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26t February 2004

First Star Development Limited C/o Messrs Cheung, Chan & Chung Unit 5505, 55/F Hopewell Centre 183 Queen's Road East Wanchai Hong Kong



Dear Sirs,

Kowloon Inland Lot No.11076

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 \$864,000,000 (the receipt whereof is hereby acknowledged), the Government has approved a modification of Conditions of Sale No.12547 as varied or modified by a Modification Letter dated the 6th day of December 2001 and registered in the Land Registry by Memorial No.8552750 (which said Conditions of Sale as varied or modified aforesaid are hereinafter referred to as "the Conditions"), under which the above-mentioned 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: -
 - (A) General Condition No. 1(b) of the Conditions, Special Condition Nos. (3)(b), (5), (6)(c), (6)(d), (6)(e), (24), (25), (26), (28), (29), (30), (31), (32), (33), (34), (35), (36)(k)(i), (36)(k)(ii), (42)(b), (42)(c), (42)(d), (42)(e), (42)(f), (42)(g), (52)(e), (62), (63), the Technical Schedule and Appendix A thereto shall be deemed to be deleted;
 - (B) Special Condition Nos. (3)(d)(ii), (3)(e), (6)(a), (12), (13), (14), (27), (36)(a), (36)(j) and (36)(k)(iii) shall be deemed to be deleted and substituted by those Special Conditions set out in the First Schedule hereto respectively; and
 - (C) the Special Conditions set out in the Second Schedule hereto shall be deemed to be added to the Conditions as Special Condition Nos. (36)(1), (64), (65), (66), (67), (68) and (69).

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- (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.

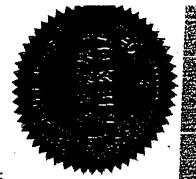
If the foregoing conditions are acceptable to you, I shall be glad if you will signify your acceptance by executing, under seal in accordance with your Articles of Association, the docket on both copies of this letter. Please also arrange for The Hongkong and Shanghai Banking Corporation Limited, the 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 by its lawful attorney on both copies of the docket. After execution, please return to me both copies of this letter together with a certified copy of a resolution of your Board of Directors whereby authority is given to the affixing of your Common Seal hereto and a certified copy of a valid Power of Attorney of the Lender whereby authority is given to its lawful attorney to the execution hereof, 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,

(V.S. Corrigal)
Deputy Director, General

Lands Department

We hereby agree to and accept the foregoing conditions.



Witness

(Signature and name in block letters)

Lam Wai Hon Patrick Director

Cheng Chi Pang Lesli Director

Pakkl

(Seal of First Star Development Limited and signatures and names in block letters of its attesting officers and description of their offices)

Address

WORLD TOWER 30/F

18 QUEEN'S ROAD CENTRAL

Witness

Tam Chi Wing

(Signature and name in block letters).

C/O L9 36 CURUTY CONTROL SECTION

Address

: 1 QUEEN'S ROAD CENTRAL

(Signed, sealed and delivered by

Yuen Kwan Kuen

the lawful attorney for and on behalf of The Hongkong and Shanghai Banking Corporation Limited)

The First Schedule

(d)(ii) The Purchaser shall throughout the term hereby agreed to be (3)granted at his own expense after completion of the landscaping keep all landscaped areas within the lot well cultivated, managed and maintained to the satisfaction of the Director.

Terms in Tender Notice form (3) Paragraphs 16 and 17 of the Tender Notice are expressly part of these Conditions incorporated in and made part of these Conditions.

Building covenant

The Purchaser shall develop the lot by the erection thereon of a building or buildings, ancillary works or facilities complying with these Conditions and in all respects to the satisfaction of the Director and in accordance with the Schedule and the Master Layout Plans submitted in accordance with paragraph 3(d)(ii) and (iii) of the Tender Notice and the Approved Landscaping Proposals and complying and in accordance with all Ordinances, byelaws and regulations relating to building, sanitation and planning which are or may at any time be in force in Hong Kong, such building or buildings to be completed and made fit for occupation on or before the 22nd day of August 2002.

Restrictions on the use of (12) Hand-dug caissons shall not be used except with the prior hand-dug caissons written approval of the Director.

Design of ground floor slabs (13)

All ground floor slabs of any building or buildings to be erected on the lot which are designed and intended for the use referred to in Special Condition No.(7)(a) hereof shall be designed and constructed as suspended ground floor slabs supported on structural elements of the said building or buildings provided that the ground floor slabs within such building or buildings intended for the parking of private vehicles or goods vehicles or service vehicles need not be suspended as aforesaid but their design shall be subject to the prior written approval of and their construction shall be to the satisfaction of the Director.

Estate Management Office, (14)

The Purchaser shall at his own expense and to the satisfaction Owners' Committee Office of the Director provide within the lot one Owners' Committee Office (hereinaster referred to as "the Owners' Committee Office") having a gross floor area of not less than 38 square metres and not more than 42 square metres; an Estate Management Office (hereinaster referred to as "the Estate Management Office") having a gross floor area not less than 140 square metres and not exceeding 170 square metres; and a combined office for the cleansing contractor and the maintenance contractor (hereinafter referred to as "the Contractors Office") having a gross floor area not less than 30 square metres and not exceeding 35 square metres which offices shall serve the whole of the development on the lot provided that:

> (a) the Owners' Committee Office shall not be used for any purpose other than for the purposes of meetings and

administrative work of the Owners' Committee or the Owners' Corporation formed or to be formed in respect of the lot and the buildings erected or to be erected thereon; the Estate Management Office shall not be used for any purpose other than for the purposes of management of the building or buildings and other facilities erected or to be erected on the lot; and the Contractors Office shall not be used for any purpose other than for the purposes of maintenance and cleansing of the building or buildings and other facilities erected or to be erected on the lot; and

(b) the Owners' Committee Office, the Estate Management Office and the Contractors Office shall form part of the Common Areas referred to in Special Condition No.(67)(a)(v) hereof.

The area so provided for the Owners' Committee Office, the Estate Management Office and the Contractors Office will 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.

Restriction on alienation (27) Prior to compliance with these Conditions in all respects to the satisfaction of the Director the Purchaser shall not except with the prior written consent of the Director and in conformity with any conditions imposed by him (including the payment of such fees as may be required by him):

- (a) assign, underlet or part with 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 (whether by way of direct or indirect reservation, the grant of any right of first refusal, option or power of altomey, or any other method, arrangement or document of any description) or enter into any agreement so to do;
- (b) solicit or accept, whether directly or indirectly or through a solicitor, agent, contractor or trustee or through a company in which the Purchaser or its nominee is directly or indirectly the owner of shares or which is the owner of shares in the Purchaser or otherwise, any money, money's worth or other valuable consideration of any description pursuant to any transaction, present or future, conditional or unconditional whereby the lot or any part thereof or any interest therein or any building or part of any building thereon is or may be sold, assigned, underlet or otherwise disposed of or affected, or enter into any agreement so to do; or
- (c) mortgage or charge the lot or any part thereof or any interest therein except for the purpose of the development thereof in accordance with these Conditions and then only by way of a building mortgage, it being agreed that for this purpose a

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building mortgage shall be one:

- (i) whereby the lot is mortgaged or charged in favour of a licensed bank or a registered deposit-taking company authorized under section 16 of the Banking Ordinance to secure monies (and interest thereon) advanced or to be advanced to the Purchaser for the purpose only of developing the lot in accordance with these Conditions and for the payment of legal and other professional fees in connection with such development and the mortgage (provided that such fees do not, in the aggregate, exceed 5% of the total amount secured by the mortgage), and for no other purpose;
- (ii) under which such advances (in the case of work done) are to be made to the Purchaser only in amounts to be certified from time to time by the Authorized Person (appointed by the Purchaser under the Buildings Ordinance for the development of the lot) as having been incurred by the Purchaser for the development of the lot; and
- (iii) under which the mortgagee is obliged to release any share or interest in the lot from the mortgage unconditionally upon receipt of a sum representing the total purchase price under an agreement for sale and purchase approved by the Director in respect of that share or interest in the lot.

Residential Parking Spaces

- (36) (a) Space shall be provided within the lot to the satisfaction of the Director for the parking of private cars at the rate of not more than one vehicle space for every five residential flats or part thereof and not less than one vehicle space for every seven residential flats or part thereof in the building or buildings erected or to be erected on the lot (which parking spaces are hereinafter referred to as "the Residential Parking Spaces"). Each space shall have a minimum measurement of 2.5 metres x 5.0 metres with a minimum headroom of 2.4 metres. The spaces so provided shall not be used for any purpose other than for the purposes of parking of private cars licensed under the Road Traffic Ordinance and shall not be used for the storage, sale or exhibiting of motor vehicles.
- Deposit of car parking layout (36) (j) A plan approved by the Director indicating the layout of all the manocuvring, parking, loading and unloading spaces provided within the lot in accordance with sub-clauses (a), (b), (c), (d), (e), (f), (g) and (h) of this Special Condition and the Car Park Common Areas referred to in sub-clause (1)(iv) of this Special Condition, or a copy of such plan certified by an Authorized Person (as defined in the Buildings Ordinance) shall be deposited with the Director. No transaction (except a building mortgage under Special Condition No.(27)(c) hereof or such other transactions as the Director may approve) affecting the lot or any part thereof or any building or part of any

building erected or to be erected on the lot shall be entered into prior to such deposit. The manoeuvring, parking, loading and unloading spaces and the Car Park Common Areas indicated on the said approved plan shall not be used for any purpose other than for the respective purposes set out in subclauses (a), (b), (c), (d), (e), (f), (g), (h) and (l) of this Special Condition. The Purchaser shall maintain the manoeuvring, parking, loading and unloading spaces and the Car Park Common Areas in accordance with the said approved plan and shall not alter the layout except with the prior written consent of the Director.

(36) (k)(iii) The Purchaser (which expression for the purpose of this subsub-clause shall not include its successors in title or assigns) may not assign, charge, mortgage, demise, underlet, part with the possession of or otherwise alienate or dispose of the goods vehicle spaces, the manoeuvring space for goods vehicles and refuse collection vehicles, the parking space for kindergarten, the taxi lay-by and the spaces for vehicles for disabled users (or any part thereof or any interest therein) required to be provided in accordance with sub-clauses (c), (d), (e), (f), (g) and (h) respectively of this Special Condition other than to the manager appointed in accordance with the DMC (as defined in Special Condition No.(67)(a)(i) hereof) or a corporation incorporated under the Building Management Ordinance (Cap. 344), which manager or corporation shall hold the undivided shares attributable to the goods vehicle spaces, the manoeuvring space for goods vehicles and refuse collection vehicles, parking space for kindergarten, taxi lay-by, and spaces for vehicles for disabled users in trust for all the owners of undivided shares in the lot. Provided that the said manager or the corporation may let the parking spaces for the kindergarten to be provided in accordance with subclause (f) of this Special Condition to the occupiers of the kindergarten. The goods vehicles spaces, the manoeuvring space for goods vehicles and refuse collection vehicles, the taxi lay-by and spaces for vehicles for disabled users shall be designated as and form part of the Common Areas referred to in Special Condition No.(67)(a)(v) hereof.

The Second Schedule

Restriction on alienation of Residential Parking Spaces

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The Residential Parking Spaces provided within the lot in accordance with sub-clause (a) of this Special Condition shall not be used for any purpose other than for the parking of private cars and shall be designated as such on the approved car park layout plan referred to in sub-clause (j) of this Special Condition.

- (ii) During a period of nine months from the date of the first assignment of a residential flat in the building or buildings erected or to be erected on the lot, no Residential Parking Spaces shall be assigned except:
 - (I) together with the undivided share or shares allocated to a residential flat in the building or buildings erected or to be erected on the lot and the right of exclusive use and possession of that flat; or
 - (II) to a person who is already the owner of an undivided share or shares in the lot allocated to a residential flat in the building or buildings erected on the lot and of the right of exclusive use and possession of that flat.

Allocation of undivided shares to the Car Park Common Areas

(iii)

Prior to any assignment or disposal of any undivided share allocated to the Residential Parking Spaces or any interest therein, the Purchaser shall allocate to those parts of the car park which are for the common use and benefit only of the owners and occupiers of the Residential Parking Spaces, including but not restricted to the lifts, landings, loading and unloading spaces, spaces for the picking up and setting down of passengers and manoeuvring and oirculation areas (hereinafter referred to as "the Car Park Common Areas"), a number of undivided shares in the lot which in the opinion of the Director is appropriate.

Restriction on alienation of the Car Park Common Areas

- The Purchaser may not assign, mortgage or charge or otherwise dispose of or part with the possession of any undivided shares allocated to the Car Park Common Areas or any interest therein or enter into any agreement so to do except that the whole of the said undivided shares in the Car Park Common Areas shall be assigned to and vested in:-
 - (I) upon execution of the DMC (as defined in Special Condition No. (67)(a)(i)), the manager appointed in accordance with the DMC who shall hold the said undivided shares on trust for the benefit of all owners for the time being of the undivided shares

allocated to the Residential Parking Spaces; or

- (II) upon execution of a sub-Deed of Mutual Covenant in respect of any building or buildings or part or parts thereof erected on the lot which includes the Residential Parking Spaces (hereinafter referred to as "the Sub-DMC"), the manager appointed in accordance with the Sub-DMC who shall hold the said undivided shares on trust for the benefit of all owners for the time being of the undivided shares allocated to the Residential Parking Spaces.
- (v) Notwithstanding sub-clause (1)(ii) of this Special Condition, the Purchaser may, with the prior written consent of the Director (which he may grant or refuse at his absolute discretion), assign the Residential Parking Spaces and the Car Park Common Areas as a whole, but only to a wholly-owned subsidiary company of the Purchaser.
- (vi) Sub-clauses (1)(ii), (1)(iii) and (1)(iv) of this Special Condition shall not apply to an assignment, underletting, mortgage or charge of the lot as a whole.
- (vii) Sub-clauses (1)(iii) and (1)(iv) of this Special Condition shall not apply to an assignment, underletting, mortgage or charge as a whole of the undivided shares allocated to the Residential Parking Spaces and the Car Park Common Areas.
- (viii) Sub-clauses (1)(iii) and (1)(iv) of this Special Condition shall not apply to an underletting of the Residential Parking Spaces.

Provision of sales office and show flats

(64) Notwithstanding the maximum gross floor area permitted under Special Condition No. (11) hereof, the Purchaser may erect on part or parts of the lot separate temporary structures for the purposes of a sales office and show flats and related marketing activities to facilitate the sale of the building or buildings or any part or parts thereof erected or to be erected on the lot in accordance with these Conditions, provided that the scale and period of operation of such sales office and show flats and related marketing activities shall be subject to the prior written approval of the Director and such other terms and conditions as the Director shall in his absolute discretion see fit to impose.

Quarters for watchmen and caretakers

- (65) (a) Quarters for watchmen or caretakers or both may be provided within the lot subject to the following conditions:
 - (i) that such quarters shall be located in one of the blocks of residential flats erected on the lot or in such other

location as may be approved in writing by the Director,

- that such quarters shall be provided with self-contained toilet, showering, washing and kitchen facilities; and
- (iii) that such quarters shall not be used for any purpose other than the residential accommodation of watchmen or caretakers or both, who are wholly and necessarily employed within the lot.
- (b) For the purpose of calculating the total gross floor area stipulated in sub-clause (b)(i) of Special Condition No. (11) hereof, quarters provided within the lot in accordance with sub-clause (a) of this Special Condition with a total gross floor area of not exceeding 25 square metres shall not be taken into account. Any gross floor area in excess of 25 square metres shall be taken into account for such calculation.
- (c) Quarters for watchmen or caretakers or both provided within the lot in accordance with sub-clause (a) of this Special Condition shall be designated as and form part of the Common Areas referred to in Special Condition No. (67)(a)(v) hereof.

Registration

(66) Every assignment, mortgage, charge, underletting for more than three years or other alienation of the lot or any part thereof or any interest therein shall be registered at the Land Registry.

Deed of Mutual
Covenant incorporating
Management
Agreement (if any)

- (67) (a) Notwithstanding that these Conditions shall have been observed and complied with to the satisfaction of the Director, the Purchaser shall not assign, mortgage, charge or part with the possession of or otherwise dispose of the lot or any part thereof or any interest therein or enter into any agreement so to do except by way of an assignment or other disposal of undivided shares in the whole of the lot together with the right to the exclusive use and occupation of individual floors and/or units in any building or buildings erected thereon and even then such assignment or other disposal shall be subject to the following conditions:
 - (i) the Purchaser shall first submit to and obtain the approval in writing of the Director to a Deed of Mutual Covenant incorporating a Management Agreement (if any) (hereinafter referred to as "the DMC") to be entered into between the Purchaser and the assignees from him of undivided shares in the whole of the lot;
 - (ii) the DMC must be in a form and contain the provisions which the Director shall approve or require and it (and any approved amendment or amendments to it) must be registered by Memorial against the lot in the Land Registry;

- (iii) the Purchaser must comply with the approved terms and conditions of the DMC. No amendment thereto may be made without the prior written consent of the Director and the payment of such fees as may be required;
- (iv) every assignment or other disposal of an undivided share or shares in the lot shall be subject to and with the benefit of the DMC;
- (v) in the DMC the Purchaser must allocate to those parts of the lot which comprise the common areas or amenities for the common use and benefit of owners for the time being of the lot (hereinafter referred to as "the Common Areas") a number of undivided shares in the lot which in the opinion of the Director is appropriate;
- (vi) the Purchaser may not assign, mortgage or charge (except by building mortgage or charge under Special Condition No. (27)(c) hereof) or otherwise dispose of or part with the possession of any undivided shares allocated to the Common Areas or any interest therein or enter into any agreement so to do except that upon execution of the DMC the whole of the said undivided shares in the Common Areas shall be assigned to and vested in the manager appointed in accordance with the DMC who must hold the said undivided shares on trust for the benefit of all owners for the time being of undivided shares in the lot;
- (vii) the DMC must provide that, subject to sub-clause (a)(viii) hereof, on termination of the manager's appointment the manager must assign the said undivided shares and the whole of the undivided shares in the Car Park Common Areas (if the same shall have been allocated in accordance with Special Condition No.(36)(I)(iii) hereof) free of costs or consideration to its successor in office; and
- (viii) if an Owners' Corporation is formed under the Building
 Management Ordinance (Cap. 344), it may require the
 manager, in accordance with the DMC to assign the
 undivided shares in the Common Areas and transfer the
 management responsibilities to it free of costs or
 consideration, in which event, the said Owners'
 Corporation must hold them on trust for the benefit of all
 owners for the time being of undivided shares in the lot.
- (b) Sub-clause (a) of this Special Condition shall not apply to:
 - (i) an assignment, underletting, mortgage or charge of the

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lot as a whole; or

- (ii) an underletting of a part of the building erected thereon.
- (c) The DMC must not contain provisions which would in any way prohibit, prevent, hinder or prejudice the establishment or operation of a residential care home or homes as defined in the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459), any regulations made thereunder and any amending legislation or such other Ordinances or Regulations which may amend or replace the Residential Care Homes (Elderly Persons) Ordinance (Cap. 459) (which residential care home or homes shall hereinafter referred to as "RCHE") or the use of the lot or any part thereof or any building or part of any building erected thereon for the purpose of RCHE. A provision to the effect that no provision in the DMC shall operate to prohibit, prevent, hinder or prejudice the establishment or operation of RCHE or the use of the lot or any part thereof or any building or part of any building erected thereon for the purpose of RCHE must be included in the DMC.

Restriction on partitioning

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(68) The Purchaser shall not, without the prior written consent of the Director, partition (whether by way of agreement or other disposal or any other means) the lot or any part thereof or any section of the lot that has already been partitioned with consent. Where the lot has been partitioned with such consent, the provisions in Special Condition No. (67) hereof shall apply to each of the sections so partitioned with the references to "the lot" under the said Special Condition being replaced and substituted by the relevant section.

Recreational facilities

- (69) (a) The Purchaser may erect, construct and provide within the lot such recreational facilities and facilities ancillary thereto (hereinafter referred to as "the Facilities") as may be approved in writing by the Director. The type, size, design, height and disposition of the Facilities shall also be subject to the prior written approval of the Director.
- (b) The Facilities provided in accordance with sub-clause (a) of this Special Condition shall only be used by any one or more residents of the residential block or blocks erected or to be erected within the lot and their bona fide visitors and by no other person or persons whoseever.
- (c) For the purpose of calculating the total gross floor area stipulated in sub-clauses (b)(i) and (b)(ii) of Special Condition No.(11) hereof, any part of the Facilities provided within the lot in accordance with sub-clause (a) of this Special Condition which are for the common use and benefit of all the residents for the time being of the residential units of the lot and their bona fide visitors shall not be taken into account. The remaining part of the Facilities which are not for such use shall be taken into account for the calculation of the total gross floor area stipulated in sub-clause (b)(i) of Special Condition No.(11) hereof.

- d) In the event that any part of the Facilities is exempted from the gross floor area calculation pursuant to sub-clause (c) of this Special Condition: -
 - (i) such part of the Facilities shall be designated as and form part of the Common Areas referred to in Special Condition No.(67)(a)(v) hereof, and
 - (ii) the Purchaser shall at his own expenses maintain such part of the Facilities in good and substantial repair and condition and shall operate such part of the Facilities to the satisfaction of the Director.

06-DEC-2004 10:36

REGISTERED in the Land Registry by Memorial No. 9149299 on 6 March 2004

for Land Registrar