

Dated 1 January 2006

- (1) **BEP INTERNATIONAL HOLDINGS LIMITED**
- (2) **CHAN TAT**

SERVICE AGREEMENT

TABLE OF CONTENTS

CLAUSE NO. _____	HEADING	PAGE NO.
1.	DEFINITIONS AND INTERPRETATION.....	1
2.	APPOINTMENT.....	2
3.	DIRECTOR'S DUTIES AND SERVICES	3
4.	REMUNERATION.....	4
5.	EXPENSES.....	4
6.	LEAVE.....	5
7.	SHARE DEALINGS.....	5
8.	TERMINATION	5
9.	RESTRAINT ON ACTIVITIES	7
10.	CONFIDENTIAL INFORMATION.....	8
11.	INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY	9
12.	REASONABLE RESTRICTIONS	10
13.	PERSONAL DATA (PRIVACY) ORDINANCE (THE "ORDINANCE").....	10
14.	WAIVER.....	11
15.	FORMER SERVICE AGREEMENTS.....	11
16.	SEVERABILITY	11
17.	ASSIGNABILITY.....	12
18.	NOTICES.....	12
19.	LAW AND JURISDICTION.....	12

THIS AGREEMENT dated 1 January 2006 is made

BETWEEN:-

- (1) **BEP INTERNATIONAL HOLDINGS LIMITED** whose registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and whose principal place of business in Hong Kong is at Units 909-912, 9th Floor, Fo Tan Industrial Centre, 26-28 Au Pui Wan Street, Fotan, Shatin, New Territories, Hong Kong (the "Company"); and
- (2) **CHAN TAT** of No. 1 Ma On Path, Kau To Shan, Shatin, New Territories, Hong Kong (the "Director")

WHEREAS:

- (A) The service agreement dated 6 January 2003 made between the Company and the Director had expired on 31 December 2005; and
- (B) The Company has agreed to renew the employment of the Director and the Director has agreed to serve the Company as an executive director by providing the Company with the services hereinafter described on the terms and conditions set out hereunder.

IT IS HEREBY AGREED:-

1. DEFINITIONS AND INTERPRETATION

- (A) In this Agreement, unless the context otherwise requires, the following words shall have the following meanings:-

"Appointment" means the appointment of the Director as a full-time executive director of the Company as effected by Clause 2;

"associated companies" means companies (not being subsidiaries of the Company) in which the Company is interested directly or indirectly in more than 20% of the issued share capital of the Company and includes companies (not being subsidiaries of the Company) which are referred to in the annual accounts of the Company;

"Board" means the board of directors of the Company from time to time or (as the context may require) the majority of directors present and voting at any meeting of the board of directors of the Company duly convened and held or a duly authorised committee of the board of directors of the Company;

"Business" means all the business and affairs carried out by the Group or any company in the Group from time to time;

"Companies Ordinance" means the Companies Ordinance (Cap. 32 of the Laws of Hong Kong) from time to time amended or re-enacted;

"Confidential Information" means all information, know-how, trade secrets and records (in whatever form held) that is confidential or not generally known in any way in connection with the Business including (without prejudice to the generality of the foregoing) all formulas, designs, know-how, specifications, drawings, data, manuals and instructions and all customer & supplier lists, sales information, business plans and forecasts and all technical or other expertise and all computer software and all accounting and tax records, correspondence, orders and enquiries;

"Group" means the Company and its subsidiaries from time to time; and

"HK\$" means Hong Kong dollars, the lawfully currency of Hong Kong;

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

- (B) References herein to "Clauses" are references to the Clauses of this Agreement. The headings in this Agreement are inserted for convenience of reference only and do not affect the interpretation hereof.
- (C) References herein to one gender include references to all other genders. References herein to persons include references to individuals, firms, companies, corporations and unincorporated bodies of persons and vice versa. References herein to the singular number include references to the plural and vice versa.
- (D) Section 2 of the Companies Ordinance shall, where the context so permits, apply in the interpretation and construction of the words and expressions in this Agreement.

2. APPOINTMENT

- (A) The Company shall employ the Director and the Director shall faithfully serve the Company as an executive director of the Company upon and subject to the terms set out in this Agreement.
- (B) Subject to the provisions for termination set out in Clause 8, the Appointment shall commence for a term of three (3) years from 1 January 2006 and shall continue thereafter unless and until terminated in accordance with the provisions for termination set out in Clause 8 or by either party giving to the other not less than three (3) months' prior notice in writing.
- (C) The Director represents and warrants that he is not bound by or subject to any court order, agreement, arrangement or undertaking which in any way restricts or prohibits him from entering into this Agreement or from performing his duties hereunder.

3. DIRECTOR'S DUTIES AND SERVICES

- (A) The Director hereby undertakes with the Company that during the continuance of the Appointment, he shall use his best endeavours to carry out his duties hereunder and to protect, promote and act in the best interests of the Group.
- (B) Without prejudice to the generality of Clause 3(A), the Director in his office as a full time executive director of the Company shall:-
- (i) subject to Clause 3(F) below, devote 80 per cent of his time (both during normal business hours and at such other times necessary for the proper conduct of the Business), attention and skill to, and use his best endeavours and efforts to act in the interests and affairs of the Company in the discharge of his duties in relation to the Company;
 - (ii) in the discharge of such duties and in the exercise of such powers comply with all and any lawful directions and instructions from time to time made or given to him by the Board according to the best of his skills and ability and comply with all resolutions and regulations from time to time passed or made by the Board;
 - (iii) in pursuance of his duties hereunder perform such services for the Group and (without further remuneration unless otherwise agreed) accept such offices in the Group as the Board may from time to time reasonably require; and
 - (iv) faithfully and diligently perform such duties and exercise such powers as are consistent with his office in relation to the Company and/or the Group.
- (C) The Director shall at all times provide promptly to the Board (in writing if so requested) all such information as the Board may reasonably require in relation to his conduct of the Business in so far as such information is or ought to be within the knowledge of the Director and provide such explanations as the Board may require in connection therewith.
- (D) The Director shall carry out his duties and exercise his powers jointly with any other director or executive as shall from time to time be appointed by the Board to act jointly with the Director and the Board may at any time require the Director to cease performing or exercising any of his duties or powers under this Agreement.
- (E) The Director shall work in any place in Hong Kong or any part of the world which the Board may require for the proper performance and exercise of his duties and powers under this Agreement.
- (F) The normal office hours of the Group are 9:00 a.m. to 5:00 p.m., Monday through Friday. The Director may be required to (and, if so required, shall) work outside these normal hours without additional pay.
- (G) The Director shall comply with (i) every rule of law and (ii) the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in particular the Model Code for Securities Transactions by Directors of Listed Companies and (iii) every rule and regulation of the Company, The Stock Exchange of Hong Kong Limited

or any other competent authority for the time being in force in relation to dealings in shares or other securities of the Company or any other member of the Group.

4. REMUNERATION

(A) In consideration of the performance of his duties hereunder, the remuneration of the Director shall be:-

(i) a remuneration at the rate of HK\$110,000 per month payable in arrears at the end of each calendar month or such greater amount as the Board may determine from time to time and a bonus payment equal to the then monthly remuneration or such greater amount as the Board may determine from time to time which shall be payable within the calendar month prior to the Chinese New Year. The annual remuneration payable to the Director after each completed year of service may be increased at the sole and absolute discretion of the Board, provided that such increase shall not exceed fifteen (15) per cent. of the then current annual remuneration; and

(ii) a discretionary bonus as the Board may determine in its absolute discretion having regard to the performance of the Director and the operating results of the Group provided that the audited consolidated net profit after taxation and minority interests but before extraordinary items of the Group for the relevant year exceeds HK\$30 million and such bonus, when aggregate with all bonuses paid to all the other executive directors of the Company, in respect of any financial year of the Company, shall not be more than five (5) per cent. of the audited consolidated net profit after taxation and minority interests but before extraordinary items of the Group for that financial year, which amount shall be paid within one calendar month after the announcement of the audited final results of the Group for that financial year.

(B) Payment of the salary and bonus to the Director referred to in Clause 4(A) above shall be made either by the Company or by another company in the Group and if by more than one company in such proportions as the Board may from time to time think fit.

(C) The Director shall abstain from voting and shall not be counted in the quorum in respect of the resolution of the Board regarding any payment of discretionary bonus or increase in his salary or bonus payable to him pursuant to Clause 4(A)(i) or (ii).

5. EXPENSES

The Director shall be:-

(i) reimbursed all reasonable out-of-pocket expenses (including entertainment, travelling and hotel expenses) properly and reasonably incurred by the Director in relation to the Business or in the discharge of his duties hereunder;

(ii) covered by the Company's medical subsidisation scheme and reimbursed subject to the terms and conditions of the scheme; and

- (iii) entitled to the use of a car, and the reimbursement of all reasonable expenses relating to such car (including fuel, maintenance and insurance)

provided that all such expenses shall be evidenced in such manner as the Board may require.

6. LEAVE

The Director shall (in addition to Sundays and statutory holidays) be entitled, at the absolute discretion of the Company, to a paid holiday of seven (7) days in each year (subject to increment according to years of service as provided by the Employment Ordinance of Hong Kong) during the continuance of the Appointment hereunder to be taken at such time or times convenient to the Company as the Board may agree.

7. SHARE DEALINGS

The Director shall comply where relevant with every rule of law, every regulation of The Stock Exchange of Hong Kong Limited or other market on which he deals and every regulation and the constitutions of the companies in the Group in force for the time being in relation to dealings in shares, debentures or other securities of the companies in the Group and in relation to unpublished price-sensitive information affecting the shares, debentures or other securities of any company in the Group provided always that in relation to overseas dealings the Director shall also comply with all laws of the state and all regulations of the stock exchange, market or dealing system in which such dealings take place.

8. TERMINATION

- (A) Without prejudice to the accrued rights (if any) or remedies of either party under or pursuant to this Agreement, the Company shall be entitled to terminate this Agreement without any compensation to the Director:-

- (i) by not less than three (3) months' notice in writing given at any time while the Director shall have been incapacitated or prevented by reason of ill-health, injury or accident from performing his duties hereunder for a period of or periods aggregating ninety (90) days in the preceding twelve (12) months provided that if at any time during the currency of a notice given pursuant to this sub-paragraph (i) the Director shall provide a medical certificate satisfactory to the Board to the effect that he has fully recovered his physical and/or mental health and that no recurrence of illness or incapacity can reasonably be anticipated, the Company shall withdraw such notice; or

- (ii) by summary notice in writing with immediate effect if the Director, as the case may be, shall at any time:-

- (a) commit any serious or wilful and persistent breach of any of the provisions herein contained (and to the extent that such breach is capable

of remedy shall fail to be remedied within thirty (30) days after written notice from the Board);

- (b) be guilty of dishonesty or any grave misconduct or wilful neglect in the discharge of his duties hereunder;
- (c) absent himself from the meetings of the Board during a continuous period of six (6) months, without special leave of absence from the Board, and his alternate Director (if any) shall not during such period have attended in his stead, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (d) become of unsound mind or be or become a patient for any purpose of any statute relating to mental health;
- (e) become bankrupt or have a receiving order made against him or make any arrangement or composition with his creditors generally;
- (f) be guilty of conduct tending to bring himself or any company in the Group into disrepute;
- (g) be otherwise prohibited by law from fulfilling his duties hereunder or be removed from office by a special resolution of the shareholders of the Company in general meeting;
- (h) be convicted of any criminal offence (other than a criminal conviction which in the opinion of the Board does not affect his position in the Company);
- (i) refuse to carry out any reasonable lawful order given to him by the Board in the course of his employment or fail diligently to attend to his duties hereunder;
- (j) improperly divulge to any unauthorised person any Confidential Information or any other business secret or details of the organisation, business or clientele of the Group;
- (k) be convicted of any offence or be identified as an insider dealer under any statutory enactment or regulations relating to insider dealing in force from time to time; or
- (l) be disqualified to act as a director of any member of the Group under any applicable law or rules of any stock exchange including The Stock Exchange of Hong Kong Limited.

- (B) If the Company becomes entitled to terminate this Agreement pursuant to Clause 8(A)(ii), it shall be entitled (but without prejudice to its right subsequently to terminate this Agreement on the same or any other ground) to suspend the Director with or without payment of remuneration, in full or in part, for so long as it may think fit.

- (C) Upon the termination of this Agreement howsoever arising, the Director shall:-
- (i) at any time and from time to time thereafter at the request of the Company immediately resign from office as a director of the Company and all offices held by him in any company in the Group and the Director hereby irrevocably appoints the Company to be his lawful attorney and in his name and on his behalf to execute any document under hand or under seal or do any thing necessary to give effect thereto and a certificate in writing signed by the legal adviser to the Company that any instrument or act falls within the authority hereby conferred shall be conclusive evidence that such is the case and any third party shall be entitled to rely on such certificate without further enquiry provided howsoever that such resignation or resignations shall be given and accepted on the footing that it is or they are without prejudice to any claims which the Director may have against any such company or which any such company may have against the Director arising out of this Agreement or of the termination of this Agreement;
 - (ii) forthwith deliver to the Company all Confidential Information and all other books, records, documents, papers, materials, credit cards, correspondence, accounts and other property of or relating to the Group or the Business which may then be in the possession or under the power or control of himself and all copies thereof or extracts therefrom made by or on behalf of the Director shall be and remain the property of the relevant member of the Group and shall be delivered up to the Company forthwith;
 - (iii) not at any time thereafter represent himself to be connected with the Company or the Group; and
 - (iv) immediately pay to the Company or, as the case may be, any other company in the Group all outstanding loans or other amounts due or owed by the Director to the Company or any company in the Group.
- (D) Notwithstanding any provision in this Agreement, the provisions of Clauses 9 to 19 shall continue to apply notwithstanding the termination of this Agreement.

9. RESTRAINT ON ACTIVITIES

- (A) Except in respect of appointments to any position of responsibility in any business during the term of the Appointment hereunder which do not conflict with the interests of the Group and his responsibilities to the Group and which shall have been approved by a majority of the other members of the Board during the term of the Appointment, the Director shall not (except with the prior written approval of the Board) be directly or indirectly concerned with or engaged or interested in any other business which is in any respect in competition with or similar to the Business provided that this shall not prohibit the holding (directly or through nominees) of investments in companies which are engaged directly or indirectly in any business in connection with or similar to the Business, which companies are listed on any stock exchange as long as not more than five (5) per cent. of the issued shares or stock of any class of any one such company shall be so held save that this restriction shall not apply to any holding of shares or other

securities in the Company.

- (B) The Director agrees that, subject to the exceptions provided under Clause 9(A), for a period of one (1) year after the termination of the Appointment, he will not:-
- (i) engage or be engaged whether directly or indirectly in any business which is in competition or similar to the Business or take employment with any person, firm, company or organisation engaged in or operating, whether directly or indirectly, such business or assist any such person, firm, company or organisation with technical, commercial or professional advice in relation to such business;
 - (ii) either on his own account or for the account of any person, firm, company or organisation solicit business from any person, firm, company or organisation which at any time during the currency of the Appointment has dealt with the Company or any other company in the Group or which on the termination of the Appointment is in the process of negotiating with the Company or any such company in the Group in relation to the Business;
 - (iii) directly or indirectly employ any person who has during the currency of the Appointment been a director, manager, employee or servant of or consultant to any company in the Group and who by reason of such engagement is or may be likely to be in possession of any Confidential Information or trade secrets relating to the Business or the customers of the Group which if that person was the Director would be covered by the confidential restrictions of Clause 10 of this Agreement; and
 - (iv) either on his own account or for the account of any person, firm, company or organisation solicit or entice or endeavour to solicit or entice away from any company within the Group any director, manager, employee or servant of any company in the Group whether or not such person would commit any breach of his contract of employment by reason of leaving the service of the relevant company in the Group.
- (C) Each of Clause 9(A) and the paragraphs of Clause 9(B) shall be deemed to constitute a separate agreement and shall be construed independently of each other.

10. CONFIDENTIAL INFORMATION

- (A) The Director shall not at any time during the currency of the Appointment or after the termination of this Agreement without limit in point of time:-
- (i) use, take away, conceal or destroy any Confidential Information for his own purpose or for any purpose other than that of the Group; or
 - (ii) divulge or communicate to any person any Confidential Information except to those of the employees or officials of the Group whose province is to know the same; or

(iii) through any failure to exercise all due care skill and attention cause any unauthorised disclosure of any Confidential Information, including without limitation Confidential Information:-

- (a) relating to the dealings, organisation, business, finance, transactions or any other affairs of the Group or its clients or customers; or
- (b) in respect of which any such company is bound by an obligation of confidence to any third party; or
- (c) relating to the working of any process or invention which is carried on or used by any company in the Group or which he may discover or make during the Appointment; including anything which by virtue of Clause 11 becomes the absolute property of the Group;

but so that these restrictions shall cease to apply to any information or knowledge which may (otherwise than through the default of the Director) become available to the public generally or otherwise required by law or any applicable regulations to be disclosed.

- (B) Since the Director may obtain in the course of the Appointment by reason of services rendered for or offices held in any other company in the Group knowledge of the trade secrets or other confidential information of such company, the Director hereby agrees that he will at the request and cost of the Company or such other company enter into a direct agreement or undertaking with such company whereby he will accept restrictions corresponding to the restrictions herein contained (or such of them as may be appropriate in the circumstances) in relation to such knowledge, information, products and services and such area and for such period as such company may reasonably require for the protection of its legitimate interests.
- (C) All notes, memoranda, records and writings made by the Director in relation to the Business or concerning any of his dealings or affairs or the dealings or affairs of any clients or customers of the Group shall be and remain the property of the Group and shall be handed over by him to the Company (or to such other company in the Group as the Company may direct) from time to time on demand and in any event upon his leaving the service of the Company and the Director shall not retain any copy thereof.

11. INVENTIONS AND OTHER INDUSTRIAL OR INTELLECTUAL PROPERTY

- (A) Any concept, idea, invention or improvement or design made or process or information discovered or copyright work or trade or service mark or trade name or get-up connected with the Business or any product of the Group either directly or indirectly created by the Director or communicated to the Director by any other employee of the Company or any member of the Group during the currency of the Appointment (whether capable of being patented or registered or not and whether or not made or discovered in the course of the Appointment) in conjunction with or in any way affecting or relating to the Business or capable of being used or adapted for use therein or in connection therewith shall (unless such invention, concept, idea or improvement or design was made or process or information discovered or copyright work or trade or service mark or trade name or get-up were in existence prior to the commencement of a similar business by any company

in the Group) be disclosed in writing to the Company and shall belong to and be the absolute property of such company in the Group as the Company may direct.

- (B) The Director shall subject to Clause 11(A) above, if and whenever required so to do by the Company (whether during the currency of the Appointment or afterwards) at the expense of a company in the Group, apply or join with such company in applying, obtaining and/or renewing for letters patent or other protection or regulation in any part of the world for any such concept, idea, invention, improvement, design, process, information work, trade or service mark, trade name or get-up relating to the Business in such jurisdictions as the Board may direct as aforesaid which belongs to such company and shall at the expense of such company execute and do all instruments and things necessary for vesting the said letters patent or other protection or registration when obtained and all right title and interest to and in the same in such company absolutely and as sole beneficial owner or in such other person as the Company may specify and such company or person shall not be liable to the Director for any revenue or profit derived or resulting from such concept, idea, inventions, improvement, design process, information work, trade or service mark, trade name or get-up.
- (C) The Director hereby irrevocably appoints the Company to be his lawful attorney in his name and on his behalf to execute any such instrument or do any such thing and generally to use his name for the purpose of giving to the Company the full benefit of this Clause 11 and a certificate in writing signed by the legal advisor of the Company that any instrument or act falls within the authority hereby conferred shall be final and conclusive evidence that such is the case and any third party shall be entitled to rely on such certificate without further enquiry.

12. REASONABLE RESTRICTIONS

While the restrictions contained in Clauses 9 and 10 are considered by the parties to be reasonable in all the circumstances, it is recognised that restrictions of the nature in question may fail for technical reasons unforeseen and accordingly it is hereby agreed and declared that if any such restrictions shall be adjudged to be void as going beyond what is reasonable in all the circumstances for the protection of the interest of the Company but would be valid if part of the wording thereof were deleted or the periods (if any) thereof were reduced the said restriction shall apply with such modifications as may be necessary to make it valid and effective.

13. PERSONAL DATA (PRIVACY) ORDINANCE (the "Ordinance")

- (A) Subject to Clause 13(B) below, the Director's personal data may be used, held and/or stored (by whatever means) for (i) promotion and marketing of the Company; (ii) making disclosure required by laws, rules and regulations; (iii) facilitating task distribution within the Company; (iv) compiling statistical information and employee profiles; (v) establishing benefit entitlements; and (vi) any incidental purposes relating to the above, and any other purpose which the Director may from time to time agree.
- (B) Data held by the Company relating to the Director will generally be kept confidential but the Company may make all enquiries as it considers necessary to confirm the accuracy

of the personal data. In particular, the Company may disclose, obtain, transfer (whether within or outside Hong Kong) the Director's personal data to, from or with (i) any regulatory or government bodies; (ii) any other persons or institutions in connection with the Company's business, insurers, clients and potential investors; and (iii) any other person to which the Company reasonably considers such disclosure, obtaining or transfer to be necessary or desirable for the purposes set out above.

- (C) The Ordinance may provide the Director with rights to ascertain whether the Company holds his personal data, and to correct any data that is inaccurate, subject to section 53 of the Ordinance in relation to employment-related personal data.

14. WAIVER

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

15. FORMER SERVICE AGREEMENTS

- (A) This Agreement shall be in substitution for and supersedes any previous service agreements, arrangements or undertakings entered into between any company in the Group and the Director and for any terms of employment previously in force between any such company and the Director.
- (B) The Director hereby acknowledges that he has no claim of any kind against any company in the Group and without prejudice to the generality of the foregoing he further acknowledges that he has no claim for damages against any company in the Group for the termination of any previous service agreements, arrangements or undertakings for the sole purpose of entering into this Agreement.
- (C) The terms hereof may not be modified, altered, varied or added to except by agreement in writing signed by the parties hereto. None of the rights or duties of the Director under this Agreement may be assigned, transferred or sub-contracted.
- (D) This Agreement embodies all of the terms and provisions of and relating to the Appointment of the Director by the Company.

16. SEVERABILITY

The various provisions of this Agreement are severable and if any provision is held to be invalid or unenforceable by any court of competent jurisdiction then such invalidity or unenforceability shall not affect the remaining provisions of this Agreement.

17. ASSIGNABILITY

Neither the benefits nor obligations attaching to either party hereunder may be assigned to any third party.

18. NOTICES

- (A) Any notice to be given hereunder to the Director may be served by being handed to him personally or by being sent by registered post to him at the address provided herein and any notice to be given to the Company may be served by being left at or sent by registered post to its principal place of business in Hong Kong for the time being.
- (B) Any notice served by post shall be deemed to have been served on the second day (excluding Sundays and statutory holidays) following the date of posting and in proving such service it shall be sufficient proof that the notice was properly addressed and posted as a prepaid letter by registered post.
- (C) All notices or communications required to be served or given pursuant to this Agreement shall be in writing.

19. LAW AND JURISDICTION

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

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

SIGNED by
POON TAT HANG
for and on behalf of
BEP INTERNATIONAL HOLDINGS
LIMITED

)
)
)
)
)



SIGNED by
CHAN TAT

