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28 June 2016

**Legal Advisory and Conveyancing Office (“LACO”)  
Circular Memorandum (“CM”) No. 75A**

**Lands Department Consent Scheme  
for sale of non-residential units in uncompleted developments**

With the enactment of the Contracts (Rights of Third Parties) Ordinance (Cap. 623) (“the Ordinance”), the standard form of Agreement for Sale and Purchase (“ASP”) in respect of sale of uncompleted units in non-residential developments has been revised to incorporate a new clause in relation to the Ordinance. With immediate effect, the revised form of ASP shall be adopted for all ongoing and new applications for consent to sell uncompleted non-residential units.

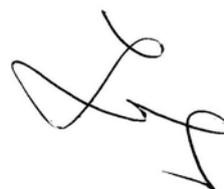
In respect of cases where consent has already been given, amendment to the approved form of ASP by incorporating the new clause in relation to the Ordinance, whether an addition or a replacement, may be made without reference to LACO. To this extent, approval to the amendment to the approved form of ASP shall be deemed to be given by the Director of Lands under the relevant consent letter.

In addition, certain refinements or updating of the Lands Department Consent Scheme for sale of non-residential units in uncompleted developments are required. They include –

- (a) To expedite the process, LACO will aim at (i) issuing the first round of comments within one calendar month of receipt of an application; and (ii) replying to the applicant’s solicitors within 2 weeks of receipt of the response from them for subsequent rounds of correspondence.
- (b) To ensure proper prioritization in the processing of the applications received, LACO would devote staff time to those applications which are active, and applications which are inactive may be regarded as withdrawn.

— The Annex and Appendix I, Appendix III and Appendix IV to the Annex attached to LACO CM No. 75 are revised to reflect the changes. For ease of reference, the revised Annex and all Appendices thereto are attached hereto. The changes will take immediate effect. Except as varied by this CM, LACO CM No. 75 remain in full force and effect.

Copies of this CM and the attachments may be downloaded from the Lands Department website [www.landsd.gov.hk](http://www.landsd.gov.hk).



(Mrs Maria LAM)  
Deputy Director/Legal  
for Director of Lands

To: All Solicitors

c.c. Transport and Housing Bureau  
The Real Estate Developers Association of Hong Kong  
Consumer Council  
Estate Agents Authority  
The Hong Kong Institute of Surveyors  
The Hong Kong Institute of Architects  
The Hong Kong Association of Banks

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## **Section I**

### **Introduction**

1. The Lands Department Consent Scheme, as introduced in 1961 and then titled as the Land Officer's Consent Scheme, is administered by the Legal Advisory and Conveyancing Office of the Lands Department on behalf of the Director of Lands.
2. Where the land on which a development is being erected is –
  - 2.1 subject to a restriction on alienation prior to compliance with all the conditions in the land grant governing the land; or
  - 2.2 subject to an exclusion order issued by the Lands Tribunal under the Landlord and Tenant (Consolidation) Ordinance,if a registered land owner wants to sell any units in the development before it is completed, the sale is governed by the Lands Department Consent Scheme. The registered land owner must apply through its solicitors to the Legal Advisory and Conveyancing Office for the consent of the Director of Lands to enter into agreements for sale and purchase of the units.
3. Before the issue of the consent to enter into agreements for sale and purchase, a number of criteria must be fulfilled. The consent is given at the sole discretion of the Director of Lands and if given, is subject to various conditions that may be imposed by the Director of Lands.
4. This Annex sets out the rules and other information applicable to the Lands Department Consent Scheme in relation to the sale of non-residential units in an uncompleted development or an uncompleted phase which is governed by the Lands Department Consent Scheme.

## **Section II**

### **Interpretation**

1. In Section II and Section III of this Annex –
  - 1.1 “AP’s Certificate” means the certificate by the Authorized Person for the purpose of obtaining the Consent;
  - 1.2 “AP Company” means the firm or the corporation to which the Authorized Person belongs;
  - 1.3 “ASP” means an agreement for sale and purchase to be entered into by the Vendor with a purchaser relating to the sale and purchase of a unit in the Development;
  - 1.4 “associate corporation”, in relation to a corporation or specified body, means –
    - (a) a subsidiary of the corporation or specified body; or
    - (b) a subsidiary of a holding company of the corporation or specified body;
  - 1.5 “Authorized Person” means an authorized person who is appointed under section 4(1)(a) or (2) of the Buildings Ordinance as a co-ordinator of building works for the Development;
  - 1.6 “Building Contractor” means a registered general building contractor who is appointed under section 9(1) or (3) of the Buildings Ordinance to carry out building works for the Development;
  - 1.7 “Building Covenant Period” means the period within which the Development is required to be completed under the Government Grant, an Exclusion Order or a Redevelopment Order;
  - 1.8 “Building Mortgage” means a building mortgage entered into between the Vendor and the Mortgagee in respect of the land complying with the provisions of the Government Grant;
  - 1.9 “completion date” means the date on which the Vendor completes the Development in all respects in accordance with the building plans prepared by the Authorized Person in respect of the Development and approved by the Building Authority (including any approved amendments thereto);
  - 1.10 “Consent” means the consent of the Director to the Vendor to enter into agreements for sale and purchase under the Consent Scheme;
  - 1.11 “Consent Scheme” means the Lands Department Consent Scheme;
  - 1.12 “Construction Costs” means the aggregate of –

- (a) any sum incurred or to be incurred in connection with any works done or to be done, and materials or goods supplied or to be supplied, in connection with the site formation on the land and the substructure and superstructure construction for the Development (including the communal and recreational facilities as set out in the ASP), and the making of the Development fit to qualify for the issue of an occupation permit and to comply with the conditions of the Government Grant;
- (b) any sums needed to be incurred by the Vendor to install the fittings and finishes of the Development (including the fittings and finishes as set out in the ASP) and in making every unit in the Development ready for handover to purchasers on completion of the sale and purchase; and
- (c) any other sums (excluding Professional Fees) which in the reasonable opinion of the Authorized Person needed to be incurred to complete the Development to qualify for the issue of an occupation permit and to comply with the conditions of the Government Grant and the ASP;

1.13 “corporation” means –

- (a) a company as defined by section 2(1) of the Companies Ordinance; or
- (b) a company incorporated outside Hong Kong;

1.14 “Cost Overrun” means an increase in the Total Development Costs;

1.15 “Development” means the development for which the Consent is applied;

1.16 “Director” means the Director of Lands of the Government;

1.17 “DMC” means collectively the Deed of Mutual Covenant and Sub-Deed of Mutual Covenant (if any) in the form approved by the Director (including any approved variation or amendment);

1.18 “Exclusion Order” means an order issued by the Lands Tribunal under the Landlord and Tenant (Consolidation) Ordinance and includes any amending order;

1.19 “Finance Undertaking” means the undertaking to be given by a licensed bank or registered deposit-taking company to provide finance for completion of the Development;

1.20 “Financier” means any person providing unsecured loan, in whole or in part, for completion of the Development;

1.21 “Government” means the Government of the Hong Kong Special Administrative Region;

- 1.22 “Government Grant” means the land grant under which the land is held from the Government;
- 1.23 “immediate family member”, in relation to an individual, means a spouse, parent, child, sibling, grandparent or grandchild of the individual;
- 1.24 “LACO” means the Legal Advisory and Conveyancing Office of the Lands Department;
- 1.25 “land” means the land on which the Development is now being constructed or to be constructed;
- 1.26 “Mortgagee” means the licensed bank or registered deposit-taking company in favour of which the Building Mortgage is made;
- 1.27 “Mortgagee’s Certificate” means a confirmation in writing from the Mortgagee as to the amount of the facilities remaining undrawn under the Building Mortgage and that the facilities are sufficient to finance the Outstanding Development Costs;
- 1.28 “occupation permit” means an occupation permit or temporary occupation permit to be issued by the Building Authority under section 21 of the Buildings Ordinance for every building in the Development;
- 1.29 “Outstanding Development Costs” means that part of the Total Development Costs expended but not yet paid and that part of the Total Development Costs remaining to be expended to complete the Development as certified by the Authorized Person;
- 1.30 “PASP” means a preliminary agreement for sale and purchase to be entered into between the Vendor and a purchaser relating to the sale and purchase of a unit in the Development;
- 1.31 “Phase” means a phase in the Development for which the Consent is applied;
- 1.32 “Professional Fees” means any sums incurred or to be incurred by the Vendor for the employment of the Authorized Person and other professional persons or consultants in relation to completion of the Development;
- 1.33 “proprietor” means –
- (a) in relation to a firm constituted of a sole proprietor, the sole proprietor of the firm; or
  - (b) in relation to a firm constituted as a partnership, a partner of the firm;

- 1.34 “Redevelopment Order” means a redevelopment order as defined by the Demolished Buildings (Re-development of Sites) Ordinance or an order for sale as defined by the Land (Compulsory Sale for Redevelopment) Ordinance, and includes any amending order;
- 1.35 “SD” means the statutory declaration of the Vendor’s Solicitors in relation to the Consent;
- 1.36 “stakeholder account” means the client account(s) opened, maintained and operated by the Vendor’s Solicitors designated for the Development for the purpose of placing purchase price under the terms and conditions of any ASP;
- 1.37 “Temporary Authorized Person” means an authorized person temporarily acting in the stead of the original Authorized Person as a co-ordinator of building works for the Development;
- 1.38 “Total Development Costs” means the total of the Construction Costs and the Professional Fees to complete the Development as certified by the Authorized Person;
- 1.39 “Tripartite Stakeholder Agreement” means an agreement to be entered into between the Vendor, the Vendor’s Solicitors and the Mortgagee in relation to the Building Mortgage;
- 1.40 “Undertaking as to Partial Release” means the undertaking to be given by the Mortgagee to unconditionally execute a partial release as may be necessary to discharge, reassign and release from the security of the Building Mortgage, any share or interest in the land together with the right to the exclusive use, occupation and enjoyment of any unit in the Development, in respect of which the total purchase price under an ASP is fully paid into the stakeholder account opened and maintained with the Mortgagee;
- 1.41 “unit” means a non-residential unit in the Development; and “units” shall be construed accordingly;
- 1.42 “Vendor” means the registered owner of the land;
- 1.43 “Vendor’s Solicitors” means the solicitors’ firm(s) acting for the Vendor in the sale of units in the Development; and
- 1.44 “working day” means a day that is not –
- (a) a general holiday or a Saturday; or
  - (b) a black rainstorm warning day or gale warning day as defined by section 71(2) of the Interpretation and General Clauses Ordinance.

2. For the purposes of Section II and Section III of this Annex, “company secretary”, “director”, “holding company”, “listed company” and “private company” have the respective meanings given by the Companies Ordinance.
3. Where the Consent applied for relates to the sale of units in a Phase, this Annex applies with adaptations as follows –
  - 3.1 in case of any Phase other than the final Phase, all references to “Development” in Section II and Section III of this Annex are deemed to be references to “Phase”, save and except those references made in Paragraphs 1.7 and 1.20 of this Section II and Paragraphs 2.5.2, 16.4.2, 18.4 and 18.5 of Section III, and “Construction Costs” means, in place of the meaning given by Paragraph 1.12 of this Section II, the aggregate of –
    - (a) any sum incurred or to be incurred in connection with any works done or to be done, and materials or goods supplied or to be supplied, in connection with the site formation on the land and the substructure and superstructure construction for the Phase (including the communal and recreational facilities as set out in the ASP), and the making of the Phase fit to qualify for the issue of an occupation permit and to comply with the conditions of the Government Grant in so far as they relate to the Phase;
    - (b) any sums needed to be incurred by the Vendor to install the fittings and finishes of the Phase (including the fittings and finishes as set out in the ASP) and in making every unit in the Phase ready for handover to purchasers on completion of the sale and purchase; and
    - (c) any other sums (excluding Professional Fees) which in the reasonable opinion of the Authorized Person needed to be incurred to complete the Phase to qualify for the issue of an occupation permit and to comply with the conditions of the Government Grant in so far as they relate to the Phase and the ASP; and
  - 3.2 in case of the final Phase, all references to “Development” in Section II and Section III of this Annex are deemed to be references to “Phase”, save and except those references made in Paragraphs 1.7 and 1.20 of this Section II and Paragraphs 2.5.2, 16.4.2, 18.2, 18.4 and 18.5 of Section III.

## **Section III**

### **Consent to enter into Agreements for Sale and Purchase**

#### **(A) Criteria to be fulfilled for acceptance of Application and issue of Consent**

##### 1. Checklist and Mandatory Documents

1.1 Each application for the Consent must be accompanied by a duly completed checklist and submitted together with the mandatory documents set out in Paragraph 1.3 of this Section III. Application would only be considered when the foundations of the building(s) within the Development have been completed and the consent to commence building works on the superstructure of the building(s) within the Development has been given by the Building Authority under section 14 of the Buildings Ordinance. Any incomplete or premature submission will not be accepted.

##### 1.2 Checklist

A duly completed checklist in the form at Appendix I must be completed by the Vendor's Solicitors or where the Vendor's Solicitors comprise more than one solicitors' firm, the solicitors' firm making the application for the Vendor.

##### 1.3 Mandatory Documents

The mandatory documents include –

- 1.3.1 full set of the Government Grant certified as true copy by the Land Registrar or by a solicitor;
- 1.3.2 up-to-date computer printout of historical and current search records of the land certified as true copy by the Land Registrar or by a solicitor;
- 1.3.3 draft of the SD (in duplicate) (please refer to Paragraph 5.1 of this Section III and the form at Appendix II);
- 1.3.4 draft of the ASP (in duplicate) (please refer to Paragraph 5.2 of this Section III and the form at Appendix III);
- 1.3.5 the AP's Certificate (please refer to Paragraph 6.2 of this Section III and the form at Appendix IV);
- 1.3.6 satisfactory evidence of financial ability to complete the Development (please refer to Paragraph 2 of this Section III); and
- 1.3.7 letter(s) of appointment from the Vendor appointing its solicitors to act in the sale of units (please refer to Paragraph 4 of this Section III).

## 2. Development Finance

- 2.1 One of the main objectives of the Consent Scheme is to ensure that purchasers who have entered into agreements for sale and purchase get the units they have contracted to purchase. The Vendor must be able to show its ability to meet all the Outstanding Development Costs.
- 2.2 Two methods of financing the Outstanding Development Costs are acceptable to the Director. They are –
  - 2.2.1 Building Mortgage; and
  - 2.2.2 Finance Undertaking.

Unsecured loan is only acceptable to the Director when it has been provided to pay the Construction Costs and the Professional Fees up to submission of the application for the Consent.

### 2.3 Building Mortgage

- 2.3.1 The Building Mortgage must be a legal mortgage or charge against the land in favour of a licensed bank or registered deposit-taking company authorized under section 16 of the Banking Ordinance.
- 2.3.2 Where the “restriction on alienation before compliance” clause in the Government Grant does not provide for the inclusion in the Building Mortgage the condition that the Mortgagee is obliged and irrevocably undertakes to, upon completion of the sale and purchase, release unconditionally from the security of the Building Mortgage, any share or interest in the land together with the right to the exclusive use, occupation and enjoyment of any unit in the Development, in respect of which the total purchase price under an ASP is fully paid into a stakeholder account to be opened and maintained with the Mortgagee, and the Building Mortgage does not contain the undertaking for partial release on completion of the sale and purchase, either an Undertaking as to Partial Release or a Deed of Variation to the Building Mortgage must be executed. A draft of the Undertaking as to Partial Release in the form at Appendix V or a draft of the Deed of Variation, in that the Mortgagee undertakes to fulfil the obligation of partial release, must be submitted for the Director’s approval before execution. The Undertaking as to Partial Release or the Deed of Variation (as the case may be) in the approved form must be executed and registered in the Land Registry before the first PASP is signed. The Vendor’s Solicitors or where the Vendor’s Solicitors comprise more than one solicitors’ firm, the solicitors’ firm which made the application for the Consent must forward to LACO a confirmation in writing before the first PASP is signed that the Undertaking as to Partial Release or the Deed of Variation (as the case may be) in the approved form has been registered.

- 2.3.3 The undrawn balance of the facilities under the Building Mortgage must be sufficient to cover the Outstanding Development Costs, unless it can be shown that the deficit is financed by another acceptable means. As evidence, a Mortgagee's Certificate must be submitted.
- 2.3.4 A Tripartite Stakeholder Agreement, as stipulated in Paragraph 15.3 of this Section III, is also required.

## 2.4 Finance Undertaking

- 2.4.1 A licensed bank or registered deposit-taking company authorized under section 16 of the Banking Ordinance may execute a Finance Undertaking to confirm that, should for any reason the Vendor be unable to finance completion of the Development in accordance with the terms and conditions of the Government Grant and any ASP, it shall pay any amounts to the Vendor or to any other person(s) as the Director shall direct to ensure completion of the Development.
- 2.4.2 Where completion of the Development is to be financed by a Finance Undertaking, a draft of the Finance Undertaking in the form at Appendix VI must be submitted for the Director's approval before execution. A proprietor of the Vendor's Solicitors is required to confirm due execution of the Finance Undertaking.
- 2.4.3 The name of the licensed bank or the registered deposit-taking company must be disclosed before issue of the Consent.
- 2.4.4 The Finance Undertaking in the approved form must be executed and registered in the Land Registry before the first PASP is signed. The Finance Undertaking must be forwarded to LACO within 7 working days after completion of its registration.

## 2.5 Unsecured Loan

- 2.5.1 Where unsecured loan has been partly or wholly made by the Financier to finance the Construction Costs and the Professional Fees when the application for the Consent is made, the Financier must be made a party to the ASP.
- 2.5.2 The Financier must covenant in each ASP with the purchaser that the Financier will not call back the whole or any part of the loan advanced or to be advanced, and will provide all future necessary finance, until the Development has been completed. The SD must include a statement that confirmation in writing to that effect from the Financier has been received.
- 2.5.3 The name(s) of the Financier must be disclosed before the issue of the Consent.

2.5.4 Any unsecured loan which has been advanced or will be advanced cannot be treated as a means to finance the Construction Costs and the Professional Fees yet to be incurred, whether in whole or in part.

3. Development Progress

3.1 The development of the land must have reached a stage where the foundations of the building(s) within the Development have been completed.

3.2 The Building Authority must have given consent under section 14 of the Buildings Ordinance to commence building works on the superstructure of the building(s) within the Development.

3.3 The Authorized Person must provide an estimated completion date. The estimated completion date as certified by the Authorized Person is the date for contractual completion of the sale and purchase to be inserted in clause 4(1)(c) of each ASP.

3.4 Subject to Paragraph 3.5 of this Section III, the estimated completion date as certified by the Authorized Person must not exceed 12 calendar months after the current expiry date of the Building Covenant Period. If the estimated completion date is more than 12 calendar months after the current expiry date of the Building Covenant Period, the Vendor is required to apply for and obtain an extension of the Building Covenant Period. If the Building Covenant Period is extended, a copy of the approval letter showing the extended Building Covenant Period must be submitted.

3.5 For a Development comprising both non-residential units and residential units, the estimated completion date as certified by the Authorized Person must not exceed 3 calendar months after the current expiry date of the Building Covenant Period. If the estimated completion date is more than 3 calendar months after the current expiry date of the Building Covenant Period, the Vendor is required to apply for and obtain an extension of the Building Covenant Period. If the Building Covenant Period is extended, a copy of the approval letter showing the extended Building Covenant Period must be submitted.

4. Appointment of Solicitors

4.1 As a solicitors' firm acting for the Vendor in the sale of units plays a significant role as stakeholder of the sales proceeds, no solicitors' firm may act in the sale unless a letter of its appointment to act for the Vendor is submitted.

4.2 Any withdrawal of the appointment must be sent to LACO within 2 working days of receipt of withdrawal by the solicitors' firm concerned.

5. Statutory Declaration and Agreement for Sale and Purchase

5.1 Statutory Declaration

- 5.1.1 A SD in the form approved by the Director must be made by a proprietor of the Vendor's Solicitors or where the Vendor's Solicitors comprise more than one solicitors' firm, be made by a proprietor of each of the solicitors' firms acting in the sale and registered in the Land Registry before the first PASP is signed. A draft of the SD in the form at Appendix II must be submitted for the Director's approval.
- 5.1.2 If at the time when the SD is to be made, a change is proposed to the form of the SD approved by the Director, or if subsequent to the making of the SD, a change is proposed to the SD, or if the AP's Certificate (please refer to Paragraph 6.2 of this Section III) which is to be exhibited to the SD and last accepted by the Director is dated more than 3 calendar months before the proposed date of the SD, a revised draft of the SD with updated exhibits must be submitted for the Director's approval.
- 5.1.3 If the Vendor's Solicitors or where the Vendor's Solicitors comprise more than one solicitors' firm, any one of the solicitors' firms, ceases to act for the Vendor in the sale, no further sale may take place until the Director has approved the substituted solicitors' firm (if any) to act for the Vendor and a further SD in the form approved by the Director with updated exhibits has been made by that substituted solicitors' firm and registered in the Land Registry.
- 5.1.4 If the Vendor intends to instruct any other solicitors' firm to act on its behalf in addition to the solicitors' firm(s) already approved at the time of Consent as the Vendor's Solicitors, the solicitors' firm to be so instructed cannot act in the sale until the Director has approved that solicitors' firm to act for the Vendor and a further SD in the form approved by the Director with updated exhibits has been made by a proprietor of that solicitors' firm and registered in the Land Registry. Any application for the Director's approval to add a solicitors' firm must be made through the Vendor's Solicitors or the solicitors' firm in substitution of the Vendor's Solicitors, or where the Vendor's Solicitors comprise more than one solicitors' firm, the solicitors' firm which made the application for the Consent or the solicitors' firm appointed in substitution of that solicitors' firm.
- 5.1.5 Up-to-date certificate of the Authorized Person as to the progress of construction, financing, etc. may be required where any further SD is to be made under Paragraphs 5.1.2, 5.1.3 and 5.1.4 of this Section III.

## 5.2 Agreement for Sale and Purchase

- 5.2.1 Each ASP must be in the form at Appendix III or in the form approved by the Director. A draft of the ASP that is not in the form at Appendix III must be submitted for the Director's approval.

5.2.2 Each ASP must not provide for any sum of money, other than the preliminary deposit, to be paid before the date of the ASP.

5.2.3 Each ASP must be registered in the Land Registry within one calendar month after the date of the relevant PASP.

### 5.3 Standard Forms

5.3.1 The form of the SD at Appendix II and the form of the ASP at Appendix III should normally be adopted as standard forms without any variation. Request for variations to these forms will not normally be entertained, with the exception of very rare cases where a particular variation is considered essential either, for example, for the better protection of the interests of purchasers, or because of the particular circumstances of a specific case. Such cases will be considered on their own merits. Any variations to these forms will require the Director's approval and may involve consultation with other relevant authorities. Ample time should therefore be allowed.

5.3.2 Where the proposed form of the ASP adopts the form at Appendix III without any variation, it is not necessary for the Vendor's Solicitors to submit the draft of the ASP for the Director's approval, and the Director will not check the draft of the ASP in this case. A statement in the SD confirming that the contents of the ASP in all respects accord with the form of the ASP at Appendix III is sufficient.

5.3.3 Where variations must be made to the form of the SD at Appendix II or the form of the ASP at Appendix III, the Vendor's Solicitors or where the Vendor's Solicitors comprise more than one solicitors' firm, the solicitors' firm which made the application for the Consent must –

(a) highlight the proposed variations in the draft of the SD or the draft of the ASP submitted in duplicate, with deletions preferably shown by striking through and additions shown by underlining; and

(b) provide full justification for each proposed variation.

Information inserted and deletions made in accordance with the instructions specified in the form of the ASP at Appendix III are not regarded as variations to the form at Appendix III. Only where the proposed form of the ASP contains variation of the wording of clause(s) in, deletion of clause(s) from or addition of clause(s) to the form at Appendix III, then the Director's approval is required.

5.3.4 If the Vendor's Solicitors wish to propose amendments to any variation already applied for, only those pages of the SD or the ASP on which these amendments are proposed should be submitted for the Director's approval. The relevant pages should be submitted in duplicate with the

proposed amendments highlighted in the same manner as in Paragraph 5.3.3(a) of this Section III and in such a way that these proposed amendments are readily apparent.

5.3.5 Any amendments to the substance of the SD and the ASP will not be considered after the issue of the Consent. Any concern as to the contents of these documents should be resolved in the process of obtaining the Director's approval and before the issue of the Consent.

5.3.6 Any variation to the form of the SD at Appendix II and the form of the ASP at Appendix III without the Director's approval may lead to suspension of the Consent. Depending upon the circumstances, the Director may also take other action.

6. Authorized Person and Authorized Person's Certificate, etc.

6.1 Authorized Person

The Authorized Person who gives a certificate for the purpose of obtaining the Consent must be an architect or engineer or surveyor listed in the authorized persons' register kept by the Building Authority under section 3(1) of the Buildings Ordinance.

6.2 Authorized Person's Certificate

6.2.1 The AP's Certificate must be in the form at Appendix IV.

6.2.2 Generally, the application for the Consent will not be processed if the AP's Certificate is dated more than 3 calendar months before the date of the application. The AP's Certificate submitted immediately before the Director giving the Consent, on which the final check is conducted, must also be dated not more than 3 calendar months before the date of the Consent. Further, the date as at which the Construction Costs and the Professional Fees are certified as having been expended on the Development must not be more than 15 days before the date of the AP's Certificate.

6.2.3 If at the time of making the SD, the AP's Certificate last accepted by the Director is dated more than 3 calendar months before the proposed date of the SD, an updated AP's Certificate is required to be exhibited to the SD. The proposed SD, together with the updated AP's Certificate and other updated exhibits, must first be submitted for the Director's approval. When submitting the updated AP's Certificate, the Vendor's Solicitors or where the Vendor's Solicitors comprise more than one solicitors' firm, the solicitors' firm which made the application for the Consent must at the same time –

(a) submit a copy of such updated AP's Certificate highlighting the revisions made to the AP's Certificate last accepted by the Director, with deletions preferably shown by striking through

and additions shown by underlining; and

- (b) provide confirmation in writing that save for the highlighted revisions, no other revision has been made to the AP's Certificate last accepted by the Director.

6.2.4 The Authorized Person must obtain confirmation in writing by an appropriate senior or financial officer of the Vendor on the amount of the Professional Fees. In respect of the amounts of the Construction Costs and the Professional Fees confirmed to have been paid, the Authorized Person must obtain written supporting evidence from the Vendor to satisfy himself that the sums have been paid to the contractors, sub-contractors, suppliers and professionals as claimed. Individual receipts or invoices in support of the payment need not be produced to the Director, unless specifically required in any particular case at the Director's discretion. Further, pursuant to the undertaking given in the AP's Certificate, the Authorized Person must inform in writing LACO, the Mortgagee (if any), the Vendor and the Vendor's Solicitors immediately if there is a change of information on (inter alia) the Construction Costs and the Professional Fees.

6.2.5 The Building Contractor must be identified in the AP's Certificate and must be a general building contractor registered with the Building Authority under section 8A of the Buildings Ordinance and appointed under section 9(1) or (3) of the Buildings Ordinance to carry out building works for the Development. All other contractors, sub-contractors and suppliers for the Development (for example, for site formation works, substructure works and superstructure works, etc.) must also be identified in the AP's Certificate for the purpose of drawing funds from the stakeholder account (please refer to Paragraph 15 of this Section III) or the Building Mortgage (if any), against properly delivered invoices.

6.2.6 The Authorized Person must obtain confirmation in writing from the Vendor whether or not the Building Contractor is an associate corporation of the Vendor or the holding company of the Vendor. If it is the case, the Authorized Person may, at his discretion, require the various amounts relating to the Construction Costs and the Professional Fees to be verified by an independent quantity surveyor.

6.2.7 If –

- (a) any director or company secretary of the Vendor, the holding company of the Vendor, or the Building Contractor is an immediate family member of the Authorized Person, or any other authorized person in the AP Company who is a proprietor or director of the AP Company;
- (b) the Authorized Person, or any other authorized person in the AP Company who is a proprietor or director of the AP Company,

holds at least 1% (in the case of a listed company), or at least 10% (in the case of a private company), of the issued shares in the Vendor, the holding company of the Vendor, or the Building Contractor;

- (c) the Authorized Person, or any other authorized person in the AP Company who is a proprietor or director of the AP Company, is an employee, director or company secretary of the Vendor, the holding company of the Vendor, or the Building Contractor; or
- (d) the AP Company is an associate corporation of the Vendor, the holding company of the Vendor, or the Building Contractor,

then the various amounts relating to the Construction Costs and the Professional Fees (including any payment made) appearing in the AP's Certificate and any other certificate of the Authorized Person to be submitted to LACO, the Vendor, the Vendor's Solicitors, or the Mortgagee (if any) must be verified by an independent authorized person or quantity surveyor.

6.2.8 An authorized person or quantity surveyor is considered to be an independent authorized person or quantity surveyor if –

- (a) the Authorized Person is not an immediate family member of that authorized person or quantity surveyor, or the other proprietor(s) or director(s) of the firm or corporation to which that authorized person or quantity surveyor belongs;
- (b) that authorized person or quantity surveyor is not, and no proprietor or director of the firm or corporation to which that authorized person or quantity surveyor belongs is, an employee of the Authorized Person;
- (c) no proprietor, director or company secretary of the AP Company, the Vendor, the holding company of the Vendor, or the Building Contractor is an immediate family member of that authorized person or quantity surveyor, or the other proprietor(s) or director(s) of the firm or corporation to which that authorized person or quantity surveyor belongs;
- (d) that authorized person or quantity surveyor does not hold, and no proprietor or director of the firm or corporation to which that authorized person or quantity surveyor belongs holds, at least 1% (in the case of a listed company), or at least 10% (in the case of a private company), of the issued shares in the AP Company, the Vendor, the holding company of the Vendor, or the Building Contractor;

- (e) that authorized person or quantity surveyor is not, and no proprietor or director of the firm or corporation to which that authorized person or quantity surveyor belongs is, an employee, proprietor, director or company secretary of the AP Company, the Vendor, the holding company of the Vendor, or the Building Contractor; and
- (f) the firm or corporation to which that authorized person or quantity surveyor belongs is not an associate corporation of the AP Company, the Vendor, the holding company of the Vendor, or the Building Contractor.

6.2.9 The certificate of the independent authorized person or quantity surveyor, if required, must be in the form at Appendix XI and submitted before the issue of the Consent.

### 6.3 Change of Authorized Person

6.3.1 The Authorized Person must inform in writing LACO, the Vendor's Solicitors and the Mortgagee (if any) of any change of the Authorized Person unless it is a temporary change within the same AP Company.

6.3.2 Where a Temporary Authorized Person is involved and the Vendor wishes to rely on the certificate of the Temporary Authorized Person for the purpose of obtaining the Consent or drawing money from the stakeholder account or under the Building Mortgage (if any), then the Director's approval of the Temporary Authorized Person must first be obtained before his certificate can be accepted for any of the purposes.

6.3.3 In obtaining the Director's approval, the Temporary Authorized Person must first confirm in writing to the Director that he is an architect or engineer or surveyor listed in the authorized persons' register kept by the Building Authority under section 3(1) of the Buildings Ordinance and acts as a co-ordinator of building works for the Development for the time being. The Temporary Authorized Person must disclose any relationship in accordance with Paragraphs 7.1, 7.2 and 7.3 of this Section III. The Vendor's Solicitors and the Mortgagee (if any) must be notified in writing of the approval of the Temporary Authorized Person by the Director before drawing any money.

6.3.4 On the resumption of appointment by the original Authorized Person, he must again inform in writing LACO, the Vendor's Solicitors and the Mortgagee (if any) of his re-appointment and the cessation of appointment of the Temporary Authorized Person.

## 7. Disclosure of Relationships between Parties involved in the Development

7.1 When applying for the Consent, it must be disclosed to the Director the personal and financial relationships of the Authorized Person and each proprietor of the Vendor's Solicitors with the Vendor, the holding company of

the Vendor and the Building Contractor, in addition to their names.

#### 7.1.1 Personal relationship

Personal relationship exists in the following situations –

- (a) where the Vendor or the Building Contractor is an individual, any of them is an immediate family member of the Authorized Person or a proprietor of the Vendor's Solicitors;
- (b) where the Vendor or the Building Contractor is a partnership, a partner of the Vendor or the Building Contractor is an immediate family member of the Authorized Person or a proprietor of the Vendor's Solicitors;
- (c) where the Vendor or the Building Contractor is a corporation, a director or the company secretary of the Vendor, the holding company of the Vendor, or the Building Contractor is an immediate family member of the Authorized Person or a proprietor of the Vendor's Solicitors.

#### 7.1.2 Financial relationship

Financial relationship exists in the following situations –

- (a) where the Authorized Person or a proprietor of the Vendor's Solicitors holds at least 1% (in the case of a listed company), or at least 10% (in the case of a private company), of the issued shares in the Vendor, the holding company of the Vendor, or the Building Contractor;
- (b) where the Authorized Person or a proprietor of the Vendor's Solicitors is an employee, director or company secretary of the Vendor, the holding company of the Vendor, or the Building Contractor, regardless of whether or not the Authorized Person or a proprietor of the Vendor's Solicitors holds any share in that company.

- 7.2 The requirements of disclosing personal and financial relationships to the Director also apply to any other authorized person in the AP Company who is a proprietor or director of the AP Company, even though he does not personally give the AP's Certificate and any proprietor of the Vendor's Solicitors even though he does not personally make the SD in relation to the Consent.
- 7.3 Where the AP Company is an associate corporation of the Vendor, the holding company of the Vendor, or the Building Contractor, then disclosure of such relationship to the Director is also required.
- 7.4 Where any of the relationships stipulated in Paragraphs 7.1, 7.2 and 7.3 of this Section III exists, the Authorized Person would not be automatically prohibited

from acting as the Authorized Person or the Vendor's Solicitors acting as the conveyancing solicitor for the Development, but the Director reserves the right, in individual circumstances, to seek specific assurances or undertaking from the related parties to ensure their independence.

7.5 The Authorized Person and the Vendor's Solicitors must inform in writing LACO and any other appropriate party of any change of the relationships as stipulated in Paragraphs 7.1, 7.2 and 7.3 of this Section III immediately, and a change of relationship stipulated in Paragraph 6.2.6 of this Section III on being notified by the Vendor of such change. LACO may then impose further conditions for the Consent already given including the making of a supplemental SD and the public disclosure of the relationship.

## 8. Lease Approvals

8.1 Before the Consent is issued, documentary evidence of Government's approvals required under the Government Grant must be produced.

8.2 Government's approvals include but are not limited to –

8.2.1 design, disposition and height;

8.2.2 master layout plan;

8.2.3 landscaping proposal;

8.2.4 carpark layout plan; and

8.2.5 deed of mutual covenant incorporating management agreement.

8.3 If so required under the Government Grant, the approved carpark layout plan must also be deposited with the Director before the Consent is issued.

## 9. Other General Requirements

9.1 Other than the Building Mortgage (if any), the land must not be subject to any other financial encumbrance.

9.2 The lease term of the land must have at least 10 years to run. Where the Government Grant is non-renewable and the lease term has less than 10 years to run, an application for the Consent will not be entertained until the Vendor has applied for and obtained a regrant or lease extension. Renewable leases to which the Government Leases Ordinance or the New Territories Leases (Extension) Ordinance applies are treated as leases having a term of more than 10 years even though the original term has already expired or will expire in less than 10 years.

9.3 Any area required to be surrendered to the Government must either be carved out by a deed poll or surrendered to the Government before the issue of the Consent.

9.4 Where a premium is payable, the premium or the balance outstanding together with any interest must be paid before the issue of the Consent.

**(B) Processing of Application for Consent**

10. Procedures

10.1 Upon receipt of confirmation that the consent fee (please refer to Paragraph 11 of this Section III) has been settled, LACO will process the application for the Consent.

10.2 LACO will check all the documents submitted with the application for the Consent, including but not limited to, the draft of the SD, (subject to Paragraph 5.3.2 of this Section III) the draft of the ASP and the AP's Certificate. LACO will seek clarifications or request additional information to ensure that all the criteria for the issue of the Consent have been fulfilled. To expedite the processing of the application, LACO will aim -

10.2.1 to issue the first round of comments within one calendar month of receipt of the application.

10.2.2 for subsequent rounds of correspondence, to reply to the Vendor's Solicitors within 2 weeks of receipt of the response from them.

10.3 To assist the Vendor in giving early instructions to the Vendor's Solicitors to resolve any outstanding issue with LACO, LACO will keep the Vendor informed of the progress of the application for the Consent. Follow-up correspondence as to the progress of the application will be copied to the Vendor, including rejection of incomplete or pre-mature submission, request for additional clarifications and similar correspondence.

10.4 When all the clarifications (if any) have been made and additional information (if any) has been provided and LACO is satisfied that the AP's Certificate is in order and that the Vendor has the financial ability to complete the Development, LACO will approve the forms of the SD and (subject to Paragraph 5.3.2 of this Section III) the ASP.

10.5 To ensure proper prioritization in processing all applications for the Consent, LACO would devote staff time to those applications which are active. As a general principle, an application for the Consent may be regarded as withdrawn if -

10.5.1 despite request or warning, the Vendor's Solicitors fail to provide the clarification or information required by LACO;

10.5.2 there is a substantial change in the subject matter of the application;

10.5.3 there is a breach or a pending modification of the Government Grant.

#### 10.6 Failure of Vendor's Solicitors to provide clarification or information despite request or warning

Where clarification or information is required, LACO will issue a requisition letter to the Vendor's Solicitors. The Vendor's Solicitors are expected to furnish LACO with the clarification or information within 2 weeks of the date of the requisition letter. If the clarification or information is not received by LACO and despite the issuance of reminder, the Vendor's Solicitors still fail to provide the same, the application for the Consent would be treated as withdrawn and a letter will be issued to the Vendor's Solicitors (and copied to the Vendor) to that effect.

#### 10.7 Substantial Change in Subject Matter of Application

The application for the Consent would be regarded as withdrawn when there is a substantial change in the subject matter of the application, including -

10.7.1 change in the phasing of the Development (for example, to apply for the Consent to sell all units in the Development instead of a Phase (as originally applied for) or vice versa, to bring forward the sale of units or block(s) in other Phase(s) (contrary to the original application) or vice versa, to swap units or block(s) in the current Phase (under application) and in other Phase(s));

10.7.2 substitution of the leading solicitors' firm in the application.

#### 10.8 Breach or Pending Modification of Government Grant

As and when LACO is ready to approve the application for the Consent and issue the Consent but for a breach of the Government Grant or a pending modification, the Vendor's Solicitors will be required to report progress on purging the beach or completing the modification. If no reply is received or if it is found that no concrete progress has been made, the application would be treated as withdrawn and a letter will be issued to the Vendor's Solicitors (and copied to the Vendor) to that effect.

10.9 After an application for the Consent is deemed withdrawn, a fresh application is required to be submitted if the Vendor still wants to sell any units in the Development before it is completed. Such fresh application will be processed subject to payment of a new consent fee. No refund of fee will be made in respect of the application which is deemed withdrawn, but request for return of the documents submitted would be entertained. Where different applications are competing for the time of the processing staff, priority would normally be given to applications received earlier.

### 11. Consent Fee

11.1 A consent fee at the rate prevailing at the time of the application for the Consent will be imposed. When a complete submission is received, LACO will issue a demand note for the fee. Such fee must be paid upfront and is not

normally refundable, irrespective of whether the Consent will be issued or not.

11.2 LACO will announce the prevailing rate of consent fee in a LACO Circular Memorandum from time to time.

**(C) Sale, Advertising and Promotional Activities**

12. Conduct of Sale

12.1 The sale of the units must be conducted in such a manner so as to avoid any disorder being created in any street or public place. The Vendor's Solicitors must ensure that the Vendor is fully aware of and complies with all the conditions subject to which the Consent is given.

12.2 The Vendor's Solicitors must check the terms and conditions of any PASP and ensure that they comply with the conditions imposed by the Director in giving the Consent before the relevant ASP is prepared. If any breach is identified, the Vendor's Solicitors must not act for either party in the sale in respect of which the PASP is in breach and must immediately notify in writing LACO of the breach. Any breach of the conditions of the Consent apparent on the face of any PASP will immediately act as suspension of the Consent and no further sale may take place until the Director has confirmed in writing that the Consent is reinstated in respect of the units that are unsold, subject to any additional condition.

13. Disclosure of Information

13.1 The Vendor must, upon request from a purchaser who has signed an ASP, provide him with a hard copy of the record of information as to the total Construction Costs and the total Professional Fees to complete the Development as well as the total Construction Costs and the total Professional Fees expended and paid from time to time that must be updated on a calendar monthly basis subject to payment of a nominal fee of not more than HK\$100 per request.

13.2 The Vendor must make available to the public, at least one week prior to commencement of the first sale of units, sales brochure for the Development. The sales brochure must contain the information set out in the list at Appendix VII.

13.3 The Vendor must make available to the public, not less than 3 days prior to the commencement of the sale of units, a price list of all the units offered for sale at any one time. The price list must include a statement as to the right of the Vendor to deduct 3% of the purchase price in the circumstances where a person who has signed a PASP does not, for whatever reason, sign an ASP.

13.4 A hard copy of each of the sales brochure and the price list referred to in Paragraphs 13.2 and 13.3 of this Section III respectively must be sent to the Consumer Council, the Permanent Secretary for Transport and Housing (Housing) and the Estate Agents Authority.

13.5 The Vendor must clearly and legibly disclose to the public –

13.5.1 in any advertisement (including electronic media) the information as to the names of the parties involved in the Development, namely –

- (a) the Vendor and its holding company;
- (b) the Authorized Person and the AP Company;
- (c) the Building Contractor;
- (d) the Vendor's Solicitors;
- (e) the Mortgagee (if any);
- (f) the licensed bank or registered deposit-taking company authorized under section 16 of the Banking Ordinance which has given a Finance Undertaking (if any); and
- (g) the Financier (if any); and

13.5.2 in any advertisement in the printed media (excluding electronic media) the relationships (if they exist) stipulated in Paragraphs 6.2.6, 7.1, 7.2 and 7.3 of this Section III between the parties involved in the Development.

There is no need to disclose in the advertisement the actual personal relationship or the name of the related person, or to state the percentage or number of shares held, but the Director reserves the right to request the relevant information in individual cases.

13.6 The requirement of public disclosure referred to in Paragraph 13.5 of this Section III does not apply to certain media (for example, radio, television, advertising on public transport vehicles, Mass Transit Railway premises, roadside billboards etc.) where it is impractical to include all the required information in the advertisement. In other cases, where the Vendor considers that it is not practical to include any of the required information in an advertisement which is not covered by the exception, it may make an application with justifications to the Director to waive the requirement in a specific case, at the absolute discretion of the Director.

13.7 Any change to the names and the relationships of the parties disclosed should be promptly reflected in the sales brochure and the advertisements (including electronic media).

14. Promotional Activities prior to issue of Consent

14.1 Notwithstanding that the “restriction on alienation before compliance” clause in the Government Grant prohibits the Vendor from publicising or advertising of units available for sale before the issue of the Consent, to allow the Vendor

to promote the Development earlier, commencement of promotional activities prior to the issue of the Consent may be permitted on application. Such application may be incorporated into the letter making the application for the Consent or by way of a separate letter. In the latter case, permission to commence promotional activities will not be given by the Director until after receipt of the application for the Consent, and in either case, payment of the consent fee must have been made. The permission to be given in writing is subject (inter alia) to the condition that the Vendor must specify and make known to the public in any publicity or promotional material or activity that the Consent has not yet been obtained.

14.2 The Vendor may, pursuant to the permission (if given) to commence promotional activities –

14.2.1 release to the public details of the Development (excluding the price list), whether by way of print, television, radio or other electronic media, on-line, or in its sales offices;

14.2.2 issue sales brochures complying with the requirements set out in Appendix VII;

14.2.3 promote the viewing of show flats; and

14.2.4 organize competitions, campaigns and other activities for publicising the units in the Development to be put on sale.

14.3 Permission to launch promotional activities shall not be construed as the Consent nor shall it be taken as implying that the Consent will be forthcoming for the Development, which will only be given if all the criteria for the issue of the Consent have been fulfilled. In addition, the permission (if given) shall under no circumstances be construed as permission to –

14.3.1 sign any PASP or other document, whether it is stated to be binding or not;

14.3.2 seek from any person any expression of intention (whether or not accompanied by a payment of money) to purchase any unit;

14.3.3 take, register or keep any name or legal identification document of any person or his choice of units with the intention of reserving any unit; or

14.3.4 accept any deposit or other consideration by the Vendor, the Vendor's Solicitors, or the agent(s) appointed by the Vendor.

14.4 If the Vendor does not comply with the conditions specified in Paragraph 14 of this Section III as to permission for promotional activities or if there is any complaint relating to the maintenance of order in any sales office, public place, or elsewhere, or any misrepresentation of sales information in any advertisement or promotional activity, or at any time as the Director may at his discretion consider appropriate, the permission for commencement of

promotional activities prior to the issue of the Consent may be withdrawn immediately. The Vendor must cease all promotional activities in relation to the Development upon receipt of notice from the Director of his withdrawal of the permission.

**(D) Monitoring after issue of Consent**

15. Operation of Stakeholder Account

15.1 The Vendor's Solicitors must pay into the stakeholder account the preliminary deposit paid under a PASP in respect of a unit and apply it as deposit and in part payment of the purchase price of the unit concerned and hold it as stakeholder. The Vendor's Solicitors will also act as stakeholder and receive all deposits and periodic payments made under an ASP. No part of any such money may be paid to the Vendor until the Outstanding Development Costs have been covered, and then only in accordance with the terms and conditions of the ASP.

15.2 The following provisions apply, whether the land is or is not subject to a Building Mortgage –

15.2.1 Any stakeholder account must be opened and maintained with, in the case where the land is subject to a Building Mortgage, the Mortgagee, or in any other case, a licensed bank and the stakeholder account must be designated for the Development. All purchasers' payments (including payment of any preliminary deposit) however made (for example, electronic payment) must be made in favour of the Vendor's Solicitors and paid directly to the stakeholder account.

15.2.2 Any release of funds from the stakeholder account must be strictly in accordance with the terms and conditions of the ASP and the conditions imposed by the Director in giving the Consent.

15.2.3 No money shall be drawn from any stakeholder account for reimbursement to the Vendor or for payment as the Construction Costs to any contractor, sub-contractor or supplier other than those whose names have already been disclosed in the AP's Certificate or the quarterly or final certificate referred to in Paragraph 16.3.1 of this Section III or as the Professional Fees. Further, any money so drawn must be for payment of the Construction Costs and the Professional Fees already expended and which have been paid or are payable by the Vendor.

15.2.4 Where the Vendor's Solicitors comprise more than one solicitors' firm, the written agreement of all of the solicitors' firms instructed to act on behalf of the Vendor is required to any release of funds from any of the stakeholder accounts.

15.3 Where the land is subject to a Building Mortgage, the following additional requirements apply –

- 15.3.1 To ensure proper management of the stakeholder account for the Development, the Vendor's Solicitors must enter into a Tripartite Stakeholder Agreement with the Mortgagee and the Vendor. Where the Vendor's Solicitors comprise more than one solicitors' firm, they must each enter into a Tripartite Stakeholder Agreement.
- 15.3.2 The Director has not prescribed any form of the Tripartite Stakeholder Agreement, but the Tripartite Stakeholder Agreement must comply with this Annex and contain the terms and conditions set out in Appendix VIII.
- 15.3.3 The Tripartite Stakeholder Agreement must be executed and registered in the Land Registry before the first PASP is signed.
- 15.3.4 Any release of funds from the stakeholder account must be made with the prior written approval of the Mortgagee and where the Vendor's Solicitors comprise more than one solicitors' firm, with the prior written agreement of all of the solicitors' firms and strictly in accordance with the terms and conditions of the Tripartite Stakeholder Agreement, in addition to the requirements for release of funds as stipulated in Paragraphs 15.2.2 and 15.2.4 of this Section III.

## 16. Submission of Reports and Certificates

- 16.1 To enable the Director to monitor compliance with the conditions of the Consent, submissions of reports by the Vendor's Solicitors and certificates by the Authorized Person are required to be made after the issue of the Consent.

### 16.2 Monthly Report

- 16.2.1 The Vendor's Solicitors must prepare reports, on a calendar monthly basis and confirm as correct, containing information relating to the progress of sale handled by the firm, receipt and application of monies from the stakeholder account held by the firm and details of units the sale of which is handled by the firm and for which immediate full payment of the purchase price has been made. Where the Vendor's Solicitors comprise more than one solicitors' firm, then each solicitors' firm instructed for the Vendor to act in the sale must provide its own reports for those units it handled.
- 16.2.2 The monthly reports must be in the form at Appendix IX and be forwarded to the Vendor and copied to LACO and the Mortgagee (if any) on or before the 15<sup>th</sup> day of each succeeding calendar month until such time as stipulated in Paragraph 16.4 of this Section III whereupon a final report in the form at Appendix IX must be submitted.

### 16.3 Quarterly Certificate

16.3.1 The Vendor's Solicitors must ensure that the Authorized Person provides to LACO and copies to the Mortgagee (if any), the Vendor and the Vendor's Solicitors on a quarterly basis certificates in the form at Appendix X until such time as stipulated in Paragraph 16.4 of this Section III whereupon a final certificate in the form at Appendix X must be submitted.

16.3.2 Each of the quarterly certificates must be forwarded to LACO, the Mortgagee (if any), the Vendor and the Vendor's Solicitors on or before the 15<sup>th</sup> day of the month following the quarter to which it relates.

16.3.3 In the event of any of the circumstances described in Paragraphs 6.2.6 and 6.2.7 of this Section III applying, the requirement of verification by an independent authorized person or quantity surveyor applies to the quarterly certificates by the Authorized Person. The certificate of the independent authorized person or quantity surveyor must be provided together with the quarterly certificate of the Authorized Person to which it relates and must follow the form at Appendix XI.

16.4 The reports and certificates referred to in Paragraphs 16.2 and 16.3 of this Section III must be submitted –

16.4.1 until the issue by the Director of the consent to assign in respect of the Development; or

16.4.2 if no consent to assign has been issued, until the issue by the Director of a certificate of compliance in respect of the Development and the issue of a certificate by the Authorized Person to the Director confirming that the fittings and finishes of those units which have been sold under the Consent will be incorporated in accordance with the terms and conditions of the ASP.

### 17. Cost Overrun

17.1 In addition to the quarterly certificates of the Authorized Person to be submitted to (inter alia) LACO after the issue of the Consent under Paragraph 16.3 of this Section III, the Authorized Person must immediately inform in writing LACO, the Vendor, the Vendor's Solicitors and the Mortgagee (if any) if there is or is likely to be a Cost Overrun.

17.2 If there is any Cost Overrun, the Vendor may, subject to the terms and conditions of the Building Mortgage (if any), continue to draw money from the stakeholder account in accordance with the terms and conditions of ASP and the Tripartite Stakeholder Agreement (if any) and the conditions imposed by the Director in giving the Consent, provided that no money can be released from any stakeholder account for payment of any amount over and above the respective amounts of the Construction Costs and the Professional Fees as

certified by the Authorized Person for the purpose of obtaining the Consent, until sufficient proof of adequate finance to cover also the Cost Overrun has been produced to the satisfaction of the Director.

17.3 If the Cost Overrun is 10% or more above the total of the Construction Costs and the Professional Fees to complete the Development as certified by the Authorized Person for the purpose of obtaining the Consent, the Vendor must, within 6 weeks after the date on which the Authorized Person informs the Vendor's Solicitors of the Cost Overrun reaching or exceeding that threshold, produce evidence to the satisfaction of the Director that it has enough finance to cover also the Cost Overrun, failing which no further sale may take place, and the Director reserves the right to suspend the Consent.

17.4 For the purposes of the requirements in Paragraphs 17.2 and 17.3 of this Section III, sufficient funds in the stakeholder account will be considered by LACO as acceptable proof of adequate finance for the Cost Overrun, among other options open to the Vendor.

#### 18. Notifications to Purchasers

18.1 In order that a purchaser may be made aware of any occurrence of events which entitles him to rescind the ASP, the Vendor must notify in writing each purchaser of any delay in completion of the Development.

18.2 If the Vendor fails to complete the Development by the date specified in clause 4(1)(c) of the ASP or by that date as extended by the Authorized Person under clause 4(4)(a) of the ASP, the Vendor must within 7 days after that date notify in writing the purchaser and draw his attention in the notice to his rights under clause 4(3) of the ASP.

18.3 If the Authorized Person grants any extension to the date specified in clause 4(1)(c) pursuant to clause 4(4)(a) of the ASP, the Vendor must comply with clause 4(4)(b) of the ASP and notify in writing the purchaser of the reasons for the extension and draw his attention in the notice to his rights under clause 4(3) of the ASP.

18.4 If the Vendor fails to apply for and obtain any necessary extension of time for completing the Development under clause 4(2)(a) of the ASP and fails to complete the Development by the expiry date of the Building Covenant Period, the Vendor must notify in writing the purchaser within 7 days after the expiry date and must draw his attention in the notice to his rights under clause 4(2)(b) of the ASP.

18.5 If the Vendor makes any application for extension of time from the Government for completing the Development, the Vendor must comply with clause 4(2)(a) of the ASP and notify the purchaser of the application and (if and when obtained) the terms of extension within 30 days after each event.

18.6 One copy of each of the form of notice sent to the purchaser under Paragraphs 18.2, 18.3, 18.4 and 18.5 of this Section III together with a confirmation in

writing from the Vendor that notices in that form have been sent to all the purchasers must be sent to LACO within 3 working days after the date of sending the first notice to the purchasers.

## **Section IV**

### **Periodic Release of Consent Information**

The Lands Department issues monthly and quarterly reports to provide, among other things, information on “Consent to sell Non-Residential Units”. Members of the public may visit [www.landsd.gov.hk](http://www.landsd.gov.hk) to obtain the reports containing information on the consent applications in respect of non-residential developments which were approved, rejected or withdrawn in the previous month / quarter or which were being processed as at the end of the previous month.

**CHECKLIST FOR APPLICATION FOR CONSENT  
TO ENTER INTO AGREEMENTS FOR SALE AND PURCHASE OF NON-RESIDENTIAL UNITS** <sup>(Note 1)</sup>

(To be completed by the solicitors' firm submitting the consent application ("Lead Solicitors' Firm"))

<b>(I) MANDATORY DOCUMENTS</b> (Tick <input type="checkbox"/> if submitted) (*Delete as appropriate)		For Official Use Only	
		Checked	Remarks
1.	<input type="checkbox"/> Full set of Government Grant (see item 1 of Part (IV)) (certified as true copy by the Land Registrar or a solicitor)		
2.	<input type="checkbox"/> Up-to-date computer printout of historical and current search records of the land (see item 1 of Part (II)) (certified as true copy by the Land Registrar or a solicitor)		
3.	<input type="checkbox"/> Draft Statutory Declaration ("SD") (in duplicate) (in form as per Appendix ..... to LACO Circular Memorandum ("CM") No. ....)		
4.	<input type="checkbox"/> Draft Agreement for Sale and Purchase ("ASP") (in duplicate) <sup>(Note 2)</sup> (in form as per Appendix ..... to LACO CM No. .... with variations)		

<sup>(Note 1)</sup> The consent application will not be accepted where any of the documents in Part (I), if applicable, are not submitted, or where the foundations of the building(s) within the Development have not been completed, or where the consent to commence building works on the superstructure of the building(s) within the Development has not been given by the Building Authority under section 14 of the Buildings Ordinance.

<sup>(Note 2)</sup> There is no need to submit the draft ASP to LACO for approval if its contents in all respects accord with the form of ASP annexed to the relevant LACO Circular Memorandum. Where variations are proposed to the form, then full justification for each of the proposed variations must be provided. Any variations to the form must be highlighted in the draft ASP submitted.

(I) <b>MANDATORY DOCUMENTS</b> (Tick <input type="checkbox"/> if submitted) (*Delete as appropriate)		For Official Use Only	
		Checked	Remarks
5.	<input type="checkbox"/> Authorized Person's Certificate ("AP's Certificate") dated ..... (in form as per Appendix ..... to LACO CM No. ....)		
	<input type="checkbox"/> Independent *Authorized Person's Certificate/Quantity Surveyor's Certificate dated ..... (in form as per Appendix ..... to LACO CM No. ....)		
6.	<input type="checkbox"/> Full set of Building Mortgage ("BM") (certified as true copy by the Land Registrar or a solicitor), with the partial release clause highlighted (Clause No. .... on page ....)		
	<input type="checkbox"/> Certificate from the Mortgagee (see item 11 of Part (II)) ("Mortgagee's Certificate") to confirm the amount already drawn and the undrawn balance under BM (see items 3(a)(iv) and 3(a)(v) of Part (V))		
	<input type="checkbox"/> *Draft Undertaking as to Partial Release (in form as per Appendix ..... to LACO CM No. ....)/ Draft Deed of Variation to BM relating to partial release		
	<input type="checkbox"/> Draft Finance Undertaking ("FU") (in duplicate) (in form as per Appendix ..... to LACO CM No. ....)		
7.	<input type="checkbox"/> Letter(s) of appointment of solicitors' firm(s) from the Vendor (see item 4(a) of Part (II))		

(II) GENERAL INFORMATION		English	Chinese	For Official Use Only	
				Checked	Remarks
1.	Lot No. of the land (“the land”)				
2.	Name of development now being constructed or to be constructed on the land (“the Development”)				
3.	Postal address of the Development as confirmed with Commissioner of Rating and Valuation				
4.	(a) Name of registered owner of the land (“the Vendor”)				
	(b) Address of the Vendor				
	(c) Fax No. of the Vendor		N/A		
5.	Name of every holding company <sup>(Note 3)</sup> of the Vendor				

<sup>(Note 3)</sup> Every holding company (within the meaning of the Companies Ordinance) must be listed.

(II) GENERAL INFORMATION		English	Chinese	For Official Use Only	
				Checked	Remarks
6.	(a) Name of Lead Solicitors' Firm				
	(b) Name(s) of other participating solicitors' firm(s)				
7.	(a) Address of Lead Solicitors' Firm				
	(b) Fax No. of Lead Solicitors' Firm		N/A		
	(c) E-mail address of Lead Solicitors' Firm		N/A		
8.	Name of authorized person appointed as co-ordinator of building works ("AP")				
9.	Name of professional firm/corporation to which AP belongs				

(II) GENERAL INFORMATION		English	Chinese	For Official Use Only	
				Checked	Remarks
10.	Name of building contractor named in AP's Certificate				
11.	Name of licensed bank or registered deposit-taking company ("the Mortgagee") in whose favour BM was created				
12.	Name of licensed bank or registered deposit-taking company which will undertake to provide finance under FU				
13.	Name of person ("the Financier") who has made unsecured loan(s)				

<b>(III) PREMISES AFFECTED BY THIS APPLICATION</b> (*Delete as appropriate)			For Official Use Only	
			Checked	Remarks
1.	Phase	*Yes, Phase ..... comprising ( <i>please specify all buildings and the total number of units</i> ) ..... *N/A		
2.	Block	*Block ..... *N/A		
3.	Units	( <i>Please specify type, e.g. shops, offices, cinemas, parking spaces etc, and number</i> ) .....		
4.	Consent fee in the sum of HK\$.....		Paid on .....	

(IV) LEASE REQUIREMENTS (*Delete as appropriate)		For Official Use Only		
		Checked	Remarks	
1.	Land grant conditions ("Government Grant")	*Government Lease dated ...../ Conditions of Sale/ Conditions of Grant/ Conditions of Exchange/ New Grant No. .... *as varied or modified by -  *Modification Letter dated ..... (M/N .....)  *Extension Letter dated ..... (M/N .....)  *Paragraph No. .... of Exclusion Order dated ..... (M/N .....)  *Paragraph No. .... of redevelopment order dated ..... (M/N .....)  *Paragraph No. .... of order for sale dated ..... (M/N .....)  		
2.	Lease term <sup>(Note 4)</sup>			

<sup>(Note 4)</sup> The lease term must have at least 10 years to run. Where the lease is non-renewable and has less than 10 years to run, the consent application will not be entertained until a regrant or lease extension has been applied for and obtained.



(IV) LEASE REQUIREMENTS (*Delete as appropriate)			For Official Use Only		
			Checked	Remarks	
		(iii) Copy of BC period Extension Letter submitted?	*Yes *No *N/A		
6.	(a) Date of completion <sup>(Note 5)</sup> as certified in AP's Certificate	.....			
	(b) Date of completion in Clause 4(1)(c) of draft ASP <sup>(Note 6)</sup>	.....			
7.	(a) Consent to sell prior to compliance	Required under SC/Paragraph No. .... in .....			
	(b) Approval of Deed of Mutual Covenant incorporating Management Agreement (if any)	*Required under SC/Paragraph No. .... in ..... Draft submitted on ..... Draft approved on .....  *Not required			
	(c) Approval of design and disposition/design, disposition and height	*Required under SC/Paragraph No. .... in ..... Approved on ..... Copy of approval *submitted/ to be submitted			

<sup>(Note 5)</sup> Where the premises affected by this application form parts of a development or a phase (as the case may be) comprising non-residential units only, this date must not exceed 12 calendar months after the current expiry date of the BC period referred to in item 5(a) or 5(b)(i) of Part (IV). Otherwise, this date must not exceed 3 calendar months after the current expiry date of the BC period referred to in item 5(a) or 5(b)(i) of Part (IV).

<sup>(Note 6)</sup> This date must correspond with the date in item 6(a) of Part (IV).

(IV) LEASE REQUIREMENTS (*Delete as appropriate)			For Official Use Only	
			Checked	Remarks
		*Not required		
(d)	Approval of Master Layout Plan	*Required under SC/Paragraph No. .... in ..... Approved on ..... Copy of approval *submitted/ to be submitted  *Not required		
(e)	Approval of Landscaping Proposal <sup>(Note 7)</sup>	*Required under SC/Paragraph No. .... in ..... Approved on ..... Copy of approval *submitted/ to be submitted  *Not required		
(f)	Approval of carving out of the land and surrender of carved out portion	*Required under SC/Paragraph No. .... in ..... Approved on ..... Copy of approval *submitted/ to be submitted  *Deed Poll/Agreement to Surrender/ Deed of Surrender executed on ..... (M/N .....)  *Not required		

<sup>(Note 7)</sup> Where a comprehensive landscaping clause requiring a two-stage submission is imposed in the Government Grant, approval to the conceptual submission will be accepted for the consent application.

(IV) LEASE REQUIREMENTS (*Delete as appropriate)			For Official Use Only	
			Checked	Remarks
	(g) Deposit of approved car park layout plan	*Required under SC/Paragraph No. .... in ..... Deposited on .....  *Not required		
	(h) Other lease approval/consent	*Further requirements ( <i>please specify</i> ) ..... required under SC/Paragraph No. .... in ..... Copy of approval *submitted/ to be submitted  *No		
8.	Provision of Government Accommodation	*( <i>Please specify type of accommodation</i> ) ..... required under SC/Paragraph No. .... in .....  *Not required		

(V) DEVELOPMENT COSTS & FINANCE (*Delete as appropriate)			For Official Use Only		
			Checked	Remarks	
1.	Amount of the Total Development Costs (defined in AP's Certificate) as certified in AP's Certificate	HK\$.....			
2.	Total amount of that part of the Total Development Costs expended but not yet paid and that part of the Total Development Costs remaining to be expended ("Outstanding Development Costs") <sup>(Note 8)</sup> as certified in AP's Certificate	HK\$..... as at ..... <sup>(Note 9)</sup>			
3.	(a) *BM	(i) Date of BM	.....		
		(ii) Registered in the Land Registry by	M/N .....		
		(iii) Total amount secured to finance development costs <sup>(Note 10)</sup>	HK\$.....		

<sup>(Note 8)</sup> This amount must be the same as the amount mentioned in paragraph (1)(k) of the AP's Certificate.

<sup>(Note 9)</sup> This date must be the same date as referred to in paragraph (1)(i) of the AP's Certificate.

<sup>(Note 10)</sup> This relates solely to the amount secured under the loan document for construction purposes.

(V) DEVELOPMENT COSTS & FINANCE (*Delete as appropriate)			For Official Use Only	
			Checked	Remarks
	(iv) Amount already drawn as certified in Mortgagee's Certificate	HK\$..... as at ..... (Note 11)		
	(v) Amount of undrawn balance as certified in Mortgagee's Certificate	HK\$..... as at ..... (Note 11)		
	(vi) Undrawn balance sufficient to cover Outstanding Development Costs?	*Yes  *No, further BM by ...../ FU by ..... for HK\$.....		
	(vii) Professional fees secured under BM not exceed 5% of the total amount secured?	*Does not exceed  *Exceed		

(Note 11) This date must be the same date as referred to in the Mortgagee's Certificate and must not be earlier than the date referred to in item 2 of Part (V).

(V) DEVELOPMENT COSTS & FINANCE (*Delete as appropriate)			For Official Use Only	
			Checked	Remarks
(b) *FU	(i) Liability amount	HK\$.....		
	(ii) Liability amount sufficient to cover Outstanding Development Costs?	*Yes  *No, BM by ...../ Further FU by ..... for HK\$.....		
(c) Unsecured loan (loan already advanced or to be advanced)	(i) Unsecured loan advanced?	*Yes  *No		
	(ii) The Financier to covenant in ASP not to call back the whole or any of the unsecured loan and to provide further finance until completion of the Development?	*Yes, Clause ..... of ASP  *N/A		

Certificate by Solicitor

I, [*insert name of solicitor*], \*the sole proprietor/a partner in the firm of [*insert name of solicitors' firm*], certify and confirm that this Checklist has been duly and accurately completed.

Dated this ..... day of .....

[*insert name of solicitor*]  
Solicitor, Hong Kong SAR

\*Delete as appropriate

For Official Use Only

First check by \_\_\_\_\_ on \_\_\_\_\_  
(Name and signature of LCO)

Final check and update before issue of consent, in particular, to request an updated AP's Certificate and Mortgagee's Certificate if the AP's Certificate submitted was issued more than 3 calendar months.

Final check by \_\_\_\_\_ on \_\_\_\_\_  
(Name and signature of LCO)

**STATUTORY DECLARATION**

IN THE MATTER of [*insert lot number of land*]

and

IN THE MATTER of the Oaths and  
Declarations Ordinance

I, [*insert name of solicitor*] of [*insert address of solicitor*], solicitor, solemnly and sincerely declare as follows:-

(1) I am \*the sole proprietor/a partner in the firm of [*insert name of solicitors' firm*], solicitors, which has been instructed by [*insert name of registered owner of land*] (“the Vendor”) to act in connection with the sale of non-residential units comprising [*insert description of units such as shops, offices, parking spaces etc.*] in the development now being constructed or to be constructed on the above-mentioned land and intended to be known as “[*insert name of development*]” (“the Development”).

(2) I make this declaration on behalf of my firm in relation to the consent of the Director of Lands (“the Consent”) to the Vendor to enter into agreements for sale and purchase of non-residential units in <sup>β</sup>[Phase [*insert phase number*] of] the Development <sup>β</sup>[ (“the Phase”) ] under the provisions of \*the Government Lease dated [*insert date*]/Conditions of Sale/Conditions of Grant/Conditions of Exchange/New Grant No. [*insert number*] \*[as varied or modified by \*a Modification Letter/an Extension Letter/an Exclusion Order/a redevelopment order/an order for sale dated [*insert date of instrument*] and registered in the Land Registry by Memorial No. [*insert memorial number*]] (“the Government Grant”) under which the above-mentioned land is held from the Government of the Hong Kong Special Administrative Region. <sup>β</sup>[The Phase comprises [*insert description of buildings comprising the Phase*].]

(3) In accordance with instructions received from the Vendor, my firm has drawn up the form of Agreement for Sale and Purchase (“ASP”) for the sale of non-residential units in the <sup>γ</sup>Phase/Development. I have PERSONALLY EXAMINED the form of ASP now produced to me marked Exhibit A-1 and exhibited to this declaration. I declare that

\*[except insofar as any variations have been approved by the Director of Lands] its contents in all respects accord with the standard form of ASP annexed to Legal Advisory and Conveyancing Office (“LACO”) Circular Memorandum No. [*insert number*].

<sup>6</sup>(4) My firm has received instructions from the Vendor to prepare the form of Deed of Mutual Covenant incorporating a Management Agreement (if any) (“DMC”) for the sale of non-residential units in the <sup>7</sup>Phase/Development. I have PERSONALLY EXAMINED the form of DMC now produced to me marked Exhibit A-2 and exhibited to this declaration. <sup>#</sup>[I declare that \*[except insofar as any variations have been approved by the Director of Lands] its contents:

- (a) in all respects accord with:-
  - (i) the guidelines set out in LACO Circular Memorandum No. [*insert number*]; and
  - (ii) all the provisions of the Government Grant; and
- (b) are not in any respect contrary to any of the guidelines \*[except as aforesaid] nor to any of the provisions of the Government Grant,

and its form has been approved by the Director of Lands.]

- (5) (a) My firm has received confirmation from the Vendor that [*insert name of authorized person*] (“the Authorized Person”) of [*insert name and address of firm/corporation of authorized person*] has been appointed as the co-ordinator of building works for the <sup>7</sup>Phase/Development.
- (b) The Authorized Person has issued his certificate dated [*insert date of certificate*] (“the AP’s Certificate”) in respect of the <sup>7</sup>Phase/Development which certificate is now produced to me marked Exhibit A-3 and exhibited to this declaration.
- (c) The Authorized Person has confirmed in the AP’s Certificate that [*insert name of building contractor as stated in the AP’s Certificate*] (“the Building Contractor”) has been appointed as the building contractor to carry out building works for the <sup>7</sup>Phase/Development.
- <sup>c</sup>[(d) Pursuant to paragraph (1)(n) of the AP’s Certificate, \_\_\_\_\_ [*insert name of independent authorized person/quantity surveyor*] has verified and confirmed the respective amounts set out in paragraphs (1)(h), (1)(i), (1)(j) and

(1)(k) of the AP's Certificate in his certificate dated *[insert date of certificate]* which certificate is now produced to me marked Exhibit A-4 and exhibited to this declaration.]

<sup>#</sup>[(6) The Authorized Person has issued his certificate dated *[insert date of certificate]* confirming to me the basis for allocation of undivided shares <sup>\*</sup>*[and management shares]* under the DMC in respect of the whole of the Development which certificate is now produced to me marked Exhibit A-*[insert exhibit number]* and exhibited to this declaration.]

<sup>^</sup>(7) (a) To finance the total of the construction costs and the professional fees to complete the <sup>γ</sup>Phase/Development as stated in the AP's Certificate (collectively "the Total Development Costs"), a <sup>\*</sup>building mortgage/debenture dated *[insert date of instrument]* and registered in the Land Registry by Memorial No. *[insert memorial number]* ("the Building Mortgage") has been entered into between the Vendor and *[insert name of licensed bank or registered deposit-taking company]* ("the Mortgagee").

(b) My firm has received confirmation in writing from the Mortgagee as to the amount of the facilities remaining undrawn under the Building Mortgage and that the facilities are sufficient to finance that part of the Total Development Costs expended but not yet paid and that part of the Total Development Costs remaining to be expended to complete the <sup>γ</sup>Phase/Development as stated in the AP's Certificate (collectively "the Outstanding Development Costs"). A copy of the confirmation dated *[insert date of confirmation]* is now produced to me marked Exhibit A-*[insert exhibit number]* and exhibited to this declaration. The Mortgagee has undertaken to inform in writing my firm in the event of any of the facilities still remaining being cancelled for any reason other than drawings pursuant to the Building Mortgage or payment of the Outstanding Development Costs from other sources.

(c) In the event of the Mortgagee advising my firm of the cancellation of the facilities for any reason, my firm undertakes to inform in writing LACO and to confirm whether my firm holds sufficient funds in the stakeholder account as provided in the ASP to finance the Outstanding Development Costs. If my firm does not hold sufficient funds, the Consent will be deemed to have been cancelled insofar as the non-residential units unsold at that time are concerned and I have informed the Vendor accordingly.

<sup>%</sup>[(8) *[Insert name of licensed bank or registered deposit-taking company]* has undertaken with the Government of the Hong Kong Special Administrative Region and the

Director of Lands that if the Vendor shall be unable to finance the \*Total Development Costs/total of the construction costs and the professional fees to complete the <sup>y</sup>Phase/Development as stated in the AP's Certificate (collectively "the Total Development Costs"), he will pay to the Vendor or to any other person or persons as the Director of Lands shall direct an amount not exceeding HK\$[insert amount]. A copy of the undertaking dated [insert date of undertaking] is now produced to me marked Exhibit A-[insert exhibit number] and exhibited to this declaration.]

<sup>+</sup>[(9) (a) To finance the Total Development Costs, unsecured loans have been made and will be made to the Vendor by [insert name of Financier] ("the Financier").

(b) My firm has received confirmation in writing from the Financier that the Financier will not call back any loans made or to be made to the Vendor until the Development has been completed and that, if necessary, the Financier will provide all further finance to enable the Vendor to complete the Development.

(c) In the event of the Financier advising my firm that the Financier will not, or will not be able to, provide all further finance to complete the Development for any reason, my firm undertakes to inform in writing LACO and recognizes that the Consent will be deemed to have been cancelled insofar as the non-residential units unsold at that time are concerned and I have informed the Vendor accordingly.]

(10) My firm undertakes that all purchase monies paid by purchasers of non-residential units in the <sup>y</sup>Phase/Development will be held by my firm as stakeholder and will not be released except in accordance with the terms and conditions of the ASP and the conditions of the Consent.

(11) In the event of my firm ceasing to act in respect of the <sup>y</sup>Phase/Development or any part of the <sup>y</sup>Phase/Development and the sale of any non-residential units in the <sup>y</sup>Phase/Development, my firm undertakes to inform in writing LACO and recognizes that the Consent will be deemed to have been cancelled insofar as the non-residential units unsold at that time are concerned and I have informed the Vendor accordingly.

(12) My firm undertakes that we will check the terms and conditions of all signed preliminary agreements for sale and purchase ("PASP") in respect of the non-residential units which have been sold and for which we are instructed by the purchaser to prepare the ASP and will satisfy ourselves that the terms and conditions of the PASP do not breach any conditions of the Consent. My firm will not act for either party in the sale of any non-residential units in respect of which the terms and conditions of the PASP are in breach

of the conditions of the Consent and my firm will immediately notify in writing LACO of any such breach with details of the non-residential units concerned. I acknowledge that any breach of the conditions of the Consent apparent on the face of any PASP will immediately act as a suspension of the Consent for the whole of the <sup>y</sup>Phase/Development and that my firm will immediately inform the Vendor that no further sale of non-residential units in the <sup>y</sup>Phase/Development shall take place until the Director of Lands has confirmed in writing that the Consent is reinstated in respect of the unsold non-residential units.

(13) My firm has received confirmation from the Vendor that:

- (a) the sales brochure complies with the conditions of the Consent and contains all information as required in the Consent; and
- (b) in accordance with and subject to the conditions of the Consent:
  - (i) the sales brochure and the price list \*have been/will be made available to the general public; and
  - (ii) hard copies of the sales brochure \*have been/will be sent to the Consumer Council, the Estate Agents Authority and the Transport and Housing Bureau; and
- (c) a bilingual version of the “Warning to Purchasers” as per the form contained in Practice Direction A12 of Chapter 24 of The Hong Kong Solicitors’ Guide to Professional Conduct (Volume 2) issued by The Law Society of Hong Kong will be incorporated into all PASP.

(14) <sup>φ</sup>(a) I confirm that:

- (i) the Vendor is a corporation and is a \*private/listed company; and
- (ii) the Building Contractor is a corporation and is a \*private/listed company; and
- (iii) the holding company of the Vendor is a \*private/listed company; and
- (iv) \*no director/a director/[*insert number*] directors of the Vendor \*is/are my immediate family member\*[s] \*[and \*no director/a director/[*insert number*] directors of the Vendor \*is an immediate family member/are immediate family members of the other partner\*[s] of my firm]; and

- (v) the company secretary of the Vendor is *\*[not]* my immediate family member *\*[and the company secretary of the Vendor is *\*[not]* an immediate family member of the other partner\*[s] of my firm]; and*
  
- (vi) *\*no director/a director/[insert number] directors of the Building Contractor *\*is/are my immediate family member\*[s] *\*[and *\*no director/a director/[insert number] directors of the Building Contractor *\*is an immediate family member/are immediate family members of the other partner\*[s] of my firm]; and*****
  
- (vii) the company secretary of the Building Contractor is *\*[not]* my immediate family member *\*[and the company secretary of the Building Contractor is *\*[not]* an immediate family member of the other partner\*[s] of my firm]; and*
  
- (viii) *\*no director/a director/[insert number] directors of the holding company of the Vendor *\*is/are my immediate family member\*[s] *\*[and *\*no director/a director/[insert number] directors of the holding company of the Vendor *\*is an immediate family member/are immediate family members of the other partner\*[s] of my firm]; and*****
  
- (ix) the company secretary of the holding company of the Vendor is *\*[not]* my immediate family member *\*[and the company secretary of the holding company of the Vendor is *\*[not]* an immediate family member of the other partner\*[s] of my firm]; and*
  
- (x) I *\*[do not]* hold at least [*insert 1% where the Vendor is a listed company OR insert 10% where the Vendor is a private company*] of the issued shares in the Vendor *\*[and *\*no/[insert number] other partner\*[s] of my firm *\*[each] holds at least [*insert 1% where the Vendor is a listed company OR insert 10% where the Vendor is a private company*] of the issued shares in the Vendor]; and***
  
- (xi) I *\*[do not]* hold at least [*insert 1% where the holding company of the Vendor is a listed company OR insert 10% where the holding company of the Vendor is a private company*] of the issued shares in the holding company of the Vendor *\*[and *\*no/[insert number] other partner\*[s] of my firm *\*[each] holds at least [*insert 1% where the holding company of the Vendor is a listed company OR insert 10% where the holding company of the Vendor is a private company*] of the issued shares in the***

holding company of the Vendor]; and

- (xii) I *\*[do not]* hold at least [*insert 1% where the Building Contractor is a listed company OR insert 10% where the Building Contractor is a private company*] of the issued shares in the Building Contractor *\*[and \*no/[insert number] other partner\*[s] of my firm \*each] holds at least [*insert 1% where the Building Contractor is a listed company OR insert 10% where the Building Contractor is a private company*] of the issued shares in the Building Contractor]; and*
- (xiii) I am *\*[not]* an employee of the Vendor *\*[and \*no/[insert number] other partner\*[s] of my firm \*is an employee/are employees of the Vendor]; and*
- (xiv) I am *\*[not]* a director of the Vendor *\*[and \*no/[insert number] other partner\*[s] of my firm \*is a director/are directors of the Vendor]; and*
- (xv) I am *\*[not]* the company secretary of the Vendor *\*[and \*no/one other partner of my firm is the company secretary of the Vendor]; and*
- (xvi) I am *\*[not]* an employee of the Building Contractor *\*[and \*no/[insert number] other partner\*[s] of my firm \*is an employee/are employees of the Building Contractor]; and*
- (xvii) I am *\*[not]* a director of the Building Contractor *\*[and \*no/[insert number] other partner\*[s] of my firm \*is a director/are directors of the Building Contractor]; and*
- (xviii) I am *\*[not]* the company secretary of the Building Contractor *\*[and \*no/one other partner of my firm is the company secretary of the Building Contractor]; and*
- (xix) I am *\*[not]* an employee of the holding company of the Vendor *\*[and \*no/[insert number] other partner\*[s] of my firm \*is an employee/are employees of the holding company of the Vendor]; and*
- (xx) I am *\*[not]* a director of the holding company of the Vendor *\*[and no/[insert number] other partner\*[s] of my firm \*is a director/are directors of the holding company of the Vendor]; and*

(xxi) I am \*[not] the company secretary of the holding company of the Vendor \*[and \*no/one other partner of my firm is the company secretary of the holding company of the Vendor].

<sup>o</sup>(b) In this paragraph,

- (i) “company secretary” has the meaning given by section 2(1) of the Companies Ordinance;
- (ii) “corporation” means a company as defined by section 2(1) of the Companies Ordinance or a company incorporated outside Hong Kong;
- (iii) “director” has the meaning given by section 2(1) of the Companies Ordinance;
- (iv) “holding company” means a holding company within the meaning of the Companies Ordinance;
- (v) “immediate family member”, in relation to an individual, means a spouse, parent, child, sibling, grandparent or grandchild of the individual;
- (vi) “listed company” has the meaning given by section 2(1) of the Companies Ordinance; and
- (vii) “private company” has the meaning given by section 11 of the Companies Ordinance.

(c) My firm undertakes to inform LACO in writing immediately if there is:

- (i) a change of the information contained in paragraphs (5)(a) and (5)(c) of this declaration; and
- <sup>φ</sup>(ii) a change in the holding company of the Vendor; and
- (iii) a change to <sup>φ</sup>[(a)(i) to (a)(xxi)] of this paragraph.

(15) My firm undertakes to provide to the Vendor and copy to LACO \*[and the Mortgagee] on a calendar monthly basis reports as per the form prescribed under the conditions of the Consent. The reports will be forwarded to the parties on or before the 15th day of each succeeding calendar month:



IN THE MATTER of [*insert lot number of land*]

and

IN THE MATTER of the Oaths and  
Declarations Ordinance

---

STATUTORY  
DECLARATION

---

REGISTERED in the Land Registry by  
Memorial No. [            ]  
on [                        ]

for Land Registrar

- \* Delete as appropriate.
- β For phased development only. Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- ⊞ Amend as appropriate where Sub-DMC is involved.
- # Applicable where DMC approval is required. Delete as appropriate.
- ∞ Applicable where an Independent Authorized Person’s Certificate/Quantity Surveyor’s Certificate is required. Delete as appropriate.
- Δ Applicable where the Vendor has entered into a building mortgage/debenture. Delete as appropriate.
- % Applicable where a licensed bank/registered deposit-taking company has undertaken to provide finance by way of a finance undertaking. Delete as appropriate.
- + Applicable where unsecured loans have been or will be made. Delete as appropriate.
- φ Amend as appropriate where the Vendor or the Building Contractor is an individual or a partnership or where the Vendor is a corporation, there is no or there are more than one holding company of the Vendor.
- ∂ Delete definition(s) as appropriate.

THIS AGREEMENT is made the [                    ] day of [                    ] Two thousand and [                    ]

BETWEEN the Vendor \*[the Financier] and the Purchaser whose particulars are set out in Schedule 1.

WHEREAS :

Recitals

- (1) \*[The Vendor is obliged under the Government Grant to erect and complete on the land before [*insert building covenant expiry date*] the Development in all respects complying with the conditions of the Government Grant.

**OR**

Under the Exclusion Order the Vendor is obliged to erect and complete not later than [*insert building covenant expiry date*] the Development on the land in accordance with the building plans.

**OR**

Under the Redevelopment Order the Vendor is obliged to erect and complete not later than [*insert building covenant expiry date*] the Development on the land in accordance with the building plans.]

- (2) The land and the Development are notionally divided into undivided shares, such shares being subject to adjustment by the Vendor under clause 22.
- (3) The Vendor has obtained the consent of the Director of Lands to enter into (inter alia) this Agreement for the sale of the Property.

NOW IT IS AGREED AS FOLLOWS :

Interpretation

1. (1) In this Agreement including the recitals the following expressions have the following meanings except where the context otherwise permits or requires –

(a) “Authorized Person” means [*insert name of authorized person*], and this expression includes any other authorized person or persons as defined in section 2(1) of the Buildings Ordinance for the time being appointed by the Vendor in his place;

\*[(b) “Building Mortgage” means the [*insert description of the instrument*] dated [*insert date of instrument*] and registered in the Land Registry by Memorial No. [*insert memorial number*];]

(c) “building plans” –

(i) means the plans prepared by the Authorized Person in respect of the <sup>y</sup>Phase/Development and approved by the Building Authority; and

(ii) includes any approved amendments to the plans mentioned in paragraph (i);

(d) “business day” means a day –

(i) that is not a Saturday, Sunday or public holiday; and

(ii) on which banks are open for business in the Hong Kong Special Administrative Region;

(e) “Certificate of Compliance” means the certificate issued or to be issued by or on behalf of the Director of Lands to the effect that all the positive obligations of the Vendor under the Government Grant in relation to the land have been complied with;

(f) “Construction Costs” means the aggregate of –

(i) any sum incurred or to be incurred in connection with any works done or to be done, and materials or goods supplied or to be supplied, in connection with the site

formation on the land and the substructure and superstructure construction for the  $\gamma$ Phase/Development (including the communal \*[and recreational] facilities as set out in Schedule 6), and the making of the  $\gamma$ Phase/Development fit to qualify for the issue of an Occupation Permit and to comply with the conditions of the Government Grant  $\Sigma$ [in so far as they relate to the Phase];

- (ii) any sums needed to be incurred by the Vendor to install the fittings and finishes of the  $\gamma$ Phase/Development (including the fittings and finishes as set out in Schedule 5) and in making every unit in the  $\gamma$ Phase/Development ready for handover to purchasers on completion of the sale and purchase; and
  - (iii) any other sums (excluding the Professional Fees) which in the reasonable opinion of the Authorized Person needed to be incurred to complete the  $\gamma$ Phase/Development to qualify for the issue of an Occupation Permit and to comply with the conditions of the Government Grant  $\Sigma$ [in so far as they relate to the Phase ] and this Agreement;
- (g) “Deed of Mutual Covenant” means the document to be registered in the Land Registry which defines the rights, interests and obligations of all or any of the co-owners of the land and the Development among themselves and incorporates a Management Agreement (if any);
- (h) “Development” means [*insert brief description of the development giving as much information as reasonably practicable so that a purchaser will have a general understanding as to the nature and composition of the development, the communal and recreational facilities (if any) provided in the development, and other special features (if any), etc.*] now being constructed or to be constructed on the land and intended to be known as “[*insert name of the development*]”;

\*[(i) “Exclusion Order” –

(i) means the Exclusion Order dated [*insert date of instrument*] and registered in the Land Registry by Memorial No. [*insert memorial number*]; and

(ii) includes any order amending that Exclusion Order;]

(j) “expiry date of the Building Covenant Period” means –

(i) the last day of the period within which the Development is required to be completed under the \*Government Grant/Exclusion Order/Redevelopment Order; or

(ii) if that period has been extended by the Government, the last day of the extended period;

(k) “Government” means the Government of the Hong Kong Special Administrative Region;

(l) “Government Grant” means the Government Grant document as set out in Schedule 2;

(m) “land” means all that piece or parcel of land registered in the Land Registry as [*insert lot number*];

(n) “Occupation Permit” means the occupation permit or temporary occupation period to be issued by the Building Authority under section 21 of the Buildings Ordinance for every building in the <sup>y</sup>Phase/Development;

(o) “office hours” means the period beginning at 10 a.m. of a day and ending at 4:30 p.m. of the same day;

<sup>β</sup>[(p) “Phase” means Phase [*insert phase number*] of the Development comprising [*insert description of building(s) comprising the Phase*];]

(q) “Professional Fees” means any sums incurred or to be incurred by the Vendor for the employment of the Authorized Person and other professional persons or consultants in relation to completion of the <sup>y</sup>Phase/Development;

(r) “Property” means the property described in Schedule 3;

\*[(s) “Redevelopment Order” –

(i) means \*a redevelopment order (as defined by the Demolished Buildings (Re-development of Sites) Ordinance/an order for sale (as defined by the Land (Compulsory Sale for Redevelopment) Ordinance), dated [*insert date of instrument*] and registered in the Land Registry by Memorial No. [*insert memorial number*]; and

(ii) includes any order amending that \*redevelopment order/order for sale;]

(t) “Saleable Area” means –

(i) in relation to a unit enclosed by walls, the floor area of such unit (which includes the floor area of any balconies and verandahs), measured from the exterior of the enclosing walls of such unit except where such enclosing walls separate two adjoining units in which case the measurement is taken from the middle of those walls, and includes the internal partitions and columns within such unit; but excludes the common parts outside the enclosing walls of such unit Provided That if any of the enclosing walls abut onto a common area, then the whole thickness of the enclosing walls which so abut is included;

- (ii) in relation to any cockloft, the floor area of such cockloft measured from the interior of the enclosing walls of such cockloft;
- (iii) in relation to any bay window which does not extend to the floor level of a unit, the area of such bay window measured from the exterior of the enclosing walls or glass windows of such bay window and from the point where the bay window meets the wall dropping to the floor level of a unit but excluding the thickness of such wall;
- (iv) in relation to any parking space, the area of such parking space measured from the interior of its demarcating lines or enclosing walls, as the case may be;
- (v) in relation to any yard, terrace, garden, flat roof or roof, the area of such yard, terrace, garden, flat roof or roof measured from the interior of their boundary lines, and where the boundary consists of a wall, then it is measured from the interior of such wall; and

where the Property consists of any of the above-mentioned items, the Saleable Area of each of such items is set out and described separately in Schedule 3;

- (u) “Statutory Declaration” means the Statutory Declaration of the Vendors’ Solicitor and all other solicitors (if any) acting for the Vendor registered in the Land Registry by Memorial No. [*insert memorial number*] in relation to the consent of the Director of Lands to sell the Property; and
  - (v) “Vendor’s Solicitors” means Messrs. [*insert name of solicitors’ firm of the vendor*].
- (2) In this Agreement, if the context permits or requires, the singular number includes the plural and the masculine gender includes the feminine and the neuter.

- Sale and purchase
2. The Vendor shall sell and the Purchaser shall purchase the Property TOGETHER with the right in common with the Vendor or other person or persons claiming through, under or in trust for the Vendor to use for the purpose of access to and egress from the Property the lifts, entrance hall, staircases and landings in the Development and such of the passages in the Development intended for common use and serving the Property and the appurtenances thereto and TOGETHER with all rights of way (if any) and other rights and all privileges, easements and appurtenances thereunto belonging or appertaining AND all the estate, right, title, interest, property, claim and demand whatsoever of the Vendor in and to the Property EXCEPTING AND RESERVING unto the Vendor and its successors and assigns other than the Purchaser the right to the exclusive use, occupation and enjoyment of the whole of the Development \*[including the external walls (if any) of the Property] SAVE AND EXCEPT –
- (1) the Property; and
  - (2) such areas and facilities (if any) as may be designated as common areas or common parts and common facilities in the Deed of Mutual Covenant or are intended for common use.
- Purchase price
3. (1) The purchase price is the sum as set out in Schedule 4, payable by the Purchaser to the Vendor's Solicitors as stakeholders in the manner as set out in Schedule 4.
- (2) In the event of any money paid under this Agreement to the stakeholders not being applied in the manner set out in clause 26, such money is deemed to have been paid by the Purchaser to the Vendor's Solicitors as agents for the Vendor.
  - (3) In the event of the Purchaser being required pursuant to Schedule 4 to pay the balance of the purchase price when the Vendor is not at that time in a position validly to assign the Property to the Purchaser for whatever reason, the Purchaser is entitled to withhold such payment until the Vendor is in a position validly to assign the Property and has given at least 14 days' notice in writing to that effect to the Purchaser. Where the Purchaser has opted for

payment of the full balance of the purchase price within a specified period after the signing of this Agreement as set out in Schedule 4, then this sub-clause (3) shall not apply.

- (4) In respect of each payment of the purchase price or any part of the purchase price required to be made under this Agreement, the Purchaser shall deliver to the Vendor's Solicitors on the date on which such payment is required to be made a cashier's order issued or a cheque certified good for payment by a licensed bank in the Hong Kong Special Administrative Region in favour of the Vendor's Solicitors for the relevant amount.
- (5) Subject to sub-clause (3) but without prejudice to any other remedy under this Agreement, the Vendor is entitled to demand and receive payment of interest on the amount of any part of the purchase price not paid on its due date at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time calculated from the date on which the same ought to have been paid by the Purchaser to the date of actual payment.

Construction of  
Development,  
extension of time,  
rescission

- 4. (1) The Vendor shall –
  - (a) continue the construction of the Development with all due expedition;
  - (b) comply with the requirements of the Building Authority and of any other relevant Government authority relating to the Development; and
  - (c) complete the <sup>th</sup>Phase/Development in all respects in accordance with the building plans on or before [*insert the estimated completion date as certified by the Authorized Person*] subject to such extensions of time as may be granted by the Authorized Person in accordance with sub-clause (4)(a).

- (2) (a) Despite sub-clause (1)(c), the Vendor shall complete the Development by the expiry date of the Building Covenant Period. If at any time it appears likely in the opinion of the Authorized Person that the Development will not be completed by the expiry date of the Building Covenant Period, the Vendor shall promptly apply for and obtain such extension of time for completing the Development as is required and shall pay any premium to the Government for such extension. The Vendor shall notify the Purchaser in writing of such application and the terms of extension granted within 30 days after each event.
- (b) If the Vendor fails to apply for and obtain any necessary extension of time for completing the Development under sub-clause (2)(a) and fails to complete the Development by the expiry date of the Building Covenant Period, the Purchaser is entitled, <sup>β</sup>[unless the completion of the sale and purchase in this Agreement has taken place], in addition to any other remedy that the Purchaser may have, to give the Vendor notice in writing to rescind this Agreement and upon service of such notice, this Agreement is rescinded, and the Vendor shall, within 7 days after the rescission, repay to the Purchaser all amounts paid by the Purchaser under this Agreement together with interest on those amounts at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates on which such amounts were paid up to the date of repayment, the repayment of such amounts and interest to be in full and final settlement of all claims by the Purchaser against the Vendor under this Agreement.
- (3) (a) Subject to sub-clause (3)(b), if the Vendor fails to complete the <sup>θ</sup>Phase/Development by the date specified in sub-clause (1)(c) as extended by any extensions of time granted by the Authorized Person under sub-clause (4)(a), the Purchaser is at liberty, in addition to any other remedy that the Purchaser may have, by notice in writing to the Vendor to rescind this Agreement and upon service of such notice, this Agreement is

rescinded, and the Vendor shall, within 7 days after the rescission, repay to the Purchaser all amounts paid by the Purchaser under this Agreement together with interest on those amounts at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates on which such amounts were paid up to the date of repayment, the repayment of such amounts and interest to be in full and final settlement of all claims by the Purchaser against the Vendor under this Agreement.

- (b) If the Purchaser does not rescind this Agreement under sub-clause (3)(a) within 28 days after the date specified in sub-clause (1)(c) or any extended date under sub-clause (4)(a), the Purchaser is deemed, without prejudice to the Purchaser's rights under sub-clause (3)(c), to have elected to wait for completion of the <sup>0</sup>Phase/Development. In such event the Vendor shall pay to the Purchaser interest at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time on all amounts paid under this Agreement from the date following the date specified in sub-clause (1)(c) or any extended date under sub-clause (4)(a) up to the date of completion of the <sup>0</sup>Phase/Development. Such interest shall be paid or allowed as a credit to the Purchaser in respect of the purchase price on completion of the sale and purchase.
  
- (c) Despite sub-clauses (3)(a) and (3)(b), if the <sup>0</sup>Phase/Development is not completed within a period of 6 months from the date specified in sub-clause (1)(c) or any extended date under sub-clause (4)(a), the Purchaser is at liberty either to rescind this Agreement in which event the provisions of sub-clause (3)(a) relating to repayment and interest apply or to await the completion of the <sup>0</sup>Phase/Development in which event the provisions of sub-clause (3)(b) relating to the payment of interest apply.

- (4) (a) The Vendor is entitled to such extensions of time for completion of the <sup>0</sup>Phase/Development beyond the date specified in sub-clause (1)(c) as granted by the Authorized Person and appear to the Authorized Person to be reasonable having regard to delays caused exclusively by any one or more of the following reasons –
- (i) strike or lock-out of workmen;
  - (ii) riots or civil commotion;
  - (iii) force majeure or Act of God;
  - (iv) fire or other accident beyond the Vendor's control;
  - (v) war; or
  - (vi) inclement weather.

For the purpose of this sub-clause (4)(a), “inclement weather” means rainfall in excess of 20 millimetres in a twenty-four hour period (mid-night to mid-night) as recorded at the Hong Kong Observatory, or the issue of a Black Rainstorm Warning Signal, or the hoisting of Typhoon Signal No. 8 or above, at any time between the hours of 8 a.m. and 5 p.m.

- (b) The Vendor shall within 14 days after the issue of any such extensions of time granted by the Authorized Person under sub-clause (4)(a) furnish the Purchaser with a copy of the relevant certificate of extension.

- (5) For the purpose of this clause, the <sup>0</sup>Phase/Development is deemed to be completed on the date on which the Occupation Permit is issued.

Completion of sale  
and purchase

5. The sale and purchase shall be completed at the offices of the Vendor's Solicitors during office hours within 14 days after the Purchaser being notified in writing –

- (1) that the Occupation Permit has been issued and the Vendor is in a position validly to assign the Property to the Purchaser; or
- (2) that the Occupation Permit and the Certificate of Compliance have been issued;

whichever first happens.

- |                                      |  |
|--------------------------------------|--|
| Proper assurance                     | 6. On completion of the sale and purchase, the Vendor and all other necessary parties (if any) shall execute an Assignment of the Property to the Purchaser or the Purchaser's nominee or sub-purchaser in accordance with this Agreement but otherwise free from incumbrances.  |
| Risk                                 | 7. The Property, as between the Vendor and the Purchaser, remains at the Vendor's risk until the date fixed for completion of the sale and purchase in clause 5.   |
| Requisition on title                 | 8. If the Purchaser makes and insists on any objection or requisition in respect of the title or otherwise which the Vendor is unable or (on the ground of difficulty, delay or expense or on any other reasonable ground) unwilling to remove or comply with, the Vendor is, notwithstanding any previous negotiation or litigation, at liberty to cancel the sale on giving to the Purchaser or his solicitors at least 14 days' notice in writing to that effect, in which case unless the objection or requisition is in the meantime withdrawn, the sale is cancelled on the expiry of such notice and the Purchaser is entitled to a return of the deposit and other sums of money already paid but without interest, costs or compensation. |
| Government Grant,<br>mis-description | 9. <ol style="list-style-type: none"><li>(1) The Property is sold subject to and with the benefit of the Government Grant, for the term of years created by and with any right of renewal granted by the Government Grant and subject to all easements (if any) subsisting in the Government Grant.</li><li>(2) No error, mis-statement or mis-description shall cancel the sale nor shall any compensation be allowed in respect of such error, mis-statement or mis-description save as otherwise provided in this Agreement and except where such error, mis-statement or</li></ol>   |

mis-description relates to a matter materially and adversely affecting the value or user of the Property.

Warranties

10. (1) The Vendor warrants –
  - (a) that the fittings and finishes as set out in Schedule 5 shall, on or before completion of the <sup>θ</sup>Phase/Development, be incorporated into the Property Provided Always that if the Vendor is prevented by force majeure or other reason beyond its control from obtaining such fittings and finishes, other fittings and finishes certified by the Authorized Person to be of comparable quality may be substituted;
  - (b) that subject to clause 21, the Property will, on completion of the <sup>θ</sup>Phase/Development, be as shown on the plan attached to this Agreement and the Saleable Area of the Property will be as set out in Schedule 3; and
  - (c) that on completion of the Development the Vendor shall provide the communal \*[and recreational] facilities as set out in Schedule 6.
- (2) The Vendor further warrants –
  - (a) that consent in writing for the Vendor to enter into this Agreement has been obtained under the \*Government Grant/Exclusion Order/Redevelopment Order;
  - (b) that at the date hereof –
    - (i) the building plans have been duly approved;
    - (ii) the Authorized Person has duly certified that the foundations of the <sup>γ</sup>Phase/Development have been completed;
    - (iii) the consent of the Building Authority has been given under the Buildings Ordinance to commence building

works on the superstructure of the <sup>7</sup>Phase/Development;  
and

(iv) to the best of the Vendor's knowledge, no impediment exists which would prohibit or impede the completion of the <sup>0</sup>Phase/Development within the time specified in clause 4(1)(c);

- |                     |   |
|---------------------|---|
| Good title          | 11. (1) The Vendor shall at its own expense show a good title to the Property and produce to the Purchaser for his perusal such certified or other copies of any deeds or documents of title, wills and matters of public record as may be necessary to complete such title. The costs of verifying the title, including search fees, shall be borne by the Purchaser who shall also, if the Purchaser requires certified copies of any documents in the Vendor's possession relating to other property retained by the Vendor as well as to the Property, pay the cost of such certified copies.<br><br>(2) The Purchaser shall raise no objection if the Vendor's interest in the Property is an equitable interest and not a legal estate. |
| Documents of title  | 12. Such of the documents of title as relate exclusively to the Property shall be delivered to the Purchaser. All other documents of title in the possession of the Vendor shall be retained by the Vendor who shall, if so required on completion of the sale and purchase, give to the Purchaser a covenant for the safe custody of those documents and for production and delivery of copies of those documents at the expense of the Purchaser, such covenant to be prepared by the Purchaser.  |
| Rights of Purchaser | 13. The Purchaser is at any time before completion of the sale and purchase at liberty to –<br><br>(1) sub-sell the Property or transfer the benefit of this Agreement without any interference or charges by the Vendor or anyone claiming under or through the Vendor;<br><br>(2) charge or mortgage the Property Provided Always that notice in writing of any such charge or mortgage is given to the Vendor or the Vendor's Solicitors; and  |

(3) instruct any firm of solicitors of his choice to act for him in this Agreement and the Assignment and in the event that the Purchaser instructs solicitors other than the Vendor's Solicitors to act for him, each party shall pay its own solicitors' costs of and incidental to this Agreement and the Assignment (including all legal costs and disbursements of and incidental to the preparation, completion, stamping and registration of this Agreement and the Assignment).

Costs and disbursements of Agreement

14. (1) Subject to clause 13(3), all legal costs and disbursements of and incidental to the preparation, completion, stamping and registration of this Agreement and the Assignment shall be borne and paid by the \*Purchaser/Vendor, and in the event that the Purchaser instructs solicitors other than the Vendor's Solicitors to act for him –

(a) if the Purchaser requests the Vendor to execute more than one assignment in respect of the Property the Purchaser shall on completion pay the additional costs charged by the Vendor's Solicitors for their approval; and

(b) if the Purchaser requests the Vendor to assign the Property to his nominee or sub-purchaser the Purchaser shall on completion pay the additional costs charged by the Vendor's Solicitors for the perusal of any instrument of Nomination or Sub-Sale Agreement.

Stamp duty, etc.

(2) All stamp duty and registration fees payable on this Agreement and the Assignment shall be borne and paid by the \*Purchaser/Vendor.

Plan(s)

(3) The professional fees for the plan(s) to be annexed to this Agreement and the Assignment shall be borne and paid by the \*Purchaser/Vendor.

Time of the essence

15. Time is in every respect of the essence of this Agreement.

Default of Purchaser

16. (1) Should the Purchaser fail to observe or comply with any of the terms and conditions contained in this Agreement or to make the payments in accordance with Schedule 4 or any interest payable

under this Agreement within 7 days after the due date, the Vendor may (subject to clause 3(3)) give to the Purchaser notice in writing calling upon the Purchaser to make good his default. If the Purchaser fails within 21 days after the date of service of such notice fully to make good his default, the Vendor may by a further notice in writing forthwith determine this Agreement and in such event –

- (a) the sum paid by the Purchaser under paragraph (a) of Schedule 4 by way of deposit shall be forfeited to the Vendor; and
- (b) where the Purchaser has entered into possession of the Property, the Vendor is entitled to re-enter upon the Property and repossess the same free from any right or interest of the Purchaser in the Property and to receive from the Purchaser as occupation fee a sum equal to interest at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time on the unpaid balance of the purchase price for the period during which the Purchaser was in occupation.

- (2) Upon determination of this Agreement pursuant to sub-clause (1), the Vendor may resell the Property either by public auction or private contract subject to such stipulations as the Vendor may think fit and any increase in price on a resale belongs to the Vendor. On a resale, any deficiency in price shall be made good and all expenses attending such resale shall be borne by the Purchaser and such deficiency and expenses shall be recoverable by the Vendor as and for liquidated damages Provided That the Purchaser shall not be called upon to bear such deficiency or expenses unless the Property is resold within 6 months after the determination of this Agreement.

Default of Vendor

- 17. In the event of the Vendor failing to complete the sale in accordance with the terms and conditions of this Agreement, it shall not be necessary for the Purchaser to tender an Assignment to the Vendor for execution before taking proceedings to enforce specific performance of this Agreement.

Deed of Mutual  
Covenant

18. On completion of the sale and purchase, the Purchaser shall EITHER enter into a Deed of Mutual Covenant with the Vendor OR at the Vendor's option accept an Assignment of the Property from the Vendor subject to and with the benefit of the Deed of Mutual Covenant entered into by the Vendor with another purchaser or purchasers in respect of the land and the Development. Such Deed of Mutual Covenant shall follow closely the draft exhibited to the Statutory Declaration subject however to such modifications as are necessitated by changes in the building plans, adjustment of the undivided shares, change in the management company and the like. \*[The provisions of the Deed of Mutual Covenant shall not conflict with the Guidelines set out in Legal Advisory and Conveyancing Office Circular Memorandum No. 64 as amended from time to time unless otherwise permitted by the Director of Lands.]

Costs of Deed of  
Mutual Covenant

19. The Purchaser shall pay to \*the Vendor's Solicitors/Messrs. [*insert name of solicitors' firm to whom the costs of the Deed of Mutual Covenant is to be paid*] the costs of and incidental to the Deed of Mutual Covenant in accordance with the scale of costs prescribed in the Solicitors (General) Costs Rules which include the costs for the provision of a certified copy of such Deed of Mutual Covenant to the Purchaser.

Possession, utility  
deposits, etc.

20. (1) Subject as mentioned in this Agreement, the Purchaser or the Purchaser's nominee or sub-purchaser is, on completion of the sale and purchase, entitled to vacant possession of the Property, all outgoings including Government rent, rates and management fees up to and inclusive of the completion date being paid by the Vendor.

(2) Before the Purchaser is entitled to possession of the Property, the Purchaser shall –

(a) reimburse the Vendor a due proportion of any deposits paid by the Vendor for the supply of water, electricity and gas (if any) to the common areas or common parts of the Development; and

- (b) pay to the Vendor or the manager of the Development all the deposits and advance payments \*[and a debris removal fee] payable under the Deed of Mutual Covenant.

Alteration of  
building plans

- 21. (1) Despite anything contained in this Agreement, the Vendor reserves the right to alter the building plans whenever the Vendor considers necessary Provided That the Vendor shall notify the Purchaser in writing of such alteration if the same affects in any way the Property within 14 days after its having been approved by the Building Authority. If, as a result of such alteration, the Saleable Area of the Property or any part of the Property, according to such amended plans differs from the Saleable Area as set out in Schedule 3, then the purchase price shall be adjusted in proportion to the variation of the Saleable Area of the parts of the Property affected Provided That if the increase or reduction in the Saleable Area of the Property, or any part of the Property, exceeds 5% of the Saleable Area of the Property as set out in Schedule 3, then the Purchaser is at liberty to rescind this Agreement, in which event all moneys paid by the Purchaser under this Agreement shall be returned to the Purchaser with interest on those moneys at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates of payment to the date of repayment. The Purchaser shall exercise the right of rescission by notice in writing to the Vendor within 30 days after the Purchaser is notified in writing by the Vendor of the approval of such amended plans by the Building Authority, and if no such notice is received by the Vendor within such time, the Purchaser is deemed to have accepted such plans.
- (2) Any dispute as to –
  - (a) the extent of any variation in the Saleable Area under sub-clause (1);
  - (b) the extent of any adjustment of the purchase price as a result of the variation; or

- (c) whether the proviso in clause 10(1)(a) has been complied with and, if it has not, as to the extent of the damages which should be paid

shall first be referred to the Authorized Person for a decision thereon.

- (3) If either party is dissatisfied with the decision of the Authorized Person made pursuant to sub-clause (2), such party shall within 14 days after the decision is communicated to him give to the other party notice in writing of his intention to refer the decision to another authorized person as defined in section 2(1) of the Buildings Ordinance acting as an expert, otherwise the decision of the Authorized Person shall be final and binding on the parties. Should the parties fail to agree on such other authorized person to be appointed within 30 days after the giving of such notice, either party is entitled to apply within 7 days thereafter to the President of The Hong Kong Institute of Surveyors for the appointment of a member of the Institute whose decision shall be final and binding on both parties. If a party, after giving to the other party notice in writing of his intention to refer the decision of the Authorized Person to another authorized person as aforesaid, fails to refer the decision to another authorized person within 44 days after the giving of such notice, then the decision of the Authorized Person shall be final and binding on the parties. The costs of the Authorized Person shall be paid as directed by the Authorized Person in his award.

Adjustment of undivided shares

- 22. The Vendor reserves the right to adjust the number of undivided shares into which the land and the Development are notionally divided and the fraction which each share bears to the whole Provided That such adjustment shall not –
  - (1) alter the total number of undivided shares by more than 3% without the prior written consent of the Director of Lands; or
  - (2) affect the Purchaser's exclusive right and privilege to hold, use, occupy and enjoy the Property.



- (c) third, in the event of the Vendor's Solicitors and all other solicitors (if any) acting for the Vendor in the sale of the units in the <sup>y</sup>Phase/Development at any time holding as stakeholders a sufficient sum to cover the entire outstanding balance of the Construction Costs and the Professional Fees as certified by the Authorized Person from time to time and other sums referred to in sub-clause (1)(b), towards payment of any other moneys secured by the Building Mortgage (if any); and
- (d) fourth, in the event of the Vendor's Solicitors and all other solicitors (if any) acting for the Vendor in the sale of the units in the <sup>y</sup>Phase/Development at any time holding as stakeholders a sufficient sum to cover the total of the sums referred to in sub-clause (1)(c), then the Vendor's Solicitors may release the excess amount to the Vendor.

Provided Always that –

- (i) in respect of any payment under sub-clause (1)(a) the Vendor's Solicitors shall not at any time release to the Vendor any sum in excess of the amount certified by the Authorized Person as having been paid and/or become payable towards the Construction Costs and the Professional Fees at that time less the amount which the Vendor has drawn under the Building Mortgage (if any) for payment of the Construction Costs and the Professional Fees; and
  - (ii) the Vendor shall not in any circumstances draw under the Building Mortgage (if any) any part of the Construction Costs and the Professional Fees already paid under sub-clause (1)(a).
- (2) All moneys received by the Vendor's Solicitors as stakeholders under this Agreement shall be placed in a client account bearing interest and subject to clearance (if the payment is made by cheque) the Vendor is entitled to all interest (if any) earned on such account.
27. (1) The Vendor shall, at its own cost and as soon as reasonably practicable after receipt of a written notice served by the Purchaser

Defects

within 6 months after the date of completion of the sale and purchase under clause 5, remedy any defects to the Property, or the fittings and finishes as set out in Schedule 5, caused otherwise than by the act or neglect of the Purchaser. The provisions of this sub-clause (1) are without prejudice to any other rights or remedies that the Purchaser may have at common law or otherwise.

- (2) The Vendor undertakes with the Purchaser to use its best endeavours to enforce all defects and maintenance obligations under all contracts relating to the construction of the Development in so far as such defects relate to or affect the Property or the common areas or common parts and common facilities of the Development.
- (3) In the event of the winding-up (whether voluntary or otherwise) or dissolution of the Vendor, the benefit and rights of and in all warranties and guarantees under all contracts relating to the construction of the Development shall be assigned by the Vendor to the Owners' Corporation incorporated under the Building Management Ordinance or if no such corporation exists to the manager of the Development for the time being to be held in trust for the Purchaser and all other purchasers of units in the Development.

Provisions to survive Assignment

28. Clauses 10, 12 and 27 will survive completion of the sale and purchase by the Assignment.

Notices

29. Any notice required to be given under this Agreement –
- (1) is deemed to have been validly given to a party if –
    - (a) the notice is addressed to the party; and
    - (b) the notice is sent by ordinary prepaid post to –
      - (i) the party's address stated in this Agreement; or

(ii) the party's last known address (where a notification of change of address has previously been given to the other party or the other party's solicitors); and

(2) is deemed to have been served on the second business day after the date of posting.

- Non-business day,  
etc.
30. If any date stipulated for payment in this Agreement or the day on which completion of the sale and purchase is to take place as provided in this Agreement falls on a day that is not a business day or on a day on which Typhoon Signal No. 8 or above is hoisted or Black Rainstorm Warning Signal is issued at any time between the hours of 9 a.m. and 5 p.m., such date for payment or completion of the sale and purchase is automatically postponed to the immediately following day that is a business day and on which no Typhoon Signal No. 8 or above is hoisted or Black Rainstorm Warning Signal is issued at any time between the hours of 9 a.m. and 5 p.m.
- \*[Financier]
- \*[31. The Financier covenants with the Purchaser that the Financier will not call back the whole or any part of the loan which has been advanced or will be advanced to the Vendor until the Development has been completed and that the Financier will, if necessary, provide all further finance to enable the Vendor to complete the Development.]
- Marginal notes
32. The marginal notes to this Agreement shall not be deemed to be part of this Agreement and do not affect the interpretation or construction of this Agreement.
- <sup>ε</sup>[Certificate of value]
- <sup>ε</sup>[33. It is certified that the transaction effected by this Agreement does not form part of a larger transaction or a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds HK\$[insert amount].]
- Stamp Duty Ordinance
34. For the purpose of sections 29B(1) and 29B(5) of the Stamp Duty Ordinance, the matters required to be specified are as set out in Schedule 7.
- Contracts (Rights of Third Parties)
35. This Agreement may be rescinded by agreement of the parties hereto without the consent of any person who is not a party to this Agreement and

Ordinance

section 6(1) of the Contracts (Rights of Third Parties) Ordinance (Cap. 623) shall not apply to this Agreement. For the purpose of section 6(4) of that Ordinance, the Vendor agrees to give as soon as practicable notice of this clause –

- (1) to the Owners' Corporation incorporated under the Building Management Ordinance (Cap. 344);
- (2) if no Owners' Corporation exists, to the manager of the Development; and
- (3) if no manager has been appointed, to the manager as and when it is appointed and also to the Owners' Corporation as and when it is incorporated.

Schedule 1

Parties

(a) Vendor :

(b) Purchaser :

\*(c) Financier :

Schedule 2

Government Grant

\*Government Lease dated [*insert date*]/Conditions of Sale/Conditions of Grant/Conditions of Exchange/New Grant No. [*insert number*] \*[as varied or modified by a Modification Letter dated [*insert date of the instrument*] and registered in the Land Registry by Memorial No. [*insert memorial number*]], the particulars of which are as follows –

(a) Parties :

(b) Date :

(c) Term :                    years from                    expiring on

(d) User :

(e) Lot Number :

Schedule 3

Property

*[Insert description and Saleable Area of the Property]*

Schedule 4

Purchase Price

The purchase price is HK\$[*insert amount*], payable by the Purchaser to the Vendor's Solicitors as stakeholders as follows –

- (a) the amount of [*insert amount*] has been paid as deposit on the signing of the agreement preliminary to this Agreement;
- (b) [*insert payment terms in such a way that the operation of clause 5 will not be affected*].

Schedule 5

Fittings and Finishes

*[Insert fittings and finishes]*

Schedule 6

Communal \*[and Recreational] Facilities

*[Insert communal and recreational facilities]*

Schedule 7

Matters Required to be Specified under Section 29B(5) of the Stamp Duty Ordinance

- (a) (1) Name of the Vendor –  
[insert name]  
Address/Registered Office of the Vendor –  
[insert address/registered office]
- (2) Name of the Purchaser –  
[insert name]  
Address/Registered Office of the Purchaser –  
[insert address/registered office]
- (b) (1) Identification Number of the Vendor –  
[insert description and number of identification document]
- (2) Identification Number of the Purchaser –  
[insert description and number of identification document]
- (c) (1) Business Registration Number of the Vendor –  
[insert business registration number]
- (2) Business Registration Number of the Purchaser –  
[insert business registration number]
- (d) Description and location of the Property –  
[insert description and location]
- (e) The Property is a non-residential property within the meaning of section 29A(1) of the Stamp Duty Ordinance.
- (f) Date of this Agreement –  
[insert date]
- (g) This Agreement was preceded by [insert description of the instrument, e.g. preliminary agreement for sale and purchase] on the same terms made between [insert names of the parties] on [insert date of the instrument].

- (h) *[Insert a statement as to whether or not a date has been agreed for the Conveyance on Sale or Assignment of the Property and, if so, that date]*
  
- (i) There is an agreed consideration for the Conveyance on Sale or Assignment that is to, or may, take place pursuant to this Agreement and the amount of the consideration is HK\$*[insert amount]*.
  
- (j) *[Insert a statement as to the amount or value of any other consideration which the parties signing this Agreement knows has been paid or given, or has been agreed to be paid or given, to any person for or in connection with this Agreement or any Conveyance on Sale or Assignment of the Property pursuant to this Agreement (excluding legal expenses), together with the name, address, and the identification number or business registration number of each person receiving or to receive such consideration, and a description of the benefit to which the consideration relates]*

AS WITNESS the hands of the parties to this Agreement the day and year first above written.

SIGNED by [*insert name(s) and* )  
*description of office(s) of* )  
*authorized signatory(ies)*] )  
for and on behalf of the Vendor whose )  
signature(s) is/are verified by : – )

Solicitor, Hong Kong SAR

\*[<sup>⊗</sup>EXECUTED and DELIVERED )  
as a deed and the Common Seal )  
of the Financier affixed in the presence of )  
*insert name(s) and description of* )  
*office(s) of authorized signatory(ies)*] )  
whose signature(s) is/are verified by : – )

Solicitor, Hong Kong SAR]

**OR**

⊙EXECUTED and DELIVERED )  
as a deed by the Financier )  
acting through [*insert name(s) and* )  
*description of office(s) of* )  
*authorized signatory(ies)*] whose )  
signature(s) is/are verified by : – )

Solicitor, Hong Kong SAR]]

SIGNED by \*the Purchaser in the )  
presence of/[*insert name(s) and* )  
*description of office(s) of* )  
*authorized signatory(ies)*] for )  
and on behalf of the Purchaser whose )  
signature(s) is/are verified by : – )

Solicitor, Hong Kong SAR

\*[INTERPRETED to the Purchaser in the [*insert dialect*] of the Chinese language by : –

]

RECEIVED on or before the day and year first above written )  
of and from the Purchaser the sum of HONG KONG )  
DOLLARS [*insert amount*] ) HK\$

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Messrs. [*insert name of the Vendor's Solicitors*]  
as stakeholders

Dated \_\_\_\_\_ 20 \_\_\_\_\_

AGREEMENT  
for Sale and Purchase of  
[ \_\_\_\_\_ ]

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REGISTERED in the Land Registry  
by Memorial No.[ \_\_\_\_\_ ]  
on [ \_\_\_\_\_ ]

for Land Registrar

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- \* Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- Σ Applicable for phased development except the final phase of a phased development. Delete as appropriate.
- β For phased development only. Delete as appropriate.
- θ Delete “Development” for phased development except the final phase of a phased development. Otherwise delete “Phase”.
- ε For transaction of the value not exceeding the amount specified in Head 1(1A) of the First Schedule to the Stamp Duty Ordinance. Delete as appropriate.
- ∅ For execution by the Financier under its common seal in accordance with the provisions of its articles.
- © For execution by the Financier in accordance with section 127(3) of the Companies Ordinance.

**AUTHORIZED PERSON'S CERTIFICATE**

To: The Director of Lands

c.c.: (1) [insert name of registered owner of land]

(2) [insert name of solicitors' firm]

\*(3) [insert name of mortgagee under building mortgage]

Date: [insert date]

Lot No.: [insert lot number] ("the land")

(1) I, [insert name of authorized person] of [insert name and address of firm/corporation of authorized person] ("the AP Company"), certify and confirm as follows:

- (a) I am \*an architect/an engineer/a surveyor listed in the authorized persons' register kept by the Building Authority under section 3(1) of the Buildings Ordinance. I am \*a proprietor/the sole proprietor/a director/an employee of the AP Company.
- (b) I am appointed under section \*4(1)(a)/4(2) of the Buildings Ordinance as a co-ordinator of building works for <sup>β</sup>[Phase [insert phase number] ("the Phase") of] the development now being constructed or to be constructed on the land and intended to be known as "[insert name of development]" ("the Development"). The Building Authority was notified of this appointment in Form BA 4 dated [insert date].
- (c) I give this certificate for the purpose of obtaining consent of the Director of Lands ("the Consent") to [insert name of registered owner of the land] ("the Vendor") to enter into agreements for sale and purchase of non-residential units in the <sup>γ</sup>Phase/Development. <sup>β</sup>[The Phase comprises [insert description of buildings comprising the Phase].]
- (d) The building plans of the <sup>γ</sup>Phase/Development have been approved by the Building Authority under the Buildings Ordinance (Reference No. [insert number]) ("the Building Plans").

- (e) Foundations of the building(s) (“the Building(s)”) within the <sup>y</sup>Phase/Development have been completed and the Building Authority was notified in Form BA 14 dated [*insert date*].
- (f) (I) Consent to commence building works on the superstructure of the Building(s) has been issued by the Building Authority on [*insert date*] in Form BD 103 under section 14 of the Buildings Ordinance.
- (II) The Building Authority was notified of the appointment of [*insert name of building contractor*] (“the Building Contractor”) in Form BA 10 dated [*insert date*]. The Building Contractor is a general building contractor registered with the Building Authority under section 8A of the Buildings Ordinance and is appointed under section \*9(1)/9(3) of the Buildings Ordinance to carry out building works for the <sup>y</sup>Phase/Development. Building works on the superstructure of the Building(s) \*have commenced/will commence on [*insert date*].
- (g) Contracts for [*insert type of works such as site formation works, substructure works, superstructure works for which contracts have been entered into*] and completion of the <sup>y</sup>Phase/Development (including the incorporation of all fittings and finishes and the provision of the communal and recreational facilities (if any) specified in the Agreements for Sale and Purchase (“the ASP”) in respect of units in the <sup>y</sup>Phase/Development) have been entered into. The contracts are as follows:

<u>Purpose of contracts</u>	<u>Names of contractors, subcontractors and suppliers</u>
[ <i>insert purpose</i> ]	[ <i>insert names</i> ]

I confirm that I will not certify any money to be drawn from the stakeholder account or the Building Mortgage (as defined in the ASP) (“the Building Mortgage”) (if any) for payment of the construction costs to any contractors, subcontractors and suppliers except for construction costs which are identified in this certificate or any other certificate(s) issued by me.

- (h) (I) The construction costs of the <sup>y</sup>Phase/Development is: HK\$[*insert amount*]
- (II) The professional fees in relation to completion of the <sup>y</sup>Phase/Development as confirmed by the Vendor to me in writing is: HK\$[*insert amount*]

- (III) The total of the construction costs and the professional fees (“the Total Development Costs”) for completion of the <sup>γ</sup>Phase/Development is: HK\$[*insert amount*]
- (i) As at [*insert date*] (“the Date”)<sup>(Note 1)</sup>, the following sums have been expended on the <sup>γ</sup>Phase/Development:
- (I) Construction costs HK\$[*insert amount*]
- (II) Professional fees HK\$[*insert amount*]
- (III) Total of (I) and (II) above HK\$[*insert amount*]
- (j) I have received written confirmation with supporting evidence from the Vendor that, as at the Date, in respect of the sums expended in (i) of this paragraph, the following sums have been paid:
- (I) Construction costs HK\$[*insert amount*]
- (II) Professional fees HK\$[*insert amount*]
- (III) Total of (I) and (II) above HK\$[*insert amount*]
- (k) The amount of that part of the Total Development Costs expended but not yet paid<sup>(Note 2)</sup> and that part of the Total Development Costs remaining to be expended to complete the <sup>γ</sup>Phase/Development<sup>(Note 3)</sup> is: HK\$[*insert amount*]
- (l) As at the Date, [*insert description of the stage the building works has reached*].
- (m) In my professional opinion, the <sup>θ</sup>Phase/Development can be completed in all respects in accordance with the Building Plans by [*insert estimated completion date, completion date meaning the date on which the occupation permit is issued*].

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<sup>(Note 1)</sup> The Date must not be more than 15 days before the date of this certificate.

<sup>(Note 2)</sup> The amount of that part of the Total Development Costs expended but not yet paid is the sum in paragraph (1)(i)(III) less the sum in paragraph (1)(j)(III).

<sup>(Note 3)</sup> The amount of that part of the Total Development Costs remaining to be expended to complete the Phase or the Development (as the case may be) is the sum in paragraph (1)(h)(III) less the sum in paragraph (1)(i)(III).

- (n) \*[A certificate from an independent authorized person or quantity surveyor is not necessary.]

OR

The respective amounts set out in (h), (i), (j) and (k) of this paragraph will be verified and confirmed by *[insert name of independent authorized person/quantity surveyor].*

(2) I undertake, in the event of my ceasing to be an authorized person for the <sup>y</sup>Phase/Development, to inform in writing Messrs. *[insert name(s) of solicitors' firm(s) acting for the Vendor in the sale of units in the Phase or the Development (as the case may be)]* (“the Vendor’s Solicitors”) \*[and *[insert name of mortgagee under the Building Mortgage]* (“the Mortgagee”)] and the Legal Advisory and Conveyancing Office (“LACO”) of the Lands Department immediately. In the event of another authorized person being nominated to act temporarily in my absence in relation to the <sup>y</sup>Phase/Development, I understand that no certification from that authorized person will be accepted for the purposes of releasing monies from the stakeholder account or drawing of facilities under the Building Mortgage (if any) affecting the land except with the prior written approval of the Director of Lands.

(3) I undertake to inform in writing LACO, \*[the Mortgagee,] the Vendor and the Vendor’s Solicitors immediately if there is a change of information contained in paragraphs (1)(f)(II), (1)(h) and (1)(m) of this certificate.

(4) (a) <sup>ϕ</sup>(I) I confirm that:

- (i) the Vendor is a corporation and is a \*private/listed company; and
- (ii) the Building Contractor is a corporation and is a \*private/listed company; and
- (iii) the holding company of the Vendor is a \*private/listed company; and
- (iv) \*no director/a director/*[insert number]* directors of the Vendor \*is/are my immediate family member\*[s] \*[and \*no director/a director/*[insert number]* directors of the Vendor is an immediate family member/are immediate family members of *[insert number]* other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and

- (v) the company secretary of the Vendor is \*[not] my immediate family member \*[and the company secretary of the Vendor is \*[not] an immediate family member of [*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and
- (vi) no director/a director/[*insert number*] directors of the Building Contractor \*is/are my immediate family member\*[s] \*[and \*no director/a director/[*insert number*] directors of the Building Contractor \*is an immediate family member/are immediate family members of [*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and
- (vii) the company secretary of the Building Contractor is \*[not] my immediate family member \*[and the company secretary of the Building Contractor is \*[not] an immediate family member of [*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and
- (viii) \*no director/a director/[*insert number*] directors of the holding company of the Vendor \*is/are my immediate family member\*[s] \*[and \*no director/a director/[*insert number*] directors of the holding company of the Vendor \*is an immediate family member/are immediate family members of [*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and
- (ix) the company secretary of the holding company of the Vendor is \*[not] my immediate family member \*[and the company secretary of the holding company of the Vendor is \*[not] an immediate family member of [*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company]; and
- (x) I \*[do not] hold at least [*insert 1% where the Vendor is a listed company OR insert 10% where the Vendor is a private company*] of the issued shares in the Vendor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a

director/directors of the AP Company \*[each] holds at least [*insert 1% where the Vendor is a listed company OR insert 10% where the Vendor is a private company*] of the issued shares in the Vendor]; and

- (xi) I \*[do not] hold at least [*insert 1% where the holding company of the Vendor is a listed company OR insert 10% where the holding company of the Vendor is a private company*] of the issued shares in the holding company of the Vendor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*[each] holds at least [*insert 1% where the holding company of the Vendor is a listed company OR insert 10% where the holding company of the Vendor is a private company*] of the issued shares in the holding company of the Vendor]; and
- (xii) I \*[do not] hold at least [*insert 1% where the Building Contractor is a listed company OR insert 10% where the Building Contractor is a private company*] of the issued shares in the Building Contractor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*[each] holds at least [*insert 1% where the Building Contractor is a listed company OR insert 10% where the Building Contractor is a private company*] of the issued shares in the Building Contractor]; and
- (xiii) I am \*[not] an employee of the Vendor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*is an employee/are employees of the Vendor]; and
- (xiv) I am \*[not] a director of the Vendor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*is a director/are directors of the Vendor]; and
- (xv) I am \*[not] the company secretary of the Vendor \*[and \*no/one other authorized person in the AP Company who is a \*proprietor/director of the AP Company is the company secretary of the Vendor]; and
- (xvi) I am \*[not] an employee of the Building Contractor \*[and \*no/[*insert number*] other authorized person\*[s] in the AP Company who \*is/are

\*a proprietor/proprietors/a director/directors of the AP Company \*is an employee/are employees of the Building Contractor]; and

(xvii) I am \*[not] a director of the Building Contractor \*[and \*no/[insert number] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*is a director/are directors of the Building Contractor]; and

(xviii) I am \*[not] the company secretary of the Building Contractor \*[and \*no/one other authorized person in the AP Company who is a \*proprietor/director of the AP Company is the company secretary of the Building Contractor]; and

(xix) I am \*[not] an employee of the holding company of the Vendor \*[and \*no/[insert number] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*is an employee/are employees of the holding company of the Vendor]; and

(xx) I am \*[not] a director of the holding company of the Vendor \*[and \*no/[insert number] other authorized person\*[s] in the AP Company who \*is/are \*a proprietor/proprietors/a director/directors of the AP Company \*is a director/are directors of the holding company of the Vendor]; and

(xxi) I am \*[not] the company secretary of the holding company of the Vendor \*[and \*no/one other authorized person in the AP Company who is a \*proprietor/director of the AP Company is the company secretary of the holding company of the Vendor].

<sup>¥</sup>[(II) I have received confirmation in writing from the Vendor that:

(i) the Building Contractor is \*[not] an associate corporation of the Vendor; and

(ii) the Building Contractor is \*[not] an associate corporation of the holding company of the Vendor.]

<sup>¥</sup>[(III) I confirm that:

(i) the AP Company is \*[not] an associate corporation of the Vendor; and

(ii) the AP Company is \*[not] an associate corporation of the Building Contractor; and

(iii) the AP Company is \*[not] an associate corporation of the holding company of the Vendor.]

(b) I undertake to inform in writing LACO, \*[the Mortgagee,] the Vendor and the Vendor's Solicitors immediately of any change of the information contained in <sup>φ</sup>[(a)(I)(i) to (a)(I)(xxi)] <sup>ν</sup>[and (a)(III)(i) to (a)(III)(iii)] of this paragraph.

<sup>¥</sup>[(c) I also undertake to inform in writing LACO, \*[the Mortgagee,] and the Vendor's Solicitors on being notified by the Vendor of a change of the information contained in (a)(II)(i) and (a)(II)(ii) of this paragraph.]

(5) I undertake to provide to LACO and copy to \*[the Mortgagee,] the Vendor and the Vendor's Solicitors on a quarterly basis certificates in the form prescribed under the conditions of the Consent. Each of the quarterly certificates will be forwarded to the parties on or before the 15<sup>th</sup> day of the month following the quarter to which it relates:

(a) until the issue by the Director of Lands of the consent to assign in respect of the <sup>γ</sup>Phase/Development; or

(b) if no consent to assign has been issued, until the issue by the Director of Lands of a certificate of compliance in respect of the Development and the issue of a certificate by me to the Director of Lands confirming that the fittings and finishes of those units in the <sup>γ</sup>Phase/Development which have been sold under the Consent will be incorporated in accordance with the terms and conditions of the ASP,

at which time a final certificate covering the period from the end of the last quarter to either (a) or (b) of this paragraph will be submitted within 15 days of either (a) or (b) of this paragraph.

<sup>δ</sup>(6) For the purpose of this certificate,

(a) "associate corporation", in relation to a corporation, means-

(I) a subsidiary of the corporation; or

(II) a subsidiary of a holding company of the corporation;

- (b) “authorized person” means an authorized person as defined in section 2(1) of the Buildings Ordinance;
- (c) “company secretary” has the meaning given by section 2(1) of the Companies Ordinance;
- (d) “corporation” means-
  - (I) a company as defined by section 2(1) of the Companies Ordinance; or
  - (II) a company incorporated outside Hong Kong;
- (e) “director” has the meaning given by section 2(1) of the Companies Ordinance;
- (f) “holding company” means a holding company within the meaning of the Companies Ordinance;
- (g) “immediate family member”, in relation to an individual, means a spouse, parent, child, sibling, grandparent or grandchild of the individual;
- (h) “listed company” has the meaning given by section 2(1) of the Companies Ordinance;
- (i) “private company” has the meaning given by section 11 of the Companies Ordinance;
- (j) “proprietor”-
  - (I) in relation to a firm constituted of a sole proprietor, means the sole proprietor of the firm; or
  - (II) in relation to a firm constituted as a partnership, means a partner of the firm;
- (k) “stakeholder account” means the client account maintained by the Vendor’s Solicitors for the purpose of placing purchase price under the terms and conditions of the ASP; and
- (l) “subsidiary” means a subsidiary within the meaning of the Companies Ordinance.

(7) A copy each of the Forms BA 4, BA 14, BD 103 and BA 10 referred to in this certificate is attached.

*[insert name of authorized person]*  
Authorized Person for the <sup>y</sup>Phase/Development

- \* Delete as appropriate.
- β For phased development only. Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- θ Delete “Development” for phased development except the final phase of a phased development. Otherwise delete “Phase”.
- φ Amend as appropriate where the Vendor or the Building Contractor is an individual or a partnership or where the Vendor is a corporation, there is no or there are more than one holding company of the Vendor.
- ¥ Applicable where both the Building Contractor and the Vendor are corporations. If applicable, amend as appropriate where there is no or there are more than one holding company of the Vendor.
- ν Applicable where the AP Company is a corporation. If applicable, amend as appropriate where the Vendor or the Building Contractor is an individual or a partnership or where the Vendor is a corporation, there is no or there are more than one holding company of the Vendor.
- ð Delete definition(s) as appropriate.

**UNDERTAKING AS TO PARTIAL RELEASE**

To: *[insert name and address of registered owner of land]*

Lot No.: *[insert lot number]* (“the land”)

Development: *[insert name of development]* (“the Development”)

<sup>β</sup>[Phase: Phase *[insert phase number]* of the Development (“the Phase”)]

1. WE, *[insert name and address/registered office of mortgagee under the building mortgage of the land]*, IRREVOCABLY UNDERTAKE with you, your successors and assigns that, notwithstanding any provisions to the contrary contained in any documents entered into between us in relation to the provision of finance for completion of the \*Phase comprising *[insert description of buildings comprising the Phase]*/Development including but not limited to the \*building mortgage/debenture dated *[insert date of instrument]* and registered in the Land Registry by Memorial No. *[insert memorial number]* (“the Building Mortgage”), in the event of your entering into any agreement for sale and purchase (“ASP”) of any share or interest in the land together with the right to the exclusive use, occupation and enjoyment of any unit in the <sup>γ</sup>Phase/Development, the terms and conditions of which have been approved by us, if the total purchase price under the ASP is fully paid into the stakeholder account, then, upon completion of the sale and purchase, we shall unconditionally execute a partial release as may be necessary to discharge, reassign and release the relevant share or interest in the land together with the right to the exclusive use, occupation and enjoyment of the relevant unit in the <sup>γ</sup>Phase/Development from the security of the Building Mortgage.

2. For the purpose of this Undertaking, “stakeholder account” shall be as defined in a tripartite stakeholder agreement entered into or to be entered into under the conditions of the consent to the sale of units in the <sup>γ</sup>Phase/Development issued by the Director of Lands under the provisions of \*the Government Lease dated *[insert date]*/Conditions of Sale/Conditions of Grant/Conditions of Exchange/New Grant No. *[insert number]* \*[as varied or modified by \*a Modification Letter/an Extension Letter/an Exclusion Order/a redevelopment order/an order for sale dated *[insert date of instrument]* and registered in the Land Registry by Memorial No. *[insert memorial number]*] under which the land is held from the Government of the Hong Kong Special Administrative Region.

IN WITNESS whereof we have executed this Undertaking as a deed this [ ] day of [ ] 20[ ].

\*[<sup>⊗</sup>[SEALED with the Common Seal of )  
[insert name of mortgagee] and SIGNED )  
by [insert name(s) and description of )  
office(s) of authorized signatory(ies)] )  
whose signature(s) is/are verified by:- )

Solicitor, Hong Kong SAR]

**OR**

⊙[EXECUTED and DELIVERED )  
as a deed by [insert name of mortgagee] )  
acting through [insert name(s) and )  
description of office(s) of )  
authorized signatory(ies)] whose )  
signature(s) is/are verified by:- )

Solicitor, Hong Kong SAR]]

\*[SIGNED SEALED and DELIVERED )  
by [insert name(s) of attorney(s)], the )  
lawful attorney(s) of [insert name of )  
mortgagee] whose signature(s) is/are )  
verified by:- )

Solicitor, Hong Kong SAR]

I, [*insert name of solicitor*], confirm that the above Undertaking has been duly authorized by [*insert name of mortgagee*] and duly executed as a deed by \*it/its lawful attorney(s) pursuant to a Power of Attorney granted by it.

Solicitor, Hong Kong SAR

- β For phased development only. Delete as appropriate.
- \* Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- ∅ For execution by mortgagee under its common seal in accordance with the provisions of its articles.
- © For execution by mortgagee in accordance with section 127(3) of the Companies Ordinance.

**FINANCE UNDERTAKING**

To: (1) The Government of the Hong Kong Special Administrative Region  
(2) The Director of Lands

Lot No.: [insert lot number] (“the land”)

Development: [insert name of development] (“the Development”)

<sup>β</sup>[Phase: Phase [insert phase number] of the Development (“the Phase”)]

1. IN CONSIDERATION of the Director of Lands granting consent (“the Consent”) under Special Condition No. [insert number] of the \*Government Lease dated [insert date]/Conditions of Sale/Conditions of Grant/Conditions of Exchange/New Grant No. [insert number] \*[as varied or modified by \*a Modification Letter/an Extension Letter/an Exclusion Order/a redevelopment order/an order for sale dated [insert date of instrument] and registered in the Land Registry by Memorial No. [insert memorial number]] (“the Government Grant”) under which the land is held from the Government of the Hong Kong Special Administrative Region to [insert name of registered owner of the land] (“the Vendor”) to enter into agreements for sale and purchase (“the ASP”) of undivided shares of and in the land together with the right to the exclusive use, occupation and enjoyment of units in the \*Phase comprising [insert description of buildings comprising the Phase]/Development as more particularly described in the ASP, prior to full compliance with the terms and conditions of the Government Grant, WE, [insert name and address/registered office of licensed bank or registered deposit-taking company], UNDERTAKE COVENANT AND CONFIRM that should the Vendor for any reason be unable to finance the completion of the <sup>γ</sup>Phase/Development in accordance with the terms and conditions of the Government Grant and the ASP, we shall pay any amounts to the Vendor or to any other person or persons as the Director of Lands shall direct, in either case as will ensure completion of the <sup>γ</sup>Phase/Development PROVIDED always that:-

- (1) Our liability under this Undertaking shall be limited to whichever is the lesser of (a) HK\$[insert amount as certified by an authorized person in his certificate in support of the application for the Consent]; and (b) the total of the amounts being that part of the total construction costs and the total professional fees expended but not yet paid and that part of the total construction costs and the total professional fees remaining to be expended to complete the <sup>γ</sup>Phase/Development at any time certified

by the Authorized Person (as defined in the ASP) (“the Authorized Person”) as being required to complete the <sup>y</sup>Phase/Development (“the Outstanding Development Costs”), as reduced by the total of the amount(s) from time to time remaining in the stakeholder account(s) maintained by the solicitors acting for the Vendor in the sale of units in the <sup>y</sup>Phase/Development (“the Vendor’s Solicitors”) under the terms and conditions of the ASP.

(2) Our liability under this Undertaking will automatically cease and determine on whichever is the earliest of the following:

- (a) the [            ] day of [            ] 20[    ] [*this date to be whichever is the later of (i) the date which is 12 calendar months after the estimated completion date of the Development or the Phase (as the case may be) in accordance with the approved building plans, as certified by the Authorized Person at the time this Undertaking is given, and (ii) the date which is 12 calendar months after the expiry date of the building covenant period in the Government Grant*]; or
- (b) upon (i) the issue by the Director of Lands of the consent to assign in relation to the <sup>y</sup>Phase/Development, or (ii) if no consent to assign has been issued, the issue by the Director of Lands of a certificate of compliance in respect of the Development and the issue of a certificate by the Authorized Person to the Director of Lands confirming that the fitting and finishes of those units in the <sup>y</sup>Phase/Development which have been sold under the Consent will be incorporated in accordance with the terms and conditions of the ASP; or
- (c) when the total of the amount(s) in the stakeholder account(s) maintained by the Vendor’s Solicitors is sufficient to meet the Outstanding Development Costs; or
- (d) when our liability under this Undertaking, as ascertained in accordance with paragraph 1(1) above, has been reduced to zero.

2. For the purpose of determining from time to time our contingent liability under this Undertaking, we are entitled to rely upon certificates from the Vendor’s Solicitors maintaining the relevant stakeholder account(s) certifying as to the aggregate amounts maintained in these accounts and upon certificates from the Authorized Person certifying the Outstanding Development Costs.

3. We are entitled to require this Undertaking to be returned to us for cancellation when our liability under this Undertaking has ceased and determined in accordance with paragraph 1(2) above.

IN WITNESS whereof we have executed this Undertaking as a deed this [ ] day of [ ] 20[ ].

\*[<sup>Ⓢ</sup>[SEALED with the Common Seal of )  
[insert name of licensed bank or registered )  
deposit-taking company] and SIGNED by )  
[insert name(s) and description of office(s) )  
of authorized signatory(ies)] whose )  
signature(s) is/are verified by:- )

Solicitor, Hong Kong SAR]

**OR**

©[EXECUTED and DELIVERED )  
as a deed by [insert name of licensed bank )  
or registered deposit-taking company] )  
acting through [insert name(s) and )  
description of office(s) of )  
authorized signatory(ies)] whose )  
signature(s) is/are verified by:- )

Solicitor, Hong Kong SAR]]

\*[SIGNED SEALED and DELIVERED     )  
by [*insert name(s) of attorney(s)*], the     )  
lawful attorney(s) of [*insert name of*     )  
*licensed bank or registered deposit-taking*     )  
*company*] whose signature(s) is/are     )  
verified by:-     )

Solicitor, Hong Kong SAR]

I, [*insert name of solicitor*], confirm that the above Undertaking has been duly authorized by [*insert name of licensed bank or registered deposit-taking company*] and duly executed as a deed by \*it/its lawful attorney(s) pursuant to a Power of Attorney granted by it.

Solicitor, Hong Kong SAR

- β For phased development only. Delete as appropriate.
- \* Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- ∅ For execution by licensed bank or registered deposit-taking company under its common seal in accordance with the provisions of its articles.
- © For execution by licensed bank or registered deposit-taking company in accordance with section 127(3) of the Companies Ordinance.

**List of Information to be included in Sales Brochure**

The sales brochure must contain the following information:

1. Introduction

The general description of the development, and the identity of the intended manager, if known.

2. Parties Involved in the Development

Information on the vendor and the others<sup>(Note 1)</sup> involved in the development including the names of the following –

- (1) the vendor, and if a vendor is a corporation, every holding company of that vendor;
- (2) the authorized person for the development, and the firm or corporation of which an authorized person for the development is a proprietor, director or employee in his or her professional capacity;
- (3) the building contractor for the development;
- (4) the firm of solicitors acting for the vendor in relation to the sale of non-residential units in the development;
- (5) any licensed bank or registered deposit-taking company authorized under section 16 of the Banking Ordinance that has made a loan, or has undertaken to provide finance, for the construction of the development; and
- (6) any other person who has made a loan for the construction of the development.

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<sup>(Note 1)</sup> For the purpose of this Appendix,

- (1) “authorized person” means an authorized person who is appointed under section 4(1)(a) or 4(2) of the Buildings Ordinance as a co-ordinator of building works for the development;
- (2) “building contractor” means a registered general building contractor who is appointed under section 9(1) or 9(3) of the Buildings Ordinance to carry out building works for the development;
- (3) “corporation” means –
  - (a) a company as defined by section 2(1) of the Companies Ordinance; or
  - (b) a company incorporated outside Hong Kong;
- (4) “director” has the meaning given by section 2(1) of the Companies Ordinance;
- (5) “holding company” means a holding company within the meaning of the Companies Ordinance;
- (6) “proprietor” –
  - (a) in relation to a firm constituted of a sole proprietor, means the sole proprietor of the firm; or
  - (b) in relation to a firm constituted as a partnership, means a partner of the firm.

[N.B.: Any change to the names of the parties should be promptly reflected in the sales brochure.]

### 3. Relationship Between Parties Involved in the Development

The relationship of the parties<sup>(Note 2)</sup> involved in the development stating –

- (1) the following facts (if they exist) –
  - (a) the vendor or a building contractor for the development is an individual, and that vendor or contractor is an immediate family member of an authorized person for the development;
  - (b) the vendor or a building contractor for the development is a partnership, and a partner of that vendor or contractor is an immediate family member of such an authorized person;
  - (c) the vendor or a building contractor for the development is a corporation, and a director or the company secretary of that vendor or contractor (or a holding company of that vendor) is an immediate family member of such an authorized person;
  - (d) the vendor or a building contractor for the development is an individual, and that vendor or contractor is an immediate family member of an associate of such an authorized person;
  - (e) the vendor or a building contractor for the development is a partnership, and a partner of that vendor or contractor is an immediate family member of an associate of such an authorized person;

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<sup>(Note 2)</sup> For the purpose of this Appendix,

- (1) “associate”, in relation to an authorized person, means –
  - (a) a proprietor of the firm of which the authorized person is a proprietor in his or her professional capacity; or
  - (b) a director of the corporation of which the authorized person is a director in his or her professional capacity;
- (2) “associate corporation”, in relation to a corporation, means –
  - (a) a subsidiary of the corporation; or
  - (b) a subsidiary of a holding company of the corporation;
- (3) “company secretary” has the meaning given by section 2(1) of the Companies Ordinance;
- (4) “immediate family member”, in relation to an individual, means a spouse, parent, child, sibling, grandparent or grandchild of the individual;
- (5) “listed company” has the meaning given by section 2(1) of the Companies Ordinance;
- (6) “private company” has the meaning given by section 11 of the Companies Ordinance;
- (7) “subsidiary” means a subsidiary within the meaning of the Companies Ordinance.

- (f) the vendor or a building contractor for the development is a corporation, and a director or the company secretary of that vendor or contractor (or a holding company of that vendor) is an immediate family member of an associate of such an authorized person;
- (g) the vendor or a building contractor for the development is an individual, and that vendor or contractor is an immediate family member of a proprietor of a firm of solicitors acting for the vendor in relation to the sale of non-residential units in the development;
- (h) the vendor or a building contractor for the development is a partnership, and a partner of that vendor or contractor is an immediate family member of a proprietor of a firm of solicitors acting for the vendor in relation to the sale of non-residential units in the development;
- (i) the vendor or a building contractor for the development is a corporation, and a director or the company secretary of that vendor or contractor (or a holding company of that vendor) is an immediate family member of a proprietor of such a firm of solicitors

(and for the purposes of this sub-paragraph (1) –

- (a) the name of the authorized person must be stated in the case of sub-paragraph (1)(a), (1)(b), (1)(c), (1)(d), (1)(e) or (1)(f);
- (b) the name of the firm of solicitors must be stated in the case of sub-paragraph (1)(g), (1)(h) or (1)(i);
- (c) it is not required to state whether the authorized person, associate or proprietor is –
  - (i) a spouse;
  - (ii) a parent;
  - (iii) a child;
  - (iv) a sibling;
  - (v) a grandparent; or
  - (vi) a grandchild,

of the vendor, building contractor, partner, director or company secretary;  
and

- (d) it is not required, in the case of sub-paragraph (1)(c), (1)(f) or (1)(i), to state the name of the director or company secretary);
- (2) the following facts (if they exist) –
- (a) the vendor, a holding company of the vendor, or a building contractor for the development, is a private company, and an authorized person for the development, or an associate of such an authorized person, holds at least 10% of the issued shares in that vendor, holding company or contractor;
  - (b) the vendor, a holding company of the vendor, or a building contractor for the development, is a listed company, and such an authorized person, or such an associate, holds at least 1% of the issued shares in that vendor, holding company or contractor;
  - (c) the vendor or a building contractor for the development is a corporation, and such an authorized person, or such an associate, is an employee, director or company secretary of that vendor or contractor or of a holding company of that vendor;
  - (d) the vendor or a building contractor for the development is a partnership, and such an authorized person, or such an associate, is an employee of that vendor or contractor;
  - (e) the vendor, a holding company of the vendor, or a building contractor for the development, is a private company, and a proprietor of a firm of solicitors acting for the vendor in relation to the sale of non-residential units in the development holds at least 10% of the issued shares in that vendor, holding company or contractor;
  - (f) the vendor, a holding company of the vendor, or a building contractor for the development, is a listed company, and a proprietor of such a firm of solicitors holds at least 1% of the issued shares in that vendor, holding company or contractor;
  - (g) the vendor or a building contractor for the development is a corporation, and a proprietor of such a firm of solicitors is an employee, director or company secretary of that vendor or contractor or of a holding company of that vendor;

- (h) the vendor or a building contractor for the development is a partnership, and a proprietor of such a firm of solicitors is an employee of that vendor or contractor;

(and for the purposes of this sub-paragraph (2) –

- (a) the name of the authorized person must be stated in the case of sub-paragraph (2)(a), (2)(b), (2)(c) or (2)(d);
- (b) the name of the firm of solicitors must be stated in the case of sub-paragraph (2)(e), (2)(f), (2)(g) or (2)(h); and
- (c) it is not required, in the case of sub-paragraph (2)(a), (2)(b), (2)(e) or (2)(f), to state the percentage or amount of share holding); and

(3) the following facts (if they exist) –

- (a) the vendor or a building contractor for the development is a corporation, and the corporation of which an authorized person for the development is a director or employee in his or her professional capacity is an associate corporation of that vendor or contractor or of a holding company of that vendor;
- (b) the vendor or a building contractor for the development is a corporation, and that contractor is an associate corporation of that vendor or of a holding company of that vendor.

[N.B.: Any change to the relationship disclosed should be promptly reflected in the sales brochure.]

#### 4. Location Plan

A location plan of the development including up-dated information on prominent environmental features in the vicinity e.g. public park, swimming pool, refuse collection point etc. and intended user of surrounding areas, if known.

#### 5. Layout Plan

A layout plan of the development drawn to scale including communal facilities (and their completion dates, if possible), undeveloped land and its intended use within the boundary of the development, and the scale used.

6. Floor Plans

- (1) Detailed plan of typical floor showing all principal external dimensions of the non-residential unit, external dimensions of individual compartments in each such unit, the scale used, and a note informing prospective purchasers (i) that the internal areas of units on upper floors will generally be slightly larger than lower floors due to the reducing thickness of structural walls on upper levels, and (ii) if there are special fittings/features affecting the enjoyment of the owner of a non-residential unit (e.g. exposed pipes) the location of such special fittings/features.
- (2) Separate floor plan in case there is any non-typical floor.

7. Schedule of Unit Size

The size of each non-residential unit in saleable area (as defined in the agreement for sale and purchase in the form prescribed or otherwise approved by the Director of Lands), and the areas of bay windows, roofs, flat roofs and open yards (if any) which should be specified separately.

8. Anticipated Completion Date of the Development

9. Salient Points of Government Land Grant

A summary of the provisions including lot number, lease term, user restrictions, and onerous lease conditions (if any) which would restrict purchasers' usual legal rights.

10. Salient Points of Deed of Mutual Covenant

- (1) A summary of the provisions including definition of common areas, undivided shares, term of appointment of manager, basis of fixing management fee, basis of fixing management fee deposit and retained area (if any).
- (2) A note informing prospective purchasers that a full script of the deed of mutual covenant is available upon request.

11. Carpark

Information on the location, the number and the minimum dimensions of the parking spaces.

12. Fittings and Finishes

Refer to the Schedule to this Appendix.

13. Maintenance of Slopes

If the Government land grant requires the owners to maintain at their expense any slopes within and/or outside the land –

- (1) a note informing prospective purchasers of such requirement and that under the deed of mutual covenant the manager is to be given full authority by all the owners to carry out the necessary slope maintenance works in accordance with all guidelines issued from time to time by the appropriate government department and each owner will be obliged to make contributions towards the costs of such works;
- (2) a plan showing the slopes and any retaining walls or other related structures already constructed or to be constructed within and/or outside the land.

14. Miscellaneous Payments upon Delivery of Unit

Miscellaneous payments by purchasers including debris removal deposit, reimbursement to the vendor for water/electricity/gas deposit, and a note to inform purchasers of the obligation to pay such fees even though the exact amount is unknown.

15. Provision of Information to Purchasers upon Request

The right of a purchaser who has signed an agreement for sale and purchase to be provided, upon his request and subject to the payment of a nominal fee of not more than HK\$100.00 per request (if demanded), with a hard copy of an updated record of information as to the total construction costs and the total professional fees to complete the development as well as the total construction costs and the total professional fees expended and paid as at the end of the month preceding the month at which the request is made.

16. Right to Deduct Preliminary Deposit

The right for the vendor to keep 3% of the purchase price if a purchaser under the provisional agreement for sale and purchase does not for any reason sign the agreement for sale and purchase.

17. Bilingual Notice regarding Joint Representation

A bilingual version of “Warning to Purchasers” in the form as prescribed from time to time by The Law Society of Hong Kong.

18. Contact Details of The Law Society of Hong Kong

The enquiry telephone number and website address of The Law Society of Hong Kong to facilitate prospective purchasers to obtain easy access to the details of solicitors' firms available to them.

19. Date of Printing of Sales Brochure

[N.B.: If the development is divided into 2 or more phases, a reference in this Appendix to the development is a reference to the phase of which the non-residential units form part.]

## Schedule

### A Recommended List of Fittings and Finishes in a Development

#### EXTERIOR

##### External Walls

The type of external finishes

##### Windows

The material of the frames and glass

##### Bay Windows

The material and windowsill finishes of the bay windows

##### Planters

The type of finishes of the planters

##### Verandah/Balcony

The type of finishes and whether the verandah/balcony is covered or not

#### INTERIOR FINISHES

##### Lobbies

The type of wall, floor and ceiling finishes in the lobbies

##### Internal Walls and Ceilings

The type of wall and ceiling finishes

##### Floors

The material of the floor and skirting

#### INTERIOR FITTINGS

##### Doors

The material, finishes and accessories of the doors (especially the entrance door to each individual unit)

##### Fittings and Equipment

The type and material of the fittings and equipment

### Telephone and Aerials

The locations and number of such utilities

### Electricity

Details of the fittings including safety devices, concealed or exposed conduits, the location and number of power points, sockets, air-conditioner points etc.

### Gas/Electricity Supply

The type, system and location of the gas/electricity supply

### Water Supply and Pipes

The water supply system, the material of the water pipes, whether they are concealed or exposed and whether hot water is available etc.

## SECURITY FACILITIES

The security services including details of all built-in provisions and their locations

## MISCELLANEOUS

### Lifts

The country of origin/brand name of the lifts and whether the lifts serve all floors

### Letter Boxes

The material of the letter boxes

### Refuse Collection

The means of refuse collection, the location of refuse room etc.

### Water/Electricity/Gas Meters

The location of the meters and whether there are separate or communal meters for individual units

[N.B.: (1) If the country of origin/brand name is mentioned, the vendor should undertake that materials of comparable quality will be used if the intended source becomes unavailable.

(2) Show flats of accurate size and structural layout should be set up wherever possible.]

**TERMS AND CONDITIONS**  
**IN A TRIPARTITE STAKEHOLDER AGREEMENT**

- (1) The Vendor shall instruct the Vendor's Solicitors to open, maintain and operate, and the Vendor's Solicitors shall open, maintain and operate, with the Mortgagee a stakeholder account designated for the <sup>y</sup>Phase/Development ("stakeholder account").
- (2) The Vendor and the Vendor's Solicitors shall arrange the sale of units in respect of which consent has been given by the Director of Lands to enter into agreements for sale and purchase ("Consent") so that all payments (including payment of any preliminary deposit) however made (e.g. electronic payment) under any agreements for sale and purchase (including any preliminary agreements for sale and purchase) entered into between the Vendor and purchasers ("sales proceeds") are made directly to the stakeholder account. The Vendor's Solicitors shall, within 7 working days of payment or as soon as practicable upon request by the Mortgagee, provide the Mortgagee with a detailed list of units for which immediate full payment of the purchase price or payment of balance of the purchase price has been made for the purpose of the unconditional release from the building mortgage referred to in paragraph (4) below.
- (3) The Vendor's Solicitors shall hold the sales proceeds as stakeholder and shall not release any of the sales proceeds from the stakeholder account except –
  - (a) in accordance with the terms and conditions of the Tripartite Stakeholder Agreement as set out in this Appendix, the terms and conditions of the agreement for sale and purchase approved by the Director of Lands ("ASP") and the conditions imposed by the Director of Lands in giving the Consent; and
  - (b) with the prior written approval of the Mortgagee and with the prior written agreement of all of the solicitors' firms acting for the Vendor in the sale of units in the <sup>y</sup>Phase/Development, provided that the Mortgagee may withhold its approval in accordance with the terms and conditions of the building mortgage if, e.g. it has any reasonable doubts on any matter on which it requires to be satisfied under the building mortgage.

- (4) The Mortgagee irrevocably undertakes to, upon completion of the sale and purchase, release unconditionally from the security of the building mortgage, any share or interest in the land together with the right to the exclusive use, occupation and enjoyment of any unit in the <sup>y</sup>Phase/Development, in respect of which the total purchase price under an ASP, the terms and conditions of which have been approved by the Mortgagee, is fully paid into the stakeholder account.
- (5) The Vendor's Solicitors shall, on or before the 15th day of each calendar month, provide to the Vendor and copy to the Mortgagee and the Legal Advisory and Conveyancing Office of the Lands Department each with a report in a form prescribed by the Director of Lands, on a calendar monthly basis, setting out information relating to the progress of sale of units, receipt and application of the sales proceeds, details of units for which immediate full payment of the purchase price or payment of the balance of the purchase price has been made during the preceding month and any other information which the Director of Lands may require under the conditions of the Consent.
- (6) In the event of the Vendor's Solicitors ceasing to act in the sale of any units in the <sup>y</sup>Phase/Development, the Vendor shall, in addition to other requirements under the conditions of the Consent, procure the solicitors' firm appointed by the Vendor to substitute the Vendor's Solicitors to enter into a similar Tripartite Stakeholder Agreement which shall include the terms and conditions as set out in this Appendix.
- (7) The Vendor and the Vendor's Solicitors shall not assign or transfer any of their respective rights and obligations under the Tripartite Stakeholder Agreement without the prior written consent of the Director of Lands.
- (8) If the Authorized Person informs the Vendor's Solicitors that the costs required to complete the <sup>y</sup>Phase/Development have exceeded or will exceed the total of the construction costs and the professional fees previously certified by the Authorized Person in obtaining the Consent, the Vendor's Solicitors may (subject to the terms and conditions of the building mortgage) continue to release money from the stakeholder account, provided that the Vendor's Solicitors shall not release from the stakeholder account any amount over and above the respective amounts of the total construction costs and the total professional fees previously certified by the Authorized Person in obtaining the Consent until sufficient proof of adequate finance to cover also the excess amount has been produced to the satisfaction of Director of Lands.

<sup>7</sup> Delete “Development” for phased development. Otherwise delete “Phase”.

**\*MONTHLY/FINAL REPORT BY SOLICITORS**

**Report on funds in the stakeholder account and progress of sale as at the last day of the month of \_\_\_\_\_, 20\_\_\_\_\_.**

To: *[insert name of registered owner of land]*

c.c. \*[(1)] Legal Advisory and Conveyancing Office of Lands Department

\*[(2)] *[insert name of mortgagee under building mortgage]*

1. Lot No. of the land (“the land”): \_\_\_\_\_
2. Name of the registered owner of the land (“the Vendor”): \_\_\_\_\_
3. Name of the development (“the Development”): \_\_\_\_\_
4. Phase No. (if applicable) of the Development (“the Phase”): \_\_\_\_\_
5. No. of units in the Development: \_\_\_\_\_
6. No. of units in the Phase (if applicable): \_\_\_\_\_
7. Date of consent letter: \_\_\_\_\_
8. Effective date of consent: \_\_\_\_\_
9. Date of consent to assign (if issued): \_\_\_\_\_
10. (a) Date of certificate of compliance (if issued): \_\_\_\_\_  
(b) Date of certificate of fittings and finishes: \_\_\_\_\_

**I. Receipt and application of funds in the stakeholder account**

Item No.		Sum b/f from previous month (HK\$)	Sum received or paid in the month (HK\$)	Total of sum c/f to next month (HK\$)	Ref No.
<b>Receipt</b>					
(1)	Sales proceeds received				A
(2)	Interest on sales proceeds received				B
Sub-total [A+B]					C
<b>Payment</b>					
(3)	Payment pursuant to clause 26(1)(a) of Agreement for Sale and Purchase (“ASP”)				D
(4)	Repayment of funds drawn under building mortgage (if any) and interest under clause 26(1)(b) of ASP				E
(5)	Repayment of other moneys secured by the building mortgage (if any) under clause 26(1)(c) of ASP				F
(6)	Refund to purchasers				G
(7)	Release of funds to the Vendor under Clause 26(1)(d) of ASP				H
(8)	Release of interest on sales proceeds to the Vendor				I
Sub-total [D+E+F+G+H+I]					J
<b>Balance of funds in the stakeholder account c/f [C–J]:</b>					

**II. Progress of sale**

**A. No. of units sold**

	<b>b/f from previous month</b>	<b>Current month</b>	<b>Total</b>
(1) Total no. of units handled by my firm for which ASPs are signed and are subsisting			
(2) Total no. of units handled by my firm for which ASPs are subsisting and full payment of purchase price has been made			

**B. List of all units in IIA(2) for which full payment of the purchase price is made in the current month**

<b>Unit</b>	<b>Floor</b>	<b>Block</b>

I, [*insert name of solicitor*], \*the sole proprietor/a partner in the firm of [*insert name of solicitors' firm*], solicitors which is acting for the Vendor in the sale of non-residential units in the <sup>y</sup>Phase/Development \*[now being constructed or to be] constructed on the land, certify the contents of this report as true and correct as at the last day of the month to which this report relates.

Dated this ..... day of .....

[*insert name of solicitor*]  
Solicitor, Hong Kong SAR

\* Delete as appropriate.

γ Delete “Development” for phased development. Otherwise delete “Phase”.

**QUARTERLY/FINAL CERTIFICATE**  
**BY AUTHORIZED PERSON**

To: The Director of Lands

c.c.: (1) [*insert name of registered owner of land*]

(2) [*insert name of solicitors' firm*]

\*[(3) [*insert name of mortgagee under building mortgage*]]

Date: [*insert date*]

Lot No.: [*insert lot number*] (“the land”)

Development: [*insert name of development*] (“the Development”)

<sup>β</sup>[Phase: Phase [*insert phase number*] of the Development (“the Phase”)]

(1) I, [*insert name of authorized person*] of [*insert name and address of firm/corporation of authorized person*], \*an architect/an engineer/a surveyor listed in the authorized persons’ register kept by the Building Authority under section 3(1) of the Buildings Ordinance, certify and confirm as follows:

- (a) I am appointed under section \*4(1)(a)/4(2) of the Buildings Ordinance as a co-ordinator of building works for the <sup>γ</sup>Phase/Development.
- (b) I have given a certificate dated [*insert date*] (“the AP’s Certificate”) for the purpose of obtaining consent of the Director of Lands to [*insert name of registered owner of land*] (“the Vendor”) to enter into agreements for sale and purchase of non-residential units in the <sup>γ</sup>Phase/Development.
- (c) Since the \*AP’s Certificate/quarterly certificate for the last quarter (“the Preceding Certificate”), there has been \*a/no change of the total of the construction costs and the professional fees (“the Total Development Costs”) for completion of the <sup>γ</sup>Phase/Development <sup>ϑ</sup>[, and I have informed the Legal Advisory and Conveyancing Office of the Lands Department and others on [*insert date*] immediately after the change].
- (d) As at the end of \*March/June/September/December [*insert year*], the Total Development Costs is HK\$[*insert amount*], the breakdown of which is as follows:

	Total sum (HK\$)
(I) Construction costs	[insert amount]
(II) Professional fees	[insert amount]

- (e) As at the end of \*March/June/September/December [insert year], the following sums have been expended on the <sup>y</sup>Phase/Development:

	Sum reported as expended in the *AP's Certificate/ Preceding Certificate (HK\$)	Sum expended *since the AP's Certificate/in this quarter (HK\$)	Total sum expended (HK\$)
(I) Construction costs	[insert amount]	[insert amount]	[insert amount]
(II) Professional fees	[insert amount]	[insert amount]	[insert amount]
(III) Total of construction costs and professional fees	[insert amount]	[insert amount]	[insert amount]

- (f) I have received written confirmation with supporting evidence from the Vendor that, as at the end of \*March/June/September/December [insert year], in respect of the total sum expended in paragraph (1)(e) of this certificate, the following sums have been paid:

	Sum reported as paid in the *AP's Certificate/ Preceding Certificate (HK\$)	Sum paid *since the AP's Certificate/in this quarter (HK\$)	Total sum paid (HK\$)
(I) Construction costs	[insert amount]	[insert amount]	[insert amount]
(II) Professional fees	[insert amount]	[insert amount]	[insert amount]
(III) Total of construction costs and professional fees	[insert amount]	[insert amount]	[insert amount]

- (g) As at the end of \*March/June/September/December [*insert year*],
- (I) that part of the Total Development Costs expended but not yet paid<sup>(Note 1)</sup> is HK\$[*insert amount*]; and
- (II) that part of the Total Development Costs remaining to be expended<sup>(Note 2)</sup> to complete the <sup>y</sup>Phase/Development is HK\$[*insert amount*].
- \*[(h) Since the \*AP's Certificate/Preceding Certificate, new contract\*[s] \*has/have been entered into. As at the end of \*March/June/September/December [*insert year*], the new contract\*[s] \*is/are as follows:

<u>Purpose of contract*[s]</u>	<u>Name*[s] of contractor*[s], subcontractor*[s] and supplier*[s]</u>
[ <i>insert purpose</i> ]	[ <i>insert name(s)</i> ]

- (i) As at the end of \*March/June/September/December [*insert year*], [*insert description of the stage the building works has reached*].

\*[(2) I confirm that a certificate from an independent authorized person or quantity surveyor is not necessary.]

OR

\*[(2) I confirm that the respective amounts set out in paragraphs (1)(d), (1)(e), (1)(f) and (1)(g) of this certificate will be verified and confirmed by [*insert name of independent authorized person/quantity surveyor*].]

[*insert name of authorized person*]  
Authorized Person for the <sup>y</sup>Phase/Development

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<sup>(Note 1)</sup> The amount of that part of the Total Development Costs expended but not yet paid is the sum in paragraph (1)(e)(III) less the sum in paragraph (1)(f)(III).

<sup>(Note 2)</sup> The amount of that part of the Total Development Costs remaining to be expended to complete the Phase or the Development (as the case may be) is the amount of the Total Development Costs in paragraph (1)(d) less the sum in paragraph (1)(e)(III).

- \* Delete as appropriate.
- β For phased development only. Delete as appropriate.
- γ Delete “Development” for phased development. Otherwise delete “Phase”.
- ⊖ Applicable where there is a change of the total of the construction costs and the professional fees since the AP’s Certificate or the Preceding Certificate (as the case may be).

**INDEPENDENT \*AUTHORIZED PERSON'S CERTIFICATE/  
QUANTITY SURVEYOR'S CERTIFICATE**

To: The Director of Lands

c.c.: (1) [*insert name of registered owner of land*]

(2) [*insert name of solicitors' firm*]

\*[(3) [*insert name of mortgagee under building mortgage*]]

Date: [*insert date*]

Lot No.: [*insert lot number*] ("the land")

(1) I, [*insert name of independent authorized person/quantity surveyor*] of [*insert name and address of firm/corporation of independent authorized person/quantity surveyor*], \*[\*an architect/an engineer/a surveyor listed in the authorized persons' register kept by the Building Authority under section 3(1) of the Buildings Ordinance OR a quantity surveyor and a member of the Hong Kong Institute of Surveyors (Quantity Surveying Division) OR a registered professional surveyor (Quantity Surveying) registered under the Surveyors Registration Ordinance], certify as follows:-

<sup>∅</sup>[(a) I have verified the various amounts mentioned in paragraphs (1)(h), (1)(i) and (1)(k) of the certificate dated [*insert date*] ("the AP's Certificate") in respect of <sup>β</sup>[Phase [*insert phase number*] ("the Phase") of] the development now being constructed or to be constructed on the land and intended to be known as "[*insert name of development*]" ("the Development") issued by [*insert name of authorized person*] ("the Authorized Person") of [*insert name of firm/corporation of authorized person*] ("the AP Company"). I confirm that they are true and correct.

(b) I have received written confirmation with supporting evidence from [*insert name of registered owner of the land*] ("the Vendor") that the construction costs and the professional fees as referred to in paragraph (1)(j) of the AP's Certificate in respect of the <sup>γ</sup>Phase/Development have been paid.]

OR

- <sup>c</sup>[(a) I have verified the various amounts mentioned in paragraphs (1)(d), (1)(e) and (1)(g) of the \*quarterly/final certificate dated [*insert date*] (“the \*Quarterly/Final Certificate”) in respect of <sup>b</sup>[Phase [*insert phase number*] (“the Phase”) of] the development now being constructed or to be constructed on the land and intended to be known as “[*insert name of development*]” (“the Development”) issued by [*insert name of authorized person*] (“the Authorized Person”) of [*insert name of firm/corporation of authorized person*] (“the AP Company”). I confirm that they are true and correct.
- (b) I have received written confirmation with supporting evidence from [*insert name of registered owner of the land*] (“the Vendor”) that the construction costs and the professional fees as referred to in paragraph (1)(f) of the \*Quarterly/Final Certificate in respect of the <sup>7</sup>Phase/Development have been paid.]
- (2) I confirm that:-
- (a) [*Insert name of firm/corporation of independent authorized person/quantity surveyor*] (“the Company”) is \*[not] a corporation and I am \*a proprietor/the sole proprietor/a director/an employee of the Company; and
- <sup>v</sup>[(b) the AP Company is a corporation and is a \*private/listed company; and]
- (c) (i) the Authorized Person is not my immediate family member \*[or an immediate family member of the \*[other] \*proprietor/proprietors/director/directors of the Company]; and
- (ii) I am not an employee of the Authorized Person \*[and no \*[other] \*proprietor/director of the Company is an employee of the Authorized Person]; and
- (d) (i) no \*proprietor/director or company secretary of the AP Company is my immediate family member \*[or an immediate family member of the \*[other] \*proprietor/proprietors/director/directors of the Company]; and
- <sup>v</sup>[(ii) I do not hold at least [*insert 1% where the AP Company is a listed company OR insert 10% where the AP Company is a private company*] of the issued shares in the AP Company \*[and no \*[other] \*proprietor/director of the Company holds at least [*insert 1% where the AP Company is a listed*

*company OR insert 10% where the AP Company is a private company*] of the issued shares in the AP Company]; and]

(iii) I am not an \*employee or proprietor/employee, director or company secretary of the AP Company \*[and no \*[other] \*proprietor/director of the Company is an \*employee or proprietor/employee, director or company secretary of the AP Company]; and

<sup>φ</sup>(e) (i) no director or company secretary of the Vendor, the holding company of the Vendor or [*insert name of building contractor for the Phase/Development*] (“the Building Contractor”) is my immediate family member \*[or an immediate family member of the \*[other] \*proprietor/proprietors/director/directors of the Company]; and

(ii) I do not hold at least 1% (in the case of a listed company), or at least 10% (in the case of a private company), of the issued shares in the Vendor, the holding company of the Vendor or the Building Contractor \*[and no \*[other] \*proprietor/director of the Company holds at least 1% (in the case of a listed company), or at least 10% (in the case of a private company), of the issued shares in the Vendor, the holding company of the Vendor, or the Building Contractor]; and

(iii) I am not an employee, director or company secretary of the Vendor, the holding company of the Vendor or the Building Contractor \*[and no \*[other] \*proprietor/director of the Company is an employee, director or company secretary of the Vendor, the holding company of the Vendor or the Building Contractor].

<sup>E</sup>[(3) I confirm that:-

<sup>v</sup>[(a) the Company is not an associate corporation of the AP Company; and]

<sup>φ</sup>(b) the Company is not an associate corporation of the Vendor, the holding company of the Vendor or the Building Contractor.]

<sup>∂</sup>(4) For the purpose of this certificate,

(a) “associate corporation”, in relation to a corporation, means-

- (i) a subsidiary of the corporation; or
  - (ii) a subsidiary of a holding company of the corporation;
- (b) “company secretary” has the meaning given by section 2(1) of the Companies Ordinance;
- (c) “corporation” means-
- (i) a company as defined by section 2(1) of the Companies Ordinance; or
  - (ii) a company incorporated outside Hong Kong;
- (d) “director” has the meaning given by section 2(1) of the Companies Ordinance;
- (e) “holding company” means a holding company within the meaning of the Companies Ordinance;
- (f) “immediate family member”, in relation to an individual, means a spouse, parent, child, sibling, grandparent or grandchild of the individual;
- (g) “listed company” has the meaning given by section 2(1) of the Companies Ordinance;
- (h) “private company” has the meaning given by section 11 of the Companies Ordinance;
- (i) “proprietor”-
- (i) in relation to a firm constituted of a sole proprietor, means the sole proprietor of the firm; or
  - (ii) in relation to a firm constituted as a partnership, means a partner of the firm; and
- (j) “subsidiary” means a subsidiary within the meaning of the Companies Ordinance.

*[insert name of independent authorized  
person/quantity surveyor]*

\*Authorized Person/Quantity Surveyor

- \* Delete as appropriate.
- ◊ Applicable for verification of information in AP's Certificate.
- β For phased development only. Delete as appropriate.
- γ Delete "Development" for phased development. Otherwise delete "Phase".
- ć Applicable for verification of information in Quarterly/Final Certificate by Authorized Person.
- ν Applicable where the AP Company is a corporation.
- φ Amend as appropriate where the Vendor, or the Building Contractor is an individual or a partnership or where the Vendor is a corporation, there is no or there are more than one holding company of the Vendor.
- E Applicable where the Company is a corporation.
- ∂ Delete definition(s) as appropriate.