

THIS DEED is made on 12th September, 08

BETWEEN

1. **LEHMAN BROTHERS ASIA HOLDINGS LIMITED OF UNIT 1907-9, 1913-5 OF 19/F, 2201, 2210-7 OF 22/F, 25-26/F, 2706-2714 OF 27/F, TWO INTERNATIONAL FINANCE CENTER, 8 FINANCE STREET, CENTRAL, HONG KONG ("you"); AND**
2. **THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED OF 1 QUEEN'S ROAD CENTRAL, HONG KONG ("the Bank").**

Regarding:

You, Lehman Brothers Asia Holdings Limited of Unit 1907-9, 1913-5 of 19/F, 2201, 2210-7 of 22/F, 25-26/F, 2706-2714 of 27/F, Two International Finance Center, 8 Finance Street, Central, HONG KONG;

Lehman Brothers Inc of 745 Seventh Avenue, New York, New York 10019, United States of America;

Lehman Brothers Futures Asia Limited of Unit 1907-9, 1913-5 of 19/F, 2201, 2210-7 of 22/F, 25-26/F, 2706-2714 of 27/F, Two International Finance Center, 8 Finance Street, Central, HONG KONG;

Lehman Brothers Securities Asia Limited of Unit 1907-9, 1913-5 of 19/F, 2201, 2210-7 of 22/F, 25-26/F, 2706-2714 of 27/F, Two International Finance Center, 8 Finance Street, Central, HONG KONG;

Lehman Brothers Capital Private Limited of is 11th Floor, Ceejay House, Plot F, Shivsagar Estate, Dr Annie Besant Road, Worli Mumbai 400 018; and

Lehman Brothers Securities Private Limited of 11th Floor, Ceejay House, Plot F, Shivsagar Estate, Dr Annie Besant Road, Worli Mumbai 400 018. (each a "**Customer**")

Meaning of certain words and phrases

1. (a) "**Account**" means the account(s) listed in Schedule 1, including any renewal, substitution or redesignation of the account(s);
- (b) "**Affiliate**" means, in relation to any person, a Subsidiary of that person or a Holding Company of that person or any other Subsidiary of that Holding Company.
- (c) "**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in London;
- (d) "**Customer**" means each person named above and, if appropriate, the person(s) described in clause 2 below;
- (e) "**Deposit**" means all your present and future rights to, and interest in, all of the amounts from time to time credited to the Account less that which is, with the Bank's agreement, debited to the Account. This includes all interest and other

benefits arising in connection with those amounts unless the Bank otherwise agrees in writing;

(f) **"Debt"** means:

(1) all money and liabilities whatever, whenever and however incurred, whether with or without your knowledge or consent and whether now or in the future due or becoming due from a Customer to the Bank in connection with:

(a) any overdraft or debit balance from time to time arising on any account specified in Schedule 2 including, for the avoidance of doubt the three guarantee accounts held with the Mumbai branch of the Bank as also specified in Schedule 2 (the "Guarantee Accounts") and any other account of a Customer which you and the Bank shall from time to time agree in writing shall be secured by the terms of this Deed (each a **"Customer Account"**);

(b) any payment or other transaction that a Customer instructs the Bank to make on a Customer Account, and/or any amount or liability which the Bank is authorised or otherwise entitled to debit to a Customer Account; and/or

(c) (to the extent not included within (a) and/or (b) above) the Customers' clearing and settlement arrangements with the Bank;

(2) any amount due under the indemnity in clause 16 below; and

(3) the money agreed to be paid by you under clause 21 below.

(g) **"Holding Company"** means, in relation to a company or corporation, any other company or corporation in respect of which it is a Subsidiary.

(h) **"Subsidiary"** means a subsidiary within the meaning of the Companies [Ordinance].

The Customer

2. (a) If there is more than one person named as the Customer, the Deposit will secure the Debt of them jointly and each of them individually and of all or any of them with any other person.

(b) If the Customer comprises a partnership or trustees of a trust (and if described as trustees of a trust), the Customer includes all persons who from time to time are partners in that partnership or from time to time trustees of that trust, even though there may be:

(1) any change in the constitution or name of that partnership or trust;

- (2) any amalgamation with any other person; or
- (3) any death, retirement or addition to any of the partners or trustees.

The main subject matter of this Deed

- 3. You agree, as a separate liability, to pay to the Bank in full and on demand any amount of the Debt which has not been paid or discharged. The Bank will not enforce this claim except as provided in clause 4 below.
- 4. The Bank may:
 - (a) set-off the Deposit (or any part of it), or transfer (including a transfer to a specific account in the Bank's name) the Deposit (or any part of it) in payment of the Debt (or any part of it, including any part which is a contingent liability), regardless of whether it is due for payment;
 - (b) combine any Account with any other Customer Account in debit; and
 - (c) for the purposes of this Deed, value the Debt (or any part of it) which is a contingent liability as the Bank may determine exercising its commercial judgment in good faith,

provided that the Bank shall immediately thereafter notify you of the exercise by it of any of its rights under this clause and provided further that, for the avoidance of any doubt, the Bank may, pursuant to clauses 19 and 20 hereof, perform such currency conversions as it may require to effect any set-off or combination as contemplated above.

Maintenance of the Deposit

- 5. (a) You agree that from the date of this Agreement that you will maintain a Deposit in the Account in an amount that shall not be less than the Bank in good faith estimates is required to cover the aggregate daylight exposure that the Bank has to the Customers under sub-paragraphs (a) to (c) of the definition of "Debt" from time to time and any exposure on the Guarantee Accounts. The Bank shall notify you promptly upon request of the amount of such exposure and the basis on which such exposure has been calculated.
- (b) You may withdraw amounts from the Deposit, subject to the Bank's prior agreement, provided that either (i) the amount remaining in the Deposit after such withdrawal satisfies the requirements of paragraph (a) above or (ii) in accordance with paragraph 6(a) below.
- (c) The Bank has no duty to account to you in respect of the Deposit (or any part of it) and you cannot withdraw, charge or transfer the Deposit (or any part of it) until it becomes available in accordance with clause 6 below.

Availability of the Deposit to you

- 6. (a) The Deposit will become available to you (but if deposited for a fixed period, only subject to the terms of that fixed deposit) on the first date on which the

Bank is satisfied on reasonable grounds that there is no outstanding Debt and the Bank is not obliged (actually or contingently) to do anything which would cause any Debt to arise at a later date.

- (b) If the Deposit (or any part of it) becomes available to you under clause 6(a) above, the Bank may exercise any other rights which the Bank may have against the Deposit (or that part of it) which may include statutory and other legal rights of set-off, combination and transfer.

Deposit held for a fixed period

- 7. Any agreement that the Deposit (or any part of it) is to be held on deposit for a fixed period:
 - (a) will only be effective for the purposes of calculating and paying interest;
 - (b) will not affect any of the Bank's rights under this Deed; and
 - (c) will not stop the Bank from taking action under this Deed during the fixed period.
- 8. When exercising its rights under this Deed, the Bank can end any fixed deposit period and adjust any interest payable by the Bank accordingly.
- 9. When a fixed deposit period ends, the Bank will, until the Deposit becomes available in accordance with clause 6 above, continue to hold that amount on the agreed terms or, if there is no agreement, on the terms that the Bank reasonably considers appropriate.

Additional security and independence

- 10. The Bank may, at its discretion, whenever it wants, without your consent or notice to you, and without otherwise affecting its rights under this Deed:
 - (a) give any loan, credit, financial accommodation or other facility (the "Facilities") to a Customer (whether alone or with any other person) as may from time to time be agreed between the Bank and that Customer;
 - (b) extend, increase, review, determine or otherwise vary the Facilities;
 - (c) make any arrangement in respect of the Debt (or any part of it), or any security for it, with you (or if there is more than one of you, any of you), or a Customer (whether by way of giving time or other indulgence, variation, exchange, release, discharge, modification, refraining from perfection or enforcement or otherwise);
 - (d) do, or omit to do, anything which might otherwise discharge or reduce the Bank's rights under this Deed; and
 - (e) enter into arrangements with your Affiliates to secure the Debt (or any part of it) in ways other than those described in this Deed.
- 11. The Bank's rights under this Deed will not be discharged or otherwise affected by:

- (a) any invalidity or unenforceability of, or irregularity or defect in, any other security for the Debt (whether by way of mortgage, guarantee or otherwise) which the Bank may hold now, or at any time in the future; or
 - (b) any incapacity, loss of capacity, bankruptcy or liquidation of a Customer or you, or if there is more than one of you, any of you; or
 - (c) all or any of the Debt becoming irrecoverable from a Customer.
- 12. If the Bank reasonably requires, it may decline to release you from your obligations under this Deed unless it is satisfied that any payment of the Debt will not be avoided whether as a preference or otherwise. If any payment is so avoided, the Bank shall be entitled to recover under this Deed as if no such payment had been made.
- 13. The Bank's rights in relation to any other security for the Debt (or any part of it) are not affected by the Bank's rights under this Deed, nor vice versa. The Bank's rights under this Deed, and clause 4 above in particular, are in addition to, and independent of, any other security which the Bank may hold at any time for the Debt and any lien or other rights the Bank may have to set-off, combine or consolidate any of your accounts. The Bank may enforce its rights under this Deed without first having recourse to any other security or taking steps or proceedings against a Customer.
- 14. No prior security held by the Bank over the Deposit shall merge with the Bank's rights under this Deed.
- 15. Unless the Debt has been paid or discharged in full:
 - (a) you will not benefit (by subrogation or otherwise) from any rights the Bank may have, or any security (whether by way of mortgage, guarantee or otherwise) the Bank may hold, for the Debt;
 - (b) without the Bank's written consent, you will not exercise or enforce (or seek to) any rights which you may have against a Customer, or any other person, which arise by reason of payment of the Debt;
 - (c) any money or asset which you receive by reason of the rights mentioned above will be held by you on trust to be applied as if the money or asset were received by the Bank under this Deed;
 - (d) you hold any security given to you (now or in the future) for entering into this Deed on trust for the Bank and will immediately deposit, transfer or assign it as the Bank reasonably requires; and
 - (e) you waive any right of set-off you may have now, or at any time in the future, in respect of the Debt.
- 16. You agree, as a separate obligation, to indemnify the Bank within 5 Business Days of demand against all loss (other than consequential loss, or special or punitive damages) occasioned by, or arising from, any legal limitation, disability or want of capacity or authority of, or affecting, a Customer or any person acting or purporting to act on behalf of a Customer regarding the Debt, except to the extent that such loss arises from the

Bank's fraud, negligence or wilful default. The Bank will not enforce this indemnity except as provided in clause 4 of this Deed.

Duration of this Deed

17. This Deed remains continuing security against you, and if there is more than one of you, each of you, and if you are an individual, your personal representative, until it is released by the Bank in writing.

Interest

18. Interest accruing on the Deposit (or any part of it) will be paid at prevailing commercial rates in its usual course of business and added to the Deposit unless the Bank otherwise agrees in writing.

Currency conversion

19. The Bank may convert any money received under this Deed from the currency in which it is received into any other currency if such currency is required to match the currency in which all or part of the Debt is denominated. Any conversion will be effected at the Bank's then prevailing spot selling rate of exchange in its usual course of business.
20. The Bank is entitled to deduct the costs, charges and expenses that it would normally incur in its usual course of business from any amount that it converts into another currency in respect of any conversion performed in accordance with clause 19 above.

Costs and expenses

21. (a) You must pay all costs, charges and expenses (including any relevant taxes and legal fees) incurred by the Bank (acting reasonably) in connection with or incidental to the execution, implementation or enforcement of this Deed, irrespective of whether the same may be recoverable from a Customer within 5 Business Days of written demand.

(b) If you fail to pay any amount payable in accordance with paragraph (a) above interest shall accrue on the unpaid amount from the due date up until the date of actual payment at an annual rate of 3% above the Bank's base rate from time to time computed and compounded monthly and/or according to the Bank's then current practice and shall be payable on demand.

Non-Assignment

22. You may not assign, transfer or grant any rights in relation to, or purport to assign, transfer or grant any rights in relation to, any part of the Deposit, the Debt or any right or obligation under this Deed (other than to the Bank) unless the Bank otherwise agrees in writing. The Bank shall not assign, transfer or grant any rights in relation to, or purport to assign, transfer or grant any rights in relation to, any part of the Deposit, the Debt or any right or obligation under this Deed other than to its affiliates or unless you give your prior written consent (not to be unreasonably withheld or denied).

Joint and individual responsibilities

23. If there is more than one of you, your responsibilities under this Deed apply to each of you individually as well as jointly. If this Deed is unenforceable or otherwise ineffective against any one or more of you, none of the rest of you will be released from your responsibilities under this Deed.

Severance and modification of clauses

24. If any of the clauses (or part of a clause) of this Deed becomes invalid or unenforceable in any way under any law, the validity of the remaining clauses (or part of a clause) will not in any way be affected or impaired.
25. If any invalid or unenforceable clause (or part of a clause) would not be invalid or unenforceable if its form or effect were modified in any way, it shall be deemed to have the modified form or effect so long as the Bank consents.

Interpretation

26. (a) In this Deed:
- (i) the headings are used for guidance only;
 - (ii) a reference to a person includes a body corporate;
 - (iii) a reference to you and/or a Customer includes a reference to your respective legal personal representatives, successors and transferees;
 - (iv) references to the singular include the plural and vice versa; and
 - (v) a reference to the Bank includes a reference to its successors and transferees.
- (b) Where the words "the Bank reasonably considers appropriate" or "the Bank reasonably requires" appear in any clause, you agree that it is reasonable for the Bank to consider something appropriate or require something if, in the Bank's reasonable opinion, it will or might assist in:
- (i) preservation of the Bank's rights under this Deed or the Deposit; or
 - (ii) the Bank's ability to recover the Debt or any sums owed to the Bank under this Deed.

Governing Law

27. This Deed is governed by and shall be construed in accordance with Hong Kong law.

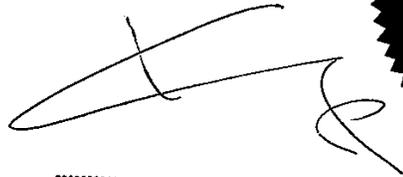
Counterpart

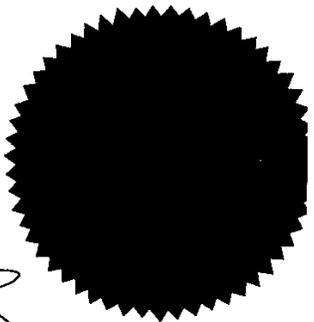
28. This Deed may be executed in two counterparts, each of which shall be deemed an original, both of which together shall constitute one and the same instrument.

IN WITNESS whereof this Deed has been duly executed under seal on the date first above written.

SEALED with the Common Seal of)
THE HONGKONG AND SHANGHAI)
BANKING CORPORATION LIMITED)
and SIGNED by)
in the presence of :)

SEALED with the Common Seal of)
LEHMAN BROTHERS ASIA)
HOLDINGS LIMITED)
and SIGNED by)
in the presence of :)


.....
Karen Ka Yen Yao
Director / Authorised Signatory




.....
Certified True Copy

Phuong TRI

SCHEDULE 1

Account

The following accounts specified below:

Account numbers:

808-482848-292 denominated in Hong Kong Dollars (“HKD”)

808-482848-274 denominated in United States Dollars (“USD”)

808-482848-278 denominated in Japanese Yens (“JPY”)

In the name of Lehman Brothers Asia Holdings Limited.

SCHEDULE 2

Customer Accounts:

Hong Kong Branch

Lehman Brothers Asia Holding Ltd	511-819831-001
Lehman Brothers Asia Holding Ltd - Staff Payroll A/c	111-258869-002
Lehman Brothers Futures Asia Ltd - Client Segregation Account	511-522583-001
Lehman Brothers Inc.	600-895452-001
Lehman Brothers Inc. – Charges	600-895452-002
Lehman Brothers Securities Asia Ltd C/O Lehman Brothers Japan Inc	600-615751-001

Mumbai Branch

LEHMAN BROTHERS CAPITAL P L	019-896877-001 (INR Current Account)
LEHMAN BROTHERS CAPITAL P L	019-896877-002 (INR Current Account)
LEHMAN BROTHERS CA PL -AP AC	019-896877-003 (INR Current Account)
LEHMAN BROTRS CAP PL PAYROLL	019-896877-004 (INR Current Account)
LEHMAN BROTHERS CAP PL –EEFC	019-896877-511 (USD Current Account)
LEHMAN BROTHERS CAP P L-LOAN	030-403588-001 (INR Current Account)
LEHMAN BRO CAP P L-SECURITS	030-403588-002 (INR Current Account)
LEHMAN BRO C PL TREAS SET AC	030-403588-003 (INR Current Account)
LBSPL F&O SETTLEMENT A/C NSE	002-098689-001 (INR Current Account)
LBSPL F&O CLIENT MONEY A NSE	002-098689-002 (INR Current Account)
LEHMAN BROTHERS SEC PVT LTD	002-098689-003 (INR Current Account)
LEHMAN BROTHERS SEC PVT LTD	002-098689-004 (INR Current Account)
LBSPL EXCHANGE DUES ACFORBSE	002-098689-005 (INR Current Account)
LEHMAN BROTHERS SEC PL-AP AC	002-109346-001 (INR Current Account)
LEHMAN BROTHERS SEC PVT LTD	002-413938-001 (INR Current Account)
LBSPL CLIENT MONEY AC NSE	002-413938-002 (INR Current Account)
LBSPL CLIENT MONEY AC BSE	002-413938-003 (INR Current Account)
LBSPL EXCHANGE DUES AC NSE	002-413938-004 (INR Current Account)

LBSPL SETTLEMENT AC NSE	002-413938-901 (INR Current Account)
LBSPL SETTLEMENT AC BSE	002-413938-902 (INR Current Account)
LEHMAN BROTHERS SEC P L	030-433148-001 (INR Current Account)
LEHMAN B S PL-NSE CDS SET AC	030-433148-002 (INR Current Account)
LEHMAN-NSCCL	002-098689-800 (Guarantee Account)
LEHMAN-NSCCL	002-098689-801 (Guarantee Account)
LEHMAN BROTHERS SEC-NSCCL	002-098689-802 (Guarantee Account)