

APPENDIX FOR MARGIN ACCOUNTS

This Appendix applies if the Client opens or maintains a Margin Account in respect of margin facilities for trading in Securities.

Unless otherwise defined in this Appendix, terms defined in the "Definitions and Interpretation" section of the Standard Terms and Conditions shall have the same meaning when used in this Appendix.

1. DEFINITIONS AND INTERPRETATION

1.1 In this Appendix, the following terms shall have the following meanings:

"**AFI**" has the meaning ascribed to it in Clause 3.5A of this Appendix;

"**Charge**" means the charge operated by the Client in favour of ICBCIS pursuant to Clauses 3.5, 3.6, 3.19 and 3.23 of this Appendix;

"**Charged Securities**" has the meaning ascribed to it in Clause 3.5 of this Appendix;

"**Equivalent Collateral**" has the meaning ascribed to it in Clause 3.5A of this Appendix;

"**Event of Default**" has the meaning ascribed to it under Clause 3.42 of this Appendix;

"**Facility**" means the margin facilities which ICBCIS agrees to grant and/or continue to grant to the Client at the Client's request for the Client's Transactions;

"**ICBCIS's Secured Obligations**" has the meaning ascribed to it in Clause 3.5A of this Appendix;

"**Margin Facility Terms**" has the meaning ascribed to it in Clause 2.1 of this Appendix; and

"**Repledge**" has the meaning ascribed to it in Clause 3.5A of this Appendix and "**Repledged**" and other cognate expressions shall be construed accordingly.

References to "**Account**" in other parts of the Agreement is deemed to include the Margin Account as established pursuant to this Appendix.

2. SINGLE AND CONTINUOUS AGREEMENT

2.1 The Facility is extended to the Client in accordance with the provisions set out in this Appendix, any facility letter from ICBCIS to the Client and such other conditions as may be specified by ICBCIS from time to time (collectively called "**Margin Facility Terms**").

2.2 Where any conflict arises between the provisions of the General Terms and Conditions and the Margin Facility Terms, the provisions of the latter shall prevail to the extent of the conflict in respect of the Margin Account.

3. TERMS AND CONDITIONS OF MARGIN FACILITY

3.1 The Facility is repayable on demand and may be varied or terminated in the absolute discretion of ICBCIS. ICBCIS will not at any time be obliged to make any advance to the Client.

3.2 ICBCIS is instructed and authorized by the Client to draw on the Facility to settle any amounts due to ICBCIS or its Affiliates in respect of the Client's purchase of Securities and margin maintenance obligations for any futures and options positions held by ICBCIS or its

Affiliates, or payment of any commission or other liabilities, costs and expenses owing to ICBCIS or its Affiliates.

- 3.3 The Client shall on demand from ICBCIS make payments of deposits or margin in cash or Securities acceptable to ICBCIS, as the case may be, or otherwise in amounts agreed with ICBCIS from time to time, or which may be required by the rules of any Exchange or market of which ICBCIS is a member.
- 3.4 Any failure by the Client to comply with Clause 3.3 of this Appendix will constitute an act of default under the Standard Terms and Conditions and the Margin Facility Terms and ICBCIS shall, without prejudice to any other rights under the Standard Terms and Conditions, the Margin Facility Terms or in law, have the right, and without notice or demand, to terminate the Facility, close the Account(s), dispose of the Client's Securities, cancel the Client's open orders for the sale and purchase of the Client's Securities, and/or borrow or buy any Securities required for delivery in respect of any sale effected for the Client. The proceeds of such transactions will be applied to reduce the Client's indebtedness owing to ICBCIS and/or its Affiliates and any outstanding indebtedness shall be immediately due and payable by the Client to ICBCIS and/or its Affiliates.
- 3.5 The Client, as beneficial owner, hereby charges in favour of ICBCIS by way of first fixed charge all the Client's respective rights, title, benefits and interests in and to all Securities and other property which are now or which may at any time hereafter be deposited with, transferred or caused to be transferred to or held by ICBCIS and its Affiliates, or transferred to or held by any other person in circumstances where ICBCIS or its Affiliates has any right, title or interest in respect of the same (in each case, whether for security, safe custody, collection or otherwise). These include without limitation those Securities that may come into the possession, custody or control of ICBCIS and its Affiliates from time to time for any purpose whatsoever (which may include any additional or substituted Securities and all Dividends or interest paid or payable, rights, interest, moneys or property accruing or offering at any time by way of redemption, bonus, preference, option or otherwise on or in respect of any such Securities or additional or substituted Securities) (collectively called "**Charged Securities**") as a continuing security for the payment and satisfaction on demand of all monies and liabilities absolute or contingent and performance of all obligations under the Margin Facility Terms which are now or at any time hereafter may be due, owing or incurred from or by the Client to ICBCIS or its Affiliates, or for which the Client may be or become liable to ICBCIS or its Affiliates on any account or in any manner whatsoever (whether alone or jointly with any other person and in whatever name) together with interest from the date of demand to the date of repayment, and any commission, legal and other costs, charges and expenses as they appear in the records of ICBCIS or its Affiliates. If and to the extent any charge created as aforesaid is ineffective as a fixed charge for any reason, then such charge shall take effect as a first floating charge. In respect of any asset forming part of the Charged Securities which is not for the time being effectively charged to ICBCIS and its Affiliates by way of fixed charge, ICBCIS and its Affiliates may at any time by notice in writing to the Client convert the floating charge hereby created into a fixed charge as regards any Charged Securities specified in the notice. If the Client without the prior written consent of ICBCIS and its Affiliates creates, incurs or permits to arise or subsist any encumbrance over the Charged Securities or attempts or takes any steps so to do, or a bankruptcy or winding-up petition is presented against the Client or a receiver appointed to all or any part of either of the Client's property or of the Client's business, or the Client makes arrangement or composition with the Client's creditors generally, the floating charge hereby created shall automatically, without notice, be converted into a fixed charge as regards the Charged Securities thereby affected immediately before the Crystallisation Event (collectively, the "**Charge**").

3.5A Notwithstanding any other provisions to the contrary in the Standard Terms and Conditions and this Appendix, during the continuance of the Charge the Client expressly grants to ICBCIS the right, with a Client Securities Standing Authority in respect of all or any of the Charged Securities and subject to section 8A of the Client Securities Rules, to deposit ("**Repledge**") the Charged Securities in question with an authorized financial institution (as such term is defined for purposes of the Client Securities Rules) ("**AFI**") as collateral for financial accommodation provided to ICBCIS.

The Client acknowledges and agrees as follows:

- (a) Any Repledge is entered into by ICBCIS on its own behalf, and not for the Client or on the Client's behalf, and ICBCIS shall not have any duty whatsoever to account to the Client for any profit or benefit arising from such Repledge.
- (b) The terms and conditions of the Repledge may:
 - (i) allow the AFI to replace or substitute all or any of the Repledged Charged Securities with equivalent securities or other property (which may include cash) ("**Equivalent Collateral**");
 - (ii) allow the AFI, upon satisfaction by ICBCIS of the obligations secured by the Repledge ("**ICBCIS's Secured Obligations**"), to return Equivalent Collateral to ICBCIS; and
 - (iii) limit the right of ICBCIS to redeem the Repledged Charged Securities upon satisfaction of ICBCIS's Secured Obligations to a right to redeem Equivalent Collateral.
- (c) Accordingly:
 - (i) upon the irrevocable payment and/or satisfaction and/or discharge to ICBCIS of the Liabilities, ICBCIS shall be entitled to return Equivalent Collateral (instead of the Charged Securities) to the Client;
 - (ii) until then and:
 - (A) prior to the release of any Repledge by the AFI, the Charge will operate as a charge over the Client's right, upon such payment, satisfaction and/or discharge of the Liabilities, to call for the return of the Equivalent Collateral (and the Client acknowledges that such right may be an unsecured claim against ICBCIS for any surplus value in the Equivalent Securities remaining after deduction of the Liabilities, but not a proprietary claim in respect of the Charged Securities or the Equivalent Collateral against the AFI and/or other third parties); and
 - (B) following the release of any Repledge by the AFI, the Charge will operate as a charge over the Equivalent Collateral (and "**Charged Securities**" shall mean or include, as appropriate, "**Equivalent Collateral**").
- (d) ICBCIS does not have any duty whatsoever to ensure that any AFI or other person does not deposit, transfer, lend, pledge, repledge or otherwise encumber or deal with any Repledged Charged Securities.

3.6 The Charge shall be a continuing security notwithstanding any intermediate payment or settlement of account or satisfaction of the whole or any part of any sum owing by the Client

to ICBCIS and/or its Affiliates and notwithstanding the closing of any of the Accounts and which are subsequently re-opened or the subsequent opening of any Account by the Client either alone or jointly with others and shall extend to cover all or any sum of money which shall for the time being constitute the balance due from the Client to ICBCIS or its Affiliates on any account or otherwise.

- 3.7 The Client represents and warrants that the Charged Securities are legally and beneficially owned by the Client, that the Client has good right and title to deposit the Charged Securities with ICBCIS or its Affiliates, that the same are and will remain free from any lien, charge or encumbrance of any kind (other than pursuant to the terms of the Agreement) and are not nor shall they be subject to any option and any stocks, shares and other Securities comprised in the Charged Securities are and will be fully paid up.
- 3.8 Subject to Clause 3.5A of this Appendix, upon irrevocable payment in full of all sums which may be or become payable under the Agreement and the full performance of the Client's obligations under the Margin Facility Terms and this Appendix, ICBCIS will at the Client's request and expenses release to the Client all the rights, title and interests of ICBCIS in the Charged Securities and will give such instructions and directions as the Client may require in order to perfect such release. Until the Charge becomes enforceable, (i) ICBCIS shall have the right, subject only to giving the Client notice, to exercise voting rights and other rights relating to the collateral to protect the value of the Charged Securities; and (ii) except as otherwise provided in this Appendix, the Client may direct the exercise of other rights attaching to, or connected with, the Charged Securities, but not in any manner which is inconsistent with the Client's obligations under the Margin Facility Terms, or which in any way may prejudice ICBCIS's rights in relation to the Charged Securities.
- 3.9 The Client undertakes to deposit at all times sufficient Securities with ICBCIS and in the event that ICBCIS, in its absolute discretion, deems that the Charged Securities are insufficient or unsatisfactory to secure full payment of the Liabilities under the Agreement or the Facility Letter or payments which may be required by the rules of any exchange or market of which ICBCIS is a member, the Client undertakes that upon demand by ICBCIS it will forthwith pay to ICBCIS such sum in cash or, at the option of ICBCIS, deliver to ICBCIS such additional Securities as are acceptable to ICBCIS as security in addition to or in substitution for the Charged Securities.
- 3.10 The Client agrees that ICBCIS may charge any stamp, documentary or other similar duties and taxes, clearing and settlement fees and other fees and charges in relation to the Margin Account and the Charge or any related documents and the performance of ICBCIS's obligations under this Appendix at such rates as ICBCIS may specify and notify the Client from time to time.
- 3.11 Subject to applicable laws and regulations, the Client undertakes to indemnify ICBCIS or any ICBC International Group Member or any of its/their directors, officers, employees, agents or assignees against all costs, expenses, liability, claims, losses and demands incurred and arising out of or in connection with the holding of the Charged Securities or anything lawfully done by ICBCIS or any ICBC International Group Member or any of its/their directors, officers, employees, agents or assignees pursuant to or in connection with the Agreement (including the Charge) and the Facility Letter, or any breach by the Client of its obligations under the Agreement or any breach of any Client Group Company of its obligations under any agreement with ICBCIS or any ICBC International Group Member, including, without limitation, costs incurred by ICBCIS in performing its obligations under the Agreement, in collecting any debts due to ICBCIS, in connection with closure of the Margin Account or the preservation, enforcement or the attempted preservation or enforcement of any of ICBCIS's rights under the Agreement and under any related documents.

- 3.12 Where the Client is a corporation, the Client represents and warrants that:
- (a) the Client is duly incorporated and validly existing under the laws of its place of incorporation and has full power to execute and perform its obligations under this Agreement and the Facility Letter and to incur any indebtedness;
 - (b) the meeting of the board of the directors of the Client (certified extract minutes of which have been supplied to ICBCIS) resolving, *inter alia*, to authorize the entering into and performance and discharge of the terms of the Agreement and the Facility Letter was duly convened and held on or prior to the date of the Agreement and the Facility Letter respectively and such resolutions which were duly passed at such meeting in accordance with its constitutional documents, have been entered in its minute book and are in full force and effect and have not been revoked as at the date of the Agreement.
- 3.13 In the event that:
- (a) any action or proceeding is commenced or any claim or demand is made by any person against the Client in connection with any matter contained in the Agreement or all or any part of the Charged Securities or against ICBCIS in connection with any matter contained in the Agreement or all or any part of the Charged Securities, the Client agrees to indemnify ICBCIS against any losses, costs or expenses, including all legal or other professional fees, which may be incurred by ICBCIS in connection with such action or proceeding; or
 - (b) any action or proceeding referred to in Clause 3.13(a) in this Appendix is commenced, or any claim or demand is made, ICBCIS shall be entitled to take such reasonable steps as it may deem necessary or advisable including the withholding of payment or delivery to the Client of all or any part of any monies forming part of the Charged Securities and the cancellation or non-compliance with any orders or instructions which the Client may have given or may give regarding all or any part of the Charged Securities.
- 3.14 Nothing in Clause 3.13 in this Appendix shall be construed as an obligation on the part of ICBCIS to take any steps in connection with any action, proceedings, claim or demand associated with the Agreement or Charged Securities.
- 3.15 The Client authorizes ICBCIS to debit from time to time from the Margin Account all amounts which the Client is required to pay to or reimburse ICBCIS pursuant to the terms of the Agreement, and the Client further agrees to reimburse ICBCIS on demand in respect of any deficiency or shortfall after monies are so debited from the Margin Account.
- 3.16 Any Dividends forming all or part of the Charged Securities which may be received by the Client shall be held by the Client in trust for ICBCIS and shall be paid over to ICBCIS on demand.
- 3.17 The Charge shall not be affected by any failure by ICBCIS to take any security or by the invalidity, illegality or unenforceability of any security taken by ICBCIS or by any existing or future agreement by ICBCIS as to the application of any advances made or to be made to the Client or any Client Group Company.
- 3.18 Should any purported obligation or liability of the Client or any Client Group Company under the Agreement or the Facility Letter or any other agreement which, if valid or enforceable, would be secured by the Charge be or become wholly or in part invalid or unenforceable against the Client or any Client Group Company on any ground whatsoever, including any

defect in or insufficiency or want of powers of the Client, or irregular or improper purported exercise of power, or breach or want of authority by any person purporting to act on behalf of the Client or any Client Group Company, or any legal limitation (whether under the Limitation Ordinance (Cap. 347 of the Laws of Hong Kong) or otherwise) or other incapacity, or any other fact or circumstances, whether or not known to ICBCIS, or if for any other reason whatsoever the Client or any Client Group Company is not or ceases to be legally liable to discharge any obligation or liability undertaken or purported to be undertaken in the Agreement or the Facility Letter or any other agreement, the Charge shall nevertheless extend to secure that obligation or liability or purported obligation or liability as if the same were wholly valid and enforceable.

- 3.19 No change in the constitution of the Client nor of the persons or other entities for whose liabilities the Charge may at any time stand as security shall affect the validity of or discharge the Charge. If the Client or any Client Group Company is a partnership, and in the event of the dissolution of the firm, the Charge shall apply to all the indebtedness and liabilities to ICBCIS incurred by the firm or in the firm's name until receipt by ICBCIS of actual notice of dissolution. If, however, the dissolution is by reason only of the introduction of a partner or a further partner or partners into the firm, the Charge shall continue and, in addition to the debts and liabilities of the old firm, the definition of "**Liabilities**" shall apply to all monies and liabilities due or incurred from or by the new firm or firms thereby constituted as though there had been no change in the firm as previously constituted.
- 3.20 The Charge shall not be affected or discharged by any amendment or variation to any provision of this Appendix or the Facility Letter or any other agreement in respect of the Liabilities or by the liquidation, insolvency or bankruptcy of the Client, any Client Group Company or any Authorized Person.
- 3.21 All rights and powers of ICBCIS under this Appendix shall remain in full force and effect notwithstanding any neglect or delay in the enforcement of such rights and powers or of any indulgence or forbearance given or continued to be given to the Client or any Client Group Company.
- 3.22 The Client by way of security irrevocably appoints ICBCIS to be the Client's attorney on the Client's behalf and in the Client's name to do all acts and things and to sign, seal, execute, deliver, perfect and do all deeds, instruments, documents, acts and things which may be required for carrying out any obligation imposed on the Client by or pursuant to the Margin Facility Terms and generally for enabling ICBCIS to exercise the respective rights and powers conferred on it by or pursuant to the Margin Facility Terms or by law including (but without limitation):
 - (a) to execute any transfer or assurance in respect of any of the Charged Securities;
 - (b) to perfect its title to any of the Charged Securities;
 - (c) to ask, require, demand, receive, compound and give a good discharge for any and all monies and claims for monies due or to become due under or arising out of any of the Charged Securities;
 - (d) to give valid receipts and discharges and to endorse any cheques or other instruments or orders in connection with any of the Charged Securities; and
 - (e) generally to file any claims or take any lawful action or institute any proceedings which it considers to be necessary or advisable to protect the security created under the Margin Facility Terms.

- 3.23 The Client agrees that in the event of any sale pursuant to the Agreement or the Margin Facility Terms, any Charged Securities will be sold or disposed of in the absolute discretion of ICBCIS and upon any sale by ICBCIS, a declaration made by an officer of ICBCIS that the power of sale has become exercisable shall be conclusive evidence of that fact in favour of any purchaser or other person deriving title to any of the Charged Securities under the sale and no person dealing with ICBCIS or any of its Affiliates shall be concerned to inquire into the circumstances of the sale.
- 3.24 The Client shall from time to time upon ICBCIS's request promptly and duly execute and deliver any and all such further instruments and documents as ICBCIS may deem necessary or advisable for the purpose of obtaining the full benefit of the Margin Facility Terms and of the rights and powers granted under the same.
- 3.25 Without prejudice to the generality of the foregoing, neither the Charge nor the amounts thereby secured will be affected in any way by:
- (a) any other security, guarantee or indemnity now or hereafter held by ICBCIS or its Affiliates under or in respect of the Margin Facility Terms or any other Liabilities;
 - (b) any other variation or amendment to or waiver or release of any security, guarantee or indemnity or other document (including, except to the extent of the relevant variation, amendment, waiver or release, of the Charge);
 - (c) the enforcement or absence of enforcement or release by ICBCIS or its Affiliates of any security, guarantee or indemnity or other document (including the Charge);
 - (d) any time, indulgence, waiver or consent given to the Client or any other person whether by ICBCIS or its Affiliates;
 - (e) the making or absence of any demand for payment of any sum payable under the Margin Facility Terms made on the Client whether by ICBCIS or any other person;
 - (f) the insolvency, bankruptcy, death or insanity of the Client;
 - (g) any amalgamation, merger or reconstruction that may be effected by ICBCIS with any other person or any sale or transfer of the whole or any part of the undertaking, property or assets of ICBCIS to any other person;
 - (h) the existence of any claim, set-off or other right which the Client may have at any time against ICBCIS or any other person;
 - (i) any arrangement or compromise entered into by ICBCIS with the Client or any other person;
 - (j) the illegality, invalidity or unenforceability of, or any defect in, any provision of any document relating to the Facility or any security, guarantee or indemnity (including the Charge) or any of the rights or obligations of any of the parties under or in connection with any such document or any security, guarantee or indemnity (including the Charge), whether on the ground of ultra vires, not being in the interests of the relevant person or not having been duly authorized, executed or delivered by any person or for any other reason whatsoever;
 - (k) any agreement, security, guarantee, indemnity, payment or other transaction which is capable of being avoided under or affected by any law relating to bankruptcy, insolvency or winding-up or any release, settlement or discharge given or made by the Client on the good faith of any such agreement, security, guarantee, indemnity,

payment or other transaction, and any such release, settlement or discharge being deemed to be limited accordingly; or

- (l) any other thing done or omitted or neglected to be done by ICBCIS or any other person or any other dealing, fact, matter or thing which, but for this provision, might operate to prejudice or affect the Client's liabilities under the Margin Facility Terms.
- 3.26 The Facility will be terminated upon the occurrence of any one or more of the following events:
- (a) the non-renewal of such standing authority upon its expiry or when called upon to do so; or
 - (b) any termination in accordance with Clause 25 of the General Terms and Conditions, and any notice of termination for that purpose shall be deemed to be a notice of termination of the Facility.

Upon termination of the Facility, any outstanding indebtedness by the Client shall forthwith be repaid to ICBCIS.

- 3.27 Repayment of all or any of the loan amounts owed to ICBCIS will not of itself constitute cancellation or termination of the Margin Facility Terms.
- 3.28 Any Authorized Person may at any time transfer or procure the transfer on behalf of the Client to ICBCIS of additional monies to be credited to the Margin Account and ICBCIS shall so credit or procure that such monies are so credited upon receipt.
- 3.29 Any Authorized Person may at any time request on behalf of the Client that ICBCIS accept delivery or a transfer of Securities to be held in the Margin Account and form part of the Charged Securities. ICBCIS shall not be obliged to accept any such request but, if it does so, Securities so delivered or transferred shall be held in the Margin Account and form part of the Charged Securities and shall be subject to the terms of this Appendix as if they were acquired by ICBCIS on behalf of the Client.
- 3.30 All Dividends in respect of Securities registered in the name of the Client or its nominee held in or for the Margin Account received by ICBCIS shall be credited to the Margin Account.
- 3.31 To the extent permitted by applicable laws and unless otherwise as agreed, the Client agrees and acknowledges that it shall not be entitled to receive all and any interest from time to time accruing in respect of any monies held in or for the Margin Account and all such interest shall belong to ICBCIS.
- 3.32 The Client agrees not to, and not to purport to, sell, grant an option over or otherwise deal in any way with, nor (without ICBCIS's consent) to create or allow to subsist a charge, pledge or other encumbrance or security interest over, the Margin Account or any Securities, receivables or monies held in or for the Margin Account other than pursuant to the terms of the Agreement.
- 3.33 At the request of ICBCIS, the Client shall or shall procure such person(s) as are acceptable to ICBCIS to grant further security on terms satisfactory to ICBCIS in respect of any of the obligations of the Client under this Appendix.
- 3.34 ICBCIS is not liable in respect of any call, installment or other payment relating to the Charged Securities. The Client, during the continuance of this Appendix, shall pay all such calls or other payments, and in the event of default, ICBCIS may if it thinks fit make such payments on the Client's behalf. Any sums so paid by ICBCIS shall be repayable by the

Client on demand and pending such repayment will constitute the Liabilities of the Client and be secured by the Charge.

- 3.35 ICBCIS shall be at full liberty on behalf of the Client to exercise any rights or satisfy any Liabilities in respect of the Charged Securities as ICBCIS may in its absolute discretion think fit without consulting the Client or receiving instructions from the Client.
- 3.36 The Charge is in addition to and without prejudice to, and shall not merge with, any collateral or other security which ICBCIS may now or hereafter hold on account of the Client or any other person for the payment or discharge of the Liabilities or the variation, non-enforcement, non-perfection or release of such collateral or other security. Nor shall such collateral or security or any lien (described in Clause 21.3 of the General Terms and Conditions) be in any way prejudiced or affected by the Charge or the variation, non-enforcement, non-perfection or release of the Charge. For the avoidance of doubt, the Charge may be enforced against the Client without first having recourse to any other rights of ICBCIS in relation to the obligations of the Client. Subject to Clause 24.2 of General Terms and Conditions and the Client Money Standing Authority, all monies received by ICBCIS from the Client or any person or persons liable to pay the same may be applied by ICBCIS to any account or any transactions to which the same may be applicable.
- 3.37 Upon the irrevocable payment and/or satisfaction and/or discharge to ICBCIS in full of all Liabilities, ICBCIS shall, upon the receipt of a written request of the Client or any Authorized Person on behalf of the Client and at the cost of the Client, discharge the Charge over all or any part of the Charged Securities. Upon such discharge, ICBCIS shall not be bound to return to the Client Securities registered in name(s) or person(s) or bearing serial numbers identical with those deposited with or transferred to ICBCIS so long as the Securities returned to the Client are of the same class, denomination and nominal amount and rank *pari passu* with those originally deposited with and charged to ICBCIS (subject always to any capital re-organization or restructuring which may have occurred in the meantime).
- 3.38 Upon receiving the written request from the Client or any Authorized Person on behalf of the Client as mentioned in Clause 3.37 of this Appendix, ICBCIS shall as soon as reasonably practicable:
 - (a) procure the registration of any Securities deposited in the Margin Account in the name of the Client or its nominee and/or deliver the documents representing the Securities to the Client or its nominee and/or, where applicable, cause the Securities to be withdrawn from CCASS and re-transferred to the Client, whereupon such Securities shall cease to form part of the Margin Account;
 - (b) transfer such sum as may be required from the Margin Account to the bank account of the Client as referred to in Clause 12.1 of the General Terms and Conditions; and
 - (c) close the Margin Account.
- 3.39 Any release, discharge or settlement between the Client and ICBCIS shall be conditional upon no security, disposition or payment to ICBCIS by the Client or any other person being avoided or reduced pursuant to any provisions or enactments relating to bankruptcy, liquidation, winding-up, dissolution or insolvency, and if such condition shall not be fulfilled ICBCIS shall be entitled to enforce the Charge subsequently as if such release, discharge or settlement did not occur.
- 3.40 The Client further agrees that in the event that ICBCIS shall have made a mistake or an error in favour of the Client or any Client Group Company (whether such mistake or error is made by a staff, an affiliate or an agent of ICBCIS, by the use of any computer or through their

gross negligence or otherwise) in calculating the amount due to ICBCIS or in respect of the Charged Securities to the Client pursuant to the terms of the Standard Terms and Conditions and/or this Appendix, any discharge of the security shall have no effect and the Charge shall remain in full force and effect and the Client shall forthwith re-deposit with ICBCIS into the Margin Account all Securities so returned to the Client.

3.41 Any one of the following events shall constitute an event of default ("**Event of Default**") under this Appendix:-

- (a) the Client's failure to pay any purchase price or other payments under this Appendix or the Facility Letter when due;
- (b) default by the Client in the due performance or observance of any other terms of this Appendix or the Facility Letter;
- (c) any representation or warranty made in this Appendix or the Facility Letter or in any document delivered to ICBCIS pursuant to this Appendix or the Facility Letter being or becoming incorrect;
- (d) any consent, authorization or board resolution required by the Client to enter into this Appendix and the Facility Letter being wholly or partly revoked, suspended, terminated or ceasing to be in full force and effect;
- (e) a resolution is passed for the winding-up of the Client or a winding-up petition is presented by or against the Client or a receiver is being appointed of the Client's business, property or assets, or the Client makes any arrangement or composition with, or any general assignment for the benefit of, its creditors generally, or the commencement of negotiations by the Client with any one or more of its creditors with a view to the general rescheduling of the Client's indebtedness, or the Client's inability to pay debts as they fall due, or any encumbrancer taking possession of or is being appointed over or in relation to, or any distress, execution or other process is levied or enforced upon, the whole or any part of the Client's property or assets, or the Client's dissolution;
- (f) the levying of attachment against the Margin Account;
- (g) the occurrence of any event which, in the sole opinion of ICBCIS, might jeopardise any of its rights under this Appendix or the Facility Letter;
- (h) any breach by the Client of any of the relevant provisions of the constitution, rules, regulations, bye-laws, customs and usages of the Exchange, HKSCC and the laws of Hong Kong or any other laws, rules or regulations in force or applicable to the conduct of the business of dealing in Securities and margin trading;
- (i) there shall occur any circumstances of a national or international financial, political, military, social or economic nature or any material adverse change in the Client's business, assets or condition which, in ICBCIS's sole opinion, may have a material adverse effect on the Client's financial condition or may imperil, delay or prevent fulfillment by the Client of any of the Client's obligations under this Appendix or under the Facility Letter;
- (j) it shall become or prove to be unlawful or impossible in any material respect for the Client duly and promptly to perform or observe any of the obligations or undertakings expressed to be binding on or undertaken by the Client in or pursuant to this Appendix or the Facility Letter or if this Appendix or the Facility Letter shall for any

other reason whatsoever (other than due and complete performance in accordance with its terms) cease to be in full force and effect; or

- (k) making an advance would cause the applicable ratios to be exceeded.
- 3.42 If an Event of Default occurs, the Charge shall be immediately enforceable and ICBCIS may at its sole discretion without notice to the Client do any or all of the following:
- (a) cancel any or all outstanding orders or any other commitments made on behalf of the Client;
 - (b) close any or all contracts between ICBCIS and the Client, cover any short position with ICBCIS through the purchase of Securities on the Exchange, or, subject to Clause 24.3 of the General Terms and Conditions, liquidate any long position with ICBCIS through the sale of Securities on the Exchange;
 - (c) close the Margin Account;
 - (d) without prejudice to Clause 3.43 of this Appendix but subject to applicable laws and regulations, enforce any security which may have been issued in favour of itself as security for any of the Liabilities under this Appendix;
 - (e) exercise its right of set-off and any other rights and remedies conferred on it by this Appendix (including without limitation the transfer or set-off of the whole or any part of any monies comprised in the Charged Securities in or towards payment or discharge of any of the monies or Liabilities secured by the Charge); and/or
 - (f) immediately terminate all or any Parts of this Appendix.
- 3.43 Without prejudice to any other rights or remedies which ICBCIS may have under this Appendix and subject to Clause 24.3 of the General Terms and Conditions, ICBCIS may sell or dispose of all or any part of the Charged Securities or any other securities collateral either together or in parcels and either by dealings at any broker or by public or private sale or in such other manner and for such consideration (whether payable or deliverable immediately or by installment) as ICBCIS may think fit without being in any way responsible for any loss occasioned thereby however arising in settlement of:
- (a) the Client's obligation to maintain an agreed level of margin;
 - (b) any liability of the Client to repay or discharge the financial accommodation provided by ICBCIS;
 - (c) any liability of the Client to settle a Transaction in Securities against which liability securities collateral has been provided by the Client; or
 - (d) any liability owed by the Client to ICBCIS for dealing in Securities which remains after ICBCIS has disposed of all other assets designated as collateral for securing the settlement of that liability.

In any sale or disposal of the Charged Securities, ICBCIS may exercise all the rights and powers which may be exercisable by the registered and/or beneficial owner of such Securities and all other powers conferred upon mortgagees by the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) as ICBCIS may in its absolute discretion think fit, and any Dividends received or receivable by ICBCIS in respect of such Securities may be applied by ICBCIS as though they were proceeds of sale.

- 3.44 Without prejudice to the generality of Clause 3.45 of this Appendix above, ICBCIS shall be entitled to appropriate to itself or sell or dispose of all or any part of the Charged Securities at their current market price to any ICBC International Group Member without being in any way responsible for any loss occasioned by such appropriation, sale or disposal however arising and without being accountable for any profit made by ICBCIS and/or any ICBC International Group Member.
- 3.45 In the event of any sale pursuant to the terms of this Appendix, if less than all of the Charged Securities are to be sold or disposed of, ICBCIS may in its absolute discretion select which of the Charged Securities are to be sold or disposed of. In the event of any deficiency after the sale of the securities under the Charge, the Client undertakes to make good and pay on demand to ICBCIS such deficiency.
- 3.46 The amounts realised by the exercise or enforcement of this security shall be applied by ICBCIS in the manner provided in Clause 24.2 of the General Terms and Conditions. Any monies remaining after such application shall be refunded to the Client.
- 3.47 The Client understands that ICBCIS will be under no obligation to make or continue to make any advances if any of the following circumstances should apply:
- (a) if the Client is in default of any provision of the Margin Facility Terms or the Standard Terms and Conditions; or
 - (b) in the opinion of ICBCIS there is or has been a material adverse change in the Client's financial condition or in the financial condition of any person which might adversely affect the Client's ability to discharge the Client's liabilities or perform the Client's obligations under the Agreement; or
 - (c) making an advance would cause the applicable ratios to be exceeded; or
 - (d) ICBCIS in its absolute discretion considers it prudent or desirable for its protection not to do so.
- 3.48 For so long as there exists any indebtedness to ICBCIS on the Client's part, ICBCIS shall be entitled at any time and from time to time to refuse any withdrawal of any or all of the monies and/or Securities in the Account and the Client shall not without the prior consent of ICBCIS be entitled to withdraw any monies and/or Securities in part or in whole from the Account.
- 3.49 Under Clause 25 of the General Terms and Conditions, termination of the Agreement shall not affect the effectiveness of Clauses 3.6 and 3.13 to 3.21 of this Appendix.
- 3.50 ICBCIS shall deliver such information relating to the Margin Account as the Client may from time to time reasonably require.