



YOUNG SPACE



尚賓
CHAMPAGNE

NOW THIS SUB-DEED WITNESSETH as follows:-
DEFINITION AND INTERPRETATION

In this Sub-Deed including the recitals thereof the following expressions shall have the following meanings ascribed to them whenever the context so permits:-

"Building"

means the messuages, erections and buildings erected on the Land now known as "SZE HING LOONG INDUSTRIAL BUILDING" ("the Building")

means the common areas of and in the Premises

"Common Areas"

which shall include the entrances, passages, corridors, entrance guard room (if any), landings ramps, lavatories, toilets, hose reel, switch room, plant rooms, meter rooms, management office, if any and other parts or spaces for

common use of and in the Premises not exclusively owned by any Owner and/or Undivided Shares have been assigned and/or reserved by First Owner, all other areas as may be designated as Common Areas by the First Owner in accordance with the provisions of this Sub-Deed and as appropriate, such other areas not comprising the Premises Common Areas as may fall within the definition of "common part" under the Ordinance. The Common Areas are for identification purpose shown on the Floor Plan hereto annexed and thereon coloured Yellow.

means

"Common Facilities"

(a) the sewers, drains, water courses, water pipes, ducts, power transmission lines, risers, pipes, wires, cables, pits, rainwater pipes and channels and other services and facilities whether ducted or otherwise which are or at any time may be in, under, over or passing through the Premises or the Building through which fresh or salt water, sewage, electricity, telephone and other services are supplied to the Premises;

- (b) machinery and apparatus used in connection therewith serving the Premises; and all ancillary installation, apparatus and equipment;
- (c) lighting and/or other electrical installation, apparatus and equipment, aerial broadcast distribution or telecommunications network facilities, devices or other facilities provided to or installed in the Premises or of the Common Areas;
- (d) fire fighting equipment and sprinkler system (if any) and all other parts services and facilities installed for the use and benefit of the Premises and not for the sole and exclusive use and benefit of any particular **Workshop**; and
- (e) as appropriate, such other matters in the Premises as will fall within the definition of "common' parts" in the Ordinance.

"Common Parts"	means the Common Areas and the Common Facilities of the Premises.
"Government Lease"	means the Government Lease more particularly described in the Part III of the First Schedule hereto under which the Land is held from the Government.
"Land"	means ALL THAT piece or parcel of ground registered in the Land Registry as CHAI WAN INLAND LOT NO.38.
"maintain"	means check, repair, uphold, support, rebuild, overhaul, pave, purge, scour, cleanse, empty, amend, keep, replace, decorate and paint or such of the foregoing as may be applicable in the circumstances and in the interest of good building and property management and "maintenance" shall be construed accordingly.
"management"	means all duties and obligations to be performed and observed by the Premises Manager as provided herein and "manage" shall be construed accordingly.
"Management Expenses"	means the costs, charges and expenses necessarily and reasonably incurred in and for the

	management and maintenance of the Premises as provided by this Sub-Deed.
"Management Fee"	means the monthly contribution payable by the Owner towards the Management Expenses in respect of the Workshop and/or Workshops owned by him.
"Management Funds"	means all monies received, recovered or held by the Premises Manager on account of payment of the Management Expenses as provided by this Sub-Deed.
"Management Shares"	means the management shares allocated to different parts of the Premises as set out in Part II of the Second Schedule hereto for the purpose of calculating the contributions payable by their respective Owners towards the Management Expenses.
"month"	means calendar month by European reckoning.
"Ordinance"	means the Building Management Ordinance (Cap. 344) of the Laws of Hong Kong Special Administrative Region or any legislative amendments thereto and thereof.
"Owner" and/or "Owners"	means any person who is for the time being the owner of an Undivided Share and/or Undivided Shares in the Land, the Building and the Premises and registered as such under the Land Registration Ordinance (Cap. 128), including joint-tenants and the survivor(s) of whom and tenants-in-common and his/her/their executors, administrators, successors and assigns and his/her/their mortgagee/chargee in possession or one who has fore closed and references to the Owner or Owners of any part of the Premises shall mean the Owner or Owners for the time being whose Undivided Share and/or Undivided Shares entitle him, her or them to the exclusive right to hold use occupy and enjoy that part of the Premises.
"Owners' Committee"	means a committee of the Owners of the Premises established under the provisions of this Sub-Deed and the Ordinance.
"Occupation Permit"	means an occupation permit issued by the Building Authority in respect of the Building.
"Premises"	means all those the Premises more particularly described in Part I of the First Schedule hereto.

"Premises Manager's Remuneration"	means the remuneration of the Premises Manager as provided by this Sub-Deed.
"Premises Rules"	means the Premises Rules applicable to the Premises made pursuant to the provisions of this Sub-Deed and from time to time in force.
"Premises Utility Expenses"	means the charges, costs and expenses for the supply of utilities to such Workshop to which a separate meter has been installed and for the exclusive use and benefit of the Owner of such Workshop.
"Principal Deed"	means the Deed of Mutual Covenant registered in the Land Registry by Memorial No,UB1102161.
"Reserved Shares"	means the Undivided Shares allocated to the Reserved Areas (if any)
"Second Owner's Property"	means All That the Property more particularly described in Part II of the First Schedule hereto
"this Sub-Deed "	means this Sub-Deed of Mutual Covenant and Management Agreement.
"Undivided Share" and/or "Undivided Shares"	means one or more of all those equal undivided parts or shares of and in All Those 20 equal undivided 282 nd parts or shares of and in the Land, the Building and the Premises allocated to different parts of the Premises as set out in Part I of the Second Schedule hereto.
"Unit and/or Units"	means a Workshop and/or Workshops
"Workshop" and/or "Workshops"	means a Workshop and/or Workshops or a Room and/or Rooms or a Unit and/or Units in the Premises the exclusive right to the use occupation and enjoyment of which is held together with Undivided Shares and is capable of being assigned to an Owner.
"Works and Installations"	means the works and installations in the Premises listed out in the Third Schedule hereto.

1.2 This Sub-Deed is supplemental to the Principal Deed insofar as the Premises is concerned.

1.3 No provision in this Sub-Deed shall override, supersede, prejudice, or in any way be construed to prejudice the operation of the Principal Deed.

1.4 In this Sub-Deed, references to the singular shall include the plural and vice versa and references to the masculine gender the feminine gender or the neuter gender shall include each other of them.

1.5 If at any time, any provision of this Sub-Deed is or becomes invalid, illegal or unenforceable under any laws of Hong Kong, this shall not affect the validity, legality or enforceability of any other provision of this Sub-Deed.

2. **FULL AND EXCLUSIVE RIGHT AND PRIVILEGE TO HOLD USE OCCUPY AND ENJOY THE PREMISES**

2.1 Upon and after the execution of this Deed ALL THAT the Premises shall for all purposes be divided out and be known, designated and respectively registered in the Land Registry as described in the Second Schedule hereto and the total number of 123rd equal undivided parts or shares of and in ALL THOSE 20 equal undivided 282nd parts or shares of and in the Land and the Building shall be re-allocated in the manner set out in the said Second Schedule.

2.2 The First Owner shall at all times hereafter subject to and with the benefit of the Government Lease and the provisions of the Principal Deed and this Sub-Deed have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the Second Owner the Premises save and except the Second Owner's Property and the Common Parts Together with the appurtenances thereto and the entire rents and profits thereof.

2.3 The Second Owner shall at all times hereafter subject to and with the benefit of the Government Lease and the provisions of the Principal Deed and this Sub-Deed have the full and exclusive right and privilege to hold use occupy and enjoy to the exclusion of the First Owner the Second Owner's Property Together with the appurtenances thereto and the entire rents and profits thereof.

2.4 Each of the Undivided Shares in the Premises and the full and exclusive right and privilege to hold use occupy and enjoy any **Workshop** or **Workshops** held therewith shall be held by the person or persons from time to time entitled thereto subject to and with the benefit of the easements, rights, privileges and obligations contained in the Principal Deed and this Sub-Deed.

2.5 Every Owner shall at all times hereafter be bound by and shall observe and perform the covenants, provisions and restrictions herein contained and the benefit and burden thereof shall be annexed to and run with every part of the Premises and to the Undivided Share or Undivided Shares held therewith. The Conveyancing and Property Ordinance (Cap. 219) and any statutory amendments, modifications or re-enactments thereof for the time being in force shall apply to these presents.

2.6 Every Owner shall have the full right and liberty without reference to other Owners or other persons who may be interested in any other Undivided Share or Undivided Shares in any way whatsoever and without the necessity of making such other Owners or other persons a party to the transaction to sell, assign, mortgage, lease, license or otherwise dispose of or deal with his share or interest in the Premises together with the exclusive right and privilege to hold, use, occupy and enjoy such part or parts of the Premises which may be held therewith but any such sale, assignment, mortgage, lease or licence shall be expressly subject to and with the benefit of the Government Lease, the Principal Deed and this Sub-Deed.

3. **ADDITIONAL RIGHTS OF THE FIRST OWNER**

3.1 Notwithstanding anything to the contrary herein contained or provided, for the purpose of enabling the First Owner to enforce and/or procure the manager or competent authority or the Incorporated Owners of the Building (if any) to enforce the rights of the Owners under the Principal Deed or for duly completing the sub-division of the Premises and if deemed necessary and appropriate by the First Owner, there are reserved unto the First Owner its successors and/or assigns of the relevant rights, at any time and from time to time so long as he is still owner of an Undivided Share of and in the Premises, the rights to do the following acts deeds and matters:-

- (a) to continue to build, rebuild, erect, construct, repair and develop or redevelop or do all such acts things building works or scheme of development, redevelopment or joint development of the Premises or any portion of the same whether alone or together with other properties in the Premises and/or in the Building at any time as the First Owner deems fit or desires at its sole costs and expenses provided that the exclusive use and enjoyment of the **Workshops** by the Owners shall not be affected; and for properly carrying out such works required as aforesaid, to enter into all parts of the Premises without any restriction provided that the First Owner shall have given prior notice of its intent to enter into any **Workshops** and shall cause as little disturbance to the Owner as possible and shall make good all damages thereto provided that the First Owner shall not in any event be liable to such Owner in relation to any claim for any damages for any loss of business or interruption caused thereby;
- (b) to apply to the Buildings Department for amendments / modifications of the approved building plans of the Premises existing at the date hereof or those parts of the Premises (including but not limited to the Common Areas and/or the Common Facilities) without the concurrence or approval of any Owner or any of the other parties hereto and no such change or addition shall give to any Owner any right of action against the First Owner PROVIDED THAT any such change, amendment, variation, addition or alteration shall not materially interfere with an Owner's right to hold, use, occupy and enjoy the **Workshop** which he owns nor shall affect such **Workshops** the exclusive use and enjoyment has already been assigned to other Owners;
- (c) to represent all Owners to receive notice(s) of meeting or convene meeting under the Principal Deed, to attend, vote and pass any resolutions on behalf of the Owners in the meeting of the owners of the Building convened under the Principal Deed as the First Owner may consider appropriate;
- (d) to represent all Owners to commence or continue any action or other legal proceedings in any courts of justice or before any tribunal in all matters in connection with or in relation to the enforcement or to procure the enforcement of such rights, privilege or entitlements (including but not limited to rights over use and enjoyment of such common areas of the Building the use and enjoyment of which belong to the Owners) and to which the Owners are entitled under the Principal Deed and in all matters in connection with or in relation to the enforcement and without prejudice to the aforesaid, also to use such lawful ways and means for recovering possession of the Common Parts or any part or parts thereof, if any such part is being occupied illegally before or at the date of this Sub-Deed or being trespassed, as the First Owner shall deem appropriate;
- (e) to represent all Owners to defend all legal proceedings (if any) brought by any person, if any, in respect of the Common Parts of the Premises or any parts thereof in the manner in his absolute discretion as the First Owner shall deem appropriate;

- (f) to abandon any legal proceedings and to compromise settle or refer to arbitration all disputes or doubts which may arise in connection with the Common Parts of the Premises or any portion thereof;
- (g) to accept service of any writ summons or other legal process and to appear and to represent all Owners of the Premises in any court or tribunal and before any magistrate or judicial or other officer whatsoever and to give evidence on behalf of all Owners of the Premises in any actions or proceedings in connection with any matters relating to the Common Parts of the Premises;
- (h) to install sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities passing through the **Workshop** or **Workshops** through which fresh or salt water, sewage, air-conditioning, electricity, telephone and other services are supplied to the Common Facilities and/or other parts of the Premises and/or any **Workshop** and to enter into and upon and/or to authorize such person(s) as the First Owner may consider appropriate to enter into and upon any such **Workshop**, with or without workmen, at all reasonable times on written notice, to inspect, repair, renovate, improve and remove such sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities;
- (i) to warn off and prohibit and if necessary proceed against in due form of law all trespassers on the Common Parts of the Premises or any part thereof prior to completion of the construction and/or sub-division of the Premises and to take appropriate steps whether by action or otherwise to abate all nuisances as the First Owner shall deem fit and appropriate;
- (j) to claim such damages and remedies to which the First Owner shall deem fit in connection with any portion of the Common Parts which is being occupied illegally or trespassed or in connection with the recovery of possession thereof provided that any damages awarded for such illegal use or trespass of the Common Parts and any portion thereof for such period after the date of this Sub-Deed shall belong to the Owners and be credited to the Special Fund provided that the First Owner shall be entitled to the legal costs awarded by any court in in any legal proceedings which has been incurred by the First Owner in conducting such legal proceedings.
- (k) full right and liberty for the First Owner together with its employees servants, agents and licensees from time to time to go pass and repass with or without all necessary plant, equipment and machinery over and along any of the Common Areas for all lawful purposes for or in connection with the inspection, upkeep, repair and maintenance of the Reserved Areas (if any).
- (l) full right and liberty for the First Owner to change or alter the name and the user of the Reserved Areas (if any).

3.2 Notwithstanding anything to the contrary herein contained or provided, there are

reserved unto the First Owner for so long as it remains the beneficial owner of an Undivided Share its successors and/or assigns of the relevant rights, the following rights at any time and from time to time to do the following acts deeds and matters:-

- (a) to change the name of the Premises at any time hereafter upon giving three (3) months' notice to the Owners and the First Owner shall not in any event be liable to any Owners or other person or persons having an interest in the Premises for any damages claims costs or expenses resulting therefrom or in connection therewith;
- (b) to change the designation of the number of any **Workshop** space or space of the Premises at any time hereafter in manner as the First Owner shall deem necessary and desirable;
- (c) to enter into and upon all parts of the Land, the Building and the Premises with all necessary equipment, plant and materials for the purposes of constructing and completing the Works and may, for such purpose carry out all such works in, under, on or over the Land, the Building and the Premises and any other part or parts of the Premises as it may from time to time see fit. The right of the First Owner to enter the Land, the Building and the Premises to carry out such works shall extend equally to all necessary contractors, agents, workers and other persons authorised by the First Owner. The First Owner in pursuance of such works may from time to time issue in writing to the Owners instructions as to the areas or parts of the Land, the Building and the Premises that the Owners, their servants, agents or licensees may or may not use while such works are being carried out but the First Owner shall make good any damage or loss that may be caused by or arise from such construction works;
- (d) to change, amend, vary, add to or alter the approved building plans of the Premises existing at the date hereof those parts of the Premises the Undivided Shares are held by the First Owner without the concurrence or approval of any Owner or any of the other parties hereto and no such change or addition shall give to any Owner any right of action against the First Owner PROVIDED THAT any such change, amendment, variation, addition or alteration shall not materially interfere with an Owner's right to hold, use, occupy and enjoy the **Workshop** which he owns nor shall affect such Units the exclusive use and enjoyment has already been assigned to other Owners;
- (e) to apply to, negotiate and agree with the Premises Manager or competent authority or the Incorporated Owners of the Building (if any) or other parties for the grant of any easements, wayleaves, licences and/or tenancies for the use of any areas and/or facilities as such Common Areas and Common Facilities of the Premises or for any other purposes which the First Owner shall deem fit or for the supply of any extra power supply to the Premises or for the installation thereon or therein of any Common Facilities serving the Premises and to execute any documents in the name of the First Owner in connection therewith without the necessity of joining in any other Owner;
- (f) subject to the approval by resolutions of the Owners at an Owners' meeting convened under this Sub-Deed, to designate or dedicate any part of the Premises and/or the Premises to which the First Owner has the exclusive right to hold, use, occupy and enjoy as additional Common Areas and/or Common Facilities for the beneficial use of all the Owners and to allocate and/or re-allocate the Undivided Shares retained by the First Owner to such Common Areas. No Owner (including the First Owner) and the Premises Manager will have the right to re-convert or re-designate the additional Common Areas to his or its own use or benefit save as otherwise provided for when the area in question was so converted or designated;

- (g) notwithstanding Clause 3.2(f) above, to convert or designate or dedicate any part of the Premises to which the First Owner has the exclusive right to hold, use, occupy and enjoy as additional parts of the Common Areas ("the Additional Parts of Common Areas") for the common use or benefit of some but not all the Owners ("the affected, owners") and to allocate and/or re-allocate the Undivided Shares retained by the First Owner to the Additional Parts of Common Areas; and in that event the approval of the affected owners will be required Provided That no expenses for the maintenance or management of such Additional Parts of Common Areas shall be borne or paid by any other Owners who do not share in the common use or benefit thereof, The affected owners may not reconvert or re-designate any such Additional Parts of Common Areas to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated;
- (h) to assign to the Premises Manager, and the Premises Manager as the trustee of all Owners shall accept such assignment, of the Undivided Shares allocated to such part or part(s) which have become additional Common Areas and/or Additional Parts of Common Areas; the costs, expenses and stamp duty on, of or incidental to such assignment, declaration or designation to be paid by the Premises Manager out of the Management Funds or (as the case may be) by the Owners affected by the designation or dedication of the Additional Parts of Common Areas; such Undivided Shares together with the Common Areas and/or Additional Parts of Common Areas shall be held by the Premises Manager as trustee for the benefit of all the Owners for the time being and in the event the Premises Manager shall be wound up or a receiving order made against it and another Premises Manager appointed in its stead in accordance with these presents, then the Premises Manager then existing or the liquidator or the receiver shall assign such Undivided Shares together with the Common Areas and/or Additional Parts of Common Areas to the new Premises Manager PROVIDED ALWAYS THAT nothing herein contained shall in any way fetter or diminish the rights and powers of the Premises Manager contained in this Sub-Deed;
- (i) to enter into further Sub-Deed(s) of Mutual Covenant, Deed Poll(s) or other instrument(s) of similar nature or grant any rights, easements or privileges in respect of any part or parts of the Land, the Premises and/or the Premises the ownership is retained or still held by the First Owner PROVIDED THAT such further Sub-Deed(s) of Mutual Covenant, Deed Polls) or other instruments) or grant of any rights, easements or privileges shall not conflict with the provisions of this Sub-Deed;
- (j) at all times hereafter, the full and unrestricted right without interference by any Owners (i) to allocate and from time to time to re-allocate Undivided Shares and/or Management Shares to any part or parts of the Premises the ownership of which is retained or is still held by the First Owner Provided that the total number of Undivided Shares and/or Management Shares allocated to the relevant parts remains the same as that specified in the Second Schedule to this Sub-Deed after such allocation or re-allocation and (ii) to assign, mortgage, charge, lease, license or franchise the full and exclusive right and privilege to hold, use, occupy and enjoy any such premises within the Premises;

- (k) to apply negotiate and agree with the Hong Kong Government without any reference to any Owner and without the necessity of making any Owner(s) a party thereto, to vary or change in such manner as the First Owner may deem fit the permitted use of any part or parts of the Premises provided that the exercise of such right shall not affect any part or parts of the Premises the exclusive use occupation and enjoyment of which is for the time being vested in any other Owner;
- (l) to specifically grant to or assign any or all of the rights reserved under this Clause 3 to the Premises Manager who shall then have the like rights of the First Owner as herein reserved.

3.3 Each Owner hereby expressly and irrevocably appoints the First Owner to be his attorney and grants unto the First Owner the full right power and authority to give all consents and to do all acts deeds matters and things and to execute and sign seal and as the acts and deeds of each Owner deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on the First Owner as aforesaid with the full power of delegation and each Owner hereby further covenants to do all acts deeds matters and things and to execute sign seal and deliver such deed or deeds and to sign such documents or instruments as may be necessary to give effect to such appointments and grants.

3.4 Each Owner shall not sell or otherwise dispose of his Undivided Share of and in the Premises together with the **Workshop** held therewith unless such sale or disposal is made subject to and upon the condition that the purchaser or assignee thereof shall make and create the same irrevocable grants and appointments respectively and enter into binding covenants to observe and perform the covenant terms and conditions similar in scope and extent as those contained in this Clause 3 and each assignment of the Undivided Share of and in the Premises shall include the following covenant:-

"The Purchaser hereby covenants with the Vendor for itself and as agent of Champagne Services Management Limited on whom rights are conferred by Clause 3 of the Sub-Deed of Mutual Covenant and Management Agreement registered in the Land Registry by Memorial No.[] (the "Sub-DMC") and its successors, assigns and attorneys (collectively referred to as the "Relevant Owners" and each is individually referred to as a "Relevant Owner") to the intent that this covenant shall bind the Property and the owner or owners thereof for the time being and other person or persons deriving title under the Purchaser (each and all of whom including the Purchaser is and are hereinafter included in the expression the "Covenanting Purchaser") and shall enure for the benefit of the Premises (as defined in the Sub-DMC") and be enforceable by Champagne Services Management Limited and each Relevant Owner that:-

- (a) the Covenanting Purchaser will notify the Premises Manager (as defined in the Sub-DMC) in writing of any change of ownership of the Property within one month from the date of the Assignment in respect thereof;
- (b) the Covenanting Purchaser hereby acknowledges and confirms the rights conferred by Clause 3.1 and Clause 3.2 of the Sub-DMC (collectively the "Additional Rights" and each an "Additional Right") and hereby covenants not to do or permit to be done anything which will affect the exercise of the Additional Rights by a person lawfully entitled to exercise them;
- (c) the Covenanting Purchaser hereby irrevocably appoints each Relevant Owner to be its agent and attorney and grants to each Relevant Owner, with full power of delegation, the full right, power and authority acting singly to do all things and to

execute as its own act such deeds and to sign such documents as may be reasonably required for or incidental to the exercise of the Additional Rights granted to Relevant Owner. If the Relevant Owner comprises more than one person, the Covenanting Purchaser hereby appoints such persons (such appointment shall be joint and several so that each of such persons may act singly or jointly with the other(s)) as its agents and attorneys and grants to such persons, with full power of delegation, the full right, power and authority, whether acting singly or jointly with the other or any or all of the others to do all things and to execute, as the act of any of such person or the joint act of such person and the others or any or all of the others, as the case may be, such deeds and to sign such documents as may be reasonably required for or incidental to the exercise of the said rights;

- (d) the Covenanting Purchaser shall abide by the provisions in the Sub- DMC to be observed and performed by an Owner (as defined in the Sub-DMC); the Covenanting Purchaser will at all times hereafter perform observe and comply with all the covenants by or on the part of the Purchaser contained in this Assignment; and
- (e) in the event of the Covenanting Purchaser selling or otherwise disposing of the Property, the Covenanting Purchaser shall sell or otherwise dispose of the Property upon the condition that the purchaser or assignee thereof shall make and create the same irrevocable grants and appointments respectively and enter into the same binding covenants on terms similar in scope and extent as the covenants (a), (b), (c), (d) and (e) and this covenant (f) hereinbefore contained;

Provided That upon the Covenanting Purchaser complying with and performing the covenant (f) hereinbefore contained the Covenanting Purchaser shall not be liable for any breach of the aforesaid covenants (a), (b), (c), (d) and (e) which may happen after the Covenanting Purchaser shall have sold or otherwise disposed of the Property in respect whereof such purchaser or assignee shall have entered into such covenants similar in scope and extent as the covenants (a), (b), (c), (d) and (e) as aforesaid."

4. EASEMENTS, RIGHTS AND PRIVILEGES THE BENEFIT OF WHICH IS HELD WITH EACH EQUAL UNDIVIDED SHARE OF AND IN THE PREMISES

4.1 The Owner of each of the Undivided Shares shall have the benefit of the following easements, rights and privileges Subject to the Principal Deed and this Sub-Deed and the Premises Rules (where applicable) and other rules from time to time made by the Premises Manager under this Sub-Deed and subject to the rights of the Premises Manager hereunder and to the payment by the Owner of the Management Fee as hereinafter provided:-

- (a) Full right and liberty for the Owner for the time being, his occupiers, tenants, servants, agents or licensees (in common with all other persons having the like right) to go, pass and repass over along and upon the Common Areas for all purposes connected with the proper use and enjoyment of the **Workshop** owned by him subject to the Premises Rules (where applicable) and other rules from time to time made by the Premises Manager under this Sub-Deed relating to the Common Areas.

(b) Full right and liberty for the Owner of any **Workshop** for the time being, his occupiers, tenants, servants, agents or licensees (in common with all other persons having the like right) to use and enjoy the Common Facilities for all purposes connected with the proper use and enjoyment of the **Workshop** owned by him subject to the Premises Rules (where applicable) and from time to time made by the Premises Manager under this Sub-Deed relating to the Common Facilities.

4.2 The Owner of Workshop Unit No.59 hereby grants and confers the benefits of the following easements, rights and privileges Subject to the Principal Deed and this Sub-Deed and the Premises Rules (where applicable) and other rules from time to time made by the Premises Manager under this Sub-Deed and subject to the rights of the Premises Manager hereunder :-

(a) Full right and liberty for the Owner of any Workshop for the time being, his occupiers, tenants, servants, agents or licensees (in common with all other person having the like right) to go, pass and re-pass over along at all times for all purposes connected with the proper use and enjoyment of the Workshop owned by him subject to the Premises Rules (where applicable) and other rules from time to time made by the Premises Manager under this Sub-Deed.

5. **EASEMENTS, RIGHTS AND PRIVILEGES SUBJECT TO WHICH EACH OF THE UNDIVIDED SHARE OF AND IN THE PREMISES IS HELD**

5.1 The following are the easements rights and privileges subject to which each of the Undivided Shares and the exclusive right to hold use occupy and enjoy each **Workshop** is held:-

(a) The Premises Manager shall have the full right and power at all reasonable times on reasonable notice (except in the case of emergency) with or without agents, surveyors, workmen or others to enter into and upon any Workshop or any part(s) thereof for the purposes of inspecting, examining, repairing, maintaining and improving as well as abating any hazard or nuisance which are affecting or likely to affect the Building, the Premises or any part(s) thereof including the structure and any Common Parts of the Premises or any other apparatus and equipment used or installed for the benefit of the Premises or any part(s) thereof as part of the amenities thereof which are not for the sole use and enjoyment of any individual Owner or for the purpose of discharging its obligations under this Sub-Deed.

(b) Subject as herein mentioned, the Premises Manager shall have full right and authority to enter into and upon, maintain, manage, control and regulate the use of the Common Areas and the Common Facilities in the interest of good and proper management of the Premises.

6. **COVENANTS, PROVISIONS AND RESTRICTIONS TO BE OBSERVED AND PERFORMED BY THE OWNERS**

6A Each Owner shall on ceasing to be the Owner of any Undivided Shares notify the Premises Manager of such cessation and of the name and address of the new owner within one month from the date of change of ownership.

6.1.1 Each Owner shall promptly pay and discharge all existing and future taxes, rates, Government rents, assessments and outgoings of every kind and description for the time being assessed or payable in respect of that **Workshop** owned by him and shall indemnify the Premises Manager and the other Owners from and against all liability in respect thereof.

6.1.2 The Owner of such **Workshop** to which a separate water meter has been installed shall pay the Premises Water Expenses in accordance with the reading of such meter.

6.2 Each Owner shall in respect of the **Workshop** owned by him pay to the Premises Manager from the date of assignment of his **Workshop** the Management Fee which shall be a monthly sum as determined by the Premises Manager being:-

(a) the due proportion (calculated in accordance with the Management Shares) of the amount of monthly contribution to the Management Expenses

(b) in respect of any **Workshop**, the due proportion of Management Expenses in the following proportion:

$\frac{a}{b}$

where:

“a” is the number of Management Shares allocated to the **Workshop**; and

“b” is the total number of Management Shares.

Such Management Fee shall be made and payable monthly in advance on the first day of each month. No Owner shall be called upon to pay more than his due proportion of the Management Expenses and neither shall any Owner be allowed to evade his responsibility to pay his due proportion of the Management Expenses for his **Workshop** whether it is vacant or occupied. All outgoings including Management Fee and the due proportion of the Government rent of any **Workshop** retained by the First Owner from the date of this Sub-Deed up to and inclusive of the date of assignment of such unsold **Workshop** shall be paid by the First Owner,

6.3 No Owner or occupier shall cause or permit or suffer to be done any act or thing which may be or become a nuisance or annoyance to or cause damage to the other Owners and occupiers for the time being, nor will he make or permit any disturbing activity in the Premises or do or permit anything to be done in the Premises which will, interfere with the rights, comfort, enjoyment or convenience of other Owners or occupiers.

6.4 No Owner shall produce or suffer or permit to be produced at any time in his Workshop or in the Premises any music, noise or whatever sound (including sound produced by broadcasting from television, radio or any

other service or by any equipment or instrument capable of producing or reproducing music or sound) so as to constitute a nuisance, annoyance or disturbance, or to give cause for reasonable complaint from the occupants of any other **Workshop** in the Premises or persons using or visiting the same. No Owner shall use any part of the Premises other than for purposes from time to time permitted by the Government Lease, the Occupation Permit, the Principal Deed and this Sub-Deed and the law.

- 6.5 No Owner shall cause or permit or suffer any ours or noxious smells which shall in the opinion of the Premises Manager be offensive or unusual to be produced.
- 6.6 No Owner shall use or permit or suffer his **Workshop** to be used for any illegal immoral or unlawful purpose.
- 6.7 No Owner shall make, carry out or permit or suffer to be made or carried out any structural alterations to his **Workshop** or any part thereof which may damage affect or interfere with the structural integrity or safety of the Building or the Premises or any part thereof or any Common Facilities or which may interfere with or adversely affect the rights of the other Owners and no Owner shall be prevented by anything contained in this Sub-Deed from taking legal action against another Owner in this respect.
- 6.8 Save as expressly permitted under this Sub-Deed, no Owner shall cut, maim, damage, alter, interfere with, injure, drill into, mark or deface or permit or suffer to be cut, maimed, damaged, altered, interfered with, injured, drilled into, marked or defaced any beams, windows, floors or any part of the Common Areas.
- 6.9 No Owner shall have the right to alter, repair, connect to or in any other way interfere with or affect the working of the Common Facilities or any part thereof without the prior written consent of the Premises Manager.
- 6.10 No Owner may convert any of the Common Areas to his own use or for his own benefit without the approval of the Owners' Committee. Any payment received for the approval must be credited to the Special Fund.
- 6.11 Save as expressly permitted under this Sub-Deed, no Owner will have the right to convert or designate any of his **Workshop** or areas to which he is entitled to exclusive use, occupation or enjoyment as Common Areas without the approval by a resolution of the Owners at an Owners' meeting convened under this Sub-Deed. No Owner or the Premises Manager will have the right to re-convert or re-designate such **Workshop** or areas converted or designated as the Common Areas to his or its own use or benefit save as otherwise provided for when the area in question was so converted or designated.
- 6.12 Notwithstanding anything herein contained to the contrary, there shall be sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities installed by the First Owner or with the approval of the Premises Manager, whether ducted or otherwise, which are or may at any time passing through the **Workshop** or **Workshops** through which fresh or salt water, sewage, air-conditioning, electricity, telephone and other services are supplied to the Common Facilities and/or other parts of the Premises and/or any **Workshop** or any part thereof. No Owners shall cut injure or interfere with such sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, pits, rainwater pipes, and channels and other services and facilities. The Owners shall, at all reasonable times on

written notice from the Premises Manager, allow and provide access to the First Owner and/or the Premises Manager and/or such person(s) authorized by the First Owner or the Premises Manager, with or without workmen, to inspect, repair, renovate, improve or replace such sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities.

- 6.13 Covenants, provisions and restrictions applicable to Owners of the Premises:-
- (a) All Owners of the Premises shall at all times observe and perform the Premises Rules.
 - (b) Garbage and refuse from any **Workshop** shall be handled in such manner as the Premises Manager may from time to time direct and the garbage disposal areas shall be such and used only in the manner as prescribed by the Premises Manager and subject to applicable Premises Rules.
 - (c) All complaints touching or concerning the Premises or any part thereof shall be made in writing to the Premises Manager.
- 6.14 No Owner shall store or permit or suffer to be stored in the **Workshop** owned by him or any part of the Premises or the Building any unlawful, illegal, hazardous, dangerous or combustible goods or materials.
- 6.15 No Owner shall project erect affix install or attach or permit or suffer to be projected erected affixed installed or attached in or on or at the door or entrance of the **Workshop** owned by him any metal grille or shutter or gate which shall in any way contravene the regulations of the Fire Services Department or other competent authority concerned from time to time in force and/or which may in any way impede the free and uninterrupted passage of people over through and along any part of the Common Areas.

7. MANAGEMENT OF THE PREMISES

A. General

- 7.1.1 The management of the Premises shall be undertaken by the Premises Manager appointed under Clause 7.1.2 hereto for the term of TWO (2) YEARS from the date of this Sub-Deed in accordance with the terms and conditions of this Sub-Deed and the Government Lease.
- 7.1.2 The Owners hereby jointly and severally appoint the Premises Manager and the Premises Manager hereby agrees to undertake:-
- (a) the management, operation, servicing, renovation, improvement, cleaning and security of the Premises;
 - (b) management operation, servicing, renovation, improvement, cleaning and security of the Premises in accordance with the provisions of this Sub-Deed,

initially for a term of two (2) years commencing from the date of this Sub-Deed in respect of the Premises and such appointment shall continue thereafter until and unless (i) resignation by the Premises Manager either during the said initial term or after the expiry

thereof upon giving to the Owners' Committee not less than three (3) months' notice in writing to terminate the appointment and where there is no Owners' Committee, by serving such a notice on each of the Owners and by displaying such a notice in a prominent place in the Premises or (ii) the Owners' Committee shall give three (3) months' notice in writing to the Premises Manager to terminate its service pursuant to a resolution of the Owners of not less than 50% of the total number of the Undivided Shares (less those allocated to the Common Areas, if any) passed at an Owners' meeting convened for that purpose. The appointment of the Premises Manager shall be terminated forthwith whether before or after the said initial term if the Premises Manager shall go into liquidation (except for the purpose of amalgamation or reconstruction). Without limiting the generality of Clause 12.5 no provision of this Sub-Deed shall limit the application of Schedule 7 to the Ordinance by restricting or prohibiting the termination of the Manager's appointment during the initial period of two (2) years of his appointment. Upon termination of the appointment of the Premises Manager, the Premises Owners' Committee shall establish, employ or appoint such or such type of estate management company or agency as it shall in its discretion think fit to carry out the management and maintenance of the Premises in accordance with the provisions of this Sub-Deed,

- 7.1.3 The Premises Manager shall be bound by and shall observe and perform all of the conditions, duties and obligations herein and in the Principal Deed contained and shall have all of the rights and privileges herein granted to the Premises Manager.
- 7.1.4 The obligations of the Premises Manager to provide management of the Premises under Clause 7 of this Sub-Deed shall commence from the date of this Sub-Deed.
- 7.1.5 Subject to the right of the First Owner as set out in Clause 3 hereof, the Premises Manager shall, if applicable and insofar as necessary and expedient, hold the right title interest and benefit of and in the Common Parts as agent and/or trustee as the case may be for and on behalf of all Owners of the Premises provided that the Premises Manager shall not in any event be liable to the Owners or any other person for acting as such agent and trustee in the ordinary course of the said appointment and the management thereof.
- 7.1.6 Each Owner hereby expressly and irrevocably appoints the Premises Manager to be his attorney and grants unto the Premises Manager the respective full right power and authority to give all consents and to do all acts deeds matters and things and to execute and sign seal and as the acts and deeds of each Owner deliver such deeds and to sign such documents or instruments as may be necessary for the exercise of or incidental to the exercise of the rights conferred on the Premises Manager as aforesaid with the full power of delegation and each Owner hereby further covenants to do all acts deeds matters and things and to execute sign seal and deliver such deed or deeds and to sign such documents or instruments as may be necessary to give effect to such respective appointments and grants.

B. Powers and Duties of Premises Manner

- 7.2.1 During the said term of two (2) years, the Premises Manager shall manage the Premises in a proper manner and in accordance with the provisions of this Sub-Deed and, except as herein provided, the Premises Manager shall be responsible for and shall have full and unrestricted authority to do all such acts and things as may in its reasonable opinion be necessary or requisite for the proper management and maintenance of the Premises. Subject to the right of

the First Owner as set out in Clause 3 hereof; the Premises Manager is hereby appointed to act as attorney of and on behalf of all Owners in respect of any matter concerning the Common Parts duly authorized in accordance with the provisions of this Sub-Deed.

(a) Without in any way limiting the generality of the foregoing the Premises Manager shall have the following powers and duties, namely:-

- (1) To put in hand and ensure the satisfactory completion of work necessary to maintain any and every part of the Common Parts so as to ensure that the same are maintained in a good, clean and reasonably safe condition at all times and for this purpose to employ reputable and competent contractors and workmen.
- (2) At such times as the circumstances require to employ a qualified person or persons to inspect the Common Parts and to prepare a report of such inspection which report will be kept by the Premises Manager in the management office of the Premises and will be open for inspection by all Owners of any part of the Premises and the Premises Manager will furnish upon request to any such Owner a copy of such report at a reasonable charge.
- (3) To keep the common sewers, drains, watercourses and pipes free and clear from obstruction.
- (4) To keep the Common Parts in good condition and working order and, to comply with any laws and regulations applicable to any specific areas, parts, services or facilities and whenever it shall be necessary or convenient so to do at the Premises Manager's discretion to enter into contracts with third parties for the maintenance thereof.
- (5) To prevent obstruction of the Common Areas and to remove any article or thing causing such obstruction and to demand and recover from the person by whom such article or thing is placed the cost of such removal and the making good of any damage thereby caused.
- (6) To paint white-wash tile or otherwise treat and maintain as may be appropriate the Common Parts at such intervals as the same may in the opinion of the Premises Manager be reasonably required to be done or as may be required by the Government
- (7) To replace any broken glass or doors in the Common Areas.
- (8) To keep the Common Areas properly lighted.
- (9) To keep in good order and repair the ventilation system of the Common Areas (if any).

- (10) To keep in good order and repair any signs signboards or decorations serving the Owners in common.
- (11) To keep the Common Areas in a clean sanitary and tidy condition.
- (12) To remove any structure, installation, signboard, sunshade, bracket, fitting or other things in or on any part of the Premises which have been erected in contravention of the terms of this Sub-Deed or of the regulations of the Buildings Ordinance (Cap. 123) or other applicable legislation or without the written permission of the Premises Manager as required by this Sub-Deed (or if such permission has been given upon the expiration or withdrawal of the same) and to demand and recover from the Premises Owner by whom such structure or other thing as aforesaid was erected or installed or permitted to be erected or installed the costs and expenses of such removal and the making good of any damage thereby caused.
- (13) To maintain fire fighting equipment and system, fire alarms and other fire services installations required by the Government and to comply with all requirements of the Fire Services Department and generally to maintain the Premises safe from fire hazards at all times.
- (14) To keep such of the sanitary fittings, toilets, drains and sewers as are for common use in good clean and sanitary repair and condition and to renew or replace any parts that may become damaged or defective.
- (15) To prevent so far as is possible any refuse or other matter from being deposited, washed, eroded or falling from the Premises onto any part of any public- roads or any road-culverts, sewers, drains, nullahs or other Government property and to remove any such matter therefrom and to ensure that no damage is done to any part of any Government property or other drains, waterways, watercourses, footpaths, sewers, nullahs, pipes, cables, wires, utility services or other works being in under over or adjacent to the Land or any part thereof by reason of any maintenance or other works carried out by the Premises Manager as herein provided and to make good any such damage.
- (16) To appoint solicitor or legal counsel to advise upon any point which arises the management of the Premises necessitating professional legal advice and with authority to act for and accept service on behalf of all the Owners of the Premises of all legal proceedings relating thereto (but not proceedings relating to the rights or obligations of individual Owners) and in particular but without limiting the generality of the foregoing, in all proceedings in which the Government shall be a party and at all times within 7 days of being requested so to do by the Government or

other competent officers, to appoint a solicitor who shall undertake to accept service on behalf of all such Owners whether for the purpose of the Rules of the High Court (as the same may be amended from time to time) or otherwise.

- (17) To prevent any person from unlawfully occupying or using, or to have access to, otherwise than with the written permission of the Premises Manager and in accordance with the provisions of this Sub-Deed, any part of the Common Areas.
- (18) To take all steps necessary or expedient for complying with the covenants terms and conditions contained in the Government Lease and any statutory or governmental requirements concerning or relating to the Building and the Premises for which no Owner or occupier of any part of the Premises is directly responsible.
- (19) To prevent and to take action to remedy any breach by any Owner or other person of any covenant term or condition of the Government Lease or herein contained.
- (20) To prevent any person from structurally or detrimentally altering or injuring any part of the Premises or any of the equipment, apparatus, services or facilities thereof and therein.
- (21) To demand collect and receive all amounts payable by any Owner under the provisions of this Sub-Deed.
- (22) To pay and discharge out of all monies so collected all outgoings relating to the management of the Premises or incurred by the Premises Manager hereunder.
- (23) To insure and keep insured the Premises (other than those portions exclusively owned by any Owner or Owners thereof), the Common Areas, the Common Facilities and all parts thereof to the full reinstatement value against loss or damage by fire and other perils and to effect public and for occupiers' liability and/or workmen's compensation liability insurance in such amounts as the Premises Manager may think fit, such insurance to be in the name of the Premises Manager for and on behalf of himself as Premises Manager and each Owner according to their respective interests in the Premises and to pay all premia required to keep such insurance policies in force,
- (24) To keep proper accounts of all expenditure incurred by and of all payments made to the Premises Manager in respect of carrying out its duties hereunder as hereinafter provided.
- (25) To represent the Owners in all matters and dealings with Government or any utility or other competent authority or any other person whomsoever in any way touching or concerning the management and maintenance of the Premises and the Common Parts thereof.

- (26) To commence, conduct, carry on and defend legal and other proceedings touching or concerning the Premises or the management thereof in the name of the Premises Manager.
- (27) To enforce the due observance and performance by the Owners and occupiers of the terms and conditions of the Principal Deed and this Sub-Deed and to take action including the commencement and conduct of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (28) To post the name of any Owner in default or in breach of the terms and conditions of this Sub-Deed as aforesaid together with particulars of the default or breach on the notice boards and/or other prominent spaces within the Premises and/or the Building.
- (29) To enter into contracts and employ, to remunerate or to dismiss surveyors of all branches, professional estate management consultants, solicitors, auditors, architects, or other professional advisers or consultants, contractors, workmen, servants, agents, watchmen, caretakers and such other staff as may from time to time be required to discharge or perform all or any of the duties of the Premises Manager hereunder or to assist the Premises Manager in discharging or performing all or any of its duties hereunder on such terms as the Premises Manager shall reasonably decide including the provision of accommodation, working clothes, tools, other materials and equipment Provided That the Premises Manager shall not transfer or assign its rights or obligations under this Sub-Deed to any such third parties and the Premises Manager shall always remain responsible for the management and control of the whole Premises.
- (30) To keep a set of plans (certified as to their accuracy by or on behalf of the Authorised Person) showing the Common Areas at the management office of the Premises which shall be available for inspection by the Owners free of charge during normal office hours.
- (31) To do such other things as are conducive or reasonably incidental to the proper management and maintenance of the Premises.
- (32) To convert any part of the Common Areas and the Common Facilities for use as management office and/or control room of the Premises as a result of the relocation of the management office and/or control room which is/are for the time being located within the Premises and to carry out all construction and/or other works necessary for such conversion.

(33) To install sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities, whether ducted or otherwise, passing through the **Workshop** or **Workshops** through which fresh or salt water, sewage, air-conditioning, electricity, telephone and other services are supplied to the Common Facilities and/or other parts of the Premises and/or any **Workshop** or any part thereof and to enter into and upon and/or to authorize such person(s) as the Manager may consider appropriate to enter into and upon any such **Workshop**, with or without workmen, at all reasonable times on written notice, to inspect, repair, renovate, improve and remove such sewers, drains, water pipes, ducts, power transmission lines, pipes, wires, cables, risers, pits, rainwater pipes, and channels and other services and facilities.

(34) To negotiate and enter into and perform contracts with operators or providers of telecommunication or internet services for the supply of such services to the Premises Provided That the Premises Manager shall not enter into any contract for the installation or use of aerial broadcast distribution or telecommunications network facilities or any contract for the provision of broadcast distribution network or telecommunications network services unless:

- (a) the term of the contract does not exceed 3 years;
- (b) the right to be granted under the contract is non-exclusive and the contract provides for sharing the use of the facilities and network with other service providers; and
- (c) no Owner is required to make any payment in any form attributable to the installation or provision of the facilities or services unless he is a subscriber to the relevant services,

Without prejudice to the generality of the foregoing, to make all necessary connections as the Premises Manager deems appropriate to enable the transmission of the services to occupants of the Premises.

(35) Without limiting the generality of Clause 3.1 and subject to the consent of the First Owner, so long as he is still owner of an Undivided Share of and in the Premises, to represent all Owners to exercise all rights of the First Owner under Clause 3.1.

(b) The Premises Manager shall also have the following powers and duties in the management of the Premises, namely:-

- (1) At such times as the circumstances require to employ a qualified person or persons to inspect the entire Premises and the Common Facilities and to prepare a report of such inspection which report will be kept by the Premises Manager in the management office of the Premises and will be open for inspection by all Owners of any part of the Premises and the Premises Manager will furnish upon request to any such Owner a copy of such report at a reasonable charge.
- (2) To keep such of the sanitary fittings, toilets, drains and sewers as are for common use in good clean and sanitary repair and condition and to renew or replace any parts that may become damaged or defective.
- (3) To prevent any decaying, noisome, noxious, excrementitious or other refuse matter from being deposited on or in the Premises or any part thereof and to remove all refuse from all parts of the Premises and to arrange for its disposal at such regular intervals and to maintain either on or off the refuse collection facilities of the Premises to the satisfaction of the Government and to charge the person in breach of this provision the cost of removing the refuse.
- (4) To provide adequate watchmen, caretakers and such other staff as shall be determined by the Premises Manager in his reasonable discretion and to provide and maintain security equipment and generally so far as is possible to maintain adequate security in the Premises at all times.
- (5) To do all things which the Premises Manager shall in its reasonable opinion consider necessary or desirable for the purpose of maintaining and improving all facilities and services in or on the Premises for the better enjoyment and use of the Premises by the Owners and occupiers thereof.
- (6) To pay and discharge out of all monies so collected all outgoings relating to the management of the Premises or incurred by the Premises Manager hereunder,
- (7) To enforce the due observance and performance by the Owners and occupiers of the Premises Rules made hereunder and to take action including the commencement and conduct of legal proceedings to enforce the due observance and performance thereof and/or to recover damages for any breach non-observance or non-performance thereof and the registration and enforcement of charges as hereinafter mentioned.
- (8) To discontinue such services to any Owner of the Premises who defaults in payment of any amounts due from him under the provisions of this Sub-Deed or otherwise fails to observe or perform any of the terms and conditions herein contained and to forbid such defaulting Owner, his tenants and licensees the use of the Common Areas and the Common Facilities until such default is rectified at which time the expenses of re-connection shall be borne by such defaulting Owner.

- (9) To enter into and upon any part of the Premises with or without workmen, at all reasonable times on written notice (except in case of emergency) to repair, renovate and improve the Premises or any part thereof as the Premises Manager shall deem necessary and desirable or to abate any hazard or nuisance which does or may affect the Common Areas of the Premises or other Owners Provided that the Manager shall at its own costs and expenses repair any damage so caused by the negligent, wilful or criminal acts of the Manager, employees, contractors, etc. during such entry.
- (10) If applicable, to remove any vehicle parked on the Common Areas not so designated for parking or which shall cause an obstruction and any damage caused to such vehicles during or as a consequence of such removal shall be the sole responsibility of the Owners of such vehicles.
- (11) To ensure that every Owner of the Premises or occupier of the Premises or any part thereof maintain his **Workshop** in a satisfactory manner and if there be any default on the part of any such Owner or occupier, to put in hand any necessary maintenance and to take all necessary steps in accordance with this Sub-Deed to recover the cost therefor from the defaulting Owner or occupier.
- (12) To provide such Chinese New Year, Christmas and other festival decorations for the Premises as the Manager shall in his reasonable discretion consider desirable.

7.2.2 The Premises Manager shall have power from time to time to make, revoke and amend any Premises Rules regulating the manner and mutual rights and obligations of the Owners and occupiers of the Premises and persons visiting the same in the use and enjoyment of the Premises and any parts thereof and any of the facilities, services or amenities thereof Provided Always that such Premises Rules shall be made, amended or revoked with the approval of the Premises Owners' Committee, if formed and that such Premises Rules shall not be inconsistent with the provisions of this Sub-Deed, the Ordinance or the covenants of the Government Lease. Such Premises Rules shall be binding on every Owner of the Premises, his occupiers, tenants, licensees, servants or agents. A copy of the Premises Rules (if any) from time to time in force shall be posted on the public notice board in the Premises and shall be supplied to each Owner of the Premises on request upon payment of reasonable copying charges therefor.

7.2.3 The Premises Manager may from time to time to make, revoke and amend any Premises Rules to protect the environment of the Premises, the Premises and the Building and to implement waste reduction and recycling measures with reference to guidelines on property management issued from time to time by the Director of Environmental Protection.

7.2.4 The Premises Manager shall have power to delegate on such terms and conditions as it shall in its absolute discretion deem fit any or all of its powers, rights and responsibilities under this Sub-Deed to any person or company, and in case of such delegation, all acts and deeds done or caused to be done by the person or company to whom delegation has been made shall be deemed to be done by the Premises Manager.

- 7.2.5 All acts and decisions of the Premises Manager in accordance with the provisions of this Sub-Deed shall (subject to the Ordinance and subject as herein mentioned) be binding in all respects on all the Owners.
- 7.2.6 The Premises Manager shall be responsible and accountable to the Owners acting collectively through the Owners' Committee but not to any Owner individually.
- 7.2.7 Neither the Premises Manager nor any servant agent or other person employed by the Premises Manager shall be liable to any Owner or any person or persona whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Sub-Deed not being an act or omission involving criminal liability or dishonesty or wilful default or negligence and the Owner shall fully and effectually indemnify the Premises Manager from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Premises and any act, deed, matter or thing done or omitted as aforesaid not involving criminal liability, dishonesty or wilful default or negligence on the part of the Premises Manager and all costs and expenses in connection therewith.
- 7.2.8 The Premises Manager shall not effect any improvements to the Common Areas and/or the Common Facilities which may incur expenses in excess of 10% of the budget or revised budget, as the case may be, for that financial year except with the prior approval of the Owners at an Owners' meeting convened under this Sub-Deed.
- 7.2.9 The Premises Manager shall not, in any financial year, enter into any contract that involves an average annual expenditure of more than 20% of the budget or revised budget, as the case may be, for that financial year or of such greater amount as the Authority defined in the Ordinance ("the Authority") may specify by notice in the Gazette unless the contract complies with such standards and guidelines as may be specified in a Code of Practice referred to in section 20A of the Ordinance and relating to procurement and tender procedures. All major contracts involving sums in excess of 20% of the annual budget shall be procured in accordance with fair tendering practice at intervals of not more than 3 years.
- 7.2.10 Where the Premises Manager's consent is required under this Sub-Deed, such consent shall not be unreasonably withheld and the Premises Manager must not charge any fee other than a reasonable administrative fee for issuing the consent. All such administrative fee shall be credited to the Special Fund.

C. Premises Manager's Remuneration

- 7.3.1 The Premises Manager's Remuneration shall be payable as from the date of this Sub-Deed Provided that the annual remuneration of the Premises Manager shall not in any event exceed 10% of the total annual Management Expenses necessarily and reasonably incurred in the good and efficient management of the Premises in the financial year and Provided further that the Premises Manager's Remuneration may be reviewed and adjusted by a resolution duly passed at meeting of Owners convened under this Sub-Deed. For the purpose of this Clause 7.3.1, the expression of "Management Expenses" shall not include the Premises Manager's Remuneration and all expenditure of a kind not incurred annually provided that by a resolution of the Owners at an Owners' meeting convened under this Sub-Deed, any capital expenditure or expenditure drawn out of the Special Fund may be included for

calculating the Premises Manager's Remuneration at the rate not exceeding 15% or at any lower rate as considered appropriate by the Owners.

7.3.2 The Premises Manager's Remuneration as aforesaid shall be contributed by the Owners in the following proportion:-

The amount to be paid by Owners is:-

$$\frac{f}{g}$$

where:

"f" is the total Premises Manager's Remuneration; and

"g" is the total number of Management Shares.

7.3.3 The Premises Manager's Remuneration as aforesaid shall not be subject to any requirement imposed on the Premises Manager to disburse or provide from such money any staff, facilities, accountancy and secretarial services, or other professional supervision, the costs for which shall be a direct charge upon the Management Funds.

7.3.4 The Premises Manager's Remuneration shall be paid by the Owners in advance on the first day of each month by deductions made by the Premises Manager from the Management Fee collected from the Owners. Such deduction shall be in priority to all payments to be made out of the Management Funds.

D. Management Expenses

7.4.1 The Management Expenses shall include the costs, charges, expenses, outgoing and disbursements necessarily and reasonably incurred in the management of the Premises under this Sub-Deed including (without limitation) of the following:-

- (a) Government rent (if not apportioned among the **Workshops** of the Premises), rates (if there is no separate assessments for the **Workshops** of the Premises) and all other sums (if any) payable under the Government Lease in respect of the Premises or any part thereof not exclusively owned by any Owner or Owners.
- (b) The cost and expenses of and incidental to carrying out all or any of the duties of the Premises Manager set out in the provisions of this Sub-Deed.
- (c) All reasonable professional fees and costs incurred by the Premises Manager in the discharge of his duties hereunder including but not limiting to:-
 - (i) fees and costs of surveyors, valuers, architects, engineers, consultants, contractors and others employed in connection with the management, maintenance and improvement of the Premises;
 - (ii) solicitors and other legal fees and costs.
- (d) The cost of effecting insurance in respect of or in connection with the management of the Premises.
- (e) Government rent and rates of the management office.
- (f) Furniture, fixtures, fittings and other appliances in the management office or the entrance guard room and depreciation thereof.

- (g) Any other items of expenditure not herein specifically set out but which are necessary or reasonably incidental to the proper management of the Premises.
- (h) The cost of purchasing or hiring any necessary plant, equipment and machinery servicing the Premises.
- (i) All water, gas, electricity, telephone and other services charges payable in respect of the Common Parts.
- (j) The costs for maintenance, repair, renovation or improvement of the machinery and apparatus used in connection therewith serving the Premises and all ancillary installation, apparatus and equipment.
- (k) The costs for maintenance, repair, renovation or improvement of any signs, signboards or decorations serving the Owners in common.
- (l) All charges, assessments, impositions and other outgoings payable in respect of the Common Parts.
- (m) Remuneration for security force, watchmen, caretakers, cleaners, attendants and other staff serving the Premises or employed in connection with the management of the Premises.
- (n) The cost of fitting out uniform for such security force, watchmen and caretakers and replacement of the same.
- (o) The costs of employing staff involved with the management of the Premises including salary, bonus, over-time pay, long service pay, medical and dental scheme payments and other benefits.
- (p) Costs of postage, stationery, printing and other sundry items incurred by the Premises Manager in connection with the management of the Premises and the performance of his duties under this Sub-Deed.
- (q) The cost of refuse disposal and cleaning of the Common Areas.
- (r) Secretarial and accounting charges in connection with the management of the Premises.
- (s) The management expenses and other costs and expenses payable by the Owners under the Principal Deed.
- (t) All other costs and expenses payable under the law, the Government Lease or the Principal Deed in respect of the whole of the Premises or any part thereof not exclusively owned by any Owner or Owners.
- (u) The due proportion of the Premises Manager's Remuneration as stipulated in Clause 7.3.2.
- (v) All charges and costs of repairing and maintaining the water pipe or other equipment installed or provided for the common use and benefit of the Owners of the Premises.

- 7.4.2 Notwithstanding anything contained in this Sub-Deed, the Premises Manager shall be entitled to determine that an item of Management Expenses shall be paid by the Owner or of the part or parts Owners of the Premises for which such item has been or will be incurred to exclusion of all other the Owners if:
- (a) the item of Management Expenses is not covered by insurance; and the
 - (b) Premises Manager is of the opinion that:
 - (i) it is attributable to any particular part or parts of the Premises; and
 - (ii) Owners of other parts of the Premises do not and will not receive any material benefit from it,

Provided That where the item of Management Expenses is to be borne by more than one Owner, the Premises Manager may also determine the contribution to be made by each of such Owners to the item of Management Expenses.

E. Special Fund

- 7.5.1 The Premises Manager shall establish and maintain a special fund ("the Special Fund") to provide for expenditure of a kind not expected by him to be incurred annually including expenses for the renovation, improvement and repair of the Common Parts, the purchase, setting up, replacement, improvement and addition of installations, systems, equipment, tools, plant and machineries for the Common Parts and the costs of relevant investigation works and professional services (collectively "Non-recurrent Expenditure").
- 7.5.2 Each Owner shall pay to the Premises Manager such amount of further contribution to the Special Fund at such time as determined by a resolution of Owners at an Owners' meeting so as to maintain the Special Fund at an appropriate level.
- 7.5.3 All contributions to the Special Fund (including for the avoidance of doubt all initial contributions to the Special Fund under Clause 7.6.1(b)) and all other amounts required by this Sub-Deed to be credited to the Special Fund shall be non-refundable and non-transferable.
- 7.5.4 The Premises Manager shall maintain at a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155) an interest-bearing account, the title of which shall refer to the Special Fund for the Premises and shall use that account exclusively for the purpose referred to in Clause 7.5.1.
- 7.5.5 Without prejudice to the generality of Clause 7.5.4, the Premises Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Committee, if formed, in respect of the Special Fund.
- 7.5.6 The Premises Manager shall display a document showing evidence of any account opened and maintained under Clauses 7.5.4 and 7.5.5.
- 7.5.7 The Premises Manager shall without delay pay all money received by him in respect of the Special Fund into the account maintained under Clause 7.5.4.

- 7.5.8 Except in a situation considered by the Premises Manager to be an emergency, no money shall be paid out of the Special Fund unless it is for a purpose approved by a resolution of the Owners' Committee, if formed.
- 7.5.9 The Special Fund shall be a trust fund managed by the Premises Manager and all sums in such fund shall be the property of the Owners. Such fund shall be interest bearing and special reference shall be made to this fund in the annual accounts and an estimate shall be given as to the time of any likely need to draw on the fund.
- 7.5.10 Contributions to the Special Fund (including for the avoidance of doubt all initial contributions) made by the Owners shall be notionally credited to the Special Fund.
- 7.5.11 Funds notionally credited to the Special Fund shall be applied as follows:-
- (a) Any Non-recurrent Expenditure relating to the Common Parts or which is for the common benefit of the Owners, occupiers, licensees or invitees of different **Workshops**, shall only be paid out of the Special Fund.
 - (b) Unless otherwise specifically provided in this Sub-Deed, where any provision of this Sub-Deed requires any amount to be credited to the Special Fund, the amount shall be credited to Special Fund.

F. Security for the recovery of moneys due by Premises Manager

- 7.6.1 Each Owner shall at the time of completion of the assignment in respect of his **Workshop** from the First Owner deposit with the Premises Manager
- (a) as security for the due payment of the Management Fee a sum equivalent to three (3) months' contribution towards the Management Fee for each **Workshop** of which he is the Owner as payment in deposit. Such deposit shall be non-refundable but transferable on change of ownership;
 - (b) a further sum equivalent to two (2) months' contribution towards the Management Fee by way of provision of the Special Fund which shall be non-refundable and non-transferable; and
 - (c) a further sum equivalent to one (1) month's contribution towards the Management Fee by way of provision of the public utility deposit for the communal electricity and water meter in the Premises which shall be non-refundable but transferable on change of ownership.
- 7.6.2 The First Owner must make the contribution to the Special Fund and pay the Management Fee deposit, public utility deposit for the communal electricity and water meter in respect of any **Workshop** under Clause 7.6.1 (a), (b) and (c) which remains unsold by the First Owner 3 months after the date of this Sub-Deed.
- 7.6.3 If any Owner shall fail to pay any amount payable hereunder whether demanded or not within 30 days of the due date, he shall further pay to the Premises Manager:-

- (1) interest on the unpaid amount at the rate of 2% per annum above the prime rate from time to time specified by the Hong Kong and Shanghai Banking Corporation Limited calculated from the date on which such amount ought to be paid to the date of the actual payment thereof; and
- (2) a collection charge equivalent to 10% of the amount due (other than the legal costs of proceedings as hereinafter mentioned)

All such interest and collection charges received shall be credited to the Special Fund.

- 7.6.4 All amounts which may be or become payable by any Owner or any occupier for the time being of any **Workshop** in accordance with the provisions of this Sub-Deed and all other expenses incurred in or in connection with recovering or attempting to recover the same and all damages claimed for breach of any of the provisions of this Sub-Deed shall be recoverable by civil action at the suit of the Premises Manager. The claim in any such action may also include the Premises Manager's claim for costs on the solicitor-and-own-client basis and the defaulting Owner or occupier shall in addition to the amount claimed in such action be liable for such costs. In any such action, the Premises Manager shall conclusively be deemed to be acting as the agent for and on behalf of all the Owners as a whole other than the defaulting Owner and no Owner or occupier sued under the provisions of this Sub-Deed shall raise or be entitled to question or challenge the right of the Premises Manager as plaintiff to sue or to recover such amounts as may be found to be due.
- 7.6.5 The Premises Manager shall further have full power to commence proceedings for the purpose of enforcing the observance and performance by any Owner or occupier of any portion of the Premises of the covenants conditions or provisions of this Sub-Deed and of recovering damages for the breach, non-observance or non- performance thereof. The provisions of Clause 7.6.4 shall apply to all such proceedings.
- 7.6.6 In the event of any Owner or occupier failing to pay any sum due and payable by him in accordance with the provisions of this Sub-Deed or failing to pay any damages awarded by any court for breach of any of the provisions of this Sub-Deed within 7 days of the date on which the same becomes payable, the amount thereof together with the said interest and collection charge, and all costs and expenses which may be incurred in recovering or attempting to recover the same including the legal expenses referred to in Clause 7.6.4 in registering the charge hereinafter referred to, shall stand charged on the Undivided Share or Undivided Shares of the defaulting Owner in the Premises and the Premises Manager shall be entitled without prejudice to any other remedy hereunder to register a memorial of such charge in the Land Registry against such Undivided Share or Undivided Shares of the defaulting Owner. Such charge shall remain valid and enforceable as hereinafter mentioned notwithstanding that judgement has been obtained for the amount thereof Provided That such judgment has not been satisfied.
- 7.6.7 Any charge registered in accordance with the last preceding Clause 7.6.6 shall be enforceable as an equitable charge by action at the suit of the Premises Manager for an order for the sale of the Undivided Share or Undivided Shares of the defaulting Owner in the Premises together with the right to the exclusive use, occupation and enjoyment of his portion of the Premises held therewith and the provisions of Clause 7.6.4 shall apply equally to any such action.
- 7.6.8 The Premises Manager shall be entitled from time to time at its reasonable discretion to demand and each Owner shall pay to the Premises Manager such amount on demand for the purpose of maintaining the Management Fee deposit in respect of his Workshop at a level equal to 2 months' Management Fee for the time being payable in respect of the Workshop held by such Owner.

G. Application of moneys received by Premises Manager

- 7.7.1 Subject to Clause 9 hereof, all insurance moneys, compensation received or damages recovered by the Premises Manager in respect of any damage or loss suffered in respect of any part of the Premises shall be expended by the Premises Manager in the repair, rebuilding or reinstatement of that part of the Premises.
- 7.7.2 Where any insurance moneys, compensation, damages, costs and expenses or refunds are received or recovered (as the case may be) by the Premises Manager in respect of any matter or thing for which claim has been made against an Owner as provided in this Sub-Deed hereof, the same shall after deduction of any costs or expenses incurred by the Premises Manager, be credited to the Special Fund.
- 7.7.3 All moneys paid to the Premises Manager by way of interest and collection charges shall be paid into and form part of the Special Fund.
- 7.7.4 Unless otherwise provided by this Sub-Deed, any income or receipt of whatever nature arising or which may arise from or is (in the Manager's opinion) attributable to the Common Parts shall, in so far as it arises or will (as estimated by the Manager) arise from or is (in the Manager's opinion) attributable to the Common Parts, be notionally credited to all the **Workshops** and be taken into account when preparing the section of future Budget(s) dealing with Management Expenses or used for covering Management Expenses; Any surplus in the Management Expenses paid to the Premises Manager by the Owners shall be paid and form part of the Management Funds and shall only be applied by the Premises Manager in or towards payment of the Management Expenses thereafter to become due or towards the settlement of any nonrecurring expenses including those for installing or replacing any Common Facilities in the Premises or be applied as contribution towards the part of the Special Fund contributed by the category of Owners who are responsible to pay such Management Expenses,

H. Person ceasing to be Owner ceases to have interest in Management Funds

- 7.8.1 Any person ceasing to be the Owner of any Undivided Share in the Building and the Premises shall in respect of the Undivided Share of which he ceases to be the Owner thereupon cease to have any interest in the Management Funds held by the Premises Manager to the intent that all such funds shall be held and applied for the management of the Premises as herein provided irrespective of changes in ownership of the Undivided Shares therein PROVIDED THAT any deposit paid by any such Owner under Clause 7.6.1(a) and (c) herein after the deduction therefrom of any amount attributable to his liabilities or obligations shall at the request in writing of such Owner be transferred into the name of the new Owner of such Undivided Share as his deposit or security under Clause 7.6.1(a) and (c) hereof and PROVIDED FURTHER THAT upon the Building being resumed or re-entered by the Government any balance of the Management Funds shall be divided amongst the Owners immediately prior to such resumption or re-entry according to their share of Management Shares allocated to their respective **Workshops**) Provided That:
- (a) any surplus which is notionally credited to the Special Fund under Clause 7.5.10 shall be divided among the then Owners of that category of **Workshops** in proportion to the Management Shares respectively allocated to the **Workshops** concerned;
- (b) the Special Fund (or the balance thereof) shall be divided among the then Owners and in proportion to the Management Shares respectively allocated to the **Workshops**;

- (a) Management Fees deposit and public utilities deposit paid in respect of a **Workshop** (or the balance thereof) shall be refunded to the then Owner of the **Workshop**.

I. Budget

7.9.1 In respect of each financial year (except the first financial year), the Premises Manager shall

- (a) prepare a draft budget setting out the proposed Management Expenses during the financial year;
- (b) send a copy of the draft budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the draft budget in a prominent place in the Premises and cause it to remain so displayed for at least 7 consecutive days;
- (c) send or display, as the case may be, with the copy of the draft budget a notice inviting each Owner to send his comments on the draft budget to the Premises Manager within a period of 14 days from the date the draft budget was sent or first displayed;
- (d) after the end of that period, prepare a budget specifying the total proposed Management Expenses during the financial year; and
- (e) send a copy of the budget to the Owners' Committee or, where there is no Owners' Committee, display a copy of the budget in a prominent place in the Premises and cause it to remain so displayed for at least 7 consecutive days.

7.9.2 Where, in respect of a financial year, the Premises Manager has not complied with Clause 7.9.1 before the start of that financial year, the estimated Management Expenses for that year shall:-

- (a) until it has so complied, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year; and
- (b) when it has so complied, be the total proposed Management Expenses specified in the budget for that financial year, and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

7.9.3 Where a budget has been sent or displayed in accordance with Clause 7.9.1(c) and the Premises Manager wishes to revise it, it shall follow the same procedures in respect of the revised budget as apply to the draft budget and budget by virtue of Clause 7.9.1.

7.9.4 Where a revised budget is sent or displayed in accordance with Clause 7.9.3. the total amount of Management Expenses for that Financial year shall be the total Management Expenses or proposed Management Expenses specified in the revised budget and the amount that the Owners shall contribute towards the Management Expenses shall be calculated and adjusted accordingly.

7.9.5 If within a period of one month from the date that a budget or revised budget for a financial year is sent or first displayed in accordance with Clauses 7.9.1 or 7.9.3, the Owners in a meeting of Owners convened under this Sub-Deed decides by a resolution to reject the budget or revised budget, as the case may be, the total amount of Management Expenses for the financial year shall, until another budget or revised budget is sent or displayed in accordance with Clauses 7.9.1 or 7.9.3 and is not so rejected under this Clause 7.9.5, be deemed to be the same as the total amount of Management Expenses (if any) for the previous financial year, together with an amount not exceeding 10% of that total amount as the Premises Manager may determine.

7.9.6 If any Owner requests in writing the Premises Manager to supply him with a copy of any draft budget, budget or revised budget, the Premises Manager shall, on payment of a reasonable copying charge, supply a copy to that Owner.

J. Keeping of accounts

7.10.1 The first financial year for the purpose of management of the Premises shall commence on the date of this Sub-Deed and shall terminate on the 31st day of March 2017 and thereafter each financial year shall commence on the 1st day of April and shall terminate on the 31st day of March of the following year Provided that the financial year may not be changed more than once in every five years except with the prior approval of the Owners' Committee,

7.10.2 The Premises Manager shall maintain proper books or records of account and other financial records and shall keep all bills, invoices, vouchers, receipts and other documents referred to in those books and records for at least 6 years.

7.10.3 Within 1 month after each consecutive period of 3 months, or such shorter period as the Premises Manager may select, the Premises Manager shall prepare a summary of income and expenditure and a balance sheet in respect of that period and shall display a copy of it in a prominent place in the Premises and cause it to remain so displayed for at least 7 consecutive days.

7.10.4 Within 2 months after the end of each financial year, the Premises Manager shall prepare an income and expenditure account and balance sheet for that year and cause it to remain so displayed for at least 7 consecutive days.

7.10.5 Each income and expenditure account and balance sheet shall include details of the Special Fund and an estimate of the time when there will be a need to draw on the Special Fund, and the amount of money that will be then needed.

7.10.6 if the Owners at an Owners' meeting decide that any income and expenditure account and balance sheet for a financial year should be audited by an independent auditor of their choice, the Premises Manager shall without delay arrange for such an audit to be carried out by that auditor at the Owners' expenses.

7.10.7 The Premises Manager shall permit any Owner at any reasonable time to inspect the books or records of account and any income and expenditure account or balance sheet prepared pursuant to this Sub-Deed. The Premises Manager shall upon payment of a reasonable copying charge supply any Owner with a copy of any record or document requested by him. All such charges shall be credited to the Special Fund.

K. Premises Manager to maintain bank account

- 7.11.1 The Premises Manager shall open and maintain an interest-bearing account and shall use that account exclusively in respect of the management of the Premises.
- 7.11.2 The Premises Manager shall open and maintain one or more segregated interest-bearing accounts, each of which shall be designated as a trust account or client account, for holding money received by him from or on behalf of the Owners' Committee, if formed, in respect of the management of the Premises.
- 7.11.3 The Premises Manager shall display a document showing evidence of any account opened and maintained under Clauses 7.11.1 and 7.11.2 in a prominent place in the Premises.
- 7.11.4 Subject to Clauses 7.11.5 and 7.11.6 the Premises Manager shall without delay pay all money received by it in respect of the management of the Premises into the account maintained under Clause 7.11.1 and to hold such money on trust as trustee for the benefit of all Owners.
- 7.11.5 Subject to Clause 7.11.6 the Premises Manager may, out of money received by it in respect of the management of the Premises, retain or pay into a current account a reasonable amount to cover expenditure of a minor nature, but that amount shall not exceed such figure as is determined from time to time by a resolution of the Premises Owners' Committee (if any).
- 7.11.6 The retention of a reasonable amount of money under Clause 7.11.5 or the payment of that amount into a current account in accordance with Clause 7.11.5 and any other arrangement for dealing with money received by the Premises Manager shall be subject to such conditions as may be approved by a resolution of the Premises Owner's Committee (if any).
- 7.11.7 Any reference in this Section to an account is a reference to an account opened with a bank within the meaning of Section 2 of the Banking Ordinance (Cap.155), the title of which refers to the management of the Premises.

L. Obligations after the Premises Manager's appointment ends

- 7.12.1 If the Premises Manager's appointment ends for any reason, it shall within 2 months of the date its appointment end :-
- (a) prepare:
- (i) an income and expenditure account for the period beginning with the commencement of the financial year in which its appointment ends and ending on the date its appointment ended; and
- (ii) a balance sheet as at the date its appointment ended,
- and shall arrange for that account and balance sheet to be audited by an accountant or by some other independent auditor specified in a resolution of the Owners' Committee (if any) or, in the absence of any such specification, by such accountant or other independent auditor as may be chosen by the Premises Manager; and

- (b) deliver to the Owners' Committee (if any) or the Premises Manager appointed in its place any books or records of account, papers, documents and other records in respect of the control, management and administration of the Premises that are under its control or in its custody or possession.

8. MEETINGS AND COMMITTEES

A. Meeting of Owners

- 8.1.1 From time to time as occasion may require there shall be meetings of the Owners for the time being to discuss and decide matters relating to the Premises which are of common interests to the Owners in accordance with and subject to the provisions of this Sub-Deed and the Ordinance.
- 8.1.2 (a) The Premises Manager shall call the first meeting of the Owners as soon as possible but, in any event, not later than 9 months after the date of this Sub-Deed for the purpose of appointing a chairman and other members of the Owners' Committee.

(b) Once elected, the Owners' Committee shall have and shall exercise all the powers expressly conferred on the Owners' Committee by this Sub-Deed subject as provided in this Sub-Deed and the Ordinance.
- 8.1.3 A meeting of the Owners may be convened by:-
 - (a) the Owners' Committee (if any), or
 - (b) the Premises Manager, or
 - (c) the Owners of not less than five per cent (5%) of the Undivided Shares.
- 8.1.4 Notice of a meeting of Owners shall be served by the person or persona convening the meeting upon each Owner or displayed in a prominent place in the Premises at least 14 days before the date of the meeting, and that notice shall specify the place, date and time of the meeting and the resolutions (if any) that are to be proposed.
- 8.1.5 Service of a notice required to be served under Clause 8.1.4 may be effected:-
 - (a) personally upon the Owner; or
 - (b) by post addressed to the Owner at his last known address.
- 8.1.6 The quorum at a meeting of Owners shall be 10% of the Owners of the Undivided Shares. For the purpose of this Clause, the reference to "10% of the Owners" shall be construed as a reference to 10% of the number of persons who are Owners without regard to their ownership of any particular percentage of the total number of shares into which the Premises is divided and not be construed as the Owners of 10% of the Undivided Shares.
- 8.1.7 A meeting of the Owners shall be presided over by the chairman of the Owners' Committee or, in his absence, by an Owner appointed by the Owners as chairman for that meeting.

- 8.1.8 At a meeting of Owners:-
- (a) each Owner shall have 1 vote in respect of each Undivided Share that he owns;
 - (b) the votes of Owners may be given either personally or by proxy;
 - (c) if an Undivided Share is jointly owned by 2 or more persons, the vote in respect of that Undivided Share may be cast:-
 - (I) by a proxy jointly appointed by such co-owners;
 - (ii) by a co-owner appointed by the others; or
 - (iii) if no appointment has been made under Sub-clauses (i) or (ii) of this Clause 8.1.8(c), then either personally or by proxy by one of the co-owners; and, in the case of any meeting where more than one of the co-owners seeks to cast a vote in respect of the Undivided Share, only the vote that is cast, in person or by proxy, by the co-owner whose name, in order of priority, stands highest in relation to that Undivided Share in the register kept at the Land Registry shall be treated as valid; and
 - (d) if there is an equality of votes the person presiding over the meeting shall have, in addition to a deliberative vote, a casting vote.
- 8.1.9
- (a) An instrument appointing a proxy shall be in writing signed by the Owner or, if the Owner is a body corporate, under the seal of that body.
 - (b) The appointment of a proxy shall have no effect unless the instrument appointing the proxy is lodged with the person, or one of the persons, as the case may be, who convened the meeting not less than 24 hours before the time for the holding of the meeting at which the proxy proposes to vote, or within such lesser time as the chairman shall allow.
- 8.1.10 The procedure at a meeting of Owners shall be as is determined by the Owners.
- 8.1.11 The Premises Manager or the Owners' Committee (if any) shall call and convene an Annual General Meeting of the Owners once in each calendar year commencing with the year following the date of this Sub-Deed for the purpose of electing members of the Owners' Committee, considering reports, management accounts and budgets prepared by the Premises Manager and transacting any business that may be specified in the notice convening the meeting.
- 8.1.12 At any meeting of Owners, the chairman shall cause a record of the persons present and the proceedings thereof to be kept.
- 8.1.13 The Premises Manager may send a representative to such meeting of Owners and to keep a record of the persons present at and the proceedings of the meeting.
- 8.1.14 The Undivided Shares (if any) allocated to the Common Areas and the Common Facilities shall not carry any voting rights, nor shall such Undivided Shares be taken into account for the purpose of calculating the quorum of any meeting.

- 8.1.15 All resolutions passed by a simple majority at a meeting of Owners duly convened and held shall (subject to the provisions of this Sub-Deed and the Ordinance) be binding on all Owners.
- 8.1.16 Subject to the provisions of this Sub-Deed, a resolution may be passed as to the manner in which the powers and duties hereby conferred on the Premises Manager are to be exercised or carried out.
- 8.1.17 The accidental omission to give notice in accordance with Clause 8.1.4 to any Owner shall not invalidate the meeting or any resolution passed thereat.
- 8.1.18 At a meeting of Owners where members including the chairman of the Owners' Committee are to be elected, the following procedure shall be adopted. The candidates for election shall be proposed and seconded by an Owner present either in person or by proxy at the meeting. As soon as a candidate has been proposed and seconded and provided that such candidate consents to be elected, his name will be put before the meeting who will then vote thereon.
- 8.1.19 In the event that the appointment of the Premises Manager for the time being of the Premises should terminate for any reason or if the Premises Manager, becomes bankrupt or is being wound up or has a receiving order made against him, then, the Owners of the Premises shall meet for the purpose of appointing another Premises Manager and all the foregoing provisions relating to the conduct of proceedings in the meeting of Owners shall apply to such meeting.

B. The Owners' Committee

- 8.2.1 The Owners' Committee shall consist of not less than three (3) but not more than seven (7) members, one of whom shall be the chairman, elected in accordance with the provisions of Clauses 8.1.2 and 8.1.18.

Provided That if a **Workshop** is co-owned by more than one person, only one of such co-owners shall be eligible for election as a member of the Owners' Committee and in the event of an Owner being a corporate body, any representative appointed in writing by such Owner shall be eligible for election as a member of the Owners Committee Provided Further That if the appointment of a representative by a corporate Owner is revoked at any time when such representative is elected a member of the Owners' Committee, the corporate Owner may in writing appoint another person as its representative in substitution and the new representative shall take the place of the representative whose appointment has been revoked by the corporate Owner as a member of the Owners' Committee.

- 8.2.2 The functions of the Owners' Committee shall be limited to the following :-
 - (a) representing the Owners in all dealings with the Premises Manager;
 - (b) liaising with the Premises Manager in respect of all matters concerning the Premises; and
 - (c) exercising all other powers and duties conferred on the Owners' Committee under this Sub-Deed.
- 8.2.3 A meeting of the Owners' Committee may be convened at any time by the Premises Manager or the chairman or any two (2) members of the Owners' Committee.

- 8.2.4 Notice of a meeting of the Owners' Committee shall be served by the person or persons convening the meeting upon each member of the Owners' Committee at least seven (7) days before the date of the meeting, and that notice shall specify the place, date and time of the meeting and the resolutions (if any) that are to be proposed.
- 8.2.5 Service of a notice required to be served under Clause 8.2.3 may be effected :-
- (a) personally upon the member of the Owners' Committee; or
 - (b) by post addressed to the member of the Owners' Committee at his last known address;
or
 - (c) by leaving the notice at the **Workshop** owned by the member.
- 8.2.6 The quorum at a meeting of the Owners' Committee shall be fifty per cent (50%) of the members of the Owners' Committee (rounded up to the nearest whole number) or three (3) such members, whichever is the greater,
- 8.2.7 A meeting of the Owners' Committee shall be presided over by :-
- (a) the chairman; or
 - (b) in the absence of the chairman, a member of the Owners' Committee appointed as chairman for that meeting.
- 8.2.8 At a meeting of the Owners' Committee, each member present shall have one (1) vote on a question before the Owners' Committee and if there is an equality of votes the chairman shall have, in addition to a deliberative vote, a casting vote.
- 8.2.9 The procedure at meetings of the Owners' Committee shall be as is determined by the Owners' Committee.
- 8.2.10 All resolutions passed by a simple majority at such meeting duly convened and held in accordance with the provisions of this Sub-Deed and the Ordinance and in proper exercise of the powers conferred on the Owners' Committee by this Sub-Deed shall (subject to the provisions of this Sub-Deed and the Ordinance) be binding on its members as well as all other Owners of the Premises.
- 8.2.11 No remuneration shall be payable to the Owners' Committee or any Owners' Committee member but such members shall be entitled to be reimbursed for all out-of-pocket expenses reasonably incurred in carrying out their duties.
- 8.2.12 All members (including the chairman) of the Owners' Committee shall retire from their office every year at the Annual General Meeting of the Owners and new chairman and other members of the Owners' Committee shall be elected at such General Meeting Provided that the chairman and other members of the Owners' Committee retiring at such Annual General Meeting may stand again for re-election.
- 8.2.13 A member of the Owners' Committee ceases to hold office if :-
- (a) he resigns by notice in writing to the Owners' Committee; or
 - (b) he or the person appointing or authorizing him ceases to be an Owner of the Undivided Shares; or

- (c) he becomes bankrupt or insolvent or enters into a composition with his creditors or is convicted of a criminal offence other than a summary offence not involving his honesty or integrity; or
- (d) he becomes incapacitated by reason of physical or mental illness or death; or
- (e) in the case of an elected member he is removed from office by the Owners who he represents by ordinary resolutions of a duly convened meeting of such Owners or in the case of an appointed member he is removed from office by notice to that effect to the Owners' Committee given by the Owners who have the right to appoint him; or
- (f) he resides abroad.

8.2.14 The Owners' Committee may continue to act notwithstanding any vacancy in its number as long as the number is not reduced below two (2) and where the number is reduced to only two (2) the quorum for its meeting shall be two (2) Provided That if the number is reduced below two (2), the sole member of the Owners' Committee may act for the purpose only of electing another member of the Owners' Committee.

8.2.15 Subject to Clause 8.2.12, if at any time there is any casual vacancy in the number of members of the Owners' Committee, the Owners' Committee shall meet for the purpose of appointing any eligible Owner to fill the vacancy Provided That any person so appointed shall vacate such office at the next Annual General Meeting of the Owners and a formal election shall be conducted at such Annual General Meeting to fill the vacancy.

8.2.16 Removal of Owners' Committee members.

(a) Any extraordinary meeting of the Owners may be convened for :-

- (i) removing from office any member of the Owners' Committee elected by such Owners under Clause 8.2.1; and/or
- (ii) electing a new member of the Owners' Committee to replace any member of the Owners' Committee elected by the Owners under Clause 8.12 who has :-
 - (1) ceased to be such member under Clause 8.2.13; or
 - (2) been removed as provided in Clause 8.2.16(a)(i) above.

(b) The following shall apply to a meeting referred to in Clause 8.2.16(a) :-

- (i) The meeting may be convened by the Premises Manager or Owner(s) of not less than ten per cent (10%) of the Undivided Shares.
- (ii) No business shall be transacted at such a meeting unless a quorum is present when the meeting proceeds to business. The quorum at such a meeting shall be ten per cent (10%) of the Owners of the Undivided Shares. If a quorum is not present within half an hour of the time appointed for the meeting, the meeting shall stand adjourned to the same time and day in the next week at the same place, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Owner(s) present in person shall constitute the quorum.

- (iii) The Owner elected as chairman at such a meeting shall be the chairman of the meeting.
- (iv) Resolutions in the meeting shall be passed by a simple majority of votes of the Owners present in person or by proxy and voting. In the case of equality of votes, the chairman of the meeting shall have a second or casting vote.
- (v) Subject to Clauses 8.2.16 (b) (i) to (iv), the provisions of Clause 8.1 shall apply, mutatis mutandis, to such a meeting.

8.2.17 In the event of resignation or termination of service of the Premises Manager and prior to the appointment of any new Premises Manager, the Premises Owners' Committee shall be responsible for and shall have full power to undertake the management of the Premises and to exercise all the powers conferred on the Premises Manager by this Sub-Deed.

C. Contracts entered into by the Owners' Committee

8.3.1 The Owners' Committee shall not, in any Financial Year, enter into any contract for supplies, goods or services that involves:

- (a) an average annual expenditure of more than 20% of the Budget or revised Budget, as the case may be, for that Financial Year; or
- (b) amount in excess of HK\$200,000.00 (or such other amount as the Secretary for Home Affairs may specify by notice in the Gazette),

whichever is lesser, unless by invitation to tender and the contract complies with such standards and guidelines as may be specified in a Code of Practice referred to in Section 20A of the Ordinance relating to such procurement.

9. EXCLUSIONS AND INDEMNITIES

9.1 The Premises Manager, its servants, agents or contractors shall not be liable to the Owners or any of them or to any person or persons whomsoever whether claiming through, under or in trust for any Owner or otherwise, for or in respect of any act, deed, matter or thing done or omitted in pursuance or purported pursuance of the provisions of this Sub-Deed not being an act or omission involving criminal liability or dishonesty or gross negligence or wilful default and the Owners shall fully and effectually indemnify the Premises Manager, its servants, agents or contractors from and against all actions, proceedings, claims and demands whatsoever arising directly or indirectly out of or in connection with the management of the Premises or any such act, deed, matter or thing done or omitted as aforesaid and all costs and expenses in connection therewith and not involving criminal liability or dishonesty or gross negligence or wilful default on the part of the Premises Manager, its servants, agents or contractors. Without in any way limiting the generality of the foregoing, the Premises Manager, its servants, agents or contractors shall not be held liable for any damage, loss or injury caused by or in any way arising out of:-

- (a) any defect in or failure or breakdown of any of the Common Areas and the Common Facilities; or
- (b) any failure, malfunction or suspension of the supply of water, electricity or other utility or service to the Premises; or
- (c) fire or flooding or the overflow or leakage of water from anywhere whether within or outside the Premises; or
- (d) the activity of termites, cockroaches, rata, mice or other pests or vermin; or
- (e) theft, burglary or robbery within the Premises;

UNLESS it can be shown that such damage, loss or injury was caused by an act or omission of the Premises Manager, its servants, agents or contractors involving criminal liability or dishonesty or gross negligence or wilful neglect and PROVIDED THAT the management contribution or any other charges payable under this Sub-Deed or any part thereof shall not be abated or cease to be payable on account thereof.

9.2 Each Owner shall be responsible for and shall indemnify the Premises Manager and the other Owners and occupiers for the time being against actions, proceedings, claims and demands whatsoever arising out of or in respect of any loss or damage to any person or property caused by or as the result of the act or negligence of any occupier of any **Workshop** of which he has the exclusive use or any person using such **Workshop** with his consent express or implied or by, or through, or in any way owing to the overflow of water or spread of fire or leakage of electricity therefrom.

9.3 Each Owner shall be responsible for and shall indemnify the Premises Manager and the other Owners and occupiers for the time being against the acts defaults negligence and omissions of all persons occupying any **Workshop** of which he has the exclusive use with his consent, express or implied, and to pay all costs, charges and expenses incurred in repairing or making good any loss or damage to the Premises or any part or parts thereof or any of the Common Areas and the Common Facilities therein or thereon caused by the act, neglect or default of all such persons. in the case of loss or damage which the Premises Manager is empowered by this Sub-Deed to make good or repair, such costs, charges and expenses shall be recoverable by the Premises Manager and in the case of loss or damage suffered by other Owners or occupiers for which the Premises Manager is not empowered by this Sub-Deed or for which the Premises Manager has elected not to repair or make good, such costs, charges and expenses together with all other damages recoverable by law shall be recoverable by the person or persons sustaining the loss or damage.

10. EXTINGUISHMENT OF RIGHTS UNDER THIS SUB-DEED

10.1 In the event of the Premises or any part thereof is damaged by fire, typhoon, earthquake, subsidence or other causes (which part shall be referred as the "Damaged Part") so that it is substantially unfit for habitation, occupation or use, the Owners (the "Affected Owners" in this

Clause 10) of not less than 75% of Undivided Shares relating to the Damaged Part (excluding any Common Parts Shares) (the "Relevant Shares") may convene a meeting of the Owners of the Damaged Part. At such meeting the Affected Owners may resolve;

- (a) that it is not practicable to reinstate the Damaged Part in which case the Affected Owners shall forthwith assign the Relevant Shares and the Damaged Part to the Premises Manager or such other person as may be resolved by the Affected Owners upon trust to dispose of them as soon as reasonably practicable by public auction or private treaty and to distribute the net proceeds of sale to the Affected Owners in proportion to the number of Relevant Shares previously held by each Affected Owner. All insurance money received in respect of the Damaged Part shall likewise be distributed amongst the Affected Owners; or
- (b) to rebuild or reinstate the Damaged Part in which case the Affected Owners shall pay any costs of reinstating the Damaged Part which are not recovered from the insurance thereof in proportion to the number of Relevant Shares held by each Affected Owner. Until such payment the same will be a charge upon the Relevant Shares of each Affected Owner and shall be recoverable as a civil debt by the Premises Manager under this Sub-Deed.

10.2 The following provisions shall apply to a meeting convened pursuant to Clause 10.1:

- (a) the meeting shall be convened by at least 14 days' notice in writing posted on the public notice boards of the Premises (if existing but if not then posted on an appropriate part of the Premises or the Premises or the site of the Building and published in an English and a Chinese language newspaper circulating in Hong Kong) specifying the time and place of the meeting;
- (b) no business shall be transacted unless a quorum is present when the meeting proceeds to business and the Premises Owners of not less than 75% of the Relevant Shares present in person or by proxy shall be a quorum;
- (c) if within half an hour from the time appointed for the meeting a quorum is not present, the meeting shall be adjourned to the same time and day in the next week at the same place;
- (d) the meeting shall be presided over by an Affected Owner or such other person appointed as chairman for that meeting;
- (e) the chairman shall cause a record to be kept of the persons present at the meeting and notes of the proceedings thereof;
- (f) every Affected Owner shall have one vote. Owners who are co-owners of a **Workshop** which is part of the Damaged Part shall have one vote and in case of dispute the co-owner whose name stands highest in relation to that **Workshop** in the register kept at the Land Registry shall have the right to vote. The chairman of the meeting shall have no second or casting vote when there is an equality of votes;
- (g) votes may be given either personally or by proxy;
- (h) the instrument appointing a proxy shall be deposited with the chairman of the meeting at the meeting;

- (l) a resolution of not less than 75% majority passed at a meeting duly convened under this Clause 10.2 shall bind all the Affected Owners Provided That:
 - (i) the notice convening the meeting specified the intention to propose a resolution concerning such matter;
 - (ii) any resolution purported to be passed at any such meeting concerning any other matter shall not be valid; and
 - (iii) no resolution shall be valid if it is contrary to this Sub-Deed; and
- (j) the Premises Manager shall have the right to attend the meeting.

11. WORKS AND INSTALLATIONS

11.1 The First Owner shall at its own expense compile for the reference of the Owners and the Premises Manager a maintenance manual for the Works and Installations ("the W&I Maintenance Manual") which shall set out the following details:

- (a) as-built record plans of the Premises and the Works and Installations together with the necessary technical information (such as specifications of materials and design standard) for maintenance of all Works and Installations;
- (b) all warranties and guarantees (if any) provided by contractors (together with the names of the companies providing the warranty and the contact telephone numbers) in respect of all Works and Installations;
- (c) recommended maintenance strategy and procedures for the Works and Installations;
- (d) a list of items of the Works and Installations requiring routine maintenance and:-
 - (i) the recommended frequency of routine maintenance inspection; and
 - (ii) checklist and typical inspection record sheets for routine maintenance inspection of such Works and Installations; and
- (e) recommended maintenance cycle of the Works and Installations.

11.2 The First Owner shall deposit a full copy of the W&I Maintenance Manual at the management office of the Premises within one month of the date hereof.

11.3 All Owners may inspect such deposited W&I Maintenance Manual at the management office of the Premises during normal office hours free of charge. A copy of the W&I Maintenance Manual shall be provided to any Owner upon request at the expense of such Owner and on the payment of a reasonable charge. All such charges shall be credited to the Special Fund.

11.4 The Owners must at their own expense inspect, maintain and carry out all necessary works for the maintenance of the Premises and their own **Workshops** including the Works and Installations.

11.5 After the W&I Maintenance Manual has been deposited in accordance with Clause 11.2 the Owners may by a resolution at an Owners' meeting revise, as may be necessary (e.g. the addition of works and installations in the Premises, the updating of maintenance strategies in step with changing requirements, etc.), the Third Schedule and/or the W&I Maintenance Manual, in which event the Premises Manager shall procure from a qualified professional or consultant (as may be prescribed by a resolution at an Owners' meeting) the revised Third Schedule and/or the revised W&I Maintenance Manual within such time as may be prescribed by a resolution at an Owners' meeting. All costs incidental to the preparation of the revised Third Schedule and/or the revised W&I Maintenance Manual shall be paid out of the Special Fund.

11.6 The Premises Manager shall deposit the revised W&I Maintenance Manual at the management office of the Premises within one month from the date of its preparation. Clauses 11.4 and 11.5 shall apply (*mutatis mutandis*) to the revised W&I Maintenance Manual.

12. COMMON AREAS AMONG SOME BUT NOT ALL OWNERS

Notwithstanding Clause 6.11, an Owner may convert or designate any part of his **Workshop** or any part of the Premises owned by such Owner as common areas for the common use or benefit of some but not all Owners (the "**affected owners**" in this Clause 12), subject to the approval of the affected owners (but not any other Owner) and Provided That no expenses for the maintenance or management of such common areas shall be borne or paid by the Owners other than the affected owners. The affected owners may not reconvert or re-designate any such common areas to the own use or benefit of one or more of them unless it is so provided for when the area in question was so converted or designated. For the avoidance of doubt, such common areas shall not be regarded as forming part of the Common Areas and the Premises Manager shall have no obligation to manage such common areas,

13. MISCELLANEOUS

13.1 Nothing in this Sub-Deed shall prejudice the operation of the Ordinance and the Schedules thereto. If any provisions contained in this Sub-Deed conflict with the Ordinance and the Schedules thereto, the Ordinance and the Schedules thereto shall prevail.

13.2 Each Owner and the Premises Manager covenants with each other and the Premises Manager to comply with the terms of the conditions of the Government Lease so long as they remain as owner of Undivided Share and the manager of the Premises.

13.3 No person shall after ceasing to be the Owner of any Undivided Shares in the Premises be liable for any debts liabilities or obligations under the covenants terms and conditions of this Sub-Deed in respect of such Undivided Shares and/or the part of the Premises held therewith save and except in respect of any breach non-observance or non-performance by such person of any such covenant or term or condition prior to his ceasing to be the Owner thereof.

13.4 Each Owner shall upon request notify the Premises Manager as to the name and address of the person authorized by that Owner to accept service or process. All Owners must provide the Premises Manager with an address within the jurisdiction for service of notices under the terms of this Sub-Deed failing which the address of the **Workshop** shall be deemed to be his address for service.

13.5 The provisions of the Schedules 7 and 8 to the Ordinance, including any which have not been set out or set out in full herein, shall be incorporated in and form part of this Sub-Deed. In case of any inconsistency between the provisions of the said Schedules 7 and 8 and the provisions of this Sub-Deed, the provisions of the said Schedules 7 and 8, shall prevail.

13.6 All the Undivided Shares (if any) allocated to the Common Areas and the Common Facilities (if any) together with all the Common Areas and the Common Facilities (if any) shall:-

- (a) upon the execution of this Sub-Deed, be assigned by the First Owner to and be vested in the Premises Manager free of costs or contribution to be held upon trust for the benefit of all Owners; and
- (b) upon termination of the Premises Manager's appointment or in the event that the Premises Manager shall resign or be wound up or having a receiving order made against it or is removed and another Premises Manager be appointed in its stand in accordance with this Sub-Deed, be assigned by the outgoing Premises Manager or the liquidator or the receiver to the Premises Manager's successor in office free of costs or consideration.

13.7 Notwithstanding anything in this Sub-Deed, the Undivided Shares allocated to the Common Areas shall not carry any liability to contribute to the Management Expenses, or make any payment under this Sub-Deed, and such Undivided Shares allocated to the Common Areas shall not carry any voting rights (at any meeting whether held under this Sub-Deed, the Ordinance or otherwise) or be taken into account in calculating the quorum at any meeting.

13.8 All notices or demands required to be served hereunder shall be sufficiently served, if addressed to the Owner intended to receive the same and sent by prepaid post to or left at the last address (if any) of such Owner as notified to the Premises Manager Provided However that where notices are to be given to an Owner who is a mortgagee such notices shall be served on the mortgagee if a company at its registered office or last known place of business in Hong Kong and if an individual at his last known address. All notices required to be given to the Premises Manager shall be properly served if sent to the registered office or last known place of business of the Premises Manager or left at the Premises Manager's office in the Premises.

13.9 The First Owner shall at its own cost provide within one month after the date of this Sub-Deed a direct translation in Chinese of this Sub-Deed and deposit a copy of this Sub-Deed and the Chinese translation in the management office of the Premises for inspection by all Owners free of costs and for taking copies at their own expense and upon payment of a reasonable charge. All charges received must be credited to the Special Fund. In the event of any dispute between the English version of this Sub-Deed and the Chinese translation of this Sub-Deed, the former shall prevail.

13.10 The First Owner shall at its own cost deposit a copy of Schedules 7 and 8 to the Ordinance (English and Chinese versions) in the management office of the Premises for reference by all Owners free of costs and for taking copies at their own expenses and upon payment of a reasonable charge. All charges received must be credited to the Special Fund.

IN WITNESS whereof the parties have duly executed this Sub-Deed the day and year first above written.

First Schedule

Part I

The Premises:-

ALL THOSE 20 equal undivided 282nd parts or shares of and in ALL THAT piece or parcel of ground registered in the Land Registry as CHAI WAN INLAND LOT NO.38 AND of and in the messuages erections and buildings thereon now known as "SZE HING LOONG INDUSTRIAL BUILDING", Lee Chung Street and Hong Man Street ("the Building") TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THAT the FOURTH FLOOR (including portion of the FLAT ROOF) of the Building which said Factory and Flat Roof are more particularly shown on the 4th Floor Plan annexed to an Assignment registered in the Land Registry by Memorial No.UB1122303 ("the said Assignment") and thereon coloured Pink.

Part II

The Second Owner's Property:-

ALL THOSE 2 equal undivided 123rd parts or shares of and in ALL THOSE 20 equal undivided 282nd parts or shares of and in the Land AND of and in the Building TOGETHER with the sole and exclusive right and privilege to hold use occupy and enjoy ALL THAT UNIT NO.50 of on the 4TH FLOOR of the said SZE HING LOONG INDUSTRIAL BUILDING.

Part III

The Government Lease:-

A Government Lease is deemed to have been issued under and by virtue of the provisions of the Conveyancing and Property Ordinance (Cap.219) upon compliance with the conditions precedent contained in certain Agreement and Conditions of Exchange deposited and registered in the Land Registry as Conditions of Exchange No.9787, particulars whereof are as follows :-

- (a) Date : The 14th day of November 1970.
- (b) Parties : The Governor of Hong Kong of the one part and Luk Yau and Luk (or Luke) Kwai the Executors of the Will of Luk (or Luke) Ki (or Kee) alias Luk Chiu deceased and the Administrators de bonis non of the estate of Luk Shek Fuk (or Fook) deceased of the other part.
- (c) Term : 75 years from the 18th day of January 1971 with a right of renewal for a further term of 75 years.
- (d) Lot No. : Chai Wan Inland Lot No.38

Second Schedule

Part I

Allocation of Undivided Shares

Unit No.	Undivided Shares	Unit No.	Undivided Shares	Unit No.	Undivided Shares
01	1	2 6	1	5 1	1
02	1	2 7	1	5 2	1
03	1	2 8	1	5 3	1
04	2	2 9	1	5 4	1
05	2	3 0	1	5 5	1
06	3 *	3 1	1	5 6	1
07	2 *	3 2	1	5 7	2
08	1 *	3 3	1	5 8	3
0 9	2 *	3 4	1	5 9	2
1 0	3 *	3 5	1	6 0	2 *
1 1	2 *	3 6	1	6 1	2 *
1 2	2 *	3 7	1	6 2	2 *
1 3	2 *	3 8	1	6 3	2 *
1 4	2 *	3 9	1	6 4	2 *
1 5	2 *	4 0	1	6 5	2 *
1 6	2 *	4 1	1	6 6	2 *
1 7	2 *	4 2	1	6 7	2 *
1 8	2 *	4 3	1	6 8	2 *
1 9	2 *	4 4	1	6 9	2 *
2 0	2 *	4 5	2	7 0	2 *
2 1	2 *	4 6	1	7 1	2 *
2 2	2 *	4 7	1	7 2	1 *
2 3	1	4 8	1	7 3	2 *
2 4	1	4 9	1	7 4	2 *
2 5	1	5 0	2	common areas	9

Total number of Undivided Shares 123/123 of 20/282

* together with portion of flat roof appertaining thereto

Part II

Allocation of Management Shares

Unit No. Management Shares	Unit No. Management Shares	Unit No. Management Shares			
0 1	1	2 6	1	5 1	1
0 2	1	2 7	1	5 2	1
0 3	1	2 8	1	5 3	1
0 4	2	2 9	1	5 4	1
0 5	2	3 0	1	5 5	1
0 6	3	3 1	1	5 6	1
0 7	2	3 2	1	5 7	2
0 8	1	3 3	1	5 8	3
0 9	2	3 4	1	5 9	2
1 0	3	3 5	1	6 0	2
1 1	2	3 6	1	6 1	2
1 2	2	3 7	1	6 2	2
1 3	2	3 8	1	6 3	2
1 4	2	3 9	1	6 4	2
1 5	2	4 0	1	6 5	2
1 6	2	4 1	1	6 6	2
1 7	2	4 2	1	6 7	2
1 8	2	4 3	1	6 8	2
1 9	2	4 4	1	6 9	2
2 0	2	4 5	2	7 0	2
2 1	2	4 6	1	7 1	2
2 2	2	4 7	1	7 2	1
2 3	1	4 8	1	7 3	2
2 4	1	4 9	1	7 4	2
2 5	1	5 0	2	common areas	9

Total number of Management Shares 123/123 of 20/282

Third Schedule

Works and Installations

The following works and instalments, to the extent forming the Common Parts:-

- (i) structural elements;
- (ii) external walls finishes and roofing materials;
- (iii) fire safety elements;
- (iv) the slope structures (if applicable);
- (v) plumbing system;
- (vi) drainage system;
- (vii) fire services installations and equipment;
- (viii) electrical wiring system;
- (ix) lift installations (if applicable);
- (x) gas supply system;
- (xi) window installations; and
- (xii) other major items (e.g. central air-conditioning and ventilation system, escalators etc. (if any))

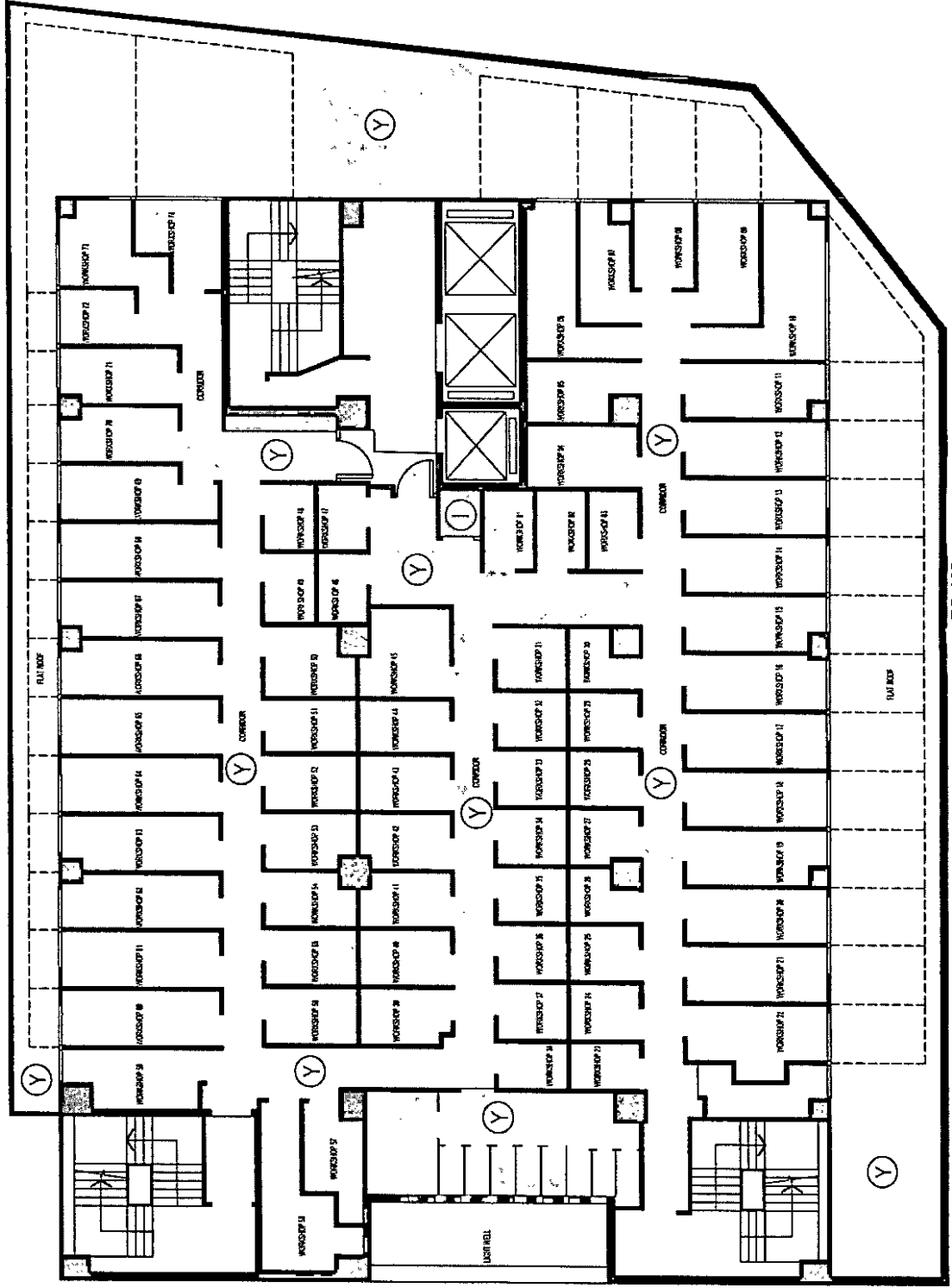
SIZE HING LOONG INDUSTRIAL BUILDING
NO.44 LEE CHUNG STREET
CHAI WAN, HONG KONG
LOT NO. C.W.I.L.38



註冊編號 Memorial No.:
20020400180247

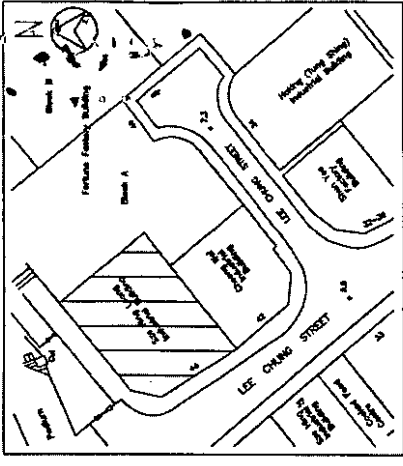
A4C

⊙ = YELLOW ⊕ = PINK ⊙ = INDIGO



4TH FLOOR PLAN

(THIS FLOOR PLAN IS FOR IDENTIFICATION PURPOSE ONLY)



BLOCK PLAN

(Handwritten signature)

LAU CHI LEUNG
 Authorized Person (Architect)
 Certificate Registration No. AP(A) 80/79