Disclaimer: *Pursuant to paragraph 23 of the Tender Notice, the Government will only answer questions of a general nature concerning Hung Shui Kiu Town Lot No. 18, Hung Shui Kiu Town Lot No. 19 ("HSKTL 19"), Hung Shui Kiu Town Lot No. 20, Hung Shui Kiu Town Lot No. 21, Hung Shui Kiu Town Lot No. 23 ("HSKTL 23") and Hung Shui Kiu Town Lot No. 24 ("HSKTL 24") (collectively "the Lots") and the tender exercise and will not provide legal or other advice in respect of the Conditions of Sale or any other documents referred to in the Tender Notice (including its annexes) or any statutory provisions relating to the Lots. Prior to submitting any tender for the Lots, prospective purchasers of the Lots may seek independent professional advice on issues concerning the Lots.*

Q1:

Scenario involving a newly incorporated company with no single majority shareholder as the tenderer in Criterion (7) – Experience in large-scale development projects at Section 2 – Assessment Criteria of Stage 3 Assessment of the Marking Scheme for the tender (Annex II to the Tender Notice) ("Criterion (7)")

Assuming the tenderer is a company newly incorporated specially for the purpose of the tender and held by multiple shareholders with none holding a controlling interest (i.e. there is no single parent/holding company of the tenderer), and the tenderer does not have any past project experiences.

Pursuant to Criterion (7), "Only projects completed by the tenderer, the lead participant, or their direct parent/holding company of the tenderer will be counted as relevant past projects."

Grateful if the Government could clarify the assessment criteria for Criterion (7), in particular: -

(a) Whether the past projects completed by an individual shareholder who does not hold the controlling interest of the tenderer be counted as relevant past projects;

(b) If (a) above is affirmative, what documentary evidence would be required to substantiate the individual shareholder's experience and the tenderer's qualification for the purpose of the assessment;

(c) The criteria for the designation of the lead participant, in particular, whether a shareholder that does not qualify as a holding company of the tenderer under the Companies Ordinance (Cap.622) may be designated as the lead participant and whether the tenderer will be able to rely on the experience of such shareholder in the assessment for Criterion (7).

A1:

Please refer to paragraph 2.8 of the Marking Scheme at Annex II to the Tender Notice. Only projects meeting the specified criteria and completed by the tenderer, the lead participant, or their direct parent/holding company of the tenderer will be counted as relevant past projects. Please also refer to the Notes of the said paragraph 2.8. In case the tenderer is an unincorporated partnership or joint venture, the tenderer shall state in Appendix A to Annex I to the Tender Notice the names of all participants, their respective percentage of participation, and which participant is the lead participant, and shall submit a diagram showing the relationship between the lead participant and its parent companies.

Q2:

Scenario involving multiple performance guarantors for providing the Performance Guarantee for HSKTL 19

According to paragraph 16 of the Tender Notice, upon receipt of the notification of award of the tender, as security for due performance of each of the Service Deed(s), the Purchaser(s) shall submit to the Government a single Performance Guarantee for each of the Service Deed(s) in the form appearing in Annex IV of the Tender Notice duly executed by a performance guarantor accepted by the Government.

Assuming the Purchaser of HSKTL 19 is an incorporated company with multiple shareholders, with none holding a controlling interest (i.e. there is no single parent/holding company of the Purchaser), and it is intended that the parent/holding companies of each shareholder shall jointly act as the performance guarantors under the Performance Guarantee for HSKTL 19 (i.e. there will be multiple performance guarantors under one single Performance Guarantee).

Grateful if the Government could clarify, based on the above structure of the Purchaser:

(i) Whether it is acceptable to have multiple performance guarantors for providing the Performance Guarantee with respect to the Service Deed of HSKTL 19, where each of the performance guarantors shall be jointly and severally liable to the Government of the Hong Kong Special Administrative Region under the Performance Guarantee;

(ii) Assuming (i) above is affirmative, whether the form of the Performance Guarantee appearing in Annex IV of the Tender Notice can be amended accordingly to reflect the above proposed arrangement;

(iii) Assuming (ii) above is affirmative, what would be the application procedure to the Government for the relevant agreement/ approval, and what would be the assessment criteria for the said application for amendments;

(iv) Whether it is acceptable to have multiple performance guarantors for providing the Performance Guarantee with respect to the Service Deed of HSKTL 19, where each of the performance guarantors shall be severally liable only (and not jointly and severally liable) to the Government of the Hong Kong Special Administrative Region under the Performance Guarantee;

(v) Assuming (iv) above is affirmative, whether the form of the Performance Guarantee appearing in Annex IV of the Tender Notice can be amended accordingly to reflect the above proposed arrangement;

(vi) Assuming (v) above is affirmative, what would be the application procedure to the Government for the relevant agreement/ approval, and what would be the assessment criteria for the said application for amendments; and

(vii) Whether the (a) Purchaser or (b) a subsidiary held by the same

shareholders of the Purchaser, both newly incorporated preceding the Tender Closing Time, can be the proposed performance guarantor for providing the Performance Guarantee with respect to the Service Deed of HSKTL 19.

A2:

Please refer to paragraph 1.3 of the Marking Scheme at Annex II to the Tender Notice. The tenderer must demonstrate that each of the proposed performance guarantor(s) for HSKTL 19, HSKTL 23 and/or HSKTL 24, as the case may be, is an incorporated company and financially capable of performing its obligations under the respective Performance Guarantee (as referred to in paragraph 16 of the Tender Notice). For this purpose, the financial capability of each of the proposed performance guarantor(s) in the tender that scores the highest combined score will be vetted. Tender that fails the financial vetting may not be further considered.

Please also refer to paragraph 8 of the Tender Notice. The Government reserves the right to seek clarification or request missing or additional information or documents or evidence from any tenderer as the Government may at its absolute discretion consider necessary.

Please further refer to paragraph 16 of the Tender Notice, upon receipt of the notification of award, the Purchaser(s) must within 14 calendar days of the date of the notification of award procure and submit to the Government a single Performance Guarantee in the form appearing in Annex IV to the Tender Notice duly executed by a performance guarantor accepted by the Government for each of the Service Deed(s) (where applicable).