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NEW GRANT NO. 6 7 6 7

(CONDITIONS OF EXCHANGE)

DISTRICT: TSUEN WAN

SURVEY/DEMARCATION DISTRICT NO. _____

TSUEN WAN TOWN LOT NO. 340

OWNER

PACIFIC DYEING WORKS LIMITED

TERM

- 75 YEARS FROM 1ST JULY 1898 RENEWABLE FOR A FURTHER TERM OF 24 YEARS LESS THE LAST 3 DAYS THEREOF
- 99 YEARS FROM 1ST JULY 1898 LESS THE LAST 3 DAYS THEREOF
- EXPIRING ON 30TH JUNE 2047

(tick where applicable)

CROWN RENT \$ 1100/- PER ANNUM/UP TO 30TH JUNE 1997 AND THEREAFTER AN AMOUNT EQUAL TO 3% OF THE RATEABLE VALUE FOR THE TIME BEING OF THE LOT

PREMIUM 886,500.00

REFER TO VOL. 299 FOLIO 35

Entered and Indexed

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11.6.90
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14/6/90

0.621

NEW GRANT NO. 6 7 6 7

File Ref. : DLQ/TW 136/WLT/63

PARTICULARS AND CONDITIONS OF EXCHANGE

PARTICULARS AND CONDITIONS for the GRANT by the Government of Hong Kong (hereinafter referred to as "the Government"), acting in accordance with the provisions of the Joint Declaration of the Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the People's Republic of China on the Question of Hong Kong, of the lot described in the First Schedule hereto and shown coloured pink and pink hatched blue on Plan I annexed hereto for a term of years commencing on the date of the Memorandum of Agreement at the end hereof and expiring on the 30th day of June 2047 at the rent specified in the said First Schedule and subject to the General and Special Conditions hereunder, in exchange for the surrender of the OLD LOTS described in the Second Schedule hereto and shown coloured blue on Plan II annexed hereto.

First Schedule

PARTICULARS OF THE LOT

Registry Lot No.	Location	Site	Area	Rent	Premium
Tsuen Wan Town Lot No. 340	Yeung Uk Road, Tsuen Wan, New Territories	As delineated and shown coloured pink and pink hatched blue on Plan I annexed hereto	3 361 square metres (about)	Up to 30th June 1997 \$1,100.00 per annum, and thereafter, an amount equal to 3% of the rateable value for the time being of the lot	\$86,120,000.00

Second Schedule

OLD LOTS TO BE SURRENDERED

Surrendered to the Crown on 29.5.90.

*1.01
12.1.90*

D.D. No.	Lot No.	Location	Area in square feet	Rent	Remarks
443	437 S.A. and 437 R.P.	Yeung Uk Road, Tsuen Wan, New Territories	90,000 (about)	\$1,035.00 per annum	Nil

GENERAL CONDITIONS

Rent

1.(a) Rent as specified in the Particulars of the Lot shall commence from the date of this Agreement and until the 30th day of June 1997 shall be paid in arrear on the 1st day of July in every year, the first yearly rent or a due proportion thereof becoming due and to be paid on the 1st day of July next following the date of this Agreement.

(b) From the 1st day of July 1997 until the expiry of the term hereby granted the rent for the lot shall be calculated and paid with reference to the period commencing on the 1st day of April and ending on the 31st day of March in each year, and the Grantee shall pay and there shall be collected by the Director of Buildings and Lands (hereinafter called "the Director") as rent for the lot for each such period an amount equal to 3% of the rateable value from time to time of the lot, the said rent to be paid by four equal quarterly instalments in advance on the 1st day of April, the 1st day of July, the 1st day of October and the 1st day of January in each year, and the first quarterly payment together with all accrued arrears of rent becoming due and to be paid on the 1st day of July 1997.

Rateable value

(c) For the purposes of this General Condition, the rateable value of the lot shall be the rateable value as set out from time to time in the list declared or the interim valuation made by the Commissioner of Rating and Valuation (hereinafter called "the Commissioner") under the Rating Ordinance or any legislation amending or replacing the same, of the tenement, or, if there is more than one tenement, the aggregate of the rateable values and/or interim valuations as so set out or made of all the tenements comprised wholly or partly within the lot.

Effective date

(d) For the purposes of sub-clause (c) hereof :-

(i) a rateable value in a new list, when declared, and an interim valuation, when made, and a correction, alteration or variation of a rateable value or an interim valuation, when made, shall take effect from the effective dates for the same under the Rating Ordinance;

Adjustment

(ii) if the effective date of an interim valuation is earlier than the date of the making of the interim valuation, or if the rateable value has been corrected, altered or varied and the effective date of such correction, alteration or variation is earlier than the date of the making of the correction, alteration or variation, and as a result the rent for the lot is increased, the rent due for the period since the effective date of the interim valuation or the correction, alteration or variation shall, in so far as it has not been already paid, be added by the Director to the next payment of rent due following the date of the making of the interim valuation, correction, alteration or variation, and if as a result of the making of the interim valuation, correction, alteration or variation the rent for the lot is reduced, any amount found to be overpaid by the Grantee may be deducted by the Director from the next payment of rent due following the date of the making of the interim valuation, correction, alteration or variation, or shall be otherwise credited to the account of or refunded to the Grantee;

Tenement partly
on lot

(iii) a tenement shall be deemed to be comprised partly within the lot if the building in which it is contained stands partly within the lot; and where a tenement is so deemed to be comprised partly within the lot, there shall be included for the purpose of determining the rateable value of the lot only the same proportion of the rateable value in the list declared or the interim valuation made under the Rating Ordinance or, as the case may be, the rateable value fixed under sub-clauses (d)(iv), (d)(v) and (d)(vi) hereof, as, in the opinion of the Director whose decision thereon shall be final, the area of the lot bears to the area of all the lots on which the building stands;

Notional rateable
value

(iv) in the event that no rateable value has been ascertained under the Rating Ordinance in respect of a tenement, whether by reason of the exemption of such tenement from assessment to rates or otherwise, the Director may cause to be fixed such rateable value as if the tenement were assessable to rates under that Ordinance, and the rateable value so fixed shall be the rateable value of the tenement;

Deletion of rateable
value

(v) in the event that as a result of the demolition of a tenement or of a tenement being unoccupied by reason of an order of the Government its rateable value is deleted under the Rating Ordinance, the rateable value of the lot shall, if the Director in his absolute discretion thinks fit and until an interim valuation of a tenement or tenements wholly replacing the demolished or unoccupied tenement is made under the Rating Ordinance, include the rateable value of such tenement as last ascertained by the Commissioner;

Tenement partly
replaced

(vi) where an interim valuation is made of a tenement or tenements which replace part of a former tenement in respect of which the rateable value as last ascertained by the Commissioner was included in the rateable value of the lot in accordance with sub-clause (d)(v) hereof the rateable value of the part of the former tenement not replaced by the interim valuation shall be such portion of the rateable value of the former tenement, as last ascertained by the Commissioner, as the Director shall in his absolute discretion consider appropriate to that part.

Rounding up

(e) There shall be added to the yearly rent of the lot fixed in accordance with sub-clause (b) hereof such sum as may be necessary to make the total number of dollars a multiple of four.

Collection of
amount in
lieu of rent

2.(a) In lieu of the collection of the yearly rent by the Director under General Condition 1(b) hereof, there may, in addition to the rates to be collected quarterly by the Collector of Rates under the Rating Ordinance in respect of any tenement comprised wholly or partly within the lot, be demanded and collected by the Collector of Rates from the Grantee an amount equal to one fourth of 3% of the rateable value of any such tenement together with such sum as may be necessary to make the total number of dollars in any such demand an integer. For the purpose of this sub-clause the provisions of General Condition 1(d)(i) and (ii) hereof shall apply mutatis mutandis.

Tenement partly
on lot

(b) For the purpose of sub-clause (a) hereof, in the event that only part of a tenement is comprised within the lot the amount that may be demanded in respect of that part shall bear the same proportion to 3% of the rateable value of the tenement as, in the opinion of the Director whose decision thereon shall be final, the area of such part bears to the area of the whole of such tenement.

Payment on demand

(c) Upon a demand being made by the Collector of Rates under sub-clause (a) hereof the Grantee shall pay the amount so demanded within the time specified in such demand.

Discharge

(d) Payment under sub-clause (c) hereof of an additional demand under sub-clause (a) hereof shall operate as an absolute discharge for the Grantee from his liability to pay the rent in respect of the quarter for which such demand was made.

Correction etc.
of rateable value

3. The reference in General Condition 1(c) hereof to the rateable value of a tenement as set out from time to time in the list declared or to an interim valuation made under the Rating Ordinance shall include in a case where such rateable value or interim valuation is corrected, altered or varied under that Ordinance, a reference to such rateable value or interim valuation as so corrected, altered or varied.

Disclaimer as
to site information
supplied by
Government

4. By execution of these Conditions, the Grantee expressly acknowledges and agrees that the Government shall have no liability whatsoever to the Grantee or his successors, assigns, mortgagees or tenants for any loss, damage or delay of whatsoever kind howsoever arising or resulting directly or indirectly from any act, omission, neglect or default whatsoever or howsoever arising while in the course of or in connection with the grant of the lot. Without prejudice to the generality of the foregoing provisions of this General Condition it is hereby agreed between the parties hereto that :

(a) any information or records of whatsoever kind (hereinafter called "information") supplied by or obtained from the Government in any way concerning the lot or any surrounding land or structures shall not be regarded as all the information that the Government has in its possession and that it is not in any way whatsoever a term of this Agreement that all the information held by the Government be made available to the Grantee either before or after the execution of these Conditions, notwithstanding any request for the supply of all or any of such information, either expressly or impliedly made by the Grantee;

- (b) that the Government in no way warrants the accuracy or correctness in any way whatsoever of any information made available or obtained, and in particular does not warrant that the lot is fit and suitable for any particular purpose, and that any warranty or undertaking of whatsoever kind express or implied is expressly negatived; and
- (c) that the Grantee shall not be entitled to revoke, withdraw, cancel or resile in any way whatsoever from this Agreement nor be entitled in any way whatsoever to compensation or a reduction in the premium or any other compromise whatsoever should he subsequently determine that the lot is not fit for his particular purpose, notwithstanding that the Government may have held the information before the grant which could have established or assisted the Grantee in establishing that fact.

Exclusion
of warranty

5. The Grantee shall accept the lot in such state and condition, whether geological or otherwise whatsoever and whether on, above or below the surface of the ground, as it exists on the date on which possession of the lot is deemed to be given in accordance with Special Condition (3) of these Conditions. The Government gives no warranty, express or implied as to the suitability or fitness of the lot or any part thereof for the development of the lot whether in accordance with these Conditions or otherwise, and the Grantee for himself, his successors or assigns undertakes by execution of these Conditions not to make any claim against the Government for any loss or damage whatsoever which he may suffer as a result or arising out of the state and condition whether geological or otherwise of the lot.

Indemnity by
Grantee

6. The Grantee shall indemnify, and keep indemnified, the Government against all actions, proceedings, liabilities, demands, costs, expenses and claims whatsoever or howsoever arising out of or in connection with any damage whatsoever occurring within adjacent or adjoining Government or leased land, which damage in the opinion of the Director (whose opinion in each case shall be final and binding upon the Grantee) has been caused as a result or in consequence, whether direct or otherwise, of the development or redevelopment of the whole of the lot or any part or parts thereof or any other works which the Grantee is required to undertake in compliance with these Conditions or the cause of which damage cannot in the opinion of the Director (whose opinion in each case shall be final and binding upon the Grantee) be ascribed to any other factor.

Setting out

7.(a) The Director shall at such time as he thinks fit or upon the application of the Grantee, set out the lot on the ground and the Grantee or his authorized representative after such setting out when called upon by the Director will attend at the lot to inspect the survey marks delineating the lot on the ground and will be given a plan showing the positions and descriptions of each such mark. The Grantee shall not commence any operations for building on the lot until it shall have been so set out by the Director. The Grantee shall take or cause to be taken all proper care and precautions to safeguard the said survey marks from disturbance or removal. If, before commencing any operations for building on the lot, any of the said survey marks are disturbed or removed, the Grantee shall apply in writing to the Director for replacement by survey and shall pay on demand to the Government in advance the prescribed fee therefor.

Encroachment
upon Government
land

(b) In the event that the Grantee is found to have encroached upon and to be occupying Government land the Director may in his absolute discretion either require the Grantee to demolish any building or part of any building standing on such Government land, to reinstate such Government land to his satisfaction and deliver vacant possession of the same to the Government or pay to the Government such sum as the Director in his absolute discretion shall determine as the premium in respect of such Government land. A certificate under the hand of the Director shall be conclusive as to the extent of any such encroachment and as to the amount of the premium payable in respect thereof. If the Grantee fails to demolish any building as required by the Director as above, it shall be lawful for the Director to demolish such building and the Grantee shall pay on demand to the Government the amount certified by the Director as the cost of such demolition. In the event that the Director exercises his discretion to require the payment of premium as aforesaid, upon the payment of such premium the area of Government land encroached upon shall be deemed in all respects to be part of the lot and shall be included in the lease when issued.

Maintenance

8. The Grantee shall throughout the tenancy maintain all buildings erected or which may at any time hereafter be erected on the lot in good and substantial repair and condition, and in such repair and condition deliver up the same at the expiration or sooner determination of the tenancy. In the event of the demolition at any time during the tenancy of any building then standing on the lot or any part thereof the Grantee shall replace the same either by sound and substantial buildings of the same type and of no less volume or by buildings of such type and value as shall be approved by the Director. In the event of demolition as aforesaid the Grantee shall within one calendar month of such demolition apply to the Director for consent to carry out building works for the redevelopment of the lot and upon receiving such consent shall within three calendar months thereof commence the necessary work of redevelopment and shall complete the same to the satisfaction of and within such time limit as is laid down by the Director.

Boundary stones

9. The Grantee shall permit boundary stones properly cut and marked with the number of the lot to be fixed at each angle thereof and either in or on the land itself or in or on any building erected thereon as may be required by the Director and shall pay the fees prescribed by him therefor as well as the prescribed fees for the refixing of such boundary stones which, through being lost, damaged or removed, need replacing.

Private streets,
roads and lanes

10. Any private streets, roads and lanes which by these Conditions are required to be formed shall be sited to the satisfaction of the Director and included in or excluded from the area to be leased as may be determined by him and in either case shall be surrendered to the Government free of cost if so required. If the said streets, roads and lanes are surrendered to the Government, the surfacing, kerbing, drainage (both foul and storm water sewers) and channelling thereof shall be carried out by the Government at the expense of the Grantee and thereafter they shall be maintained at public expense. If the said private streets, roads and lanes remain part of the area to be leased, they shall be surfaced, kerbed, drained, channelled and maintained by and at the expense of the Grantee in all respects to the satisfaction of the Director.

Right to inspect

11.(a) The Grantee shall throughout the tenancy, at all reasonable times, permit the Director or his authorized representatives, with or without having given notice, to enter in or upon the lot or any part thereof or any building or part of any building erected on the lot for the purpose of inspecting the same so as to ascertain that there is no breach of or failure to observe any of these Conditions.

Breach of
lease conditions

(b) The fulfilment by the Grantee of his obligations under these Conditions shall be a condition precedent to the grant or continuance of the tenancy and in the event of any default by the Grantee in complying therewith such default shall be deemed to be a continuing breach and the subsequent acceptance by or on behalf of the Government of any rent or rates or other payments whatsoever shall not (except where the Government has notice of such breach and has expressly acquiesced therein) be deemed to constitute any waiver or relinquishment or otherwise prejudice the enforcement of the Government's right of re-entry for or on account of such default or any other rights, remedies or claims of the Government in respect thereof under these Conditions which shall continue in force and shall apply also in respect of default by the Grantee in the fulfilment of his obligations under these Conditions within any extended or substituted period as if it had been the period originally provided.

Re-entry

12.(a) Upon any failure or neglect by the Grantee to perform, observe or comply with any of these Conditions, the Government shall be entitled to re-enter upon and take back possession of the lot or any part thereof and all or any buildings, erections and works thereon or on such part and thereupon this Agreement and the rights of the Grantee hereunder shall absolutely cease and determine (in respect of such part if the re-entry is upon a part only) but without prejudice to the rights, remedies and claims of the Government in respect of any antecedent breach, non-observance or non-performance of the terms and conditions hereof.

No refund
of premium
on re-entry

(b) In the event of re-entry by the Government for or in respect of or arising out of the breach, non-observance or non-performance by the Grantee of the provisions of these Conditions, the Grantee shall not be entitled to any refund of the premium paid by him or any part thereof or to any payment or compensation whatsoever whether in respect of the value of the land or any buildings thereon or any amount expended by the Grantee in the preparation, formation or development of the lot or otherwise.

Lease

13.(a) When these Conditions have been performed and complied with to the satisfaction of the Director, the Grantee shall subject to approval of his title by the Registrar General (Land Officer) be entitled to a lease of the lot as described in the Particulars of the Lot for the term stated in the preamble to these Conditions.

Taking up
lease

(b) The Grantee shall take up the lease for the lot when called upon to do so by the Registrar General (Land Officer) and shall pay the prescribed fees therefor, and an endorsement by the Registrar General (Land Officer) on these Conditions or on the District Land Office Registers that plans of the lot or any specified part thereof are in the Tsuen Wan District Land Office and that the lease thereof must be taken up before any further dealings with the lot or a specified part can be registered, shall have effect accordingly. In the event of more than one building being erected on the lot the Grantee may be required to take up a separate lease for the site of each separate building and shall pay the prescribed fees for every additional lease so required to be taken up.

Pending the
issue of
lease

(c) Pending the issue of the lease the tenancy of the lot shall be deemed to be upon and subject to, and such lease, when issued shall be subject to and contain, all exceptions, reservations, covenants, clauses and conditions as are now inserted in leases of similar lots in Hong Kong as varied, modified or extended by these Conditions.

Definitions

14.(a) The expression "Grantee" shall in these Conditions include the person entering into and executing this Agreement and where the context so admits or requires his executors, administrators and assigns and in the case of a corporation its successors and assigns and the expression "lot", except where the context otherwise refers, means the lot stated in the Particulars of The Lot hereof. Where the context so admits or requires, words importing the masculine gender shall be deemed to include females and corporations, and words in the singular shall be deemed to include the plural.

(b) The foregoing General Conditions shall be read and construed as varied or modified by the Special Conditions hereinafter contained, and the expression "these Conditions" whenever used shall mean and include the General and Special Conditions.

Marginal notes

15. The marginal notes to these Conditions shall not be deemed to be part of these Conditions and shall not affect the interpretation or construction thereof.

SPECIAL CONDITIONS

Surrender

(1) The Grantee shall surrender at his own expense to the Government free of cost the old lots described in the Second Schedule hereto to the satisfaction of the Registrar General (Land Officer) contemporaneously with the execution of this Agreement.

Premium

(2) Having paid to the Government the administrative fee amounting to \$60,000.00 (the receipt whereof is hereby acknowledged), the Grantee shall pay to the Government on demand and in one lump sum the amount of \$86,120,000.00 being the premium specified in the First Schedule hereto.

Premium paid.
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p. 150.
12.6.90

Possession

(3) Subject to compliance with Special Conditions (1) and (2) hereof, possession of the lot shall be deemed to be given and taken on the date of this Agreement.

Formation of
the Green Area

(4)(a) The Grantee shall within 12 months from the date on which possession of the area shown coloured green (hereinafter referred to as "the Green Area") on Plan I annexed hereto is given to the Grantee and before any building operations (excluding site formation works) commence on the lot, at his own expense and in all respects to the satisfaction of the Director lay, form, provide, construct and surface in such manner, with such materials and to such standards, alignment, levels and design as the Director shall approve the Green Area so that pedestrian and other traffic may be carried thereon. The Grantee shall thereafter maintain at his own expense the Green Area and everything thereon, therein or thereunder in good condition and to the satisfaction of the Director until such time as possession of the Green Area has been re-delivered to the Government in accordance with sub-clause (b) of this Special Condition.

Possession of
the Green Area

(b) For the purposes only of carrying out the works specified in sub-clause (a) of this Special Condition, the Grantee shall on the date specified in a letter from the Director be granted possession of the Green Area. Possession of the Green Area shall be redelivered on demand and in any event shall be deemed to have been redelivered to the Government by the Grantee on the date of a letter from the Director indicating that all the works specified in sub-clause (a) of this Special Condition have been completed to his satisfaction.

Formation of
the Green Area
(non-fulfilment)

(c) In the event of the non-fulfilment of the Grantee's obligations under sub-clause (a) of this Special Condition within the prescribed period stated therein, the Government may carry out the necessary work at the cost of the Grantee who shall pay to the Government on demand a sum equal to the cost thereof such sum to be determined by the Director whose determination shall be final and shall be binding upon the Grantee.

No compensation
in respect of
works on the
Green Area

(d) The Director shall have no liability in respect of any loss, damage, nuisance or disturbance whatsoever caused to or suffered by the Grantee arising out of or incidental to the fulfilment of the Grantee's obligations under sub-clause (a) of this Special Condition, and no claim for compensation shall be made against the Government or the Director by the Grantee in respect of any such loss, damage, nuisance or disturbance.

Restriction on
use of the
Green Area

(e) The Grantee shall not without the prior written consent of the Director use the Green Area for the purpose of storage or for the erection of any structure.

User

(5)(a) Subject to these Conditions, the lot or any part thereof or any building or part of any building erected or to be erected thereon shall not be used for any purpose other than for industrial or godown purposes or both, excluding any trade that is now or may hereafter be declared to be an offensive trade under the Public Health and Municipal Services Ordinance, or any enactment amending the same or substituted therefor.

Godown

(b) In the event of the lot or any part thereof being used for godown purposes, the method of storage of goods and the nature and the volume or quantity of the goods stored on the lot shall be subject to the approval of the Director of Fire Services.

Type of
building

(6)(a) No building or buildings shall be erected on the lot except a factory or factories or a godown or godowns or both, ancillary offices and such canteen and other welfare facilities (but excluding residential quarters) (hereinafter referred to as "the Canteen and Welfare Facilities") for workmen employed on the lot as may in the opinion of the Director be necessary and also such quarters as may be required for watchmen or caretakers who, in the opinion of the Commissioner for Labour, are essential to the safety and security of the building or buildings erected or to be erected on the lot. The number of watchmen and caretakers to be accommodated in any such quarters and the number and size of any such quarters shall be subject to the approval of the Commissioner for Labour, and the floor area of any such quarters shall in any event not exceed five square metres for each person to be accommodated. Any such quarters shall not be used for any purpose other than the residential accommodation of such watchmen or caretakers.

(b) The floor area of the ancillary office of each factory or godown within the building or buildings erected or to be erected on the lot shall not exceed 30% of the total usable floor area of such factory or godown except with the prior written approval of the Director. For the purpose of this Special Condition, "usable floor area" shall mean any floor space other than staircases, staircase halls, lift landings, the space used in providing water-closet fittings, urinals and lavatory basins and the space occupied by machinery for any lift, air-conditioning system or similar service.

(c) The Canteen and Welfare Facilities shall have no independent or direct access to or egress from any public road, street, lane or any other area whatsoever except such as may be required by the Building Authority for the purpose of escape in the event of fire or other emergency, and shall not exceed 10% of the gross floor area of the building or buildings erected or to be erected on the lot.

(d) No advertising signboard, notice or poster nor any other kind of sign denoting or indicating the existence of the said canteen or canteens shall be exhibited on the lot or on any part thereof or on any building or buildings erected or to be erected thereon or on any part thereof so as to be visible from outside the building or buildings erected or to be erected on the lot or part thereof.

(e) The Grantee shall observe and comply with all Ordinances, Byelaws, Rules, Regulations or other enactments relating to factory canteens and with all the requirements as may be imposed by the Director of Fire Services, the Regional Council or the Director of Regional Services. In particular the Grantee shall not commence to operate the canteen unless and until a Factory Canteen Licence shall have been obtained from the Regional Council and Regional Services Department. If any building work involving structural alterations to the building erected on the lot is required for the purposes of the canteen, the Grantee shall engage an authorized person (as defined in the Buildings Ordinance) who should prepare suitable plans for submission to the Director for his approval.

Compliance with
Buildings Ordinance

(7) Subject to these Conditions, upon development or redevelopment of the lot or any part thereof, any building or buildings erected or to be erected thereon shall in all respects comply with the Buildings Ordinance, any regulations made thereunder and any amending legislation.

Plot ratio etc.

(8)(a) Notwithstanding the provisions of Special Condition (7) hereof, upon redevelopment of the lot or any part thereof the maximum permissible plot ratio of any building or buildings erected or to be erected thereon shall not in any event exceed 9.5.

Definitions

(b) For the purpose of these Conditions :-

(i) the "plot ratio" of a building shall be obtained by dividing the gross floor area of the building or part of the building erected on the lot or on a part of the lot by the area of the lot or part of the lot on which the building or part of the building is erected;

(ii) the expression "gross floor area" means the area contained within the external faces of the external walls (or in the absence of such walls the external perimeters) of any building or buildings erected or to be erected on the lot measured at each floor level (including any floor below the level of the ground), together with the area of each balcony in such building or buildings, which shall be calculated from the overall dimensions of the balcony (including the thickness of the sides thereof);

(c) Notwithstanding sub-clause (b)(ii) of this Special Condition the Director at his absolute discretion may, in determining the gross floor area of any building or buildings erected or to be erected on the lot exclude any floor space that he is satisfied is constructed or intended to be used solely for the parking or for the loading or unloading of motor vehicles or occupied solely by machinery or equipment for any lift, air-conditioning or heating system or any similar service, or any floor space which the Building Authority may permit to be excluded through modifications of the provisions of the Buildings Ordinance.

(d) For the purpose of determining the permissible plot ratio of the building or buildings erected or to be erected on the lot in accordance with these Conditions, and notwithstanding the definition of "gross floor area" contained in Regulation 23(3)(a) of the Building (Planning) Regulations there shall be included in the calculation of gross floor area, in the case of a floor not having external walls, the area contained within the external perimeters of such floor and the Grantee shall make no objection or claim on this account.

No exempt
building

(9) No building shall be erected on the lot of a type which by virtue of the Buildings Ordinance (Application to the New Territories) Ordinance 1987 and any regulations made thereunder is exempted from the provisions of the Buildings Ordinance and any regulations made thereunder.

Non-building area

(10)(a) Upon redevelopment of the lot or any part thereof:-

(i) no building or structure or support for any building or structure shall be erected below, above, on or over the area shown coloured pink hatched blue on Plan I annexed hereto (hereinafter referred to as "the pink hatched blue area"); and

(ii) the Grantee shall at his own expense and without payment of compensation by the Government remove all structures from the pink hatched blue area and thereafter shall at his own expense and within such time limit as shall be specified by the Director form and surface the pink hatched blue area in all respects to the satisfaction of the Director with such materials and to such standards, levels, alignment and designs as shall be approved by the Director.

(b) In the event of the non-fulfilment of the Grantee's obligations under sub-clause (a)(11) of this Special Condition within the prescribed period stated therein, the Government may carry out the necessary work at the cost of the Grantee who shall pay to the Government on demand a sum equal to the cost thereof, such sum to be determined by the Director whose determination shall be final and shall be binding upon the Grantee.

(c) Notwithstanding anything herein contained, the Grantee shall not in any way dispose of or deal with any undivided share of and in the lot or enter into any agreement so to do unless and until he has at his own expense carved out the pink hatched blue area from the lot by way of a Deed Poll in such form and containing such provisions as the Registrar General (Land Officer) shall approve or require.

(d) The Grantee shall, when called upon by the Director so to do, surrender at his own expense the pink hatched blue area with vacant possession to the Government free of cost and incumbrances to the satisfaction of the Registrar General (Land Officer). Prior to such surrender, the Grantee shall at all times at his own expense maintain the pink hatched blue area in good condition and keep the same in a clean and tidy condition all to the satisfaction of the Director.

Restriction on
partitioning

(11) The Grantee shall not partition the lot or any part thereof nor assign, mortgage, charge, demise, underlet, part with the possession of or otherwise dispose of the lot or of any part of the lot that has already been partitioned or alienated as a part with the consent of the Director under this Special Condition except as a whole without having obtained the prior written consent of the Director provided that without such consent the Grantee may dispose of and deal in undivided shares in the lot or any such part as a whole and may also underlet a part or parts of the building or buildings erected on the lot.

Registration

(12) Every assignment, mortgage, charge, underletting or other alienation of the lot or any part thereof or any interest therein shall be registered at the Tsuen Wan District Land Office.

Restriction on
assignment of
car parking
spaces

(13) The Grantee shall not assign, mortgage, charge, underlet or part with the possession of or otherwise dispose of any part of the lot or any part of any building or structure erected or to be erected thereon the use of which under these Conditions is or has been set aside or reserved for car parking or loading and/or unloading or any interest therein or enter into any agreement so to do without also and at the same time assigning, mortgaging, charging, underletting or parting with the possession of therewith an undivided share of and in the lot together with the right to the exclusive use and occupation of a part of the building erected or to be erected thereon provided that nothing in this Special Condition contained shall prevent the assignment, mortgage, charge or underletting of any such part to any person who is already at that time the owner of an undivided share of and in the lot with the right to the exclusive use and occupation of some other part of the building erected or to be erected thereon.

Parking loading
and unloading
spaces

(14)(a) Upon redevelopment of the lot or any part thereof, space shall be provided within the lot to the satisfaction of the Director for the manoeuvring, parking, loading and unloading of vehicles (excluding containers on trailers with their prime movers attached) at the rate of not less than one space for each 930 square metres or part thereof of gross floor area, excluding any floor area to be used for this purpose, of any building erected on the lot or at the rate of not less than one space for each 460 square metres or part thereof of the lot, whichever rate provides the greater amount of such space.

(b) Upon redevelopment of the lot or any part thereof, space shall be provided within the lot to the satisfaction of the Director for the manoeuvring, parking, loading and unloading of at least three containers on trailers with their prime movers attached, assuming each container vehicle to have a turning circle of 12.8 metres outer radius and to occupy an area of 16 metres x 3.5 metres with a minimum headroom of 4.5 metres.

Use of car
parks

(c) The space so provided shall not be used for any purpose other than for the manoeuvring, parking, loading and unloading of vehicles.

(d) The space provided for loading and unloading shall abut a goods handling platform or area which must be provided and so laid out that goods loaded or unloaded from or to such platform or area may be transported within the lot to all parts of the building both vertically and horizontally. The platform or area for goods handling must give access to the building in accordance with the Code of Practice on provision of means of escape in case of fire and allied requirements, laid down under the provisions of the Buildings Ordinance.

(e) Of the number of spaces provided for parking, loading and unloading referred to in Special Condition (14)(a) hereof, one half shall be used for the parking of private cars and light vans assuming each vehicle to have a turning circle of 7.35 metres outer radius and to occupy an area of 5 metres x 2.5 metres with a minimum headroom of 2.5 metres and one half for the parking, loading and unloading of lorries assuming each lorry to have a turning circle of 9.15 metres outer radius and to occupy an area of 7.65 metres x 3.00 metres with a minimum headroom of 3.8 metres.

(f) Of the number of spaces provided for lorries and containers on trailers, two-thirds shall be used for parking and one-third for simultaneous loading and unloading.

(g) The space provided for the manoeuvring, parking, loading and unloading shall be laid out in such manner that on entering and leaving the lot, no reversing movement of vehicles, including containers on trailers with their prime movers attached, from or onto the road abutting the lot will be necessary.

Car park layout
plan

(15) Upon redevelopment of the lot or any part thereof, a layout plan indicating the parking, loading and unloading spaces to be provided within the lot in accordance with Special Condition (14) hereof and approved by the building authority, or a copy of such plan certified by an authorized person (as defined in the Buildings Ordinance) shall be registered by the Grantee by memorial in the Tsuen Wan District Land Office. No transaction affecting the lot or any part thereof or any building or part of any building erected or to be erected thereon except a building mortgage for the redevelopment of the lot shall be entered into prior to such registration. The parking, loading and unloading spaces indicated on the said approved plan shall not be used for any purpose other than the purposes set out in Special Condition (14) hereof. The Grantee shall maintain the parking, loading and unloading spaces in accordance with the said approved plan and shall not alter the layout except with the prior written consent of the Director.

Venicular access

(16)(a) Upon development of the lot or any part thereof, the Grantee shall have no right of ingress or egress to or from the lot for the passage of motor vehicles except: -

- (i) between the points X and Y through Z shown and marked on Plan I annexed hereto for the ingress of motor vehicles to the lot only; and
- (ii) between the points U and V through W shown and marked on Plan I annexed hereto for the egress of motor vehicles from the lot only.

Removal of
spoil etc.

(17) In the event of any spoil or debris from the lot or from other areas affected by any development or redevelopment of the lot being eroded and washed down onto public lanes, ways, paths or roads or into road-culverts, sewers, storm-water drains or nullahs, foreshore or sea bed or other Government properties, the Grantee shall be held responsible and shall pay to the Government on demand the cost (as certified by the Director) of removal of the spoil and debris from or of damage to the public lanes, ways, paths or roads or road-culverts, sewers, storm-water drains or nullahs, foreshore or sea bed or other Government properties. The Grantee shall indemnify and keep indemnified the Government against all proceedings, actions, costs, claims and demands whatsoever arising out of any damage or nuisance to any land or property caused by such erosion or washing down.

No dumping on
Government land

(18) No earth, debris, spoil of whatsoever nature, or building materials or vehicles or equipment shall be dumped, stored or allowed to remain on any Government land or foreshore or sea bed.

Set back

(19)(a) The Grantee shall not cut away, remove or set back any Government land adjoining the lot except with the prior written approval of the Director who may at his absolute discretion give such consent on such terms and conditions as he may see fit including the granting of an additional area of Government land as an extension to the lot at such premium as he may determine.

Cutting away

(b) Where consent has been given pursuant to sub-clause (a) hereof for any cutting away, removal or setting back of any land, or any building up or filling in or any slope treatment works of any kind whatsoever within the lot or on any Government land which is required for the purpose of or in connection with the formation, levelling or development of the lot or any part thereof or any other works required to be done by the Grantee under these Conditions, the Grantee shall carry out, construct or bear the cost of the carrying out or construction of such slope treatment works, retaining walls or other supports, protection, drainage or ancillary or other works as shall or may then or at any time thereafter be necessary to protect and support such land, within the lot and also any adjacent or adjoining Government or leased land and to obviate and prevent any falling away, landslip or subsidence occurring thereafter, and shall at all times during the term hereby granted maintain at his own expense the said land, slope treatment works, retaining walls or

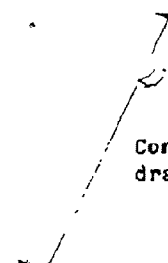
other support, protection, and drainage works in good and substantial repair and condition to the satisfaction of the Director. In the event that as a result or arising out of any formation, levelling, development or other works done by the Grantee any falling away, landslip or subsidence occurs at any time, whether in or from any land, within the lot or from any adjacent or adjoining Government or leased land, the Grantee shall at his own expense reinstate and make good the same to the satisfaction of the Director and shall indemnify the Government its agents and contractors from and against all costs, charges, damages, demands and claims whatsoever which shall or may be made, suffered or incurred through or by reason of such falling away, landslip or subsidence. In addition to any other rights or remedies herein provided for breach of any of these Conditions the Director shall be entitled by notice in writing to call upon the Grantee to carry out, construct and maintain the said slope treatment works, retaining walls, land or other support, protection, and drainage works or to reinstate and make good any falling away, landslip or subsidence, and if the Grantee shall neglect or fail to comply with such notice to the satisfaction of the Director within the period specified therein the Director may forthwith execute and carry out the work and the Grantee shall on demand repay to the Government the cost thereof.

Drains and
channels

(20) The Grantee shall construct and maintain at his own expense and to the satisfaction of the Director such drains and channels, whether within the boundaries of the lot or on Government land, as the Director may consider necessary to intercept and convey into the nearest streamcourse, catchpit, channel, storm water drain or sea all storm water or rain water falling or flowing on to the lot and the approach road thereto, and the Grantee shall be solely liable for and shall indemnify the Government and its officers from and against all actions, claims and demands arising out of any damage or nuisance caused by such storm water or rain water.

Damage to
nullah

(21) Any damage or obstruction caused by the Grantee, his servants or agents to any nullah, sewer, storm water drain, watermain or other Government properties within or adjoining the lot shall be made good by the Government at the cost of the Grantee, and the amount due in respect thereof shall be paid on demand to the Government by the Grantee.



Connecting
drains etc.

(22) The Grantee shall pay to the Government on demand the cost of connecting any drains and sewers from the lot to the Government storm water drains and sewers when commissioned. Such works shall be carried out by the Director, who shall incur no liability to the Grantee in respect thereof. The Grantee accepts that there may be a delay in the commissioning of the said storm water drains and sewers in which case the Grantee shall if necessary make his own interim arrangement for sewage disposal.

Foundations

(23) Any foundations to be constructed near or adjoining any sewer, storm water drain or mullah within or adjoining the lot shall comply with the requirements of the Director.

Compliance with
Legislation

(24) The Grantee shall comply with and observe all Ordinances, by-laws, regulations and rules for the time being in force in Hong Kong governing the control of any form of pollution, including air, noise, water and waste pollution, and for the protection of the environment.

Anti-nuisance
provision

(25) The Grantee shall not do or permit or suffer anything to be done at any time in or upon the lot or any part thereof or any building or any part of any building erected or to be erected thereon which may be or become a nuisance or annoyance or which may cause damage or inconvenience to the Government or to the owners or occupiers of any adjoining or neighbouring lot or lots or premises.

Noise from plant
or equipment

(26) The Grantee shall take all such necessary measures as may be required by and to the satisfaction of the Director of Environmental Protection to ensure that the operation of all plant and equipment, installed or used on the lot or in any building or any part of any building erected or to be erected thereon, will not cause any noise which disturbs or annoys the residents or occupiers of any adjoining or neighbouring lot or lots or premises, or causes disturbance to the general public. The decision of the Director of Environmental Protection as to whether any such plant and equipment are causing disturbance or annoyance as aforesaid shall be final and binding on the Grantee.

Prior consent from Director of Environmental Protection to equipment and process

(27) Except with the prior written consent of the Director of Environmental Protection, the Grantee shall not, in or upon the lot or any part thereof or any building or part of any building erected or to be erected thereon, install or permit or suffer to be installed any machinery, furnace or boiler or any other equipment or use or permit or suffer to be used any fuel or any method or process of manufacture or treatment that might in any circumstance result in the discharge or emission of any pollutant or any noxious, harmful or corrosive matter, whether it be in the form of gas, smoke, liquid, solid or otherwise. The granting of such consent shall not be deemed to modify or alter in any way the Government's powers for controlling pollution now or hereafter imposed by any Ordinance, byelaw, regulation or other enactment.

Removal of Waste Matters

(28)(a) The Grantee shall not carry out any incineration of waste materials within the lot.

(b) The Grantee shall not permit any sewage, waste water or effluent containing sand, cement, silt or any other suspended or dissolved material to flow from the lot onto any adjoining land or allow any waste matter which is not part of the final product from waste processing plants to be deposited anywhere within the lot and shall have all such matter removed from the lot or any building erected or to be erected thereon in a proper manner to the satisfaction of the Director of Environmental Protection.

Discharge into sewers etc.

(29) The Grantee shall not discharge directly or indirectly or cause or permit or suffer to be discharged into any public sewer, storm-water drain, channel, stream-course or sea any trade effluent or foul or contaminated water or cooling or hot water without the prior written consent of the Director of Environmental Protection, who may as a condition of granting his consent require the Grantee to provide, operate and maintain at the Grantee's own expense, within the lot or otherwise and to the satisfaction of the Director of Environmental Protection suitable works for the treatment and disposal of such trade effluent or foul or contaminated or cooling or hot water.

Water supply

(30) A filtered water supply from Government mains will be given on the usual terms and subject to the provisions of the Waterworks Ordinance or any enactment amending or replacing the same, but no guarantee is given that any water that is supplied will be continuously available.

Salt water supply
(flushing)

(31) A salt water supply from Government mains will be given for flushing purposes, and the Grantee will be required to accept this supply and to install plumbing capable of withstanding the corrosive effect of salt water. If a salt water supply is not available when required, a temporary mains fresh water supply will be provided for flushing purposes. The temporary mains fresh water supply if required, and the ultimate salt water supply, will be given on the usual terms and subject to the provisions of the Waterworks Ordinance, or any enactment amending or replacing it.

Restrictions on
use of water
supply

(32) Except with the prior written consent of the Water Authority, no water from Government mains shall be used for any heating, cooling or humidification purpose.

Utility
services

(33) The Grantee shall take or cause to be taken all proper and adequate care, skill and precautions at all times and particularly during any construction, maintenance, renewal or repair work to avoid doing any damage to any Government or other existing drain, waterway or watercourse (including water main), footpath, sewer, nullah, pipe, cable, wire, utility service or any other works or installations (all together hereinafter referred to as "the Works and Services") being or running upon, over, under or adjacent to the lot or any part thereof, provided that the Grantee before carrying out any such work as aforesaid shall make or cause to be made such proper search and enquiry as may be necessary to ascertain the present position and levels of any of the Works and Services, and shall submit his proposals for dealing with any of the Works and Services in writing to the Director for his approval in all respects, and shall not carry out any work whatsoever until the Director shall have given his written approval to the works and to such proposals aforesaid and shall comply with any requirement of the Director in respect of the Works and Services, and shall bear the cost of meeting such requirements including the cost of any necessary diversion, relaying or reinstatement, and shall at his own expense in all respects repair, make good and reinstate to the satisfaction of the Director any damage or disturbance caused to the surface of the lot or any of the Works and Services running on, over, under or adjacent to the lot in any manner arising out of any such construction, maintenance, renewal or repair work. If the Grantee fails to carry out any such necessary diversion, relaying, repairing, making good and reinstatement of the lot or any part thereof or of any of the Works and Services to the satisfaction of the Director, he, the Director, may carry out any such diversion, relaying, reinstatement or making good as he considers necessary and the Grantee shall pay to the Government on demand the cost of such works.

