

Appendix 2

THIS MORTGAGE made the day of One
 thousand nine hundred and ninety- four
BETWEEN the Mortgagor whose name address or registered office
and description are set out in Part I of the First Schedule
hereto (hereinafter called "the Mortgagor" which expression
wherever used in these presents shall (if the context permits
or requires) in the case of an individual include the person
specifically named and his executors administrators and assigns
and in the case of a company or corporation include the company
or corporation specifically named and its successors and
assigns and in the case of persons companies or corporations
holding as tenants in common include the persons companies or
corporations specifically named and their respective executors
administrators or successors (as the case may be) and assigns
and in the case of persons holding as joint tenants include the
persons specifically named and the survivors or survivor of
them and the executors and administrators of such survivor his
her or their assigns) of the first part the Principal whose
name address or registered office and description are set out
in Part I of the First Schedule hereto (hereinafter called "the
Principal") of the second part and the Bank whose name and
address are set out in Part I of the First Schedule hereto
(which said Bank and its successors and assigns are where not
inapplicable hereinafter included under the designation "the
Bank") of the third part WHEREAS ALL THOSE premises set out
in the Second Schedule hereto are now held by the Mortgagor in
manner as mentioned in the said Second Schedule from the Crown

subject to the payment of the rent and premium (if any) and upon the covenants terms and conditions as contained in the Crown Lease or Conditions more particularly set out in the Second Schedule hereto AND WHEREAS the Principal keeps and account with the Bank AND WHEREAS the Principal may have been and may from time to time be indebted to the Bank in respect of general banking facilities granted by the Bank to the Principal to the extent set out in Part II of the First Schedule hereto and in particular in respect of advances made by the Bank to or on account of the Principal or in respect of credits opened in connection with bills or acceptances discounted or negotiated for the Principal or for the constituents customers or agents of the Principal or otherwise or in respect of exchange contracts made with the Bank or release of merchandise with or without trust receipts to the Principal or to other persons upon the request or the guarantee of the Principal whether in each case the liability of the Principal shall be separate and sole or joint with other person firms or corporations or in respect of advances made or other facilities granted by the Bank on account of the Principal or to any other person firm or corporation upon the request or the guarantee of the Principal or in respect of any credit opened at the request of the Principal in favour of any persons firm or corporation in any place AND WHEREAS the Mortgagor hath agreed to furnish security for the due payment to the Bank of all moneys owing to the Bank in respect of the matters aforesaid as hereinafter appearing NOW THIS INDENTURE WITNESSETH that in pursuance of

such agreement and in consideration of the premises the Mortgagor and the Principal hereby jointly and severally covenant with the Bank that the Mortgagor and/or the Principal will on demand in writing of the Bank sent by post to the Mortgagor's and/or the Principal's address respectively set out in Part I of the First Schedule hereto or their last known place of abode or business or left on some part of the premises hereby charged every such demand shall be deemed to have been given on the day after the letter or notice was posted or left as aforesaid pay to the Bank all sums of money now or hereafter owing to the Bank on account of general banking facilities granted to the Principal either alone or jointly with other persons firms or corporations in respect of matters aforesaid together with interest at the rate set out in Part III of the First Schedule hereto with monthly rests and all commission or other usual or lawful charges and all costs and expenses which may be incurred in respect thereof AND THIS INDENTURE ALSO WITNESSETH that in further pursuance of the agreement and for the consideration aforesaid and with the object and intent of affording to the Bank a security for the said general banking facilities the Mortgagor as beneficial owner DOTH hereby charge to the Bank and/or assign and agree to assign unto the Bank the full benefit and all rights of all the terms and conditions whatsoever whether now subsisting or to be created in respect of ALL THOSE premises more particularly set out in the Second Schedule hereto TOGETHER with all rights of way as are now existing AND all other rights privileges easements

and appurtenances to the said premises belonging or in anywise appertaining AND all the estate right title interest term and terms of years claims and demands whatsoever of the Mortgagor therein and thereto AND for all other the estate term and interest of the Mortgagor therein TO HOLD the same unto the Bank absolutely SUBJECT to all rights of way as are now existing AND SUBJECT ALSO to and with the benefit of the Deed of Mutual Covenant or the Deed of Covenant and the Management Agreement (if any) specified in the Second Schedule hereto BUT subject nevertheless to the proviso for redemption next hereinafter contained PROVIDED ALWAYS that if the Mortgagor and the Principal or either of them shall on demand as aforesaid pay all sums of money hereby secured then the Bank shall at the request cost and charges of the Mortgagor such cost including the cost of one attested copy each of the Power of Attorney and/or other instruments under which the Bank may execute a receipt or otherwise discharge the security to the Mortgagor or as the Mortgagor shall direct AND the charge herein contained shall be a legal charge in so far as the premises hereby charged is a legal estate AND IT IS HEREBY AGREED AND DECLARED that the Bank shall be at liberty at any time without prior notice (which is hereby waived by the Mortgagor and the Principal) to determine or limit or restrict or vary the credit of the Principal to vary determine exchange or release any securities held by the Bank from or on account of the Principal to renew bills or promissory notes and to grant time or other accommodation to or compound with the

Principal or any other person or persons liable on any bill note or other securities without discharging or affecting this security PROVIDED ALWAYS that the Bank shall not be bound to make advances or payment or to incur liabilities in respect of the matters aforesaid and of general banking facilities to be granted to the Principal under and by virtue of these presents beyond such sum as the Bank in its absolute discretion consider to be safe notwithstanding that the extent of facilities set out in Part II of the First Schedule hereto may not have been reached or exceeded PROVIDED ALSO that it shall be lawful for the Mortgagor to hold and enjoy the premises hereby charged and with the prior consent in writing of the Bank to grant tenancies or leases thereof and take the rents and profits thereof until default shall be made in payment of the moneys hereby secured or some part thereof contrary to the true intent and meaning of these presents or there shall be a breach of any of the covenants and conditions herein provided without any interruption by the Bank Provided that the Bank has an absolute discretion to refuse such consent without assigning any reason therefor or to grant such consent subject to such conditions the Bank may see fit to impose AND PROVIDED ALSO THAT if default shall be made in payment of any moneys hereby secured or if there shall be a breach of any of the covenants terms and conditions in the said Crown Lease or the said Conditions and the said Deed of Mutual Covenant or Deed of Covenant or the said Management Agreement or of any of the covenants and conditions herein provided it shall be lawful for the Bank

immediately thereupon to enter into and hold and enjoy the said premises and take the rents and profits thereof or to let or lease the same or any part thereof for such rent and upon such terms as the Bank shall think fit and for the purposes aforesaid to employ or appoint a receiver or agent at the expense of the Mortgagor at such salary or remuneration as the Bank shall think fit and every Receiver or Agent appointed as aforesaid shall be deemed to be the agent of the Mortgagor who shall be solely responsible for his acts or defaults and every Receiver appointed as aforesaid shall have power: (a) to demand and recover and give effectual receipts for all the rents accrued and profits of the said premises by action suit distress or otherwise in the name of the Mortgagor or of the Bank and a person paying money to the Receiver shall not be concerned to inquire whether any case hath happened to authorise the Receiver to act, (b) if so directed in writing by the Bank to insure and keep insured from loss or damage by fire out of the money received by him the whole or any part of the said premises and the fixtures and fittings thereof and therein And every Receiver appointed as aforesaid shall pay and apply the money received by him as follows namely: (1) in discharge of all rents taxes rates assessments and outgoings whatsoever affecting the said premises (2) in keeping down all annual sums or other payments and the interest or all principal sums having priority to these presents (3) in payment of his salary or remuneration as aforesaid and of the premiums of the insurance (if any) and the cost of executing all necessary and proper

repairs and amendments to the said premises (4) in payment of the interest accruing due in respect of the principal moneys hereby secured (5) in or towards discharge of the said principal moneys hereby secured Provided if the Bank enters into the said premises in accordance with the terms hereof the Bank shall be entitled but not obliged (without prejudice to any other power or remedy it may have) to observe and perform such covenants to the extent that the Mortgagor has failed so to do and all moneys expended by the Bank in so doing shall be repaid to the Bank by the Mortgagor and the Principal on demand and until so repaid shall be a charge upon the premises as if the same had formed part of the moneys hereby secured and shall bear interest at the rate aforesaid AND at the sole cost of and without reference to the Mortgagor to make all necessary and proper repairs and amendments to the said premises or any part thereof and to sell the said premises or any part thereof either together or in parcels and either by public auction or private contract or partly by public auction and partly by private contract for such price or prices and subject to such conditions of sale and stipulations as to title as the Bank shall think fit and to buy in or rescind any contract for sale and resell from time to time without being responsible for loss occasioned thereby AND to execute and do all such assurances and things for effectuating any such sale as the Bank shall think fit PROVIDED ALWAYS that the Bank shall not exercise the aforesaid power of sale until they shall have given to the Mortgagor at his address set out in Part I of the First

Schedule hereto or at his last known place of business or abode or left on the said premises a notice in writing to pay off the moneys for the time being owing on this security and default shall have been made in such payment for one calendar month after giving or leaving such notice or until some interest due to the Bank in respect of the moneys hereby secured is in arrear and unpaid for one month after becoming due or there has been a breach of some provision in this Mortgage and on the part of the Mortgagor and/or the Principal to be performed or observed other than the covenant for payment of the moneys hereby secured or the Mortgagor and the Principal or either of them has committed an act of bankruptcy as specified in Section 3 of the Bankruptcy Ordinance Chapter 6 or any statutory re-enactment or modification of the same or being a corporate body has entered into voluntary or compulsory liquidation (otherwise than for the purpose of re-construction or amalgamation) or is unable to pay its debts within the meaning of Section 177 of the Companies Ordinance Chapter 32 or of any statutory modification or re-enactment of the same or has made any arrangement or composition with his creditors or suffered a receiver to be appointed AND PROVIDED ALWAYS that upon any sale purporting to be made in pursuance of the aforesaid power no purchaser shall be bound to inquire whether the case mentioned in the clause hereinbefore contained has happened nor whether any money remains owing upon this security nor as to the propriety or regularity of such sale and notwithstanding any impropriety or irregularity in any such sale the same shall

as regards all purchasers be deemed to be within the aforesaid power and be valid accordingly AND PROVIDED ALWAYS that the receipt in writing of the Bank for all or any of the purchase moneys of the premises sold or for the rent of the premises let shall effectually discharge the persons paying the same therefrom and from being concerned to see to the application thereof or being accountable for the loss non-application or mis-application thereof AND that the Bank shall out of the moneys arising from any such sale as aforesaid first pay the expenses incurred on such sale or otherwise in relation to the premises then apply such moneys in or towards satisfaction of the moneys for the time being owing on this security and then pay the surplus (if any) to the Mortgagor or any other person or party entitled thereto AND that the aforesaid power of sale and other powers may be exercised by any person or persons for the time being entitled to receive and give a discharge for the moneys then owing on this security AND that the Bank shall not be answerable for any involuntary losses which may happen in the exercise of the aforesaid power and trust or any of them AND the Mortgagor covenants with the Bank that the said Crown Lease or the said Conditions and the said Deed of Mutual Covenant or Deed of Covenant and the said Management Agreement are now good valid and subsisting and that the rent and/or the premium and the covenants terms and conditions respectively therein reserved and contained so far as they relate to the premises hereby charged have been paid and performed up to the date hereof AND THAT the Mortgagor now

hath power to charge the said premises in manner aforesaid free from incumbrances AND THAT the said premises may after default in payment of any money hereby secured be quietly entered into held and enjoyed by the Bank without any lawful interruption by any persons AND THAT the Mortgagor and every other person claiming any estate or interest in the premises will at all times until sale or foreclosure at the cost of the Mortgagor and afterwards of the person or persons requiring the same execute and do all such assurances and things for further or better assuring all or any of the said premises in manner aforesaid as shall be reasonably required AND THAT the Mortgagor will during the subsistence of this security pay the rent and/or the premium and perform the covenants terms and conditions in the said Crown Lease or the said Conditions and the said Deed of Mutual Covenant or Deed of Covenant and the said Management Agreement respectively reserved and contained AND will keep the Bank indemnified therefrom and from and against all actions suits expenses and claims on account of the non-payment of the said rent or the premium or the breach of or non-performance of the said covenants terms and conditions AND THAT if default shall be made in payment of the said rent or premium or in performance of the said covenants terms and conditions the Bank may pay the rent and/or the premium and perform the covenants terms and conditions in respect of which such default shall be made and all moneys expended by the Bank therefor shall be repaid to the Bank by the Mortgagor and the Principal on demand and until so repaid shall be a charge upon

the said premises in respect of which such default shall be made as if the same had formed part of the moneys hereby secured and bear interest at the rate aforesaid AND that the Mortgagor shall and will during the continuance of this security keep insured in some Insurance Company in Hong Kong to be appointed or first approved and arranged for by the Bank the said premises against loss or damage from fire and against such other risk as the Bank shall direct in such sum or sums as the Bank shall stipulate and if so required by the Bank in the joint names of the Mortgagor and the Bank AND will endorse over and deliver to the Bank the policies and last receipts for premium AND will also at all times keep and maintain the said premises and every part thereof in a thorough sanitary condition to the satisfaction of the Authorities for the time being PROVIDED ALWAYS that if the Mortgagor shall fail to endorse over and deliver to the Bank such policies and receipts or in case the Mortgagor shall make default in effecting such insurance or in paying the premiums thereon or in keeping the said premises and every part thereof in a thorough sanitary condition to such satisfaction as aforesaid then and in such case and so often as the same shall happen it shall be lawful for the Bank to effect such insurance and pay such premiums and to effect all such repairs alterations and improvements as may be necessary to place the said premises in a thorough sanitary condition to such satisfaction as aforesaid and all moneys expended by the Bank therefor shall be repaid to the Bank by the Mortgagor and the Principal on demand and until so repaid

shall be a charge upon the said premises as if the same had formed part of the moneys hereby secured and bear interest at the rate aforesaid AND the Mortgagor further covenants with the Bank that the Mortgagor will not during the subsistence of this security without the written consent of the Bank cause or permit any mortgage charge or other disposition to be effected on the said premises or any charge to be made thereon whereby the security provided by these presents may be diminished or in any way affected And a certificate in writing signed by the Manager or other duly authorised officer of the Bank stating the amount at any particular time due and payable to the Bank under this security shall be conclusive evidence against the Mortgagor AND at any time when the Crown Lease of the premises hereby charged may be taken up or in the event of the premises hereby charged being during the continuance of this security re-entered by the Crown for non-payment of rent and/or premium or for breach of any of the covenants terms and conditions in the said Crown Lease or the said Conditions contained the Mortgagor for the consideration aforesaid hereby irrevocably appoints the Manager in Hong Kong of the Bank for the time being to be the Attorney of the Mortgagor during the continuance of this security for the purpose of taking up and executing in the name of the Mortgagor any new Crown Lease of the said premises which may be issued and of executing in favour of the Bank a fresh Mortgage of the said premises on the same terms as these presents for all moneys hereby secured together with all costs and expenses in respect thereof

including the cost of obtaining the new Crown Lease which shall bear interest at the rate aforesaid AND it is hereby agreed and declared that (a) nothing herein contained shall prejudice or affect any lien to which the Bank from time to time become entitled or any other bill draft or other security which the Bank may from time to time hold from or on account of the Mortgagor or the Principal and nothing herein contained shall affect any right the Bank may have to recover under any such bill draft or other security interest at a higher rate than the agreed rate (b) if the Principal shall be served with notice of bankruptcy or being a corporate body shall enter into voluntary or compulsory liquidation (otherwise than for the purpose of reconstruction or amalgamation) or shall make any arrangement or composition with its creditors then all dividends composition and payments received from the Principal or any other person which are capable of being applied in reduction of the indebtedness of the Principal to the Bank shall be taken and applied as payment in gross without any right of the Mortgagor to stand in the place of the Bank or to claim the benefit of any such dividends compositions or payments or other security or guarantee until all sums of money hereby secured shall have been paid (c) this security shall be a continuing security and shall be applied to any ultimate balance which shall remain due as aforesaid and shall not be discharged or affected by the death of the Mortgagor and/or the Principal or by any change in the constitution of the Mortgagor and/or the Principal whether by incorporation or by the retirement death

or admission of partners or otherwise (d) if the Mortgagor shall execute or create any further or subsequent mortgage charge or incumbrance over the property hereby charged or any part or parts thereof in favour of any other persons of which the Bank receives notice either actual or constructive the Bank may on receiving such notice forthwith open a new or separate account with the Principal in the Bank's books and if the Bank does not in fact open such new or separate account the Bank shall nevertheless be deemed to have done so at the time when the Bank received or was deemed to have received such notice (hereinafter called "the time of notice") and as from and after the time of notice all payments in account made by the Principal to the Bank shall (notwithstanding any legal or equitable rule of presumption to the contrary) be placed or deemed to have been placed to the credit of the new or separate account so opened or deemed to have been opened as aforesaid and shall not go in reduction of the amount due by the Principal to the Bank at the time of notice Provided always that nothing in this clause contained shall prejudice the security which the Bank otherwise would have had hereunder for the payment of the monies costs charges and expenses hereinbefore referred to notwithstanding that the same may become due or owing or be incurred after the time of notice (e) although as between the Principal and the Mortgagor the Mortgagor is surety only for the Principal yet as between the Mortgagor and the Bank the Mortgagor shall be the Bank's principal debtor for the moneys hereby secured and accordingly

the Mortgagor and the charged premises shall not be released by time given to the Principal or by any act matter or thing whereby the Mortgagor as surety only or the premises comprised in this security might have been released (f) all money received by the Bank from the Principal or from any other person or estate capable of being applied in reduction of the Principal's indebtedness shall be regarded for all purposes as payment in gross and if the Principal shall become bankrupt or insolvent the Bank may prove against the Principal's estate for the whole of the Principal's indebtedness and no money received under such proof shall be considered as received in respect of this security but the full amount hereby secured shall be payable until the Bank has received from all sources a hundred cents in the dollar and if the amount ultimately received by the Bank shall exceed the amount of the ultimate balance owing to the Bank the excess only over such ultimate balance shall be repaid to the Mortgagor (g) this security shall be construed as a guarantee of the whole of the principal moneys and interest owing or to become owing as aforesaid and the Mortgagor shall not be entitled as against the Bank to any right of proof in the bankruptcy or insolvency of the Principal unless and until the whole of such principal money and interest shall have first been completely discharged or satisfied (h) the Bank shall be at liberty in the event of this security ceasing from any cause to be binding as a continuing security on the Mortgagor or on the charged property to open a fresh account with the Principal and no money paid into any such account by or on behalf of and

subsequently drawn out by the Principal shall on settlement of any claim in respect of this security be appropriated towards or have the effect of payment of any part of the money due from the Principal at the time of this security ceasing to be so binding as a continuing security or of the interest thereon unless the person paying in such money shall at the time in writing direct the Bank specially to appropriate the same to that behalf (i) any accounts settled by or between the Bank and the Principal or admitted by the Principal or on the Principal's behalf may be adduced by the Bank and shall in that case be accepted by the Mortgagor as conclusive evidence that the balance or amount thereby appearing is due from the Principal to the Bank; and (j) a certificate in writing signed by the Manager or other duly authorised officer of the Bank stating the amount at any particular time due and payable to it under these presents shall be a conclusive evidence against the Mortgagor AND IT IS HEREBY AGREED AND DECLARED that in the event that the Mortgagor herein exceeds one in number all the covenants on the part of the Mortgagor herein are joint and several covenants by each of the persons named as the Mortgagor and all liabilities of the Mortgagor and the Principal and each of them hereunder are joint and several AND IT IS HEREBY FURTHER DECLARED that in these presents (if the context so permits or requires) words importing the singular number only shall include the plural number, and vice versa; words importing the masculine gender only shall include the feminine gender and the neuter gender and vice versa; and words

importing persons shall include companies or corporations AND
~~the Mortgagor HEREBY FURTHER DECLARES that the said premises~~
are at present let on a monthly basis at the rent of \$
per month and further covenants not to accept any surrender or
agree to any deduction of rent or grant any new tenancy without
first obtaining the consent in writing of the Bank and
undertake to notify the Bank in writing of any change in the
~~term of letting/~~ AND the Mortgagor HEREBY FURTHER DECLARES
that the said premises are now occupied by the Mortgagor
himself and that the Mortgagor further covenants during the
continuance of this security not to assign sub-divide charge
underlet part with possession or in any manner otherwise deal
with or dispose of the said premises or any part thereof or any
interest therein or enter into any agreement or arrangement so
to do without the previous consent in writing of the Bank and
that if at any time the power of sale shall become exercisable
by the Bank the Mortgagor shall upon request by the Bank so to
do forthwith deliver up vacant possession of the said premises
to the Bank without demurrer AND the Mortgagor irrevocably
appoints the Bank and any receiver or receivers appointed by
the Bank by way of security jointly and each one of them
severally to be the attorney of the Mortgagor (with full power
of substitution) and in his name or otherwise on his behalf and
as his act and deed to sign seal execute deliver perfect and do
all deeds and instruments acts and things which may be required
or which the Bank or any such receiver or receivers shall think
fit for carrying out any obligations imposed on the Mortgagor

hereunder or for performing any sale lease charge or dealing by the Bank or by any such receiver or receivers or for giving to the Bank the full benefit of this security AND for the avoidance of doubt this Mortgage shall be construed as an Equitable Charge in so far as the premises hereby charged is not a legal estate AND If at any time the currency now in use in Hong Kong shall be completely abolished and replaced by another existing or new currency then any outstanding amount and the Facility shall be converted into such currency at the rate of exchange in force on the date of such change and thereafter all payment shall be repayable in such currency. IT IS HEREBY FURTHER AGREED AND DECLARED that if at any time after any money advanced hereunder the Mortgagor is desirous of redeeming this Mortgage the Mortgagor shall give to the Bank one month's prior notice in writing of his intention so to do PROVIDED ALWAYS that the rights of the Bank hereunder in respect of any transaction within the scope of this Mortgage commenced prior to the expiry of such notice shall be in no way affected or prejudiced by such notice AND PROVIDED FURTHER that in addition to repaying all amounts at any times outstanding or principal interest or other moneys owing or payable hereunder the Bank shall be entitled to charge (i) reasonable costs and expenses in connection with the redemption and (ii) an additional sum at 2% (two percent) on the total amount of money advanced PROVIDED that if the written notice is served after twelve months from the date of any money advanced hereunder no such additional sum as aforesaid will be payable.

IN WITNESS whereof the Mortgagor and the Principal have duly executed this Mortgage the day and year first above written.

THE FIRST SCHEDULE ABOVE REFERRED TO

PART I

MORTGAGOR:

PRINCIPAL:

BANK

EXTENT OF FACILITIES:

RATE OF INTEREST :

THE SECOND SCHEDULE ABOVE REFERRED TO

1. The Property :-

(a)

(b) Exceptions and reservations :-

SUBJECT to all the exceptions and reservations (if any) as more particularly described, mentioned and/or referred to in the Crown Lease and the Assignment

respectively.

- (c) Easements and other appurtenant rights the benefit of which is assigned with the Property :-

All such rights and rights of way (if any) and all other privileges easements as more particularly described, mentioned and/or referred to in the Crown Lease and the Assignment respectively.


- (d) Easements and other appurtenant rights to which the Property is subject :-

All subsisting rights, rights of way and easements to which the Property is now subject and as mentioned and/or referred to in the Crown Lease and the Assignment respectively AND SUBJECT to and with the benefit of a Deed of Mutual Covenant registered in the Land Registry by Memorial No. AND SUBJECT ALSO to and with the benefit of an Agreement registered in the Land Registry by Memorial No.


2. The Crown Lease :-

- (A) (a) Date :
(b) Parties :


- (c) Term :
(d) Lot :
(e) Variation:



SEALED with the Common Seal)
of the said)
(being one of the Principal))
and SIGNED by)



SEALED with the Common Seal)
of the said)
(being one of the)
Principal) and SIGNED by)



- 23 -

Dated the day of 1994.

TO

M O R T G A G E

of

REGISTERED at the Land Registry by
Memorial No.
on

p. Land Registrar.