

Appendix IV

Bank Guarantee

THIS DEED OF GUARANTEE is given this [] day of []
Two Thousand and []

By [], a licenced bank under Section 16 of the Banking Ordinance (Chapter 155) of the Laws of the Hong Kong Special Administration Region having its registered office situate at [] (hereinafter called “the Bank”) To the Government of the Hong Kong Special Administrative Region (hereinafter called “the Government”).

WHEREAS :

- (1) [] whose registered office is situated at [] (“the Applicant”) intends to apply for purchase of the Government land to be known as [] (“the lot”) listed by the Lands Department of the Government to be available for sale pursuant to the Land Sale Programme under the Application System.
- (2) In submitting the application (“the Application”) to the Lands Department for the intended purchase of the lot, the Applicant is required to offer the minimum price (“Minimum Price”) they are prepared to bid for the lot and produce a bank guarantee for an amount of [HK\$] (“the Guaranteed Sum”) as security for discharge of the Applicant’s obligations under the Agreement for Auction or Tender Cases (“the Agreement”) to be entered into between the Government and the Applicant.
- (3) The Bank has agreed to provide the bank guarantee to the Applicant in the manner hereinafter appearing.

NOW THIS DEED WITNESSES as follows :-

1. In consideration of the agreement by the Government to process the Application, the Bank HEREBY GUARANTEES that it will upon receipt from the Director of Lands (“the Director”) or his duly authorized officer of a demand in writing immediately pay to the Government the Guaranteed Sum in cash or in such other form as the Director may require. A certificate by the Director shall be conclusive evidence that the Applicant has failed to perform an obligation under the Agreement.

2. The liability of the Bank under this guarantee shall commence on the date of the Application and shall cease as follows : :

- (a) on the [] day of [] [], that is, on the expiry of three calendar months from the date of the Application; or
- (b) upon payment by the Bank of the Guaranteed Sum in full to the Government; or
- (c) when this guarantee is returned to the Applicant by the Director;

whichever shall be the earlier, but otherwise this guarantee shall be and remain in full force and effect.

3. Save as provided in Clause 2 above, the Bank shall not be discharged or released from this guarantee by any arrangement or agreement to be made between the Applicant and the Government with or without the consent of the Bank. It is hereby declared that no alteration of any terms of the Agreement or the Conditions of Sale in respect of the lot shall in any way release the Bank from its liability under this guarantee.

4. To avoid any doubt, the Bank shall assume primary liability for payment of the Guaranteed Sum and the Government shall not be required to enforce payment or otherwise seek other remedies (if any) under the Agreement against the Applicant before demanding payment of the Guaranteed Sum from the Bank.

5. The liability of the Bank under this guarantee shall be limited to the Guaranteed Sum only.

6. All documents or demands arising out of or in connection with this guarantee shall be served :

- (a) upon the Government at the Lands Department Headquarters at 20th Floor, North Point Government Offices, 333 Java Road, North Point, Hong Kong for the attention of the Deputy Director / (General) ; and
- (b) upon the Bank, at [] for the attention of [the Department].

7. This guarantee shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region.

IN WITNESS WHEREOF the Bank has duly executed this Deed of Guarantee the day and year first above written.

SEALED with the Common Seal)
of the Bank and SIGNED by)
))
for and on behalf of the Bank)
whose signature(s) is/are verified by:)

[or
SIGNED SEALED AND)
DELIVERED for and on behalf of)
the Bank by its lawful attorney)
))
whose signature(s) is/are verified by:)