

Tel: 2231 3368
 Fax: 2523 4973
 Our Ref.: (33) in DLO/KW 103/KPT/KW XIV
 Your Ref.: 43584

Lands Department
 Land Supply and Redevelopment Section
 19/F, North Point Government Offices,
 333 Java Road, North Point,
 Hong Kong

First Star Development Limited.
 c/o David C Lee Surveyors Ltd.
 14/F., Mass Mutual Tower,
 38 Gloucester Road,
 Wanchai,
 Hong Kong



DOC

By Recorded Delivery

- 6 DEC 2001

Dear Sirs,

Kowloon Inland Lot No. 11076
Hung Hom Bay Reclamation Area, Kowloon

I have to inform you that in consideration of your payment to the Government of the Hong Kong Special Administrative Region (hereinafter referred to as "the Government") of an additional premium amounting to \$300,000.00 and an administrative fee of \$168,000.00 (the receipts whereof are hereby acknowledged), the Government has approved a modification of Conditions of Sale No. 12547 (hereinafter referred to as "the Conditions") under which the above lot is held, in manner hereinafter appearing subject to the following conditions and to the acceptance thereof by you and the Lender in the manner stated in paragraph 2 hereof :-

- (1) With effect from the date of this letter, Special Condition No. (18)(i) of the Conditions shall be deemed to be deleted and the following Special Condition shall be deemed to be substituted therefor:


24 hour pedestrian way "(18)(i) The Purchaser shall provide at such level and with such alignment in the building or buildings erected or to be erected on the lot as may be approved by the Director and keep open 24 hours a day a free public pedestrian way passage of 6 metres wide or of such other width as may be approved by the Director so as to link up the Footbridges and the adjacent public footpaths."

- (2) Except as hereby modified, all the terms and conditions contained in the Conditions shall remain in full force and effect.
- (3) You shall, if required, by the Director of Lands so to do, execute a formal Agreement incorporating all the conditions herein contained in such form as he may require.

- (4) The condition of re-entry on the breach, non-observance or non-performance of any of the conditions contained in the Conditions shall extend to the breach, non-observance or non-performance of any of the foregoing conditions.

2. If the foregoing conditions are acceptable to you, I shall be glad if you will signify your acceptance by executing, under seal in accordance with your Articles of Association, the docket on both copies of this letter. Please also arrange for The Hongkong and Shanghai Banking Corporation Limited, the Lender under the Debenture (incorporating a First Building Mortgage and a First Floating Charge) dated the 27th day of September 2001 and registered in the Land Registry by Memorial No. 8509433, to signify its acceptance by executing under seal in accordance with its Articles of Association, the other docket provided on this letter in duplicate. After execution, please return to me both copies of this letter together with a certified copy of a resolution of your Board of Directors and a certified copy of a resolution of Board of Directors of The Hongkong and Shanghai Banking Corporation Limited whereby authority is given to the affixing of the respective Common Seals hereto, whereupon this letter will be registered by Memorial in the Land Registry. On completion the original of this letter will be returned to you for retention. You may attach it for record purpose to the other land documents in your possession.

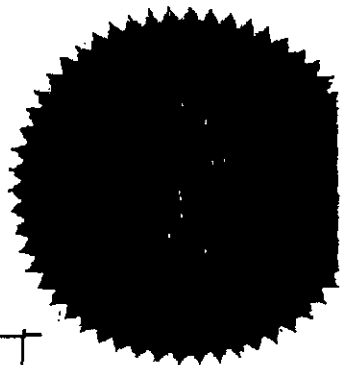
Yours faithfully,



(YU Kin-man)
Chief Estate Surveyor
Land Supply and Redevelopment Section
Lands Department

c.c. LACO/LS

We hereby agree to and accept the foregoing conditions.



Witness : *Yiu Ka Lai*
(Signature and name in block letters)

Leslie
LESLIE CHENG CHI PANG, DIRECTOR
(Seal of First Star Development Limited and signatures and names in block letters of its attesting officers and description of their offices)

Address : 17/F, New World Tower 2
18 Queen's Road Central
Hong Kong

Witness : *Wong Hoi Kuen*
(Signature and name in block letters)

Yuen Kwan Kuen
Yuen Kwan Kuen
(Seal of The Hongkong and Shanghai Banking Corporation Limited and signatures and names in block letters of its attesting officers and description of their offices)
(Signed by Yuen Kwan Kuen as attorney for and on behalf of the Hongkong and Shanghai Banking Corporation Limited)

Address : HSBC LTD
Security Control Section
29, 1 Queen's Rd
Central
Hong Kong

REGISTERED in the Land Registry
by Memorial No. 8552750
on 12 December 2001


for Land Registrar

- 11 -

**GENERAL CONDITIONS OF SALE OF THE LOT
REFERRED TO IN THE FOREGOING TENDER NOTICE**

GENERAL CONDITIONS

- Completion of Tender Documents
1. (a) Within fourteen days of the date of the letter referred to in paragraph 9 of the Tender Notice annexed hereto, the successful tenderer (hereinafter referred to as "the Purchaser") shall sign, or in the case of a limited company duly execute under its common seal, the Memorandum of Agreement annexed hereto (hereinafter referred to as "the said Memorandum") for completing the purchase according to these Conditions. The Purchaser shall also sign the sale plan annexed hereto. Where the successful tender has been made on behalf of a principal, the principal shall himself sign or itself execute the said Memorandum as Purchaser.
- (b) The Purchaser will be required to instruct one (or more) firm(s) of solicitors whose name(s) appear(s) in the Hong Kong Housing Authority's current panel of solicitors dated the 16th day of April 1999 for Home Ownership Scheme conveyancing, for the purpose of effecting the conveyancing of the private sector participation scheme flats to purchasers. The Purchaser may obtain a copy of such current panel of solicitors upon application in writing to the Hong Kong Housing Authority, c/o Rental Housing & Private Sector Participation Scheme Section, Housing Department, 1st Floor, Block 1, Housing Authority Headquarters, 33 Fat Kwong Street, Ho Man Tin, Kowloon.
- Completion of Sale
2. Within twenty eight days of the date of the letter referred to in paragraph 9 of the Tender Notice annexed hereto, the Purchaser shall pay to the Government of the Hong Kong Special Administrative Region (hereinafter referred to as "the Government") in one lump sum the balance of the premium tendered by him.
- Failure to pay premium
3. If the Purchaser shall fail to pay the said balance of premium as provided in General Condition No. 2 hereof, the Government may either enforce or cancel the sale. On cancellation the sum forwarded by the defaulting Purchaser with his tender as a deposit and in part payment of the premium tendered by him shall be wholly forfeited to the Government, and the Government shall be at liberty to resell the lot at such time and place and in such manner as the Government shall deem fit, and all losses and expenses attending a resale or attempted resale, including :
- (a) interest equivalent to 2 (two) per centum per annum above the Best Lending Rate of The Hongkong and Shanghai Banking Corporation Limited for the time being (hereinafter referred to as "the agreed rate") on the balance of the said premium for the period from the latest date upon which such balance should have been paid in accordance with General Condition No. 2 hereof up to and including the date upon which the balance of the premium upon a resale is paid,

Watchmen's
and
caretakers'
offices

(22) Watchmen's or caretakers' office accommodation may be provided within the lot provided that :

- (a) such accommodation is in the opinion of the Director essential to the safety, security and good management of the building or buildings erected or to be erected on the lot; and
- (b) such accommodation shall not be used for any purpose other than office accommodation of watchmen or caretakers employed on the lot.

Such accommodation, if the gross floor area thereof does not exceed 5 square metres for every 50 flats or part thereof erected or to be erected on the lot or 5 square metres for every residential block erected or to be erected on the lot, whichever calculation provides the greater amount of such accommodation, shall not be taken into account for the purpose of calculating the maximum total gross floor area stipulated in Special Condition Nos. (11)(b)(i) and (11)(b)(ii) hereof.

No hawkers

(23) The Purchaser shall not permit or suffer any hawker to carry on business within the lot and the footbridge link referred to in Special Condition No. (18)(d) and shall remove therefrom any hawker found to be so doing. Notices to the effect that hawking is prohibited within the lot shall be displayed prominently by the Purchaser near all entrances to the lot. For the purposes of these Conditions, "hawker" shall be as defined in Section 2 of the Public Health and Municipal Services Ordinance (Chapter 132) provided that for the purpose of this Special Condition the words "in any public place" shall be omitted from paragraph (a) of such definition and shall be substituted by the words "within the lot other than any part thereof permitted to be used for commercial purposes in accordance with these Conditions."

No
advertisement

(24) The Purchaser shall not exhibit or allow or suffer to be exhibited on the lot or any part thereof or on the exterior of any building or buildings or other structure or structures erected or to be erected thereon or any part thereof any placard poster sign or advertisement without the prior written consent of the Director.

Nomination
of home-
owners by the
Hong Kong
Housing
Authority

(25)(a) (i) The Hong Kong Housing Authority through the Director of Housing shall by notice in writing ("a nomination") given to the Purchaser, within a period of 20 calendar months after the date on which the Purchaser obtains the consent of the Director under Special Condition No. (27)(b)(i) hereof, inform the Purchaser of the name, address and description of the person to whom any unit is to be sold by the Purchaser pursuant to these Conditions,

and shall in such notice specify the address of the unit and the purchase price thereof. Upon receipt of each such nomination the Purchaser shall, subject to these Conditions, but otherwise without any delay, enter into with each home-owner an agreement in a form approved by the Director under Special Condition No. (27)(b)(ii) hereof for the sale and purchase of the unit specified in such nomination. For this purpose the Purchaser shall first notify in writing the Director of Housing the name and address of his solicitors, the place at which the agreements for sale and purchase shall be completed by the Purchaser and the place at which the Purchaser shall procure execution of the same by the person nominated by the Hong Kong Housing Authority. The Purchaser shall thereafter without any delay register each such agreement for sale and purchase in the Land Registry and shall not charge therefor by way of legal fees and conveyancing expenses any more than the normal scale fees charged for agreements for sale and purchase of a like nature and for a similar consideration.

Re-nomination

(ii) Within the period of 20 calendar months specified in sub-clause (a)(i) of this Special Condition, if a nomination in respect of a unit shall have been made by the Hong Kong Housing Authority, but the home-owner :

I. fails to sign the agreement for sale and purchase or pay the deposit referred to in Special Condition No. (27)(b)(v) hereof, the Purchaser shall inform the Director of Housing thereof by notice in writing within 14 days of such failure whereupon the Hong Kong Housing Authority acting through the Director of Housing shall within eight calendar months of such notification nominate another home-owner to purchase the unit in question; or

II. having paid the deposit, fails to pay the balance of the purchase price for the unit by the time specified for payment in the agreement for sale and purchase (the time for payment being due within the said period of 20 calendar months), the Purchaser shall inform the Director of Housing thereof by notice in writing within 14 days of such failure whereupon the Hong Kong Housing Authority acting through the Director of Housing shall within eight calendar months of such notification nominate another home-owner to purchase the unit in question and shall specify the purchase price at which such unit shall be

purchased by the home-owner and in such event the Purchaser shall only be entitled to an amount equal to the purchase price (less the deposit paid by the original home-owner) which would have been payable by the original home-owner had the failure not taken place.

Failure to
nominate or
re-nominate

- (iii) If the Hong Kong Housing Authority acting through the Director of Housing fails to make a nomination in respect of any unit in accordance with sub-clause (a)(i) of this Special Condition, or fails to make a further nomination in respect of any unit in accordance with sub-clause (a)(ii) of this Special Condition, sub-clause (b) of this Special Condition shall apply and in either event the Purchaser shall not make any claim or demand whatsoever, whether under these Conditions or common law, against the Government or the Hong Kong Housing Authority or the Director of Housing.

Hong Kong
Housing
Authority to
purchase
units

(b) After the expiry of the period of 20 calendar months specified in sub-clause (a)(i) of this Special Condition, the Purchaser shall inform the Director of Housing by notice in writing of :

- (i) any unit in respect of which no nomination in accordance with sub-clause (a)(i) of this Special Condition shall have been made by the Hong Kong Housing Authority acting through the Director of Housing, within 28 days after the expiry of the said period of 20 calendar months;
- (ii) any unit in respect of which the Hong Kong Housing Authority acting through the Director of Housing shall have failed to make a further nomination in accordance with sub-clause (a)(ii) of this Special Condition, within 28 days after the expiry of the said period of 20 calendar months;
- (iii) any unit in respect of which a nomination shall have been made in accordance with sub-clause (a)(i) or (a)(ii) of this Special Condition but the home-owner having paid the deposit referred to in Special Condition No. (27)(b)(v) hereof has failed to pay the balance of the purchase price for the unit by the time specified for payment in the agreement for sale and purchase (the time for payment being due after the expiry of the said period of 20 calendar months), within 28 days of such failure.

Any or all the units above referred to shall be purchased by the Hong Kong Housing Authority or its nominee from the Purchaser at the price fixed therefor in accordance with Special Condition No. (27)(b)(iv) hereof (but not the said price as may be varied under Special Condition No. (27)(c) hereof) less, in the event of the home-owner failing to pay the balance of the purchase money, the amount of the deposit paid by the home-owner, and in respect of such purchase the Purchaser and the Hong Kong Housing Authority or its nominee shall be deemed to have executed on the date of the expiry of the said period of 20 calendar months an agreement for sale and purchase of any such unit or units in the form approved by the Director under Special Condition No. (27)(b)(ii) hereof, and all the provisions of the said form of agreement for sale and purchase shall then apply for all purposes governing the said sale and purchase in the same way as if it had been duly executed by the Purchaser as vendor and the Hong Kong Housing Authority or its nominee as purchaser in respect of each such unit or units except that :

- I. the provisions contained in the said form of agreement for sale and purchase with regard to the payment by the purchaser thereunder of any costs, charges and expenses of and incidental to the sale and purchase of the unit or units whether in respect of the agreement for sale and purchase or the subsequent deed of assignment or otherwise, shall not apply;
- II. in the case of a unit in respect of which no nomination has been made, a period of 28 days from the date on which the Director of Housing is so notified in writing by the Purchaser shall be allowed for payment of the deposit by the Hong Kong Housing Authority or its nominee;
- III. in the case of a unit in respect of which a nomination has been made but the home-owner fails to pay the deposit, a period of 28 days from the date on which the Director of Housing is so notified in writing by the Purchaser shall be allowed for payment of the deposit by the Hong Kong Housing Authority or its nominee; and

- IV. in the case of a unit in respect of which a nomination has been made but the home-owner having paid the deposit fails to pay the balance of the purchase price for such unit, a period of 28 days from the date on which the Director of Housing is so notified in writing by the Purchaser shall be allowed for payment of the balance of the purchase price by the Hong Kong Housing Authority or its nominee.

Notwithstanding anything to the contrary herein contained the Hong Kong Housing Authority or its nominee shall not be obliged to take an assignment or pay the balance of the purchase price of any unit or units hereinbefore mentioned until the expiry of the period stipulated by the Purchaser to complete the development of the lot as stated in accordance with paragraph 3(d)(iv)(g) of the Tender Notice or any extension thereto which may be granted.

Assignment
of units

(c) The Purchaser shall complete and register in the Land Registry the deeds of assignment of all of the undivided shares in the lot and units referred to in sub-clause (a)(i) of this Special Condition within not more than 2 calendar months from compliance by the Purchaser with these Conditions as certified in writing by the Director or such other extended period as may be agreed in writing by the Director and shall not charge for such assignments by way of legal fees and conveyancing expenses any more than the normal scale fees for conveyance of a like nature and for a like consideration. Provided that in the event that any unit or units are purchased by the Hong Kong Housing Authority or its nominee from the Purchaser in accordance with sub-clause (b) and sub-clause (d) of this Special Condition, the Hong Kong Housing Authority or its nominee shall not be required to pay any costs, charges or expenses of and incidental to such purchase whether in respect of the agreement for sale and purchase or the subsequent deed of assignment or otherwise whatsoever.

Rescission in
case of false
declaration

(d) The Purchaser shall, if called upon so to do by the Director of Housing, rescind any sale and purchase agreement entered into between the Purchaser and a home-owner who, in the opinion of the Director of Housing, has made any misrepresentation or false statement with a view to obtaining nomination as a home-owner, and the Government or the Hong Kong Housing Authority or the Director of Housing shall incur no liability to the Purchaser as a result of such rescission. In addition to any other requirement of the Director under Special Condition No. (27)(b)(ii) hereof the Purchaser shall include in any sale and purchase agreement entered into between the Purchaser and a home-owner a clause in a form satisfactory to the Director to the effect that any information, statement or declaration, whether required by statute or otherwise, made by the prospective home-owner with a view to obtaining nomination by the Hong Kong Housing Authority through the Director of Housing shall be deemed to be representations made to induce the Purchaser to enter into the sale

and purchase agreement with him and that any misrepresentation, false statement or declaration made by the home-owner for such purpose shall entitle the Purchaser either at his own instance or when called upon so to do by the Director of Housing to rescind the said sale and purchase agreement with such home-owner and to recover from the home-owner all expenses incurred in relation to such sale and purchase agreement. The Purchaser shall within 14 days after such rescission has taken effect inform the Director of Housing thereof by notice in writing and within 28 days of the notification the Director of Housing shall nominate another home-owner to purchase the unit in respect of which the agreement for sale and purchase has been rescinded and shall specify the sale price at which such unit shall be purchased by the home-owner, and in such event the Purchaser shall only be entitled to an amount equal to the purchase price (less the deposit paid by the original home-owner) which would have been payable for the unit by the original home-owner had the rescission not taken place. If the Director of Housing fails to nominate another home-owner as aforesaid within the said period of 28 days, the unit in respect of which the agreement for sale and purchase had been rescinded shall be purchased by the Hong Kong Housing Authority or its nominee after the expiry of the period of 20 calendar months specified in sub-clause (a)(i) of this Special Condition and at the price which would have been payable for the unit by the original home-owner had the rescission not taken place less the deposit paid by the original home-owner provided that the Hong Kong Housing Authority or its nominee shall not be obliged to take an assignment or pay the balance of the purchase price of the unit until the expiry of the period stipulated by the Purchaser to complete the development of the lot as stated in accordance with paragraph 3(d)(iv)(g) of the Tender Notice or any extension thereto which may be granted.

Schedule of
the units

(26) The Purchaser shall within one calendar month of the approval of the Building Plans referred to in Special Condition No. (6)(b) hereof submit to the Director of Housing a schedule specifying precisely and accurately the units in the building or buildings to be erected on the lot and the saleable area of each unit.

Restriction
on alienation
by the
Purchaser

(27) (a) Except as hereinafter provided in this Special Condition and Special Condition No. (36)(k) hereof, the Purchaser shall not partition the lot or any part thereof nor assign, charge, mortgage, demise, underlet, part with the possession of or otherwise dispose of the lot or any part thereof or any interest therein or any building or part of any building thereon, or enter into any agreement so to do.

Sale of units
by
the Purchaser

(b) The Purchaser may agree to assign or assign a unit or units but only :