
MODEL MORTGAGE DEED

**Prepared by
The Steering Committee of the Project on
Standardization of Mortgage Origination Documents in Hong Kong**

**Convened by
The Hong Kong Mortgage Corporation Limited**



Project on Standardization of Mortgage Origination Documents in Hong Kong

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The Hong Kong Association of Restricted Licence Banks and Deposit-Taking Companies

Hong Kong Bar Association

Hong Kong Monetary Authority

The Land Registry

The Law Faculty of The University of Hong Kong

The Law Society of Hong Kong

Planning and Lands Bureau

The Steering Committee of the Project on Standardization of Mortgage Origination Documents in Hong Kong

July 2001

Project on Standardization of Mortgage Origination Documents in Hong Kong (the “Project”)

Guidance Notes to the Mortgage Deed

1. The Mortgage Deed is a standard form of mortgage deed prepared by the Steering Committee of the Project.
2. **Each member of the Steering Committee of the Project expressly disclaims any liability to the fullest extent possible for the contents of the Mortgage Deed, any loss, damage or claim suffered or incurred by any mortgagee or any other person in connection with, arising from or in reliance on, the whole or any part of the Mortgage Deed. Any mortgagee or any other person proposing to use the Mortgage Deed must seek its own legal advice as to the suitability of the Mortgage Deed for its intended purposes.**
3. The Mortgage Deed is only a recommended form of mortgage deed. It is voluntary and not mandatory for the mortgagee and the mortgagor to adopt the Mortgage Deed. In deciding whether to adopt the Mortgage Deed, the mortgagee should consider whether the Mortgage Deed is compatible with its operational procedures and the complexity of the loan transaction.
4. If any mortgagee wishes to adopt the Mortgage Deed, it should adopt the Mortgage Deed in whole. Any modification or amendment made to the Mortgage Deed should be drawn to the attention of the mortgagor, and it should be made clear to the mortgagor that the modified or amended form used is not the standard form of the Mortgage Deed as approved by the Steering Committee.
5. The Mortgage Deed creates a legal charge over completed residential property to secure repayments of any type of banking facilities and loans granted to the mortgagor, and performance of the mortgagor’s obligations under the Mortgage Deed. The Mortgage Deed is in a 2-party form which can be executed by an individual or corporate mortgagor.
6. The Mortgage Deed consists of two parts: (a) the blank form portion and (b) the Mortgage Conditions (2001 Edition).
7. The **blank form portion** contains a number of blank spaces for filling in the details of the mortgaged property, the mortgagee, the mortgagor, the interest rate and the default interest rate in relation to the mortgage.
8. The **Mortgage Conditions (2001 Edition)** contains the standard terms and conditions of the mortgage. The mortgagee should note that the Mortgage Deed as drafted is not repayable “on demand”, and the mortgagee should pay particular attention to clause 3 and clause 8 which may require changes to its existing operational procedures.
9. In order to comply with the Personal Data (Privacy) Ordinance, the mortgagee should (to the extent not already done so):
 - (a) supply the mortgagor with a leaflet containing the latest data privacy statement adopted by the mortgagee before the mortgagor signs the mortgage application form;
 - (b) ensure that the mortgage application form contains a provision referring to the latest data privacy statement adopted by the mortgagee and advise the mortgagor to read through the data privacy statement before the mortgagor signs the mortgage application form; or
 - (c) take the mortgagor through the latest data privacy statement adopted by the mortgagee before the mortgagor signs the mortgage application form.

10. When the mortgagor sells the property, and if the mortgagee has previously assigned or transferred its rights and interests in the Mortgage Deed to its assignee/transferee, the mortgagee should make available to the mortgagor or his/her solicitors without cost, in order to enable the mortgagor to discharge his/her duty to show good title, certified true copies of all the assignment/transfer documents which have been executed by the mortgagee in favour of its assignee/transferee.
11. **Before the mortgagor signs the Mortgage Deed**, the mortgagee or its solicitors should advise the mortgagor to read through the Mortgage Deed and the **Important Notices** on the first page of both the blank form portion and the Mortgage Conditions (2001 Edition). The mortgagee should advise the mortgagor that he/she is entitled to seek independent legal advice from solicitors of his/her choice if he/she wishes to understand the legal commitments he/she will assume by signing the Mortgage Deed.
12. The mortgagor should only sign the execution page of the English version of the completed blank form portion, and not on the Chinese translation which is not a document for signing and is only intended to provide the mortgagor with a translation of the terms and contents of the Mortgage Deed.
13. To register the Mortgage Deed with the Land Registry, the signed and completed blank form portion attached with the Mortgage Conditions (2001 Edition) should be submitted to the Land Registry for registration.

**The Steering Committee of the Project on
Standardization of Mortgage Origination Documents in Hong Kong**

July 2001

MORTGAGE DEED

Important Notice:

This Mortgage is an important legal document. The Mortgage Conditions form part of this Mortgage. Before signing this Mortgage, you should read this Mortgage together with the Mortgage Conditions carefully. You have the right to seek independent legal advice from solicitors of your own choice to make sure that you understand the terms and conditions contained in the Mortgage Conditions, and your commitment and the full consequences of your signing this Mortgage.

If you sign this Mortgage, you will be legally bound by the terms and conditions (including the Mortgage Conditions) of this Mortgage. If more than one of you sign this Mortgage, the terms and conditions of this Mortgage will bind all of you jointly and also each of you on your own. Accordingly, the Secured Liabilities secured under this Mortgage will be payable by all of you jointly and also each of you on your own.

Your obligation to pay us the Secured Liabilities is not affected by this Mortgage. But, in addition to your obligation to repay, if you fail to pay us the Secured Liabilities in accordance with the terms and conditions of this Mortgage, our rights include the right to take possession of the Property, sell the Property and then use the sale proceeds to discharge any sum you owe us. If those sale proceeds are insufficient to discharge all the sums you owe us, we may claim against you for the balance.

You acknowledge that you have been provided with a copy of the Mortgage Conditions and any agreement in relation to the Secured Liabilities.

The Hong Kong Mortgage Corporation Limited consents to the use, reproduction and distribution to the general public of this Mortgage Deed in its entirety by any person on a not-for-profit basis. Sale or distribution otherwise than in accordance with the above conditions is strictly prohibited. The Hong Kong Mortgage Corporation Limited and each member of the Steering Committee of the Project on Standardization of Mortgage Origination Documents in Hong Kong expressly disclaim any liability to the fullest extent possible for the contents of this Mortgage Deed, any loss, damage or claim suffered or incurred by any mortgagee or any other person in connection with, arising from or in reliance on, the whole or any part of this Mortgage Deed. Any mortgagee or any other person proposing to use this Mortgage Deed must seek its own legal advice as to the suitability of this Mortgage Deed for its intended purposes.

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THIS MORTGAGE is made on []

Section A: Parties to this Mortgage

you: [Name of the mortgagor] with *home address⁽¹⁾/registered office in Hong Kong⁽²⁾/principal place of business in Hong Kong⁽²⁾ at [], holder of *Hong Kong identity card number⁽¹⁾/passport number⁽¹⁾/business registration number⁽²⁾/company number⁽²⁾: [].

we: [Name of the mortgagee bank] with *registered office in Hong Kong/principal place of business in Hong Kong at [].

Section B: Definitions

In this Mortgage, the following words or expressions shall have the following meanings:

Building means [Description of the building or development located on the Lot];

Deed of Mutual Covenant means [Description of any deed of mutual covenant or Sub-deed of mutual covenant in relation to the Property];

Expenses means such expenses as described in clause 21 of the Mortgage Conditions;

Government Lease means a *government lease/New Grant/Conditions of Sale/Conditions of Exchange/Conditions of Grant No. [] in relation to the Lot with the following particulars:

Date: []

Parties: []

Term: []

*Extension/Modification/Variation :

[]

Lot means [Lot number and section in relation to the Property];

Mortgage Conditions means Mortgage Conditions (2001 Edition) as described in Section D of this Mortgage;

Property means the property described in Section C of this Mortgage;

Secured Liabilities means all money, obligations and liabilities in any currency (together with any accrued interest) due, owing or incurred by you (or any one or more of you if there is more than one of you) to us now or in the future, actual or contingent, primary or secondary, on your own or jointly with any other person and includes any part of the Secured Liabilities;

we means the party denoted as “we” to the Mortgage and includes successors and assigns; and **us, our, ourselves** and **ours** shall be construed accordingly;

you means the party denoted as “you” to the Mortgage and includes successors and assigns; and **your, yours** and **yourself(ves)** shall be construed accordingly.

* Delete as appropriate

⁽¹⁾ Only applicable where the mortgagor is an individual person.

⁽²⁾ Only applicable where the mortgagor is a corporation or firm.

Section C: Property charged under this Mortgage

Property charged under this Mortgage subject to the following exceptions and reservations and together with the following easements and appurtenant rights is described below:

(a) Description and address:

[] equal undivided parts or shares of and in the Lot and the Building thereon together with the exclusive right and privilege to hold, use, occupy and enjoy [description of the flat] of the Building, which is *[more particularly] *(for the purposes of identification only) shown on the plan annexed to an assignment registered at [] Land Registry by Memorial No. [].

(b) Exceptions and reservations

[].

(c) Easements and other appurtenant rights

[].

Section D: Terms and conditions of this Mortgage

The Mortgage Conditions (2001 Edition) are incorporated into this Mortgage as the terms and conditions of this Mortgage.

Section E: Contact details of the parties to this Mortgage

Our contact details are set out below:

Address: []
Fax number: []

We may change our contact details at any time by giving you a notice in writing.

Your contact details are set out below:

Address: []
Fax number: []

You may change your contact details at any time by giving us a notice in writing.

Section F: Charge over the Property

Where your interest in the Property is a legal estate, you charge as beneficial owner your full interest in the Property to us by way of a first fixed legal charge subject to, and with the benefit of, the Government Lease and the Deed of Mutual Covenant to secure payment of the Secured Liabilities and performance of your obligations under this Mortgage.

Where your interest in the Property is an equitable interest, you assign as beneficial owner your full interest in the Property to us subject to, and with the benefit of, the Government Lease and the Deed of Mutual Covenant to secure payment of the Secured Liabilities and performance of your obligations under this Mortgage.

You assign to us (and agree to assign to us and will, if we require, execute a separate assignment(s) in the form and substance as we may require) the sale proceeds, the rents and other sums of money and deposits now or to become payable by virtue of any sale

* Delete as appropriate

agreement, lease, tenancy agreement or other agreement concluded now or in the future in respect of the whole or any part of your interest in the Property together with power to us to sue for recovery and give effectual discharges for the above in your name.

Section G: Default interest rate for the unpaid Expenses

Default interest rate for the unpaid Expenses referred to in clause 3.4 of the Mortgage Conditions is [].

Section H: Default interest rate for the unpaid Secured Liabilities

Default interest rate for the unpaid Secured Liabilities referred to in clause 15 of the Mortgage Conditions is as follows:

- (a) in relation to the mortgage loan granted by us to you in respect of the Property, [];
- (b) in relation to any credit or other banking facility (other than the mortgage loan mentioned in (a) above) granted by us to you, the default interest rate as specified in the applicable terms and conditions governing the grant of any such credit or other banking facility.

Your Declaration

You acknowledge that before signing this Mortgage, your attention has been drawn to the “Important Notice” on the front page and, in particular, to the statement that you should seek independent legal advice on this Mortgage and the Mortgage Conditions before signing this Mortgage.

⁽³⁾SIGNED SEALED and DELIVERED by [name of the mortgagor] in the presence of a *witness/solicitor:

Your signature:

L.S.

Your name:

*Witness's/Witnessing solicitor's signature:

*Witness's/Witnessing solicitor's name:

*Witness's/Witnessing solicitor's address:

* Delete as appropriate

⁽³⁾ Only applicable where the mortgagor is an individual.

Your Declaration

You acknowledge that before signing this Mortgage, your attention has been drawn to the “Important Notice” on the front page and, in particular, to the statement that you should seek independent legal advice on this Mortgage and the Mortgage Conditions before signing this Mortgage.

⁽⁴⁾SEALED with the COMMON SEAL of [name of the mortgagor] AND SIGNED by [name(s) of the authorized signatory(ies) of the mortgagor] in the presence of a *witness/solicitor:

Signature of the authorized signatory(ies):



Name and title of the authorized signatory(ies):

*Witness's/Witnessing solicitor's signature:

*Witness's/Witnessing solicitor's name:

*Witness's/Witnessing solicitor's address:

* Delete as appropriate

⁽⁴⁾ Only applicable where the mortgagor is a corporation.

MORTGAGE CONDITIONS (2001 EDITION)

Important Notice:

These Mortgage Conditions are an important legal document. Once you have signed your Mortgage, these Mortgage Conditions will form part of, and apply to, your Mortgage, and will therefore be legally binding on you. If there is more than one of you, these Mortgage Conditions will bind all of you jointly and also each of you on your own.

Before signing your Mortgage, you should read carefully your Mortgage together with these Mortgage Conditions. You have the right to seek independent legal advice from solicitors of your own choice to make sure you understand the terms and conditions contained in these Mortgage Conditions, and your commitment and the full consequences of your signing the Mortgage.

The Hong Kong Mortgage Corporation Limited consents to the use, reproduction and distribution to the general public of these Mortgage Conditions in their entirety by any person on a not-for-profit basis. Sale or distribution otherwise than in accordance with the above conditions is strictly prohibited. The Hong Kong Mortgage Corporation Limited and each member of the Steering Committee of the Project on Standardization of Mortgage Origination Documents in Hong Kong expressly disclaim any liability to the fullest extent possible for the contents of these Mortgage Conditions, any loss, damage or claim suffered or incurred by any mortgagee or any other person in connection with, arising from or in reliance on, the whole or any part of these Mortgage Conditions. Any mortgagee or any other person proposing to use these Mortgage Conditions must seek its own legal advice as to the suitability of these Mortgage Conditions for its intended purposes.

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1. Definitions

1.1 In these Mortgage Conditions, the following words and expressions shall have the following meanings:

Building	means the Building described in the Mortgage;
Deed of Mutual Covenant	means the Deed of Mutual Covenant described in the Mortgage and includes any modification of the Deed of Mutual Covenant from time to time;
Event of Default	means any event set out in clause 13;
Expenses	means such expenses as described in clause 21;
Facility Agreement	means any existing or subsequent agreement(s) by which any banking, credit or other facilities or accommodation are made available by us to you and includes any modification, supplement or replacement of that/those Facility Agreement from time to time;
Government Lease	means the Government Lease described in the Mortgage and includes any modification, renewal or extension of the Government Lease from time to time;
Hong Kong	means the Hong Kong Special Administrative Region of the People's Republic of China;
Mortgage	means a mortgage or charge over the Property incorporating these Mortgage Conditions executed by you in our favour to secure repayment of the Secured Liabilities, and includes any modification, supplement or replacement of the Mortgage from time to time;
Ordinance	means the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong) and includes any modification, supplement or re-enactment of the Ordinance from time to time;
person	means any individual, company, corporation, trust, partnership or firm and includes successors and assigns;
Property	means the Property described in the Mortgage and includes any part of the Property;
Receiver	means any person (including our officers or employees) we appoint in writing to be a receiver and/or a manager of the Property and includes any person substituting for the Receiver;
Secured Liabilities	means all money, obligations and liabilities in any currency (together with any accrued interest) due, owing or incurred by you (or any one or more of you if there is more than one of you) to us now or in the future, actual or contingent, primary or secondary, on your own or jointly with any other person and includes any part of the Secured Liabilities;
security	means any instrument or collateral given to secure payment/repayment of any debts, liabilities or obligations and includes, but is not limited to, any charge, mortgage, guarantee, pledge and lien;

we means the party denoted as “we” to the Mortgage and includes successors and assigns; and **us, our, ourselves** and **ours** shall be construed accordingly;

you means the party denoted as “you” to the Mortgage and includes successors and assigns; and **your, yours** and **yourself(ves)** shall be construed accordingly.

1.2 In these Mortgage Conditions:

- (a) “he” shall include “she” and “it”, and “his” shall include “her” and “its”;
- (b) the singular shall include the plural, and the plural shall include the singular;
- (c) headings shall be for ease of reference only and shall not form part of these Mortgage Conditions;
- (d) unless otherwise expressly stated, any reference to a numbered clause or schedule shall be a reference to the clause or the schedule with that number in these Mortgage Conditions;
- (e) all references to time and date shall be the time and date in Hong Kong;
- (f) all references to a document shall include that document as amended, supplemented or replaced from time to time; and
- (g) reference to any statutory provision shall be deemed also to refer to any modification, supplement or re-enactment of such statutory provision or to any statutory instrument, order or regulation made under any of them.

2. Forming part of the Mortgage

These Mortgage Conditions shall form part of the Mortgage and must be read together with the Mortgage.

3. Your agreement to pay

- 3.1 You agree to pay the Secured Liabilities when they have become due and payable under the relevant Facility Agreement.
- 3.2 You agree to pay the Expenses immediately on our written demand. Any unpaid Expenses shall be added to, and form part of, the Secured Liabilities.
- 3.3 You agree that before we demand payment of the Secured Liabilities or the Expenses from you, we do not need to demand payment from any other person first or to take any other action to obtain payment (such as selling the Property or any other security we hold).
- 3.4 If you fail to pay any Expenses on our written demand, you shall pay us default interest at the rate specified in the Mortgage on the unpaid amount from the date(s) on which the Expenses were incurred until the date of actual payment. You shall pay any default interest accrued under this clause 3.4 immediately on our written demand. Otherwise, any unpaid default interest so accrued shall be added to, and form part of, the Secured Liabilities.

4. Payment without deduction

- 4.1 Each payment made by you under the Mortgage shall be made without any deduction of any tax or similar charge unless you are obliged by law to make that deduction. If you need to make that deduction, you shall pay us any extra sum necessary to ensure that we receive the full amount due from you under the Mortgage.

4.2 Each payment made by you under the Mortgage shall be made without any deduction of any sum we owe you, and you shall pay us the amount of the Secured Liabilities as demanded by us from time to time.

5. Indemnity

5.1 You undertake with us (for ourselves and as agent for each of our directors, officers and employees, each an “**Indemnified Person**”) that you shall indemnify and keep indemnified each Indemnified Person from and against all liabilities, reasonable losses and damages, actions, proceedings, demands, claims and reasonable costs and expenses (including legal costs) which may be brought against, suffered or incurred by, any Indemnified Person by reason of your breach of the Mortgage or any breach of your representations and warranties given under the Mortgage.

5.2 Any amount which you are liable to pay us under clause 5.1 shall be treated as, and form part of, the Expenses.

6. Release of the Mortgage

6.1 When the Secured Liabilities are fully repaid and you have performed all your obligations under the Mortgage, we shall, at your cost, execute a document in the usual form to:

- (a) acknowledge receipt of the full amount of the Secured Liabilities;
- (b) release or discharge the Mortgage; and
- (c) (if your interest in the Property is an equitable interest) re-assign the Property to you.

6.2 Release or discharge of the Mortgage, acknowledgement of receipt or re-assignment of the Property made pursuant to clause 6.1, shall be subject to the condition that no money we receive in repayment of the Secured Liabilities shall be subsequently returned or reduced pursuant to any law.

6.3 If we have released or discharged the Mortgage, acknowledged receipt of the full amount of the Secured Liabilities or re-assigned the Property to you pursuant to clause 6.1, and are later obliged under the law to return any money paid to us in repayment of the Secured Liabilities, you shall:

- (a) remain liable under the Mortgage as if we had never received that money; and
- (b) at your cost, execute any document and do any thing necessary to charge (if your interest in the Property is a legal estate) or assign (if your interest in the Property is an equitable interest) your full interest in the Property to us,

and subject to the rights acquired by any purchaser of the Property in good faith for valuable consideration without notice, we shall be entitled to enforce the Mortgage as if that release or discharge of the Mortgage, acknowledgement of receipt or re-assignment of the Property, had never occurred.

6.4 If we agree to release, discharge or re-assign the Property at your request without receiving full payment of the Secured Liabilities, you shall remain liable for the remaining balance of the Secured Liabilities.

7. Your representations and warranties

You represent and warrant to us that at the date of the Mortgage:

- (a) you are the sole beneficial owner of the Property and have a good and marketable title to the Property;
- (b) no encumbrance or security exists over the Property and the Property is not subject to any tenancy or licence to occupy (except as already disclosed to and acknowledged by us in writing) in favour of any other person;
- (c) you have not breached any law, rule, regulation, judgment, order, agreement, authorization or obligation applicable to or binding on you by signing the Mortgage;
- (d) the particulars of the Property set out in the Mortgage are true, accurate and complete;
- (e) each of the Government Lease and the Deed of Mutual Covenant is valid and in force, and has not been amended so far as it relates to the Property and no circumstances exist which entitle the government of Hong Kong to terminate the Government Lease;
- (f) you have fully and punctually paid the premium, rent and other money payable in respect of the Property under the Government Lease or the Deed of Mutual Covenant, and have observed the terms and conditions of the Government Lease and the Deed of Mutual Covenant so far as they affect the Property;
- (g) you have fully and punctually paid the management fees, rates, taxes and other outgoings and money payable in respect of the Property;
- (h) no litigation, arbitration or administrative proceedings in relation to the Property are currently taking place or threatened;
- (i) no Event of Default, or any event which may become an Event of Default if any notice is given or any condition is satisfied or any period of time has lapsed, has happened;
- (j) all the information (including your personal data and financial information) you supplied to us in connection with the Mortgage, the Secured Liabilities and the Property is true, accurate and complete;
- (k) you have not omitted to disclose to us in writing any information which, if disclosed to us, may affect our decision as to whether to advance any money to you or the amount to be advanced to you;
- (l) you have the necessary power, capacity and legal right to sign or execute the Mortgage and to perform your obligations under the Mortgage;
- (m) you have obtained all necessary approvals for the signing or execution of and the validity of the Mortgage and the performance of your obligations under the Mortgage, and those approvals shall remain in force so long as the Mortgage is in force; and
- (n) (if you are a corporation) you are duly incorporated and are validly existing under the laws of the place of your incorporation, and have duly authorized your officer(s) to sign or execute the Mortgage and have the power to perform all your obligations under the Mortgage.

8. Your obligation to take out insurance policy for the Property

- 8.1 You shall insure and keep the Property insured at your cost so long as the Mortgage is in force against losses and damage caused by fire and other related perils as we may require, for the insured amount and with an insurance company as we require and on the terms and conditions as we approve. If you fail to perform your obligations under this clause 8.1, we may do so at your cost.
- 8.2 You shall provide us with the original or a copy (as required by us) of any insurance policy taken out for the Property for our records.
- 8.3 You shall ensure that our interest is noted by endorsement in the form we require on the insurance policy for the Property. If so requested by us, you shall take out the insurance policy for the Property in the joint names of you and us, or assign to us your benefit and interest in the insurance policy for the Property.
- 8.4 You shall punctually pay the premium or other money payable under the insurance policy for the Property, and shall provide us with the original or a copy (as required by us) of the receipt for that payment.
- 8.5 You agree that the insurance policy for the Property shall contain provisions to the effect that any payment of claims made under that insurance policy will be paid directly to us. If you receive payment of any claim under any insurance policy for the Property, you shall hold any money so received on trust for us.
- 8.6 You shall notify us immediately if you wish to make a claim under any insurance policy for the Property.
- 8.7 We shall be entitled to act for you to settle or adjust any claim you may have under any insurance policy for the Property. If we decide to do so, you shall sign all necessary documents and do all necessary things to enable us to do so.
- 8.8 If any money is paid out as a settlement or compensation for a claim under any insurance policy for the Property, we shall be entitled to choose to use that money either to repay or reduce the Secured Liabilities or to repair or rebuild the Property.
- 8.9 If we decide that money paid out in clause 8.8 shall be used to repair or rebuild the Property, you shall use the money for that purpose only and at your own expense make up any deficiency so as to make sure that the repair or rebuilding is done to a standard comparable to that before the damage occurred.
- 8.10 You shall not do, or cause or allow to be done, anything which may:
- (a) reduce the scope of insurance cover or the insured amount for the Property;
 - (b) increase the premium of any insurance policy for the Property;
 - (c) prevent or hinder any claim being settled in full under any insurance policy for the Property;
 - (d) cancel, end or invalidate any insurance policy for the Property; or
 - (e) adversely affect any insurance policy for the Property.

9. Your positive obligations

Unless we otherwise agree in writing, you undertake to do the following things at your cost so long as the Mortgage is in force:

- (a) to remain the sole beneficial owner of the Property and to hold a good and marketable title to the Property;
- (b) to inform us promptly of the existence of any circumstances which entitle the government of Hong Kong to terminate the Government Lease so far as it relates to the Property;
- (c) to keep the Government Lease valid and in force so far as it relates to the Property;
- (d) to pay fully and punctually all premiums, rents, management fees, rates, taxes and other outgoings and money payable in respect of the Property or under the Government Lease or the Deed of Mutual Covenant and to provide us promptly with reasonable evidence of that payment on our demand;
- (e) to observe the terms and conditions of the Government Lease and the Deed of Mutual Covenant so far as they relate to the Property;
- (f) to keep the Property in good repair and condition;
- (g) to allow ourselves, our workmen, the Receiver and the Receiver's workmen to enter the Property to do any necessary repairs if you fail to keep the Property in good repair and condition;
- (h) to allow ourselves, our appointed representative, the Receiver and the Receiver's appointed representative to inspect the Property at all reasonable times upon giving reasonable notice and those persons shall not be treated as having taken possession of the Property by that inspection;
- (i) to send us, within 7 days of your receipt, a copy of any notice served on you or the Property demanding any overdue payments in respect of the Property or threatening any litigation, arbitration or administrative proceedings in respect of the Property;
- (j) to inform us promptly of any dispute or complaint concerning the Property and the outcome of that dispute or complaint, and to send us, within 7 days of your receipt, a copy of all notices or papers sent to or by you or your representative in relation to that dispute or complaint;
- (k) to comply with all laws, rules, regulations, judgments, orders, agreements and authorizations in relation to the Property;
- (l) to send us, within 7 days of your receipt, a copy of any judgment or order in respect of the Property and all the orders, notices and proposals issued in respect of the Property by any governmental authority or manager of the Building and affecting the validity of the Mortgage;
- (m) to comply with any order, notice or proposal issued in respect of the Property by any governmental authority or manager of the Building;
- (n) at our request, to make or join us in making a claim, a defence or a response in accordance with our instructions in any litigation, arbitration or administrative proceedings in respect of the Property;

- (o) at our request, to make or join with us in making an objection, appeal or a response in accordance with our instructions in relation to any judgment, order, notice or proposal issued in respect of the Property by any court, governmental authority or manager of the Building, or any dispute or complaint concerning the Property;
- (p) to observe the terms and conditions of the Facility Agreement;
- (q) to keep us informed promptly of any change and any incorrect, inaccurate or incomplete information in the particulars of the Property set out in the Mortgage, and to correct promptly that incorrect, inaccurate or incomplete information;
- (r) to provide us promptly with any information about yourself or the Property as we may request from time to time for any of the following purposes:
 - (i) enforcement of the Mortgage;
 - (ii) preservation of the Property; or
 - (iii) recovery of the Secured Liabilities;
- (s) to inform us promptly of any change in the information (including your personal data and financial information) you supplied to us in respect of the Mortgage, the Secured Liabilities or the Property;
- (t) to deliver to us all documents of title relating to the Property for our custody;
- (u) to inform us promptly of the happening of any Event of Default or any event which may become an Event of Default if any notice is given or any condition is satisfied or any period of time has lapsed;
- (v) to pay us all costs and expenses reasonably incurred by us in the production of photocopies, certified copies or originals of any document in relation to the Property or the Mortgage at the request of yourselves or your solicitors;
- (w) to keep the Mortgage and the Facility Agreement valid and in force, to maintain the value of the Property and to enable us and the Receiver to exercise the respective rights and powers of ourselves and the Receiver under the Mortgage;
- (x) to obtain all necessary approvals for the validity of the Mortgage and the Facility Agreement and the performance of your obligations under them;
- (y) to sign any document and to do any thing necessary to keep valid and in force all the approvals obtained for the signing or the validity of the Mortgage and the Facility Agreement or the performance of your obligations under them;
- (z) if at any time the power of sale contained in the Mortgage becomes exercisable by us, upon notice by us, to immediately quit and deliver up vacant possession of the Property to us or whomever we may nominate or direct;
- (aa) to do everything required by the Mortgage at your own cost;
- (bb) at our request at any time sign and execute all documents (including a legal charge if your equitable interest in the Property becomes a legal interest (if applicable)) and do all acts and things as we may reasonably require for perfecting the security intended to be created under the Mortgage;

(Paragraphs (cc) and (dd) below are applicable only if you are a corporation or firm.)

- (cc) to keep proper accounting records in respect of your business; and
- (dd) to engage a firm of qualified auditors to audit and certify your financial statements, and to provide those audited and certified financial statements to us within such period as set out in the relevant Facility Agreement.

10. Your negative obligations

You agree not to do, or cause or allow to be done, the following things without our prior written consent so long as the Mortgage is in force:

- (a) to sell, transfer, sub-divide or dispose of the Property;
- (b) to create any rights or interests or to impose obligations (including any security) in favour of any other person over the Property;
- (c) to use the Property for unlawful or immoral uses or any use not permitted under the Deed of Mutual Covenant or the Government Lease;
- (d) to pull down or to make any structural alterations or additions to the Property unless required by law, the Government Lease or the Deed of Mutual Covenant, or to make any illegal structures to the Property;
- (e) to do anything which may decrease the value of the Property or prejudice the security created under the Mortgage;
- (f) to apply for any planning permission, building consent or any grant for improvements or repairs in respect of the Property; or
- (g) to vary or give up any term or right contained in the Government Lease or the Deed of Mutual Covenant.

11. Occupying the Property

11.1 Without our prior written consent, you shall not do the following things:

- (a) enter into any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property;
- (b) vary or give up any term of any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property;
- (c) accept early termination of any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property by the other party to that lease, tenancy or agreement; or
- (d) terminate or do anything to terminate any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property in case of any breach by the other party to that lease, tenancy or agreement.

11.2 Subject to clause 11.1, you shall do the following things at your cost:

- (a) send us certified copies of any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property and any of its subsequent variation or modification within 14 days from the date of that lease, tenancy or agreement or its variation or modification, or if any such lease, tenancy or agreement has been stamped or adjudicated, a certified copy with stamping or adjudication;
- (b) perform all your obligations under any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property;
- (c) do your best in good faith to ensure the performance of any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property by the other party to that lease, tenancy or agreement;
- (d) inform us promptly of any breach of any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property by the other party to that lease, tenancy or agreement;
- (e) inform us promptly of any request to extend or vary any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property by the other party to that lease, tenancy or agreement; and
- (f) inform us promptly of any modification to any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property.

12. Renewal, extension and re-grant of the Government Lease

12.1 If the government of Hong Kong offers a renewal, extension or re-grant of the Government Lease, you shall:

- (a) forthwith accept that offer;
- (b) satisfy promptly all the conditions of that offer and pay promptly any premium and other consideration as demanded;
- (c) upon completion of renewal, extension or re-grant of the Government Lease, at your own cost execute a mortgage of the Property under the renewed, extended or re-granted Government Lease in our favour in the same form as the Mortgage with those consequential amendments as the circumstances may require; and
- (d) pending the signing of the mortgage pursuant to clause 12.1(c), hold your interest in the Property under the renewed, extended or re-granted Government Lease on trust for us.

12.2 Upon expiry of the Government Lease, if you fail to obtain a renewal, extension, re-grant or new grant of the Government Lease, you shall provide additional security as we require for the Secured Liabilities.

13. Events of Default

Each of the following events shall be an Event of Default:

- (a) you fail to observe any term of the Facility Agreement or the Mortgage or any other loan agreement to which you are party;
- (b) any of your representations or warranties made to us in the Facility Agreement or the Mortgage is breached or found to have been incorrect;

- (c) you fail to repay any debt due and payable;
- (d) you admit your inability to repay any debt due and payable;
- (e) any action is taken to enforce any security created by you;
- (f) any law, rule, regulation, judgment or order, suspends, varies, terminates or excuses your obligations under the Facility Agreement or the Mortgage;
- (g) any order, notice or proposal issued by any governmental authority or under any law or regulation, suspends, varies, terminates or excuses your obligations under the Facility Agreement or the Mortgage;
- (h) the Property is destroyed or damaged;
- (i) any governmental or other authority re-enters or re-takes or expresses an intention or any proposal to re-enter or re-take possession of the Property;
- (j) the Government Lease, so far as it relates to the Property, is terminated;
- (k) the Property is compulsorily purchased or acquired (whether or not any compensation is paid);
- (l) the Facility Agreement or any other security provided to us becomes invalid or unenforceable or is terminated;
- (m) it becomes impossible to perform your obligations under the Facility Agreement or the Mortgage;
- (n) any third party applies for a court order in respect of the Property;
- (o) any third party occupies or takes possession of the Property without our prior written consent;
- (p) you or any other security provider in respect of the Secured Liabilities enters into or proposes to enter into an arrangement in respect of your or his debts with or for the benefit of your or his creditors;
- (q) any necessary approval for the signing, execution or validity of the Mortgage or the Facility Agreement or other security for the Secured Liabilities or the performance of your or any other security provider's obligations under the Mortgage or the Facility Agreement has not been obtained;
- (r) any necessary approval granted for the signing, execution or validity of the Mortgage or the Facility Agreement or other security for the Secured Liabilities or the performance of your or any other security provider's obligations under the Mortgage or the Facility Agreement or other security for the Secured Liabilities becomes ineffective;
- (s) any necessary approval granted for the signing, execution or validity of the Mortgage or the Facility Agreement or other security for the Secured Liabilities or the performance of your or any other security provider's obligations under the Mortgage or the Facility Agreement or other security for the Secured Liabilities is modified in a way which, in our reasonable opinion, might affect materially and adversely your or the security provider's ability to perform your or the security provider's obligations under the Facility Agreement or the Mortgage or other security for the Secured Liabilities;

- (t) any action taken or omission by you or any other security provider which in our reasonable opinion might materially and adversely affect your or the security provider's ability to perform your or the security provider's obligations under the Facility Agreement or the Mortgage or other security for the Secured Liabilities;

(Paragraph (u) below is applicable if you are an individual person.)

- (u) a petition for your bankruptcy is presented to the court and is not discharged within 7 days;

(Paragraphs (v) to (dd) below are applicable if you are a corporation or firm.)

- (v) a receiver or similar officer is appointed over any part of your business or assets;
- (w) creditors take possession of any part of your business or assets;
- (x) a legal process is commenced against any part of your business or assets and is not discharged within 7 days of the commencement of that legal process;
- (y) a petition is presented to the court, or a legal process commenced, or an order made, or a resolution passed, for your winding-up, administration, reorganization or dissolution;
- (z) you dispose of, or express your intention to dispose of, any substantial part of your business or assets;
- (aa) any substantial part of your business or assets is compulsorily purchased or taken over or acquired (whether or not any compensation is paid);
- (bb) you cease, or express your intention to cease, to carry on any substantial part of your business;
- (cc) you make or express your intention to make, any significant change to the nature or scope of your business; and
- (dd) any material and adverse change in your business or financial condition which, in our reasonable opinion, might materially or adversely affect your ability to perform your obligations under the Facility Agreement or the Mortgage.

References to "you" in paragraphs (u) to (dd) above include a security provider for the Secured Liabilities.

14. Enforcement of the Mortgage

If an Event of Default happens, the Mortgage shall become enforceable; the Secured Liabilities shall become immediately due and payable; and we shall be entitled to do the following things:

- (a) terminate all banking, credit or other facilities or accommodation provided to you so that our obligations under all those banking, credit or other facilities or accommodation to further advance money to you shall cease immediately;
- (b) require you to pay the Secured Liabilities;
- (c) exercise all powers given to us as mortgagee by law (including the Ordinance) (as varied or extended by the Mortgage); and
- (d) exercise all powers given to us by the Mortgage.

15. Default interest rate and charges

If you fail to pay the Secured Liabilities (except for the unpaid Expenses) in accordance with clause 14(b) or as otherwise required under the Facility Agreement, you shall pay us default interest, late charges and/or other handling fees on the unpaid amount at any rate and upon any terms as specified in the relevant Facility Agreement.

16. Appointment of the Receiver

16.1 If an Event of Default happens, we shall be entitled to appoint the Receiver without giving further notice to you or obtaining your prior consent.

16.2 Subject to clause 17.2, you and we agree that section 50 of the Ordinance shall apply to the appointment of the Receiver.

16.3 The Receiver shall have:

- (a) all powers given to the Receiver as a receiver by law (including the Ordinance) (as varied or extended by these Mortgage Conditions); and
- (b) all powers given to the Receiver by the Mortgage.

17. Our powers and those of the Receiver

17.1 If an Event of Default happens, each of ourselves and the Receiver shall have the power:

- (a) to sell or otherwise dispose of or deal with the Property, in any manner, at any price (whether in cash or in any other form) and on any terms as we or the Receiver think fit;
- (b) to assign the Property either in our name or in your name in exercise of our or the Receiver's power under the Mortgage;
- (c) to enter and take possession of the Property;
- (d) to receive any rent, deposit and profit in respect of the Property and request you to sign and execute an assignment of such rent or profit to us or the Receiver;
- (e) subject to any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property lawfully granted by you in accordance with our prior written consent, to grant any lease, tenancy or any agreement whereby any person is allowed to occupy or possess the Property on any terms as we or the Receiver think fit;
- (f) to sign any document and do anything as we or the Receiver think fit for the sale, lease or tenancy of the Property or the granting of any other right to occupy or possess the Property pursuant to the Mortgage;
- (g) to insure the Property, and to keep the Property insured, against fire and other risks that we may require, for the insured amount and on the terms as we or the Receiver think fit;
- (h) to carry out all repairs, renovations, alterations, improvements and developments to the Property as we or the Receiver think fit;
- (i) to appoint any agent, workman, professional or non-professional adviser or employee in connection with the exercise of any of our or the Receiver's powers and rights under the Mortgage for any remuneration and on any terms as we or the Receiver think fit;
- (j) to delegate any of our or the Receiver's powers and rights under the Mortgage to any person for any remuneration and on any terms as we or the Receiver think fit;

- (k) to incur reasonable costs and expenses in exercise of any of our or the Receiver's powers and rights under the Mortgage;
 - (l) in connection with the exercise of any of our or the Receiver's powers and rights under the Mortgage, to raise money on any terms as we or the Receiver think fit, including on terms providing the Property as security either in priority to the Mortgage or subject to the Mortgage **provided that**:
 - (i) the Receiver shall not exercise this power without our prior written consent and we shall not be liable for giving or refusing to give that consent in any way; and
 - (ii) any person lending money to the Receiver as a result of the exercise of this power shall be entitled to assume that the Receiver is entitled to borrow that money and is borrowing that money in accordance with this sub-clause;
 - (m) to institute or defend any litigation, arbitration or administrative proceedings in respect of the Property;
 - (n) to use your name in connection with the exercise of any of our or the Receiver's powers and rights under the Mortgage; and
 - (o) to do any other lawful act as we or the Receiver consider necessary or incidental to the exercise of any of our or the Receiver's powers and rights under the Mortgage.
- 17.2 To the extent permitted by any statute, any restriction on the exercise of our or the Receiver's power to sell the Property under the Mortgage including those in the Ordinance shall not apply.
- 17.3 In exercise of our powers and rights under the Mortgage, we shall not be liable to account for any money except for the money we have actually received.
- 17.4 We and the Receiver shall not be liable for any loss arising from the exercise of any of our or the Receiver's powers and rights under the Mortgage unless the loss is caused by our or the Receiver's fraud or gross negligence; however, we and the Receiver shall each be liable only for loss caused by our respective fraud or gross negligence.
- 17.5 Any person dealing with ourselves or the Receiver shall be entitled to assume that:
- (a) we and the Receiver are entitled to exercise all or any of our or the Receiver's powers and rights under the Mortgage;
 - (b) we and the Receiver exercise all or any of our or the Receiver's powers and rights in accordance with the Mortgage;
 - (c) we and the Receiver use all or any of the money received in exercise of our or the Receiver's powers and rights in accordance with the Mortgage; and
 - (d) our or the Receiver's receipt for all or any of the money paid to us or the Receiver shall be a good and sufficient discharge of any person paying that money.

All references in this clause 17 to "we or the Receiver" shall mean either we or (as the case may be) the Receiver.

18. Your remedy

Your remedy for any unauthorized, improper or irregular exercise of our or the Receiver's powers and rights under the Mortgage shall be in damages only.

19. Application of proceeds of security realization

Subject to applicable law, we and the Receiver shall apply any money we or the Receiver receive under the Mortgage in the following order of priority:

- (a) the Expenses;
- (b) in payment of the Secured Liabilities (with interest being paid first) pursuant to the Mortgage; and
- (c) paying the remaining balance to you or any other person who is entitled to receive that money.

20. Effects of bankruptcy or insolvency laws

- 20.1 If we receive any payment or security from you or any other person for the Secured Liabilities, and are later obliged under any bankruptcy or insolvency laws to restore our position to what it would have been if that payment or security had not been received, then you shall be liable under the Mortgage as if we had never received that payment or security.
- 20.2 We shall be entitled, before any order under those bankruptcy or insolvency laws is made against us, to agree or settle any claim arising under those laws on any terms as we think fit without your prior consent.
- 20.3 If we do agree or settle a claim pursuant to clause 20.2, you shall be liable under the Mortgage as if a court order had been made containing the terms we have agreed in relation to that claim.
- 20.4 If we have given a release, discharge or re-assignment of any security (including the Mortgage) given by you in our favour in return for any payment or security from you or any other person, then that release or discharge shall be conditional upon no claims being made against us under the bankruptcy or insolvency laws in relation to that payment or security.

21. The Expenses

The Expenses shall mean:

- (a) all reasonable costs and expenses (including legal costs) incurred by us or (as the case may be) the Receiver under or in connection with the Mortgage, for example, for the following purposes:
 - (i) preparing, negotiating, signing or registering the Mortgage;
 - (ii) exercising any of our or the Receiver's powers under the Mortgage;
 - (iii) recovering or attempting to recover the Secured Liabilities;
 - (iv) protecting or enforcing any of our or (as the case may be) the Receiver's rights under the Mortgage;
 - (v) preserving or attempting to preserve the Property;
 - (vi) making any claim or defending any claim against us or the Receiver in respect of the Secured Liabilities, the Mortgage or the Property;

- (vii) preparing, signing or registering a release of the Mortgage;
 - (viii) certifying receipt of full payment of the Secured Liabilities;
 - (ix) (if your interest in the Property is an equitable interest) preparing, signing or registering all documents or doing all things necessary to re-assign the Property to you upon full payment of the Secured Liabilities;
 - (x) giving or refusing to give our consent under the Mortgage;
 - (xi) (if you fail to perform your obligations under the Mortgage) performing your obligations under the Mortgage; or
 - (xii) taking possession of or selling or leasing or granting other rights to occupy or possess the Property pursuant to the Mortgage; and
- (b) the Receiver's remuneration as reasonably agreed between the Receiver and ourselves; and
- (c) any amount which you are liable to pay us under clause 5.1.

22. Deductions from other credit balances and lien

You agree that if you fail to pay any part of the Secured Liabilities due and payable under the Mortgage, we shall be entitled to do the following things without giving prior notice to you or any other person:

- (a) use any credit balance in any of your accounts (whether in your own name or in joint names with other persons) with us to pay that unpaid sum to us;
- (b) off set that unpaid sum by any debt or liability we owe you now or in the future;
- (c) have a lien on all of your assets or property held by us; and
- (d) sell any of your assets or property held by us at such price and in such manner at our sole discretion, and use the proceeds to pay such unpaid sum.

23. Payment in other currencies

23.1 The Secured Liabilities shall not be treated as fully paid unless they are fully paid in the currency in which they were incurred.

23.2 If the Secured Liabilities are not paid in a currency in which they were incurred (the "**Original Currency**"), we shall be entitled to convert that currency into the Original Currency within a reasonable period at an exchange rate as we reasonably determine. If there is any shortfall between the Original Currency and the currency in which the Secured Liabilities are actually paid (whether the currency conversion takes place or not), you shall remain liable under the Mortgage for the amount of the shortfall calculated as at the date of currency conversion, or if there is no such currency conversion, as at the date of actual payment.

24. Appointment as your attorney

24.1 By this Mortgage, you appoint, as a separate appointment, each of ourselves, the Receiver, the successors and the assigns of our or the Receiver's rights and powers under the Mortgage, to act as your attorney on his own or jointly with the others. This appointment is given by way of security and is irrevocable so long as the Mortgage is in force.

- 24.2 Your attorneys appointed under clause 24.1 shall have full power to appoint another person as your attorney in replacement for themselves.
- 24.3 Your attorneys appointed under clause 24.1 shall have full power to, in your name or on your behalf, sign, seal and deliver all documents and do all things as they think fit for:
- (a) performing any of your obligations (which you fail to perform) under the Mortgage;
 - (b) exercising any power or right given to us or the Receiver under the Mortgage; or
 - (c) giving to us the full benefits of the Mortgage.
- 24.4 You agree to and hereby ratify and confirm any document signed or anything done from time to time by your attorneys appointed under clause 24.1.

25. Evidence of the Secured Liabilities

A certificate duly signed by our officer as to the amount of the Secured Liabilities, the Expenses, any interest, default interest, late charge or handling fee is conclusive evidence against you for all purposes in the absence of obvious error or fraud.

26. Suspense account

- 26.1 On the happening of an Event of Default and until the Secured Liabilities have been paid in full, we shall be entitled to hold any money we receive under the Mortgage (other than an amount as shall wholly satisfy the Secured Liabilities) in a suspense account in order to preserve the full amount of our claims against you or any other security provider for the Secured Liabilities.
- 26.2 If we have not already done so pursuant to clause 26.1, all money we receive under the Mortgage shall be treated as having been credited to a suspense account in order to preserve the full amount of our claims against you or any other security provider for the Secured Liabilities, and shall not operate to reduce the amount of the Secured Liabilities.
- 26.3 Amounts standing to the credit of a suspense account pursuant to clause 26.1 or a deemed suspense account pursuant to clause 26.2 shall bear interest at our prevailing rate for deposit accounts with a similar credit balance from time to time.

27. Continuing security

- 27.1 The Mortgage shall be a continuing security securing the Secured Liabilities due, owing or incurred by you to us from time to time. Your liabilities and obligations under the Mortgage shall continue until full payment of the Secured Liabilities, and accordingly shall not be affected or discharged by the happening of any of the following events:
- (a) your death, mental incapacity, bankruptcy, insolvency or liquidation (where applicable) or change of name;
 - (b) any change in the name or constitution of ourselves or our successors or assigns;

- (c) (if you are a partnership or any other organization) any change in the name or membership or constitution of the partnership or organization (in that case, the Mortgage shall continue to bind those persons who make up the partnership or the organization as so constituted for the time being);
- (d) the takeover of yourselves by, your absorption of or your merger with, any other person;
- (e) the takeover of ourselves by, our absorption of or our merger with, any other bank or institution;
- (f) the appointment of a receiver over your business or assets;
- (g) your entry into any arrangement with your creditors to repay your debts or other liabilities; and
- (h) any assignment of the Secured Liabilities, any transfer of the Mortgage or any declaration of trust or other acts affecting our rights in respect of the Secured Liabilities or the Mortgage.

27.2 From time to time, we or the Receiver may:

- (a) give any other security provider for the Secured Liabilities more time to pay money due and payable;
- (b) vary, extend, release, reduce, exchange, increase, accelerate, renew or discharge any obligations or liabilities of any other security provider for the Secured Liabilities;
- (c) make any other arrangement, compromise or settlement with any other security provider for the Secured Liabilities;
- (d) take or deal with any other security or legal commitment for the Secured Liabilities;
- (e) fail to take any other security or legal commitment for the Secured Liabilities; or
- (f) neglect, release, enforce or choose not to enforce any of our rights under the Mortgage or any other security or legal commitment for the Secured Liabilities.

If we or the Receiver carry out any of the above acts in this clause 27.2 or do or fail to do anything else, this shall not affect our rights or your liabilities under the Mortgage even if it would have done so had this clause 27.2 not existed.

27.3 Your liabilities under the Mortgage shall not be affected by any of the following matters:

- (a) the invalidity of any other security or legal commitment for the Secured Liabilities;
- (b) the invalidity of or irregularity in entering into the Facility Agreement or the Mortgage;
- (c) lack of power by you to enter into, or perform any of your obligations under, the Facility Agreement or the Mortgage; or

- (d) any act, omission, event or circumstance which may operate to prejudice, adversely affect or discharge the Mortgage had this clause 27.3 not existed.

28. Other general matters

- 28.1 Exercising or failing to exercise a right under the Mortgage shall not prevent us or the Receiver from exercising any other right under the Mortgage.
- 28.2 Our or the Receiver's rights under the Mortgage may be exercised as often as we or (as the case may be) the Receiver think fit.
- 28.3 Exercising part of a right under the Mortgage shall not prevent us or the Receiver from subsequently exercising that right to the fullest extent.
- 28.4 A delay in exercising a right or the non-exercise of a right under the Mortgage shall not prevent us or the Receiver from exercising that right subsequently.
- 28.5 Our rights under the Mortgage shall be in addition to any other rights which we may have under the law.
- 28.6 We shall be entitled to employ debt collecting agent(s) to collect any sum due but unpaid by you under the Mortgage.

29. Severability

If at any time, any provision of the Mortgage is or becomes invalid, illegal or unenforceable under the law of any jurisdiction, this shall not affect its validity, legality or enforceability under the law of any other jurisdiction nor the validity, legality or enforceability of any other provision of the Mortgage.

30. Amendments

Any amendment of any provision of the Mortgage shall be in writing and signed by you and us.

31. Further security

If in our reasonable opinion from time to time, the Property is not a sufficient security for the Secured Liabilities, we shall be entitled to request you to provide further security for the Secured Liabilities and you shall provide promptly on our written demand further security to our satisfaction.

32. Assignment or transfer of rights and obligations

- 32.1 We shall be entitled to assign or transfer at any time all or any of our rights or obligations under the Mortgage to any person without your consent.
- 32.2 You shall not assign or transfer any of your rights or obligations under the Mortgage without our prior written consent.
- 32.3 You shall sign any document and do any thing as we require for effecting any assignment or transfer of our rights or obligations under the Mortgage.
- 32.4 Once the assignment or transfer of our rights or obligations under the Mortgage has become effective, any person who takes over our rights or (as the case may be) obligations under the Mortgage shall have exactly the same rights or (as the case may be) obligations as we had under the Mortgage before that assignment or transfer and we shall be released from those rights or (as the case may be) obligations.

33. Disclosure of your information

- 33.1 You agree to allow us to disclose your information subject, in the case of personal information, to the provisions of Personal Data (Privacy) Ordinance Cap.486 to those persons or for those purposes as expressly stated in our data privacy statement published from time to time relating to the above ordinance, a copy of which has been made available to you.
- 33.2 You agree to allow us to provide to any other security provider for the Secured Liabilities a copy of the Mortgage, these Mortgage Conditions, the Facility Agreement and any agreement in relation to the Secured Liabilities.

34. The Mortgage independent of any other guarantee or security

- 34.1 The Mortgage shall be independent of, and in addition to, any other guarantee or security which we presently have or may in the future have in relation to the Secured Liabilities.
- 34.2 If we have any other security for the Secured Liabilities, we shall be entitled to choose which security we will enforce or the order of enforcement.
- 34.3 We shall not be obliged to enforce any other security for the Secured Liabilities or to take any steps or proceedings before we enforce the Mortgage.

35. No right to our security

You agree that you shall not be entitled to receive any money from the sale or other dealing of any security (including the Property) which we presently hold or may acquire in the future in respect of the Secured Liabilities, or to share in any other money received by us to reduce the Secured Liabilities until all the Secured Liabilities have been paid in full.

36. Postponement of your rights

- 36.1 Until the Secured Liabilities have been paid in full, you shall not be entitled to do any of the following things without our prior written consent:
- (a) exercise or enforce any right (including any right of set-off) against any other security provider for the Secured Liabilities; or
 - (b) pursue any claim against any other security provider for the Secured Liabilities; or
 - (c) make a claim in competition with us in the bankruptcy or insolvency of any other security provider for the Secured Liabilities; or
 - (d) receive the benefit of any payment or distribution or security from any other security provider for the Secured Liabilities.
- 36.2 You shall give us the benefit of each claim and pay us of all money you receive in breach of clause 36.1 and in the meantime shall hold them on trust for us.
- 36.3 If you take any security referred to in clause 36.1(d), (whether with or without our consent), you shall hold that security on trust for us and shall pay us all money you receive in respect of that security.

37. Joint and several liability

- 37.1 If there is more than one of you, the Mortgage shall bind all of you jointly and each of you. We shall be entitled to discharge or come to an arrangement with any one of you on any terms as we may agree without affecting our rights and remedies against the others.
- 37.2 If there is more than one of you, the Mortgage will bind each of you separately even if it is unenforceable against all or any of you.

38. Notices and demands

- 38.1 Any notice or demand to be given under the Mortgage shall be in writing and shall be given to the relevant party in any one or more of the following ways:
- (a) by serving the notice or demand in a way which is prescribed by law;
 - (b) by sending the notice or demand by post to the address of the relevant party set out in the Mortgage (or the last address provided to the sender). In this case, the notice or demand shall be treated as given on the second business day after the posting date;
 - (c) by delivering the notice or demand by hand to the address of the relevant party set out in the Mortgage (or the last address provided to the sender). In this case, the notice or demand shall be treated as given at the time of delivery; or
 - (d) by sending the notice or demand by fax to the fax number of the relevant party set out in the Mortgage (or the last fax number provided to the sender). In this case, the notice or demand shall be treated as given at the time of dispatch.
- 38.2 If there is more than one of you, a notice or demand served by us on any one of you shall be a sufficient notice or demand on all of you.
- 38.3 If you are an individual person, any notice or demand served after your death in accordance with this clause 38 shall be deemed to be a sufficient notice or demand to your personal representative(s).

39. Governing law and jurisdiction

- 39.1 The Mortgage shall be governed by, and construed in accordance with, Hong Kong law.
- 39.2 You agree that any proceedings relating to the Mortgage shall only be brought by you in a court of competent jurisdiction in Hong Kong. However, we shall be entitled to take legal proceedings against you under the Mortgage in any country where you or your assets may be located.

40. Language

The Mortgage (including these Mortgage Conditions) is written in English and accompanied by its Chinese translation. The Chinese translation is for reference purposes and only the English version is intended to have legal effect.