

A copy of this Prospectus, having attached thereto certain documents specified herein has been delivered to the Registrar of Companies for registration.

HOPEWELL HOLDINGS LIMITED

合和實業有限公司

(Incorporated under the Hong Kong Companies Ordinance)



NEW ISSUE

of

**25,000,000 SHARES OF HK\$2 EACH AT \$5
PER SHARE**

PAYABLE IN FULL ON APPLICATION

Closing Date for Applications 11th August, 1972

UNDERWRITERS

Wardley Limited

Jardine Fleming & Company
Limited

The Date of this Prospectus is 8th August, 1972

Application has been made to the Committees of Far East Exchange Limited and the Kam Ngan Stock Exchange Limited for permission to deal in and for quotation for the whole of the issued share capital of Hopewell Holdings Limited ("the Company").

In compliance with the Rules of Far East Exchange Limited and the Kam Ngan Stock Exchange Limited governing the official listing of company shares, it is expressly provided, and it is a condition of this Prospectus, that no person or corporation who is an existing shareholder of the Company is permitted to apply for the shares comprised in this Prospectus either in his own name or in the name of nominees.

Throughout this Prospectus the currency referred to is the Hong Kong Dollar.

HOPEWELL HOLDINGS LIMITED

(Incorporated under the Hong Kong Companies Ordinance)

SHARE CAPITAL

Authorised	
150,000,000 shares of \$2 each	\$300,000,000
Issued and fully paid	
75,000,000 shares of \$2 each	\$150,000,000
To be issued as fully paid	
25,000,000 shares of \$2 each	\$ 50,000,000
	<u>\$200,000,000</u>

As set out on page 15 of this Prospectus, the Directors of the Company estimate that in the absence of unforeseen circumstances, the consolidated profit after taxation for the year ending 30th June, 1973 will amount to not less than \$42 million (42 cents per share) and the dividends in respect of that year will be not less than 33 cents per share, representing at the offer price of \$5 per share:—

Price earnings ratio	11.9 times
Dividend Yield	6.6%
Dividend Cover	1.27 times

The shares now being issued will rank pari passu with the existing shares of the Company and holders thereof will be entitled to participate in all dividends for the year ending 30th June, 1973 and thereafter.

Subsidiaries of the Company have outstanding bank loans and advances which, at 30th June, 1972 totalled \$15,892,373. Save as aforesaid or as mentioned herein and apart from inter-group indebtedness, neither the Company nor any of its subsidiaries has outstanding any loan capital, mortgages, debentures, charges, bank or other similar indebtedness, hire purchase commitments or (except in the ordinary course of business) guarantees or other material contingent liabilities.

In the absence of unforeseen circumstances, the Board intends to pay an interim dividend of \$0.11 per share on or before 31st March, 1973 and to recommend a final dividend of at least \$0.22 per share payable on or before 30th September, 1973 in respect of the year ending 30th June, 1973.

The information contained in this Prospectus has been supplied by the Directors of the Company, who collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission or addition of which would make any statement in this Prospectus misleading.

The list of applications will open at 10.00 a.m. on Friday 11th August, 1972 and will close at 11.00 a.m. on the same day. Applications will be accepted by The Hongkong and Shanghai Banking Corporation, 1 Queen's Road, Central, Hong Kong from the date of this Prospectus until the closing time of 11.00 a.m. on 11th August, 1972.

PROCEDURE FOR APPLICATION

THE HONGKONG AND SHANGHAI BANKING CORPORATION of 1 Queen's Road, Central, Hong Kong is authorised by the Company to receive at the above address, applications for the purchase of the above-mentioned shares of \$2 each at the price of \$5 per share, PAYABLE IN FULL ON APPLICATION.

In addition to the payment of the issue price in full, applicants will also be required to pay brokerage of 1% of the issue price making a total of \$5,050 per 1,000 shares. The 1% brokerage will be paid to members of the Far East Exchange Limited or the Kam Ngan Stock Exchange Limited.

Applications must be made on the appropriate forms which together with copies of this Prospectus may be obtained from the Main Office of The Hongkong and Shanghai Banking Corporation or at any of its local branch offices, or any members of Far East Exchange Limited or Kam Ngan Stock Exchange Limited or from the office of Jardine Fleming & Company Limited, 4th Floor, Jardine House, Pedder Street, Hong Kong.

Applications must be for a minimum of 1,000 shares or in multiples of 1,000 shares up to 5,000 shares and thereafter in multiples of 5,000 shares up to 50,000 shares, and thereafter in multiples of 10,000 shares up to 100,000 shares. All applications in excess of this number must be in multiples of 25,000 shares. All applications must be made on the appropriate form and be lodged with The Hongkong and Shanghai Banking Corporation at their Main Office, 1 Queen's Road, Central, Hong Kong together with a remittance of \$5.05 per share not later than 11.00 a.m. on Friday 11th August, 1972. A separate cheque, banker's order or cashier order made payable to HOPEWELL HOLDINGS LIMITED must accompany each application. APPLICATIONS MUST BE ACCOMPANIED BY A PERSONALISED CHEQUE IN THE SAME NAME AS THE APPLICANT OR A BANK'S CASHIER ORDER ON THE REVERSE OF WHICH THE ISSUING BANK HAS CERTIFIED THE NAME OF THE PURCHASER, WHICH MUST BE THE SAME NAME AS THE APPLICANT. APPLICATIONS THAT DO NOT COMPLY WITH THE FOREGOING WILL BE REJECTED. Multiple applications and suspected multiple applications may be rejected. Acceptance of applications may be subject to ballot to be conducted in such manner as may be approved by the Directors, who have full discretion to reject any application without assigning a reason. All cheques will be banked on Saturday 12th August, 1972.

Special consideration will be given to applications from the employees of the Company to be submitted to the Board of Directors for their approval to an extent not exceeding 2,500,000 shares (10% of the issue) if made on the special pink Application Forms available from the Secretaries of the Company. Such applications must be for a minimum of 500 shares or in multiples of 500 shares and must be accompanied by a remittance of \$2,525 per multiple of 500 shares and must be returned to the Secretaries of the Company by 12 noon on 9th August, 1972.

No receipt will be issued in respect of any application moneys but an acknowledgement will be sent through the post not later than Saturday 19th August, 1972 in the form of a share certificate for all or part of the shares applied for. If an application is not accepted, or where the number of shares for which the application is accepted is less than the number applied for, the application money, or surplus application money as the case may be, will be returned in full by cheque made out to the applicant named on the application form and crossed "Account Payee Only" through the post at the risk of the applicant to the address specified in the form of application.

All acceptances will be conditional upon the granting to the Company by the Committees of the Far East Exchange Limited and Kam Ngan Stock Exchange Limited on or before Monday 21st August, 1972 permission to deal in and for quotation for the whole of the issued share capital of the Company. If such permission is not granted by that date, all application moneys will be returned and in the meantime will be held in a separate bank account.

DIRECTORS

Name	Address	Occupation
WU Chung (Chairman) 胡忠	73 Sing Woo Road, Hong Kong.	Company Director
The Hon. James Man Hon WU B.Sc., J.P. (Deputy Chairman) 胡文瀚	26B Shouson Hill Road, Hong Kong.	Company Director
Dr. Douglas LAING M.B.-B.S. (Hong Kong) D.L.O. (England) F.R.C.S. (Edinburgh) (Deputy Chairman)	25 Repulse Bay Road, Hong Kong.	Medical Practitioner
Gordon Ying Sheung WU B.S.E. (Princeton) (Managing Director) 胡應湘	Flat C, Ground Floor, 39 Perkins Road, Jardine Lookout. Hong Kong.	Civil Engineer
Eddie Ping Chang HO (Deputy Managing Director) 何炳章	Apt. 102, 116 Macdonnell Road, Hong Kong.	Company Director
Robert C. KWOK, C.A. (Director) 郭勤功	Studio Flat, Tavistock, 10 Tregunter Path, Hong Kong.	Chartered Accountant
Henry Hin Moh LEE (Director) 李憲武	Ground Floor, 75A Sing Woo Road, Hong Kong	Company Director
William PURVES, D.S.O. (Director)	83 Repulse Bay Road, Hong Kong.	Banker
John Y. WU B.Sc. (Caltech) M.Sc. (Caltech) (Director) 胡應濱	73 Sing Woo Road, Hong Kong.	Authorised Architect
Kevin K. Y. YEUNG (Director) 楊嘉仁	98 Blue Pool Road, Flat B, 1st Floor, Hong Kong.	Company Director

BANKERS

The Hongkong and Shanghai Banking Corporation	1 Queen's Road, Central, Hong Kong.
First National City Bank	Solar House, 28 Des Voeux Road, Central, Hong Kong.

SOLICITORS

Messrs. Deacons	Union House, 6th Floor, Hong Kong.
Messrs. Woo & Kwan	1724 Prince's Building, Hong Kong.

AUDITORS AND REPORTING ACCOUNTANTS

Messrs. M. W. Kwan & Co.	8th Floor, 14-16 Pedder Street, Hong Kong.
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SECRETARIES

Island (Registrars) Limited	8th Floor, 14-16 Pedder Street, Hong Kong.
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REGISTERED OFFICE

100, Morrison Hill Road,
Hong Kong.

REGISTRARS AND TRANSFER OFFICE

Central Registration Hong Kong Limited	14-16 Pedder Street, 6th Floor, Hong Kong.
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THE COMPANY AND ITS SUBSIDIARIES ("THE GROUP")

On 30th June, 1972 the Company acquired, inter alia, for cash (a) the whole of the issued share capital of Hopewell Housing Limited and (b) the whole of or the outstanding issued share capitals of the companies, not already owned by Hopewell Housing Limited, which are listed below.

1. Hopewell Construction Company, Limited
2. Shun King Investment Company Limited
3. Lin Yick Company Limited
4. Lok Foo Company, Limited
5. Parkway Company, Limited
6. Singway Company, Limited
7. Onway Company, Limited
8. Chung Lung Company, Limited
9. Tin Bo Development Company, Limited
10. Chee Shing Company Limited
11. Linkway Company, Limited
12. Tai Kwok Company, Limited
13. Conway Company, Limited
14. Foo Fat Company, Limited
15. Fook Kwong Enterprises Company, Limited
16. Moonway Company, Limited
17. Manway Company, Limited
18. Townway Company Limited became a subsidiary of the Group on 3rd July, 1972.

HISTORY AND BUSINESS

On 23rd June, 1972 Hopewell Holdings Limited was incorporated as a private company and was converted into a public company on 26th July, 1972. The principal activity of the Group, through its subsidiaries listed above, is to undertake property development to meet the demand for residential and office accommodation in Hong Kong. Some of the properties developed by the Group through its subsidiaries are retained for rental income, and others are sold to the public.

The Group is a vertically integrated business and its main activities can be summarised as follows:—

Land Purchase
Development Planning
Structural Design
Construction and Maintenance
Renting and Sales Agency.

The planning, design and supervision of the Group projects are undertaken by the firm of Messrs. Gordon Wu and Associates, Architects and Engineers, whose principals are closely associated with the Group, and Mr. Gordon Wu is the Managing Director of the Company. Fees are charged for these services to the Group in accordance with current rates. This close connection ensures that the different phases of the various operations are carried out efficiently and it enables the Group to have more flexibility in the completion of projects.

HOPEWELL HOUSING LIMITED

This company was incorporated in 1970 and is primarily concerned with the purchase of various land sites and the sale and rental of flats and offices thereon constructed. It also acts in a project management capacity for a number of associated and other property companies.

HOPEWELL CONSTRUCTION COMPANY LIMITED

This company was incorporated in 1963 and founded by Mr. Wu Chung, the present Chairman, and Mr. Gordon Wu, the present Managing Director, to act as building contractors for property development in Hong Kong.

This company has undertaken all the construction requirements of the Group, and will continue to do so in all future projects. The company has also undertaken construction projects for clients outside the Group, and this policy will be maintained in future. This company maintains the Group's wholly owned rental properties.

The company is well equipped with plant and machinery. Wherever possible emphasis is laid on mechanization to reduce labour costs and to increase efficiency. The company uses the "slip-form" construction method, and this form of construction is being successfully used in the building of Hipway Towers and Connie Towers. The speed, efficiency and simplicity of this method of construction should result in increased profits for the company in the future.

The company has an agreement with N.F. Brooker Pty. Limited of Australia for the exclusive supply from them of "slip-form" equipment to Hong Kong for a period of six years, with effect from 1st February, 1972.

An indication of the scope of the work undertaken by the construction company is illustrated by the following list of major contracts which have been completed as follows:—

Name	Lot	Location	No of Storeys	Date of Completion	Amount of Contract \$
Tak Wei Mansion (II)	K.I.L.8732	Waterloo Hill Road	19	31. 5.1966	1,700,000
Aldrich House	S.I.L.505	369-373 Shaukiwan Road	13	31. 5.1966	1,000,000
Hip Wo House	K.T.I.L.472-474	Hip Wo Street	22	22. 7.1966	4,300,000
Kam Wei Mansion	S.I.L.447 R.P. and others	16-18 Kam Wah Street	17	25. 7.1966	1,200,000
Hopewell House	K.T.I.L.468-471	Hip Wo Street	22	15. 4.1967	4,200,000
Mei Wei Mansion	I.L.2366 and others	36-38 Fort Street	11	23. 6.1967	600,000
Pinewood Garden	I.L.7943	39 Perkins Road	5	9.10.1967	800,000
Kam Sing Mansion	S.I.L.3 R.P.	230-232 Shaukiwan Road	13	3. 6.1968	500,000
(——)	M.L. 440 s.A R.P., s.J s.s.3 and others	169-171 Gloucester Road	13	25. 6.1968	500,000
Hoi Fu Mansion	S.I.L.3 R.P.	240-242 Shaukiwan Road	15	4. 7.1969	600,000
Monticello	I.L.7978	48 Kennedy Road	22	25. 7.1969	5,500,000
Caineway Mansion	I.L.522 R.P. and others	128-132 Caine Road	28	19. 8.1969	2,400,000
Shui Wo Mansion	K.T.I.L.464-465	Shui Wo Street	22	19.12.1969	1,600,000
Bonham Towers	I.L. 1714 & 1878	88 Bonham Road	28	24. 3.1970	4,000,000
Moonway Mansion	K.T.I.L.398	Yuet Wah Street	13	31.10.1970	3,400,000
Piazza Industrial Building	K.T.I.L.524 & 674	Hoi Bun Road	14	2. 4.1971	7,600,000
Weatherite Industrial Building	K.T.I.L.502	How Ming Street	15	26.10.1971	6,200,000
Hatton House	I.L.8210	15 Kotewall Road	12	26.11.1971	2,700,000
Babington House	I.L.609 s.E R.P., s.B s.s.2	5 Babington Path	18	17.12.1971	4,100,000
Everwell Gardens	K.I.L.9737	Sheung Shing Street	22	8. 6.1972	12,600,000
					<u>\$65,500,000</u>

Major contracts, which are in the course of construction by the construction company include the following:—

Name	Lot	Location	No of Storeys	Estimated Date of Completion	Amount of Contract \$
Conway Mansion	I.L.7876	29 Conduit Road	24	1972	10,200,000
Hoi Ching Mansion	S.I.L.734	Sai Wan Ho Street	25	1972	2,700,000
Hipway Towers	N.K.I.L.5347	Hip Wo St., K.T.	23	1972	8,600,000
Lisa House	K.I.L.1572 s.D and others	23 Nelson Street	28	1972	5,400,000
(To be named)	R.B.L.877	Repulse Bay Road	3	1972	1,000,000
Rosemary Towers	I.L.8239	Cloud View Road	23	1973	8,100,000
Evelyn Towers	I.L.8240	Cloud View Road	23	1973	8,300,000
Romalyn Towers,	I.L.8241	Cloud View Road	33	1973	10,800,000
Connie Towers	N.K.I.L.5350	Hong Ning Road, K.T.	24	1973	13,600,000
(To be named)	I.L.8220	Mt. Butler Road	21	1973	11,200,000
(To be named)	I.L.8036/8037	Tai Hang Drive	25	1973	9,200,000
Tung Wong Mansion	S.I.L.749/754	14-22 Shaukiwan Main Street, East	24	1973	2,000,000
(To be named)	S.L.44 R.P. and others	59-99 Shaukiwan Main Street East	28	1974	16,600,000
(To be named)	I.L.591 and others	Breezy Terrace	32	1974	27,000,000
Hopewell Centre	I.L.54 R.P. and others	Queen's Road, East	51	1974	70,000,000
					<u>\$204,700,000</u>

OTHER SUBSIDIARIES

Each of the other subsidiaries of the Group owns individual properties either for rental or development, details of which are set out in the following pages.

LAND AND BUILDINGS

Full details of the development sites which are held by the Group for investment purposes are set out below:—

Company	Lot	Name	Location	Lease Years Remaining (see note 1)	Proposed Development	Approx. Site Area s.f.	No. of Storeys	Approx. Floor Area s.f.	Building Area Car Parks Nos.	Estimated Development Cost \$	Estimated Annual Rental \$	Estimated Completion Date	Directors' Valuation at 17th July 1972 \$
Shun King Investment Company, Limited	I.L.8239	Rosemary Towers	Cloud View Road	73+75	120 luxury flats over carport	28,000	23	140,000	53,000 168	9,004,000	2,160,000	Mar. 1973	10,000,000
Lin Yick Company, Limited	I.L.8240	Evelyn Towers	"	73+75	120 luxury flats over carport	27,000	23	135,000	68,000 177	9,184,000	2,304,000	Mar. 1973	10,000,000
Lok Foo Company, Limited	I.L.8241	Romalyn Towers	"	75+75	160 luxury flats over carport	40,000	32	200,000	50,000 217	12,000,000	3,350,000	Dec. 1973	15,000,000
Parkway Company Limited	Sec.H of I.L.591 Sec.L of I.L.591 Sec.A of Ss.1 of I.L.591 Sec.I of I.L.591 Sec.M of I.L.591 R.P. of Sec.I of I.L.591 & R.P. of Ss.1 of I.L.591 Sec.I of I.L.591 R.P. of I.L.591 Sec.J of I.L.591 Sec.K of I.L.591 R.P. of I.L.591 Sec.E of I.L.591 Sec.G of I.L.591	—	1 Breezy Terrace 2 Breezy Terrace 3 Breezy Terrace 4 Breezy Terrace 5 Breezy Terrace 6 Breezy Terrace 8 Breezy Terrace 7 Breezy Terrace 9 Breezy Terrace 4 Park Road 6 Park Road 1 Po Yuen Lane 2 Po Yuen Lane 3 Po Yuen Lane	886 886 886 886 886 886 886 886 886 886 886 886	400 luxury furnished flats supermarket and offices over carport	32,292	32	295,000	206,000 720	29,978,000	9,672,000	June 1974	17,000,000
Singway Company Limited	R.P. of I.L.54 I.L.1558 R.P. of Sec.B and R.P. of I.L.54 Ss.1 of Sec.B of I.L.54 R.P. of I.L.54 R.P. of I.L.768 & R.P. of E.P. of I.L.54	Hopewell Centre	169-171 Queen's Road E. 173 Queen's Road E. 175 Queen's Road E. 181 Queen's Road E. 183 Queen's Rd. E. 185 Queen's Rd. E. 67 Spring Garden Lane 69 Spring Garden Lane 71 Spring Garden Lane 73 Spring Garden Lane 1 Kin Hang Terrace 2 Kin Hang Terrace 3 Kin Hang Terrace 4 Kin Hang Terrace 17 Kennedy Rd. 19 Kennedy Rd.	886 77 886 886 886 15+75 15+75 15+75 15+75	Offices over carport	49,884	51	730,000	360,000 1,200	78,530,000	25,848,000	Dec. 1974	51,500,000
	I.L.1921 and E.P. of I.L. 54												
	I.L.2152												
	I.L.1912												
	I.L.1910												
										<u>\$ 43,334,000</u>			<u>\$103,500,000</u>

Full details of the development sites which the Group owns and intends to develop and/or sell are as follows:—

Company	Lot	Name	Location	Lease Years Remaining (see note 1)	Proposed Development	Approx. Site Area s.f.	No. of Storeys	Floor Area s.f.	Car Parks Area s.f.	Car Parks Nos.	Estimated Development Cost \$	Estimated Completion Date	Land at Cost \$
Onway Company, Limited	I.L.8210	Hatton House	15 Kotewall Road	26+75	20 luxury flats over carport	18,050	12	49,638	13,000	50	3,225,000	Completed	—
Chung Lung Company Limited	Ss.2 of S.B. of I.L.609 & R.P. of S.E. of I.L.609	Babington House	5 Babington Path	889	32 luxury flats over carport	14,231	18	84,247	17,500	58	5,802,000	"	—
Tin Bo Development Company, Limited.	I.L.7876	Conway Mansion	29 Conduit Road	64+75	120 luxury flats over carport	36,060	24	180,300	72,100	230	11,333,000	Aug. 1972	1,950,000
Chee Shing Company Limited	S.I.L.734	Hoi Ching Mansion	Sai Wan Ho/Hoi Ching St	67+75	116 small flats over shops	6,500	24	71,750	—	—	2,996,000	Oct. 1972	1,050,000
Linkway Company, Limited	N.K.I.L.5347	Hipway Towers	133 Hip Wo St. K.T.	25	240 small flats over carport	47,720	23	165,000	66,300	242	9,531,000	Dec. 1972	3,920,000
Tai Kwok Company, Limited.	N.K.I.L.5350	Connie Towers	Hong Ning Rd. K.T.	25	280 small flats over shops	86,500	24	250,300	121,800	484	15,073,000	Mar. 1973	5,120,000
Konway Company, Limited	I.L.8220	—	Mt. Butler Road	74+75	120 luxury flats over carport	80,450	21	197,900	60,000	181	12,475,000	Sep. 1973	9,450,000
Foo Fat Company, Limited	I.L.8036	—	Tai Hang Drive	74+75	240 small flats over carport	31,340	25	156,690	87,830	276	10,203,000	Sep. 1973	4,280,000
Fook Kwong Enterprises Company, Limited	I.L.8037	—	—	—	—	—	—	—	—	—	—	—	—
Moonway Company, Limited	S.I.L.749 and 754	Tung Wong Mansion	14-22 Shaukiwan Main St. East	903	76 small flats over shops	5,606	24	51,865	—	—	2,227,000	Sep. 1973	1,500,000
Manway Company, Limited	R.P. of S.L.44 Sec.C. of S.L.45 Sec.D. of S.L.45 R.P. of S.L.45 Sec.B of S.L.45 R.P. of Sec.A of S.L.45 Sec.A of S.L.46 R.P. of S.L.46 Sec.B of S.L.46 Sec.A of S.L.47 R.P. of S.L.47 R.P. of S.L.48 Sub. Sec. 1 of Sec.A of S.L.48 Sub. Sec. 2 of Sec.A of S.L.48 R.P. of Sec. A of S.L.48 Sub. Sec. 1 of Sec.B of S.L. 48 Sub. Sec. 2 of Sec.B of S.L.48 R.P. of Sec.B of S.L.48 R.P. of S.L.49 Sec.A of S.L.49 Sec.B of S.L.49 Sec. 1 of Sec.C of S.L.49	—	59-99 (odd) Shaukiwan Main St. East	887	616 small flats over shops, carport	34,730	28	292,000	143,000	407	18,401,000	Mar. 1974	13,000,000
Hopewell Construction Company, Limited	K.T.I.L.398	Moonway Mansion	Yuet Wah Street	—	—	—	—	—	—	1	—	Completed	10,000
Hopewell Housing Limited	K.T.I.L.398	Moonway Mansion	Yuet Wah Street	—	—	—	—	—	—	1	—	Completed	8,000

\$40,288,000

Note 1. Where applicable leases are renewable, at revised Crown Rent, for a further period of 75 years as indicated.

A professional valuation of the rental properties, as listed on pages 10 and 11, was made by Mr. A. G. Wilkinson, F.R.I.C.S., F.R.V.A., in July 1972, placing a total valuation thereon of \$105,700,000.

Rosemary Towers and Evelyn Towers in Cloud View Road will provide, when completed, 240 flats with a panoramic view of Hong Kong harbour and an arrangement has been made to rent all of these flats to the Ministry of Defence on a seven year lease with four years rent payable in advance. The third property in Cloud View Road, Romalyn Towers, is in an adjacent location and it is the Directors' intention that it will, upon completion, be retained by the Company for rental purposes.

The site in Breezy Terrace will provide a block of "bachelor type" furnished apartments, together with a restaurant, a supermarket, and a shopping arcade. A total of 720 car parks will be provided, and it is estimated that the whole complex will be completed by June 1974.

The property development on the land in Queen's Road East will be one of the larger property developments in Hong Kong in recent years. The site of nearly 50,000 square feet extends from Queen's Road East to Kennedy Road. The 3rd to 15th floors will be used as a car park to cater for more than 1,200 vehicles. Access to this property will be available from both Queen's Road East and Kennedy Road. On the upper storeys it is intended to build a tower of deluxe offices, which will be column free and fully airconditioned, together with restaurant, banking and supermarket facilities. The entire complex is estimated to be completed by December 1974. This building is expected to be approximately 550 feet high and will have approximately 700,000 square feet of space available for commercial use. The building will be constructed of reinforced concrete and the "Slip-Form" method of construction will be used.

Of the flats owned by Onway Company, Limited and Chung Lung Company, Limited, enumerated on the previous page, 48 flats have been sold and payment of \$16,476,546 has been received; the remaining four flats have been rented.

CURRENT ACTIVITIES

In accordance with the Group's policy of expansion the Directors are continuing to look for sites suitable for development and although negotiations have been commenced for the acquisition of certain properties no further contracts have been entered into as at the date of this Prospectus, other than those listed below:—

1. The Company, through a new subsidiary, Townway Company Limited purchased N.K.I.L. 5461 at a Government Public Auction on 14th July, 1972 at a cost of HK\$19.2 million of which the sum of \$1 million has been paid as deposit and the balance will be paid on 14th August, 1972.
2. The Company, through its wholly owned subsidiary, Singway Company, Limited purchased 179 Queen's Road, East and 88 Canton Road on 25th July, 1972 for the total sum of \$750,000 and entered into an agreement for the purchase of 177 Queen's Road East on 25th July, 1972 at a cost of \$600,000 of which the sum of \$120,000 has been paid and the balance will be paid on or before 15th September, 1972.

The Board have resolved that Key Man Life Insurance on the Managing Director of the Company, Mr. Gordon Wu should be obtained for the sum of \$30 million, and arrangements are being made to obtain such insurance. The Company will pay the premium and will be named as the beneficiary. In the absence of any unforeseen circumstances, it is anticipated that this insurance will be obtained in the near future.

MANAGEMENT AND STAFF

Mr. Wu Chung, the Chairman of the Group and founder of the business, has had 25 years experience in the construction and real estate development business in both San Francisco and Hong Kong.

The Hon. James M. H. Wu, a Deputy Chairman, is an industrialist and businessman connected with the real estate development business for many years. He has served on a number of Government advisory boards and committees and was appointed to the Urban Council in 1968 and to the Legislative Council in June 1972.

Dr. Douglas Laing, a Deputy Chairman, has been interested in real estate development for many years. He is a medical practitioner in Hong Kong and has been involved in many community activities.

Mr. Gordon Y.S. Wu, the Managing Director, was a founder Director of Hopewell Construction Company Limited. He graduated from Princeton University in 1958 with a Degree in Bachelor of Science in Engineering. Since then he has been involved in the design and construction of more than 60 building and development projects in Hong Kong, including residential and office blocks, factories and a cinema. He is also an Authorised Architect and is a Vice President of the Hong Kong Real Estate Developers Association.

Mr. Eddie P.C. Ho, Deputy Managing Director of the Group, has had wide experience in the building and development of properties in Hong Kong and has worked closely with the Group for some time.

Mr. Henry H.M. Lee is responsible for the sales operations of the Group, and has been actively engaged in the real estate business in Hong Kong for the past several years.

Mr. Kevin K.Y. Yeung handles the administrative activities of the Group and has been active in the real estate business for some years.

The Company employs a staff of approximately 600 persons, many of whom have been with the Group's subsidiaries for several years. Management/staff relations are of a high standard, which has helped the Company to attain its present position as one of the leading property companies in Hong Kong.

PROSPECTS, PROFITS AND DIVIDENDS

The Accountants' Report which follows, contains a statement of the financial position of the Group as at 30th June, 1972.

Taking into account the anticipated income from the completion and sale of development projects and that received from rental properties, the Directors forecast that, in the absence of unforeseen circumstances, the consolidated net profits after taxation for the year ending 30th June, 1973 will be not less than \$42 million. Again, in the absence of unforeseen circumstances, it is the present intention of the Directors to pay an interim dividend in respect of the year ending 30th June, 1973 of \$0.11 per share on or before 31st March, 1973 and to recommend a final dividend of not less than \$0.22 per share on or before 30th September, 1973. The price-earnings ratio based on the anticipated net profit for the year ending 31st June, 1973 is 11.9 and the total dividend forecast for that year of not less than \$0.33 per share represents a yield on the issue price of 6.6% covered 1.27 times by the estimated net profit.

The anticipated increase in profits from approximately \$3.2 million for the year ended 30th June, 1972 to the forecast profit of not less than \$42 million for the year ending 30th June, 1973, is due to the increase in the number of subsidiaries, which will complete their development projects, and thus will contribute to the profitability of the Group.

It is the Directors' intention to operate the Group's business in a well balanced proportion between income earning rental properties and higher yielding development properties. With the demand for housing of all types in Hong Kong, the Directors anticipate the future prospects of the Company to be favourable, and they anticipate that, in the absence of unforeseen circumstances, the net profit of the Group for the year ending 30th June, 1974 will be not less than that forecast for the year ending 30th June, 1973.

PURPOSE OF ISSUE

The net proceeds of this issue, amounting to approximately \$121.5 million, after deduction of preliminary and issue expenses of approximately \$3.5 million, will be used partly to reduce Group indebtedness, but mainly to finance the overall expansion of the Group's business.

WORKING CAPITAL

The Directors are of the opinion that, taking into account the present working capital, the banking facilities of the Group and the proceeds of this issue, the Group's capital is adequate for their requirements in the foreseeable future.

ACCOUNTANTS' REPORT

The following report has been received from Messrs. M. W. Kwan & Co., the Company's Auditors.

M. W. KWAN & CO.
M. W. Kwan, M.B.E., F.C.C.A.
Certified Accountant
Robert C. Y. Kwan, M.A. (Cantab.), F.C.A.
Chartered Accountant

14/16 Pedder Street,
Hong Kong.
21st July, 1972

The Directors,
Hopewell Holdings Limited,
Hong Kong.
Gentlemen,

1. We report that your Company was incorporated on 23rd June, 1972 and that no accounts have been made up and no dividends have been declared.
2. On 30th June, 1972 the Company acquired the entire issued share capitals of the following companies, all of which are incorporated in Hong Kong:—

	Date of Incorporation
Hopewell Housing Limited	20th February, 1970
Tai Kwok Company, Limited	22nd October, 1968
Linkway Company, Limited	23rd September, 1969
Parkway Company, Limited	26th June, 1970
Onway Company, Limited	19th September, 1969
Moonway Company Limited	15th June, 1971
Chung Lung Company, Limited	25th June, 1964
Manway Company Limited	29th December, 1971

The Company on the same date acquired the outstanding issued share capitals of the following companies not already owned by Hopewell Housing Limited all of which are incorporated in Hong Kong:—

	Date of Incorporation
Shun King Investment Company Limited	11th August, 1970
Lin Yick Company Limited	26th June, 1970
Lok Foo Company Limited	18th February, 1972
Singway Company, Limited	23rd September, 1969
Tin Bo Development Company, Limited	2nd September, 1969
Chee Shing Company Limited	1st May, 1962
Konway Company Limited	13th July, 1971
Foo Fat Company Limited	14th December, 1971
Fook Kwong Enterprises Company Limited	21st September, 1971
Hopewell Construction Company, Limited	15th May, 1963

As a result of the afore-mentioned acquisitions all the above-named companies are wholly owned subsidiaries or sub-subsidiaries of the Company and for the purpose of this Report they are collectively referred to as "the Subsidiaries".

3. We have examined the accounts of the Subsidiaries with the exception of Hopewell Construction Company, Limited for the periods from the date of incorporation to 30th June, 1972 and in the case of Hopewell Construction Company, Limited for five years ended 30th June, 1972. With the exception of Shun King Investment Company Limited and Lin Yick Company Limited the accounts of which have been audited by Messrs. Walter Ma & Co. for the periods from the dates of their respective incorporations until 31st January, 1972, we have been the auditors of all the other Subsidiaries.

4. PROFITS

The following is a summary of the combined profits or losses of Hopewell Construction Company, Limited, Hopewell Housing Limited, Chung Lung Company, Limited and Onway Company Limited arrived at on the basis stated in the notes below. The other subsidiaries have not yet become income producing.

(1)	(2)	(3)	(4)	(5)	(6)
Year ended 30th June	Profits as defined below	Interest Paid	Depreciation	Taxation	Net Profits (Losses) after Taxation
1968	\$1,147,512	\$204,546	\$148,306	\$118,517	\$676,143
1969	309,052	261,017	121,549	3,788	(77,302)
1970	270,317	232,090	56,447	7,821	(26,041)
1971	82,656	371,464	166,679	(9,385)	(446,102)
1972	6,397,458	2,009,389	339,658	845,750	3,202,661

NOTES

(a) All the accounts have been prepared or adjusted to 30th June each year. Formerly the subsidiaries prepared their accounts to 31st March. In arriving at the figures as stated above, the accounts have been apportioned on a time basis in respect of Hopewell Construction Company, Limited and Hopewell Housing Limited; in the case of the two land trading companies, namely Chung Lung Company, Limited and Onway Company, Limited the profits are reflected in the year in which they arose.

(b) The profits in Column (2) above have been arrived at before charging interest, depreciation and taxation but after charging all working expenses and after making such adjustments to the audited accounts as in our opinion are appropriate.

(c) Interest paid was incurred by Hopewell Construction Company Limited and Hopewell Housing Limited to finance part of the assets held by the companies listed in paragraph 2. The Directors intend in future to charge interest against the appropriate assets or the related income instead of writing it off yearly as an expense.

(d) The rate of depreciation charged in the accounts in respect of Plant, Machinery, Furniture, Fixtures and Motor Vehicles is 20% per annum on a straight line basis. No depreciation is provided on land and buildings whilst under development. The Directors intend to depreciate the buildings held for rental at the rate of 2% per annum on a straight line basis.

(e) The charge for taxation has been adjusted to take into consideration the change of accounting date.

5. DIRECTORS REMUNERATION

No remuneration has been paid by the Subsidiaries to their Directors during the relevant periods.

6. NET ASSETS

The following is a statement of the Net Tangible Assets of the Subsidiaries based on the audited accounts at 30th June, 1972, taking into account such adjustments as in our opinion are appropriate, and after adjusting for the revaluation by the Directors of certain properties which took place on 17th July, 1972.

FIXED ASSETS

Land and Buildings at Directors' Valuation	\$103,500,000	
Buildings under construction, expenditure to date at cost ..	1,745,512	
Plant, Machinery, Furniture, Fixtures and Motor Vehicles at cost less depreciation	4,816,550	\$110,062,062

CURRENT ASSETS

Properties under development for resale		
Land at cost	\$40,288,000	
Buildings under construction expenditure to date, at cost	21,031,126	61,319,126
Investment, unquoted, at cost		1,795,000
Work in progress, at cost	34,253,697	
Less Receipts on account	31,116,327	3,137,370
Debtors, Deposits and Prepayments		3,599,395
Cash at banks and in hand		9,754,957
		<u>\$ 79,605,848</u>

LESS

CURRENT LIABILITIES

Bank loans and overdrafts	\$ 15,134,149
Bills Payable	758,224
Sales Deposits received in respect of properties under development for resale	10,950,972
Creditors and Accrued Charges	5,900,206
Provision for Corporation Profits Tax	865,000
	<u>\$ 33,608,551</u>

NET CURRENT ASSETS

\$ 45,997,297

NET TANGIBLE ASSETS OF THE SUBSIDIARIES

\$156,059,359

(a) On 17th July, 1972, the Directors of the following companies revalued the Land and Buildings held by them as Fixed Assets and the Surplus arising therefrom had been credited to Capital Reserve in the books of the respective Companies.

	Book Value	Directors' Valuation on 17th July, 1972	Capital Reserve
Shun King Investment Company Limited	\$ 2,589,541.40	\$10,000,000.00	\$ 7,410,458.60
Lin Yick Company Limited	2,770,138.00	10,000,000.00	7,229,862.00
Lok Foo Company Limited	5,200,000.00	15,000,000.00	9,800,000.00
Parkway Company, Limited	8,127,187.75	17,000,000.00	8,872,812.25
Singway Company, Limited	13,670,619.50	51,500,000.00	37,829,380.50
	<u>\$32,357,486.65</u>	<u>\$103,500,000.00</u>	<u>\$71,142,513.35</u>

The Land and Buildings owned by the above companies were valued by Mr. A. G. Wilkinson, F.R.I.C.S., F.R.V.A. in July, 1972 and the valuation placed thereon amounted to \$105,700,000, as compared with a valuation in the Company's books of \$103,500,000.00.

(b) Eleven of the Subsidiaries have executed Mortgages and Debentures to secure general banking facilities to the aggregate extent of \$60,500,000. The aggregate assets charged amounted to \$69,077,982. At 30th June, 1972, these facilities had been utilised to the extent of \$15,892,373.

(c) As at 30th June, 1972, there were contingent liabilities and commitments all relating to the Subsidiaries in respect of:—

- (i) A partly paid unquoted investment amounting to \$626,500 being balance of uncalled capital. The Directors are of the opinion that no further calls of capital will be made.
- (ii) Letters of Credit outstanding amounting to \$1,582,428 for the purchase of building machinery and materials.
- (iii) Interest payable on Sales Deposits received by one subsidiary, in the Directors' estimation, amounting to approximately \$200,000, should a building construction not be completed by August, 1972.
- (iv) Capital Expenditure amounting to approximately \$180,000,000 relating to the buildings under construction.

7. DIVIDENDS

Hopewell Construction Company, Limited has paid the following dividends during the past five years:—

Year ended	Dividend	Amount
31st March, 1970	\$320.00 per share on 3,000 Shares of \$100 each	\$960,000
31st March, 1971	\$34.00 per share on 3,000 Shares of \$100 each	\$102,000

No other subsidiary company has paid a dividend for the relevant periods.

8. ACCOUNTS

No audited accounts have been prepared for the Subsidiaries in respect of any period since 30th June, 1972.

Yours faithfully,
M. W. KWAN & CO.

STATUTORY AND GENERAL INFORMATION

1. Share Capital and Capital Changes

- (a) The Company was incorporated on 23rd June, 1972 as a private limited company with an authorised capital of \$10,000 divided into 5,000 shares of \$2 each, of which 2 shares were issued as fully paid, and commenced business on the same date.
- (b) On 24th June, 1972 the authorised capital was increased to \$300,000,000 divided into 150,000,000 shares of \$2 each.
- (c) On the 27th June, 1972, 64,124,998 shares of \$2 each were issued as fully paid for cash and on the same day, 3,375,000 shares were issued at a premium of \$1 each as fully paid for cash.
- (d) On the 18th July, 1972 the sum of \$15,000,000 standing to the credit of the Capital Reserve of the Company was capitalised and applied in paying up at par 7,500,000 shares of \$2 each credited as fully paid to the shareholders as at that date.
- (e) By virtue of the foregoing the issued capital of the Company became and is now \$150,000,000 consisting of 75,000,000 fully paid shares of \$2 each.
- (f) Other than as stated herein, no alterations have been made in the share capital of the Company and its Subsidiaries and no shares or debentures have been issued or agreed to be issued for cash or any other consideration, during the two years prior to the date of this Prospectus.
- (g) No share capital of the Company or its Subsidiaries is under option or agreed conditionally or unconditionally to be put under option.
- (h) There are no founders, management or deferred shares.
- (i) Save as disclosed herein no discounts, commissions, brokerages or other terms have been granted in connection with the issue or sale of any share capital of the Company.

2. Loan Capital and other Indebtedness

There are no outstanding debentures or loan capital other than the mortgages and debentures by the Subsidiaries in the Group in favour of their bankers to secure bank loans and facilities referred to below.

The Subsidiaries of the Company have obtained total facilities with their bankers to the extent of \$60,500,000 which, at 30th June, 1972, were utilised to the extent of \$15,892,373.

The details of the registered mortgages and debentures referred to above are as follows:—

1. By a Building Mortgage dated the 12th day of April, 1972 executed in favour of Far East Bank Limited, Linkway Company, Limited charged its property at N.K.I.L. 5347 to secure building advances to the extent of \$5,000,000.
2. By a Building Mortgage dated the 12th day of April, 1972 executed in favour of Far East Bank Limited, Tai Kwok Company, Limited charged its property at N.K.I.L. 5350 to secure building advances to the extent of \$5,000,000.
3. By a Building Mortgage dated the 24th day of April, 1972 executed in favour of First National City Bank, Shun King Investment Company, Limited and Lin Yick Company, Limited charged their respective properties at I.L. 8239 and I.L. 8240 to secure building advances to the extent of \$17,000,000.

4. By a Building Mortgage dated the 11th day of February, 1972 executed in favour of The Hongkong and Shanghai Banking Corporation, Chee Shing Company, Limited charged its property at S.I.L. 734 to secure building advances to the extent of \$3,400,000.
5. By a Mortgage dated the 14th day of May, 1970 and a Further Charge dated the 31st day of March, 1971 executed in favour of Hang Seng Bank Limited, Onway Company, Limited charged its property at I.L. 8210 to secure general banking facilities to the extent of \$2,100,000.
6. By a Debenture dated the 11th day of February, 1972 executed in favour of The Hongkong and Shanghai Banking Corporation, Hopewell Housing Limited charged all its undertaking property and assets to secure general banking facilities to the extent of \$3,000,000.
7. By a Mortgage dated the 13th day of April, 1971 executed in favour of The Hongkong and Shanghai Banking Corporation, Tin Bo Development Company, Limited charged its property at I.L. 7876 to secure general banking facilities to the extent of \$8,000,000.
8. By a Debenture dated the 28th day of May, 1965 and Further Charge dated 21st February, 1972 executed in favour of The Hongkong and Shanghai Banking Corporation, Hopewell Construction Company, Limited charged all its undertaking property and assets to secure general banking facilities to the extent of \$2,000,000.
9. By a Building Mortgage dated the 13th day of March, 1972 executed in favour of The Hongkong and Shanghai Banking Corporation, Moonway Company Limited charged its properties at S.I.L. 749 and S.I.L. 754 to secure building advances to the extent of \$3,000,000.
10. By a Building Mortgage dated the 30th day of June, 1972 executed in favour of First National City Bank, Konway Company, Limited charged its property at I.L. 8220 to secure building advances to the extent of \$12,000,000.

Save as disclosed herein, the Company and its Subsidiaries have no outstanding debentures, charges, loan capital or other material contingent liabilities.

3. Subsidiaries

- (a) Hopewell Housing Limited was incorporated on 20th February, 1970 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation. 998 shares were issued as fully paid at par for cash on 4th December, 1971. The authorised capital was increased on 14th December, 1971 to \$3,000,000 divided into 30,000 shares of \$100 each and 29,000 shares were issued as fully paid at par for cash on 16th December, 1971.
- (b) Hopewell Construction Company, Limited was incorporated on 15th May, 1963 with an authorised capital of \$300,000 divided into 3,000 shares of \$100 each. Two shares were issued on incorporation and 2,998 shares were issued as fully paid at par for cash on 11th June, 1964. The authorised capital was increased on 26th October, 1970 to \$500,000 divided into 5,000 shares of \$100 each and 2,000 shares were issued as fully paid at par for cash on the same day. The authorised capital was further increased on 2nd June, 1972 to \$3,000,000 divided into 30,000 shares of \$100 each and 25,000 shares were issued as fully paid at par for cash on 10th June, 1972.

- (c) Shun King Investment Company, Limited was incorporated on 11th August, 1970 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation and 998 shares were issued as fully paid at par for cash on 27th November, 1970. The authorised capital was increased on 18th February, 1972 to \$3,000,000 divided into 30,000 shares of \$100 each and 29,000 shares were issued as fully paid at par for cash on 30th March, 1972.
- (d) Lin Yick Company Limited was incorporated on 26th June, 1970 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation and 998 shares were issued as fully paid at par for cash on 23rd December, 1970. The authorised capital was increased on 18th February, 1972 to \$3,000,000 divided into 30,000 shares of \$100 each and 29,000 shares were issued as fully paid at par for cash on 30th March, 1972.
- (e) Lok Foo Company Limited was incorporated on 18th February, 1972 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation. The authorised capital of the Company was increased on 26th June, 1972 to \$5,200,000 divided into 52,000 shares of \$100 each and 51,998 shares, were issued as fully paid at par for cash on 27th June, 1972.
- (f) Parkway Company, Limited was incorporated on 26th June, 1970 with an authorised capital of \$50,000 divided into 500 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 13th December, 1971 to \$100,000 divided into 1,000 shares of \$100 each and 998 shares were issued as fully paid at par for cash on 18th December, 1971.
- (g) Singway Company, Limited was incorporated on 23rd September, 1969 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation and 998 shares were issued as fully paid at par for cash on 16th February, 1971. The authorised capital was increased on 20th December, 1971 to \$15,000,000 divided into 150,000 shares of \$100 each; 74,500 shares were issued as fully paid at par for cash on 21st December, 1971 and 74,500 shares were issued as fully paid at par for cash on 7th January, 1972.
- (h) Onway Company, Limited was incorporated on 19th September, 1969 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 31st March, 1970 to \$1,000,000 divided into 10,000 shares of \$100 each and the remaining shares were issued as fully paid at par for cash on 31st March, 1970.
- (i) Chung Lung Company, Limited was incorporated on 25th June, 1964 with an authorised capital of \$1,000,000 divided into 1,000 shares of \$1,000 each the whole of which were issued as fully paid at par for cash.
- (j) Tin Bo Development Company, Limited was incorporated on 2nd September, 1969 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation and 998 shares were issued as fully paid at par for cash on 11th January, 1972.
- (k) Chee Shing Company, Limited was incorporated on 1st May, 1962 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. The authorised capital was increased on 13th January, 1965 to \$1,100,000 divided into 11,000 shares of \$100 each. The issued capital is now 9,680 shares of \$100 each fully paid up at par.

- (l) Linkway Company, Limited was incorporated on 23rd September, 1969 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation and 998 shares were issued as fully paid at par for cash on 23rd February, 1971. The authorised capital was increased on 15th November, 1971 to \$4,000,000 divided into 40,000 shares of \$100 each and 39,000 shares were issued as fully paid at par for cash on 29th November, 1971. The authorised capital was further increased on 5th June, 1972 to \$6,500,000 divided into 65,000 shares of \$100 each.
- (m) Tai Kwok Company, Limited was incorporated on 22nd October, 1968 with an authorised capital of \$300,000 divided into 3,000 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 15th February, 1971 to \$1,000,000 divided into 10,000 shares of \$100 each and 9,998 shares were issued as fully paid at par for cash on 15th August, 1971. The authorised capital was further increased on 15th November, 1971 to \$5,000,000 divided into 50,000 shares of \$100 each and 40,000 shares were issued as fully paid at par for cash on 29th November, 1971.
- (n) Konway Company, Limited was incorporated on 13th July, 1971 with an authorised capital of \$10,000 divided into 100 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 13th December, 1971 to \$9,500,000 divided into 95,000 shares of \$100 each and 23,940 shares were issued as fully paid at par for cash on 30th December, 1971, and 71058 shares were issued as fully paid at par for cash on 7th January, 1972.
- (o) Foo Fat Company, Limited was incorporated on 14th December, 1971 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 17th January, 1972 to \$2,200,000 divided into 22,000 shares of \$100 each and 18,698 shares were issued as fully paid at par for cash on 26th January, 1972; 1,100 shares were issued as fully paid at par for cash on 22nd February, 1972 and 2,200 shares were issued as fully paid at par for cash on 29th May, 1972.
- (p) Fook Kwong Enterprises Company, Limited was incorporated on 21st September, 1971 with an authorised capital of \$100,000 divided into 1,000 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased to \$2,200,000 divided into 22,000 shares of \$100 each and 18,698 shares were issued as fully paid at par for cash on 26th January, 1972; 1,100 shares were issued as fully paid at par for cash on 22nd February, 1972 and 2,200 shares were issued as fully paid at par for cash on 29th May, 1972.
- (q) Moonway Company Limited was incorporated on 15th June, 1971 with an authorised capital of \$10,000 divided into 100 shares of \$100 each. Two shares were issued on incorporation. The authorised capital was increased on 15th November, 1971 to \$4,000,000 divided into 40,000 shares of \$100 each and 39,998 shares were issued as fully paid at par for cash on 31st May, 1972.
- (r) Manway Company Limited was incorporated on 29th December, 1971 with an authorised capital of \$10,000 divided into 100 shares of \$100 each. Two shares were issued on incorporation.
- (s) Townway Company Limited was incorporated on 13th July, 1971 with an authorised capital of \$10,000 divided into 100 shares of \$100 each. Two shares were issued on incorporation, and 98 shares were issued as fully paid at par for cash on 3rd July, 1972.

4. Directors' Service Agreements

None of the Directors has any service agreements with the Company and its subsidiaries.

5. Litigation

The Company's subsidiary, Hopewell Construction Company, Limited, is the Defendant in O. J. Action No. 1078/72 in which the Plaintiff is claiming the sum of \$60,000, and which action is being defended. Save as aforesaid, neither the Company nor its subsidiaries are engaged in litigation and the Directors are not aware of any claims pending or litigation threatened.

6. Underwriting Agreement

Under the terms of an Underwriting Agreement dated the 4th August, 1972 made between the Directors of the Company of the one part and Wardley Limited (50%) and Jardine Fleming & Company Limited (50%) ("the Underwriters") of the other part, this Issue has been underwritten in consideration of a commission of 2 per cent of the full amount realised from this Issue, being payable to the Underwriters.

7. The Directors have undertaken not to issue further shares, which could effectively alter the control of the Company, without the prior approval of the shareholders in general meeting.

8. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into in the two years preceding the date of this Prospectus and are, or may be, material:—

- (a) Slip-Form Agreement dated 16th May, 1972 referred to on page 7.
 (b) Underwriting Agreement referred to in paragraph 6 above.

9. Expenses of the Issue

The expenses of obtaining permission to deal in and for quotation for the whole of the Company's issued share capital and other expenses associated with this issue, including stamp duty, legal, professional, printing and advertising, and underwriting commission are estimated at \$3.5 million and are payable by the Company.

10. Directors' Interests

Directors' and Substantial Shareholdings in the Company

Mr. Gordon Wu	23,228,386 shares
Madam Ivy Wu (Mrs. Gordon Wu)	2,777,778 shares
Mr. Wu Chung	2,955,556 shares
Madam Kong Sum (Mrs. Wu Chung)	2,964,506 shares
Mr. Wu Ying Kwong (son of Mr. Wu Chung)	151,234 shares
Central Enterprises Limited (wholly owned by Mr. Wu Chung and his family, including The Hon. James M. H. Wu, Mr. Gordon Y. S. Wu and Mr. John Y. Wu)	11,634,107 shares

Wu Chung & Sons Limited (wholly owned by Mr. Wu Chung and his family, including The Hon. James M. H. Wu, Mr. Gordon Y. S. Wu and Mr. John Y. Wu)	397,540 shares
Winley Company S.A. (Mr. Henry Lee Hin Moh is a shareholder) ..	2,145,537 shares
Hongkong & Shanghai Bank (Nominees) Limited (Mr. William Purves is a Director of this company)	3,750,000 shares
Mr. Eddie Ho Ping Chang	5,028,558 shares
Mr. Kevin Yeung Ka Yan	5,041 shares
Dr. Douglas Laing	3,388,881 shares
	<u>58,427,124 shares</u>

Mr. William Purves is a management executive of The Hongkong and Shanghai Banking Corporation and is a Director of Wardley Limited and to that extent is interested in the underwriting commission payable to Wardley Limited.

Fullway Company, Limited, a company wholly owned by Mr. Wu Chung and his family, sold all those properties (as detailed on page 12 of this Prospectus,) known as Nos. 59-99 Shaukiwan Main Street, East, Hong Kong to Manway Company, Limited on the 30th June, 1972 at the price of \$13,000,000.

On 30th June, 1972, the Company acquired from the Directors and other Shareholders of the Subsidiaries their entire shareholdings therein for a total cash consideration of \$103,390,450. With the exception of Hopewell Housing Limited, Shun King Investment Company, Limited, Lin Yick Company, Limited, Lok Foo Company, Limited, Parkway Company, Limited and Singway Company, Limited the shareholdings in all other subsidiaries have been acquired at par value. In the case of the above named rental income producing companies the consideration paid was based on the valuation placed on the properties by the Directors which averaged \$273.50 per share of \$100 each of each of the above mentioned companies.

Apart from the above, no Director has any interest, directly or indirectly in the promotion of the Company.

11. Documents available for Inspection

Copies of the following documents will be available for inspection at the Offices of Messrs. Deacons, 6th floor, Union House, Hong Kong during normal office hours for a period of 14 days after the date of this Prospectus:—

- Memorandum and Articles of Association of the Company.
- The Accountants' Report, dated 21st July, 1972 referred to herein and a letter of consent from Messrs. M. W. Kwan & Co. who have given and have not withdrawn their consent to the inclusion of their Report in the form and context in which it appears.
- The Valuation Report dated 10th July, 1972 referred to herein, and a letter of consent from Mr. A. G. Wilkinson who has given and has not withdrawn his consent to the inclusion of the reference to his valuation in the form and context in which it appears.
- The material contracts referred to in paragraph 8 above.

APPENDIX

MEMORANDUM OF ASSOCIATION

The contents of the Memorandum of Association are as follows:

- The name of the Company is "HOPEWELL HOLDINGS LIMITED" (合和實業有限公司)
- The Registered Office of the Company will be situate in the Colony of Hong Kong.
- The objects for which the Company is established are:—
 - To carry on business as an investment and holding Company;
 - To invest the capital and other moneys of the Company in the purchase or upon the security of shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and securities of any kind issued or guaranteed by any company, corporation or undertaking of whatever nature and wheresoever constituted or carrying on business, and shares, stocks, debentures, debenture stock, bonds, mortgages, obligations and other securities issued or guaranteed by any Government, Sovereign Ruler, Commissioners, Trust, Authority or other body of whatever nature and wheresoever situated;
 - To acquire by purchase, subscription or otherwise and to hold for investment or otherwise and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of stocks, bonds or any other obligations or securities of any corporation or corporations; to merge or consolidate with any corporation in such manner as may be permitted by law; to aid in any manner any corporation whose stock, bonds or other obligations are held or in any manner guaranteed by the Company and/or in which the Company is in any way interested; and to do any other acts or things for the preservation, protection, improvement or enhancement of the value of any such stock, bonds or other obligations, or to do any acts or things designed for any such purpose; and while owner of any such stock, bonds or other obligations to exercise all the rights, powers and privileges of ownership thereof, and to exercise any and all voting powers thereon; to guarantee the payment of dividends upon any stock, or the principal or interest or both of any bonds or other obligations and the performance of any contracts;
 - To render trustee, advisory, investigatory, supervisory, managerial, investment and other services of every kind and description;
 - To act as directors, accountants, secretaries and registrars of companies incorporated by law or societies or organisations (whether incorporated or not);
 - To conduct and carry on a general financial and economic consultation business for capital investments, trade prices, exchange controls, business conditions, business organizations, tax structures and tax liabilities and trade practices, shipping, insurance, and business and industrial enterprises and opportunities and all such other services as may be necessary or incidental thereto as the Board of Directors may from time to time determine;
 - To acquire by licence, lease or in any other lawful manner, the exclusive or other right or licence to manufacture, distribute, sell and generally deal in appliances, forms, equipments, devices, tools, machinery and any and all kinds of articles of any character or description whether patented or otherwise; to sublicense or grant to any other corporation or any organization or person the right or licence to manufacture, distribute, use, sell and generally deal in any of the articles or things in which this Company shall deal;

- (h) To carry on in any part of the world business as financiers, capitalists, underwriters (but not fire, life or marine insurers) concessionaires, commercial agents, commissionaires, mortgage and bullion brokers and financial agents and advisers and to lend and advance money and to give credit to such persons and on such terms and conditions as may from time to time be determined;
- (i) To carry on the business of manufacturers of and dealers either wholesale or retail in goods, materials, substances and articles of every kind and description;
- (j) To act on its own behalf and on behalf of importers, exporters and manufacturers in connection with the inspection, surveying, testing, weighing and measuring of merchandise of all descriptions;
- (k) To import, export, barter, contract, buy, sell, deal in, and to engage in, conduct and carry on the business of importing, exporting, bartering, trading, contracting, buying, selling and dealing in goods, wares and merchandise of every class and description raw, manufactured or produced in any place throughout the world;
- (l) To carry on all or any of the business usually carried on by land investment, land development, land mortgage and real estate companies in all their several branches;
- (m) To purchase, take on lease, hire or otherwise acquire in the said Colony or elsewhere any real or personal property or any rights or interests therein, which the Company may think necessary or convenient for effectuating any of its objects, and in particular any lands, plantations, houses, factories, warehouses, plant, machinery, patents, concessions, trade marks, trade names, copyrights, licences, stocks, material or property of any description and to work, use, maintain and improve, sell, let, surrender, mortgage, charge, dispose of or otherwise deal with the same or any other property of the Company, including, in respect of any patent or patent rights belonging to the Company, the grant of licences or authorities to any person, corporation, or company to work the same;
- (n) To develop, improve and utilize any land within the said Colony or elsewhere acquired by the Company, or in which the Company is interested, and lay out and prepare the same for building purposes, construct, alter, pull down, decorate, maintain, fit up and improve buildings, roads, and conveniences, and to plant, pave, drain, maintain, let on building lease or building agreement any such land, and advance money to, enter into contracts and arrangements of all kinds with builders and tenants of and others interested in any such land;
- (o) To construct, build, execute, improve, alter, maintain, develop, work, manage, carry out, control and otherwise deal with engineering and construction work, and conveniences of all kinds including harbour works, airways, aerodromes or airfields, roads, docks, ways, tramways, railways, branches or sidings, telegraphs, telephones, buildings, bridges, concrete or reinforced concrete structures, reservoirs, water-courses, canals, waterworks, embankments, irrigations, reclamations, sewage, draining, dredging and conservancy works, piers, jetties, wharves, manufactories, warehouses, hotels, restaurants, electric works, water, steam, gas, oil and electric power works in general, shops and stores, hangars, garages, public utilities and all other works and conveniences of every kind and description both public or private and to contribute to, subsidise, or otherwise assist or take part in the construction, improvement, maintenance, development, working, management, planning, carrying out, or control thereof;
- (p) To carry on all or any of the businesses of general contractors and engineering contractors (whether civil, mechanical, electrical, structural, chemical, aeronautical, marine or otherwise);

- (q) To purchase or otherwise acquire and to carry on the business or businesses of steamship owners, ship owners, stevedores, wharfingers, carriers, forwarding agents, storage keepers, warehousemen, ship builders, dry-dock keepers, marine engineers, engineers, slip keepers, boat builders, ship and boat repairers, ship and boat outfitters, ship brokers, ship agents, salvors, wreck removers, wreck raisers, divers, auctioneers, valuers and assessors;
- (r) To charter, sub-charter, take on charter or sub-charter, hire, purchase and work steamships and other vessels of any class, motor vehicles or aircraft and to establish and maintain lines or regular services of steamships or other vessels, and to enter into contracts for the carriage of mails, passengers, goods and cattle by any means, and either by its own vessels, railways, motor vehicles, aircraft and conveyances, or by other vessels, railways, motor vehicles, aircraft, and conveyances of others;
- (s) To purchase, dispose, sell, accept mortgage or finance the purchase of steamships and other vessels of any class as owners, agents, managers or trustee, or on the authority or on behalf of any kind party;
- (t) To acquire mines, mining rights, mineral lands, timber and forestry lands and concessions anywhere throughout the whole world and any interest therein and to explore, works, exercise, develop and turn same to account;
- (u) To borrow or raise or secure the payment of money in such manner as the Company may think fit without limit as to amount and in particular but without limiting the foregoing to issue of debentures or debenture stock (perpetual or otherwise) and to secure the repayment of any money borrowed, raised, or owing by mortgage, charge or lien upon all or any of the property or assets of the Company both present and future including its uncalled capital and also by similar mortgage, charge or lien to secure and guarantee the performance by the Company or any other person or company of any obligation undertaken by the Company or any other person or company as the case may be. In particular, but without limiting the generality of the foregoing, the Company may guarantee any debt or obligation of its parent company (if any) and/or any subsidiary or associated company and may secure such guarantee by any debenture, mortgage, charge or lien over its assets and undertaking or any part thereof.
- (v) To promote and assist, financially or otherwise, corporations, firms, syndicates, associations, individuals, and others, and to give any guarantee in connection therewith or otherwise for the payment of money or for the performance of any other undertaking or obligation;
- (w) To become a member of any partnership or a party to any lawful agreement for sharing profits or to any union of interests, agreement for reciprocal concessions, joint venture, or co-operation or mutual trade agreement with any person, association, partnership, co-partnership, firm or corporation that is carrying on, or engaging in or that is about to engage in any business which this Company is authorized to carry on, or that is conducting or transacting any business capable of being conducted so as directly or indirectly to benefit this Company;
- (x) To purchase or by any other lawful means acquire and protect, prolong and renew, throughout the world any patents, patent rights, copyrights, trade marks, processes, protections and concessions which may appear likely to be advantageous or useful to

the Company, and to use and turn to account and to manufacture under or grant licences or privileges in respect of the same, and to expend money in improving or seeking to improve any patents, inventions or rights which the Company may acquire or propose to acquire;

- (y) To the same extent as natural persons might or could do, to purchase or otherwise acquire and to hold, own, maintain, work, develop, sell, lease, exchange, hire, convey, mortgage or otherwise dispose of and deal in, lands and leaseholds, and any interest, estate and rights in real property, and any personal or mixed property and any franchises, rights, licences or privileges necessary, convenient or appropriate for any of the purposes herein expressed;
- (z) To subscribe or contribute to, set up, establish, conduct and carry on research institutions and organizations, hospitals, schools, universities and places of learning, charities of all kinds and descriptions and organizations for the benefit of the inhabitants or residents of any part of the world;
- (aa) To enter into any arrangements for profit-sharing with any of the directors or employees of the Company or of any company in which the Company may for the time being hold a share or shares (subject to the consent and approval of such company). To grant sums by way of bonus or allowance to any such directors or employees or their dependents or connections, and to establish or support, or aid in the establishment and support, of provident and gratuity funds, associations, institutions, schools or conveniences calculated to benefit directors or employees of the Company or its predecessors in business or any companies in which the Company owns a share or shares or the dependents or connections of such persons, to grant pensions and to make payments towards insurance;
- (bb) To sell the business or undertaking of the Company or any part thereof, including any shares, stock, bonds, debentures, mortgages, or other obligations or securities, or any or either of them, patents, trade marks, trade names, copyright, licences or authorities or any estate, rights, property, privileges or assets of any kind;
- (cc) To accept payment for the business or undertaking of the Company or any part thereof, or for any property or rights sold or otherwise disposed of or dealt with by the Company, either in cash, by instalments or otherwise, or in shares or bonds of any company, or corporation, with or without deferred or preferred rights in respect of dividends or repayment of capital or otherwise, or by means of a mortgage, or by debentures, debenture stock or mortgage debentures or bonds of any company or partly in one mode and partly in another and generally on such terms as the Company may determine;
- (dd) To procure the Company to be registered or recognised in any country or place outside the Colony of Hong Kong.
- (ee) To draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, debentures and other negotiable or transferable instruments;
- (ff) To obtain any Order of the Governor of Hong Kong or of Her Majesty in Council or any Act or Ordinance of any Colonial Parliament, or of any Legislative Assembly or Council or any Provisional or other Order of any proper authority in the United Kingdom or elsewhere, for enabling the Company to carry any of its objects into effect, or for dissolving the Company and re-incorporating its members as a new Company, for any of the objects specified in this Memorandum, or for effecting any modification in the Company's constitution;

- (gg) To distribute any of the property of the Company amongst the Members in specie or otherwise, but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law;
- (hh) To do all or any of the above things in any part of the world, and as principals, agents, contractors, trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in conjunction with others;
- (ii) To do all such things as are incidental or conducive to the above objects or any of them.

And it is hereby declared that the word "company" in this clause except where used in reference to this Company, shall be deemed to include any partnership or other body of persons, whether incorporated or not incorporated, and whether domiciled in Hong Kong or elsewhere, and further the intention is that the objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be independent main objects and be in nowise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the Company.

4. The liability of the Members is limited.

5. The Share Capital of the Company is HK\$10,000.00 divided into 5,000 shares of HK\$2.00 each, with power to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential deferred or special rights, privileges, conditions or restrictions as may be determined by or in accordance with the regulations of the Company and with power to increase or reduce the capital of the Company and to issue all or any part of such original or increased or reduce capital with such preferential, deferred as special rights, privileges, conditions or restrictions as are attached thereto.

WE, the several persons whose names, addresses and descriptions are hereto subscribed, are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the capital of the Company set opposite to our respective names:—

Names, Addresses and Descriptions of Subscribers	Number of Shares taken by each Subscriber
GORDON Y. S. WU 39 Perkins Rd., Flat C, Gr. Fl., Hong Kong, Civil Engineer.	One
EDDIE P. C. HO 116 MacDonnell Road, Apt. 102, Hong Kong, Company Director.	One
Total Number of Shares Taken	Two

Dated this 19th day of June, 1972.

WITNESS to the above signatures:—

Maurice P. K. Wong
Solicitor,
Hong Kong.

ARTICLES OF ASSOCIATION

The Company was converted to a public company on 26th July, 1972 and adopted new Articles of Association which include (inter alia) the following provisions:—

SHARES

Article 7

The shares shall be under the control of the Directors who may allot or otherwise dispose of the same to such persons on such terms and conditions and at such times as the Directors think fit. In particular, but without limiting the foregoing, the Directors shall have power to allot and issue shares in the capital of the Company to any other person or persons for or in consideration of the transfer to the Company of any shares in or securities of any other company or enterprise or the purchase or acquisition by the Company of any property or assets, real or personal whatsoever in such manner and on such terms and conditions as the Directors think fit.

Article 8

Subject to the provisions, if any, in that behalf of the Memorandum of Association, and without prejudice to any special rights previously conferred on the holders of existing shares, any share may be issued with such preferred, deferred, or other special rights, or such restrictions, whether in regard to dividend, voting, return of share capital, or otherwise, as the Company may from time to time by Special Resolution determine, and any preference share may, with the sanction of a Special Resolution, be issued on the terms that it is, or at the option of the Company is liable, to be redeemed.

MODIFICATION OF CLASS RIGHTS

Article 54

Whenever the Capital is divided into different classes of shares the rights and privileges attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class or with the sanction of an Extraordinary Resolution passed at a separate General Meeting of the holders of the Shares of that class. To every such separate General Meeting the provisions of these Presents relating to General Meetings shall mutatis mutandis apply but so that at every such separate General Meeting the quorum shall be a person or persons holding or representing by attorney or proxy one-half of the issued shares of the class. (Note: There is in fact only one class of share in the capital of the Company.)

VOTES OF MEMBERS

Article 70

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with these presents, on a show of hands every Member who is present in person shall have one vote (but no person other than the Chairman shall on a show of hands have more than one vote) and for this purpose a person (not being himself a Member) who is present as representative of a corporation or corporations shall be treated as if he were a Member present in person. On a poll every Member who is present in person or by proxy shall have one vote in respect of each share in the capital of the Company of which he is the holder.

Article 73

If two or more persons are jointly entitled to a share then in voting on any question the votes of a senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of other registered holders of the share and for this purpose seniority shall be determined by the order in which the names stand in the Register.

Article 75

The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation either under the common seal or under the hand of an officer or attorney so authorised. A proxy need not be a Member of the Company.

DIRECTORS AND PROVISIONS REGARDING THEIR REMUNERATION

Article 81

The number of Directors shall not be less than four and there shall be no maximum number.

Article 82

A Director shall not require any qualification share.

Article 85

- (a) The Directors shall receive such remuneration for their services for each year as the Members shall from time to time in General Meeting determine and the Members in General Meeting may decide in what shares or proportions such remuneration shall be divided or allotted and such remuneration may be either by a fixed sum or a percentage of profits or otherwise as may be determined by the Members in General Meeting. In the event of a Director retiring or for any other cause vacating his office before the end of any year his remuneration shall be deemed to have accrued up to the date when his office as a Director shall have been vacated. If any of the Directors shall be called upon to perform extra services the Members in General Meeting may remunerate the Director or Directors so doing either by a fixed sum or a percentage of profits or otherwise as may be determined by them and such remuneration may be either in addition to or in substitution for the share of such Director or Directors in the remuneration provided for the Directors. The Directors shall also be entitled to be repaid all travelling, hotel and other expenses reasonably incurred by them respectively in or about the performance of their duties as Directors.
- (b) Notwithstanding the foregoing, the remuneration of a Managing Director or other Executive or Working Director shall from time to time be fixed by the Directors and may be by way of salary, commission, or participation in profits or otherwise or by all or any of those modes and with such other benefits and allowances as the Directors may from time to time decide. Such remuneration shall be in addition to his remuneration as a Director.

Article 90

A Director may hold any other office under the Company in conjunction with his office of Director except the office of Auditor and a Director may be or become a Director of any company promoted by this Company or in which it may be interested as a vendor shareholder or otherwise and no such director shall be accountable for any benefits received as a Director or otherwise from any such company.

Article 102

The Directors may from time to time appoint one or more of their body to be a Managing Director or Managing Directors of the business of the Company for such period and upon such terms and conditions as they think fit, and may from time to time subject to contractual obligations remove him or them from office and appoint another or others in his or their place or places.

Article 123

No Director or intended Director shall be disqualified by his office from contracting with the Company either as vendor purchaser or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with any person company or partnership of or in which any Director shall be a member or otherwise interested be capable on that account of being avoided, nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or the fiduciary relation thereby established. Provided always that each Director shall forthwith disclose the nature of his interest in any contract or arrangements in which he is interested. A Director shall not vote in respect of any contract or arrangement in which he is interested, and if he shall do so his vote shall not be counted, nor shall he be counted in the quorum present at the meeting, but neither of these prohibitions shall apply to:—

- (a) Any arrangement for giving any Director any security or indemnity in respect of money lent by him to or obligations undertaken by him for the benefit of the Company; or
- (b) Any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which the Director himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
- (c) Any contract by a Director to subscribe for or underwrite shares or debentures of the Company; or
- (d) Any contract or arrangement with any other company in which he is interested only as an officer of the Company or as holder of shares or other securities, and these prohibitions may at any time be suspended or relaxed to any extent, and either generally or in respect of any particular contract, arrangement or transaction, by the Company in General Meeting.

Article 124

A general notice to the Directors by a Director that he is to be regarded as interested in any contract or arrangement which may be made with any specified person, firm or corporation after the date of such notice shall be a sufficient declaration of interest under this and Article 123 in relation to any contract or arrangement so made provided that no such notice shall be of effect unless either it is given at a meeting of the Directors or the Director takes reasonable steps to ensure that it is brought up and read at the next meeting of the Directors after it is given.

DIRECTORS' BORROWING POWERS

Article 96

The Directors may from time to time borrow raise or secure from bankers or others for the temporary purposes of the Company by way of bills overdraft cash credit or other usual

means of obtaining trading accommodation such sum or sums of money as they in their discretion shall consider necessary or desirable for the proper and convenient administration of the Company's finances.

Article 97

In addition to the moneys so borrowed raised or secured under the preceding Article the Directors may from time to time at their discretion raise or borrow money for the purposes of the Company and may secure the payment of the same by mortgage or charge upon the whole or any part of the assets and property of the Company (present or future) including its uncalled or unissued capital and may issue bonds debentures or debenture stock either charged upon the whole or any part of the assets and property of the Company or not so charged.

Hong Kong, 8th August, 1972.