA and in compliance with Rule 26 of The

Hong Kong Code on Takeovers and Mergers.

3. **AVAILABILITY PERIOD**

Subject to the satisfaction of conditions as set out in clause 4 below, the loan shall be available for drawdown from the date of this Agreement up to and including 30<sup>th</sup> November, 2007.

4. **DRAWDOWN**

4.1 Subject to:-

- (a) the Lender having received not less than one Business Day before the proposed Drawdown Date the Drawdown Request duly signed on behalf of the Borrower;
- (b) the Lender having received prior to or contemporaneously with or prior to the receipt of the Drawdown Request referred to in (a) above all the documents referred to in Schedule 1; and
- (c) the proposed Drawdown Date of the Advance being a Business Day.

the Advance may be drawn by the Borrower during the Availability Period in multiple Drawdown Requests.

- 4.2 The Drawdown Request issued by the Borrower to the Lender shall be effective on actual receipt and, once given, shall be irrevocable.

5. **REPAYMENT AND PREPAYMENT**

- 5.1 The Borrower shall repay the principal amount of the Loan and any other sums owing under this Agreement and the Security Documents to which it is or is to be party on the Repayment Date. At the option of the Borrower which can be exercised in its sole discretion, the Repayment Date can be extended for up to one (1) month in which case all references to the Repayment Date in this Agreement shall be deemed to be to such Repayment Date as extended.

- 5.2 The Borrower may, without premium or penalty at any time by notice in writing to the Lender, prepay the Loan in part or full on any Business Day.

6. **INTEREST**

- 6.1 The Loan shall bear interest at the Interest Rate. Interest shall be paid in arrears on the Repayment Date or such earlier date on which the Loan is to be repaid or prepaid in accordance with this Agreement.

- 6.2 Interest shall accrue from day to day and be calculated on the basis of the actual number

of days elapsed over a year of 365 days.

## **7. PAYMENTS**

- 7.1 Subject to the terms of this Agreement, on each Drawdown Date, the Lender shall make the Advance available to the Borrower by payment in Dollars in the manner as instructed by the Borrower.
- 7.2 On each date on which any sum is due from the Borrower, the Borrower shall make that sum available to the Lender not later than 2.00 p.m. (Hong Kong time) by payment in Dollars in immediately available funds to such account as the Lender may notify the Borrower in writing or in such other manner as the Borrower and the Lender shall mutually agree.
- 7.3 If any sum would otherwise become due for payment pursuant to this Agreement on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

## **8. SECURITY INTERESTS**

- 8.1 As a security for the granting of the Loan, the Guarantor hereby agrees to execute the Guarantee (the form of which is attached in Schedule 4) in favour of the Lender in respect of the obligations of the Borrower under this Agreement.
- 8.2 As a further security for the granting of the Loan, the Borrower hereby agrees to execute the Share Charge (the form of which is attached in Schedule 3) in favour of the Lender on 172,650,000 Shares, representing approximately 71.46% of the existing issued share capital of the Company; and
- 8.3 As a further security for the granting of the Loan, the Borrower hereby agrees to provide a first legal charge in favour of the Lender on all the Shares tendered by the shareholders of the Company under the Offer and execute a new share charge substantially in the form as attached in Schedule 3 subject to necessary amendments to reflect the number of Shares subject to the charge.

## **9. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 9.1 The Borrower and the Guarantor hereby represent and warrant to the Lender that:-
- (a) the Borrower is duly incorporated and validly existing under the laws of its place of incorporation and has full power and authority to execute and deliver this Agreement and the Security Documents to which it is a party and to exercise its rights and perform its obligations hereunder and thereunder and all corporate or other actions required to authorise the execution and delivery of this Agreement and the Security Documents to which it is a party and the performance by it of its obligations hereunder and thereunder have been duly taken;

- (b) this Agreement constitutes the Borrower's legal, valid and binding obligations enforceable in accordance with its terms;
- (c) the execution and delivery by the Borrower of this Agreement and the Security Documents to which it is a party and the performance by it of its obligations hereunder and thereunder will not:-
  - (i) contravene any provisions of any law, statute, decree, rule or regulation to which it or any of its assets or revenues is subject; or
  - (ii) violate any provision of its memorandum or articles of association (or their equivalent); or
  - (iii) conflict with, or result in any breach of any of the terms of, or constitute a default under, any material agreement or other instrument to which it is a party; or
  - (iv) result in the creation or imposition of or oblige it to create any Security Interest other than as permitted under the terms of this Agreement and/or any of the Security Documents on any of its undertaking, assets, rights or revenues;
- (d) the Borrower's borrowing pursuant to this Agreement and entering into of this Agreement will not cause any limit or restriction on its borrowing or other powers (whether imposed by law, decree, rule, regulation, agreement, its corporate constitutional documents or otherwise howsoever) or on the right or ability of its directors to exercise any such powers to be exceeded or breached;
- (e) the Borrower has not incurred and has not entered into any agreement to incur Indebtedness other than (i) Indebtedness properly arising in the ordinary course of its business, or (ii) Indebtedness pursuant to this Agreement and the Security Documents to which it is a party;
- (f) the obligations of the Borrower under this Agreement are direct and unconditional obligations of the Borrower and rank at least pari passu with all other present and future unsecured and unsubordinated Indebtedness of the Borrower; and
- (g) other than the security interest created under the Security Documents to which it is a party or liens arising by operation of law in the ordinary course of business, no security interest exists over all or any of the assets of the Borrower.

9.2 **Repetition:** Each of the representations and warranties made by the Borrower pursuant to Clause 9.1 shall be deemed to be repeated and correct in all material respects on and as of each day from the date on which the Advance is requested, until all monies due or owing by the Borrower under this Agreement and the Security Documents have been repaid in full as if made with reference to the facts and circumstances existing on each such day.

9.3 The Borrower and the Guarantor shall undertake that, for so long as any amount remains

outstanding under this Agreement, they shall to the extent they can properly do so procure that:

- (a) the Company will not enter into any new borrowing arrangements (outside the ordinary course of business) without prior written consent from the Lender (which shall not be unreasonably withheld). This undertaking, however, does not apply to and shall not affect any borrowings by the Company under any borrowing arrangements existing as of the date of this Agreement or any renewal thereof; and
- (b) the Company will not issue any new shares or securities, the effect of which will dilute the Shares charged to the Lender to below 51% of the issued capital of the Company.

#### 10. EVENTS OF DEFAULT

If any of the following events occurs:-

- (a) the Borrower fails to pay any amount due from it under this Agreement or the Security Documents to which it is a party in the manner specified herein or therein on the due date for payment; or
- (b) the Borrower or any Security Party commits any breach of or omits to observe any of its/his undertakings or obligations under this Agreement or the Security Documents to which it/he is a party and such breach or omission, if capable of remedy, is not remedied within 14 days of the receipt of a written notice to the Borrower or Security Party from the Lender requiring remedy of the same; or
- (c) any representation or warranty made or deemed to be repeated by the Borrower or Security Party pursuant to this Agreement or the Security Documents to which it/he is a party (as the case may be) is or proves to have been incorrect when made or repeated and, if capable of remedy, is not remedied within 14 days of the receipt of a written notice to the Borrower or Security Party from the Lender requiring remedy of the same; or
- (d) any consent, licence, approval or authorisation is modified in a manner unacceptable to the Lender or is not granted or is suspended or revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect and such modification, failure to grant, suspension, revocation, termination, expiry, non-renewal or other cessation to be in full force and effect, if capable of remedy, is not remedied within 14 days of the receipt of a written notice from the Lender to the Borrower requiring remedy of the same; or
- (e) the Borrower or any Security Party is unable to pay its/his debts as they fall due, or makes a general assignment for the benefit of or a composition with its/his creditors and such inability to pay debts or making of a general assignment is not rectified or discontinued, as the case may be, to the reasonable satisfaction of the Lender within 14 days of notice from the Lender to the Borrower or Security Party as the case may be requiring the same; or

- (f) the Borrower or Security Party takes any action or any other steps are taken or proceedings are commenced by the Borrower or Security Party or any other person for its/his winding-up, dissolution, bankruptcy or liquidation or for the making of an administration order or for the appointment of a receiver, administrative receiver, trustee or similar officer of it/him or of any or all of its/his revenues and assets and such action, steps or proceedings is not discharged or discontinued within 14 days; or
- (g) any event occurs or proceeding is taken with respect to the Borrower or Security Party in any jurisdiction to which it/he is subject which has an effect which is equivalent or similar to any of the events mentioned in sub-clauses (e), (f);
- (h) the Borrower or any other Security Party repudiates this Agreement or any of the Security Documents or does or causes to be done any act or thing evidencing an intention to repudiate this Agreement or any of the Security Documents or any action or proceedings are commenced (and not withdrawn or dismissed within a period of 14 days after its commencement) to enjoin or restrain the performance of or compliance with any respective obligation of the Borrower or any other Security Party under this Agreement or any of the Security Documents or otherwise dispute the ability of the Borrower or any other Security Party to enter into, exercise its respective rights or perform or comply with any of its respective obligations under this Agreement or any of the Security Documents;

then, and in such case and at any time thereafter so long as such Event of Default is continuing the Lender may:-

- (i) declare that the obligations of the Lender to make the Loan available shall be terminated, whereupon the Loan shall be terminated; and/or
- (ii) declare that the Loan and all interest accrued thereon and other sums owing under this Agreement have become immediately due and payable, whereupon the same shall become so due and payable without further demand; and/or
- (iii) take any action, exercise any other right or pursue any other remedy conferred upon the Lender by this Agreement or the Security Documents or by any applicable law or regulation or otherwise as a consequence of such Event of Default.

## 11. FEES AND STAMP DUTY

11.1 The Borrower shall pay to the Lender:-

- (a) a commitment fee which is equivalent to 3% of the aggregate principal amount of the Loan i.e. HK\$1,557,000 by cashier order made payable to "Sanfull Securities Limited" on the date of this Agreement;
- (b) promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar Taxes legally required to be paid or payable

in connection with the entry into, performance, enforcement or admissibility in evidence of this Agreement and/or the Security Documents and/or any amendment or waiver thereof, and shall indemnify the Lender against any liability with respect to or resulting from any delay in paying or omission to pay any such Taxes.

12. **ASSIGNMENT AND TRANSFER**

- 12.1 This Agreement shall be binding upon and enure to the benefit of each party hereto and its successors and permitted assignees and transferees.
- 12.2 The Borrower and the Guarantor cannot assign or transfer all or any of its rights, benefits and/or obligations under this Agreement and the Security Documents.
- 12.3 The Lender may, assign and/or transfer all or any of its rights under this Agreement and the Security Documents and for such purposes, the Lender shall be entitled to make disclosure on a confidential basis of information about the Borrower and the Loan. The Borrower undertakes on demand to take all necessary actions and sign all documents reasonably required by the Lender in connection with any such assignment or transfer.

13. **REMEDIES, WAIVERS AND AMENDMENTS**

- 13.1 No failure or delay on the part of the Lender in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 13.2 Any provision of this Agreement may be amended only if the Borrower, the Guarantor and the Lender so agree in writing.

14. **NOTICES**

Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent by post or airmail or by facsimile transmission to the relevant party at its address or fax number set out below (or such other address or fax number as the addressee has by three (3) days' prior written notice specified to the other parties):-

To the Borrower: Big Jump Investments Limited  
Address: c/o Room 2805, 28<sup>th</sup> Floor,  
The Center, 99 Queen's Road Central,  
Hong Kong  
Attention: Mr. Zhang Xi

To the Guarantor: Mr. Zhang Xi  
Address: c/o Room 2805, 28<sup>th</sup> Floor,  
The Center, 99 Queen's Road Central,  
Hong Kong

To the Lender: Sanfull Securities Limited  
Address: Suite 2001-6, 20/F Cosco Tower  
183 Queen's Road Central, Hong Kong

Fax Number: 2853 2244  
Attention: Mr. Henry Chan

Any such notice, demand or other communication so addressed to the relevant party shall be in English and shall be served either by hand or by sending it through the post or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered; if sent by post, the second business day after it is posted and if sent by facsimile, when despatched subject to receipt by the sender of confirmation of uninterrupted transmission.

15. **PARTIAL INVALIDITY**

The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

16. **COUNTERPARTS**

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. Each party may enter into this Agreement by signing any such counterpart.

17. **GOVERNING LAW AND JURISDICTION**

This Agreement is governed by and construed in accordance with the laws of Hong Kong and the parties submit to the non exclusive jurisdiction of the courts of Hong Kong.

## SCHEDULE 1

### Documents and evidence required as conditions precedent for drawdown

1. Principal Documents

Fully executed originals of:-

- (a) this Agreement;
- (b) the Guarantee; and
- (c) the Share Charge

and all documents required to be delivered thereunder.

2. Corporate Documents

- (a) A copy, certified as a true, complete and up-to-date copy by a director, of the Certificate of Incorporation and the Memorandum and Articles of Association (or equivalent constitutional documents) of the Borrower.
- (b) A copy, certified as a true copy by a director, of the board resolutions of the Borrower evidencing approval of this Agreement and the Security Documents to which it is or is to be party and authorising officer(s) to execute and deliver this Agreement and the Security Documents to which it is a party and to give all notices and take all other actions required by it thereunder.

**SCHEDULE 2**

**Form of Drawdown Request**

[Date]

To: Sanfull Securities Limited  
Suite 2001-6, 20/F Cosco Tower  
183 Queen's Road Central  
Hong Kong

Dear Sirs,

The Loan up to HK\$51,900,000 pursuant to Loan Agreement dated [\*], 2007 (the "Loan Agreement")

We refer to the Loan Agreement. Terms defined in the Loan Agreement shall have the same meanings herein.

We hereby give you notice that we wish to draw down the Advance in the sum of HK\$[amount] on [date].

The said amount of HK\$[amount], subject to any deduction provided under the Loan Agreement, should be paid by way of cheque made payable to [\*].

For and on behalf of  
Big Jump Investments Limited

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Name:  
Title:

**SCHEDULE 3**

**Form of Share Charge**

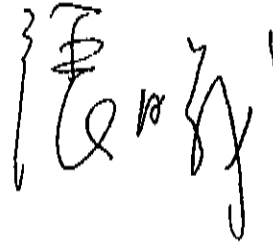
**SCHEDULE 4**

**Form of Guarantee**

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be duly executed the day and year first above written.

SIGNED by  
Mr. Zhang Xi  
for and on behalf of  
Big Jump Investments Limited  
in the presence of:-

  
Alex W.C. Ng  
Solicitor  
Richards Butler  
20/F Alexandra House  
Hong Kong SAR

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SIGNED by  
Mr. Zhang Xi

in the presence of:-

  
Alex W.C. Ng  
Solicitor  
Richards Butler  
20/F Alexandra House  
Hong Kong SAR

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SIGNED by  
Mr. Henry Chan  
for and on behalf of  
Sanfull Securities Limited  
in the presence of:-

*Law Yoon* 

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)  
For and on behalf of  
**SANFULL SECURITIES LIMITED**

  
Authorized Signature(s)