

**Form I-G**

Standard Legal Charge Form (Guarantee)

(Version: Sep 2016)

This Form is **ONLY** applicable to eligible applicant of **After-Sales Refinancing** under “Sandwich Class Housing Scheme” ; “Flat-for-Sale Scheme” and “Subsidised Sale Flats Project completed before Year 2024” of Hong Kong Housing Society (HKHS).

**Note: This Form is NOT catered to financing of first-hand sales from HKHS**

Dated the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

("the Borrower")

to

("the Lender")

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**LEGAL CHARGE**

**in respect of**

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

for Land Registrar

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SOLICITORS, ETC.,  
HONG KONG SAR.

**THIS LEGAL CHARGE** is made the day and year set out in the Schedule hereto

**BETWEEN**

- (1) The Borrower of the one part and
- (2) The Lender of the other part.

**WHEREAS :-**

- (1) The Borrower is the legal and beneficial owner of the Property.
- (2) The Lender has agreed to lend to the Borrower the Loan upon having the repayment thereof secured by this Legal Charge.

**NOW THIS DEED WITNESSETH that:**

**1. DEFINITIONS AND INTERPRETATION**

- 1.1 In this Legal Charge, if the context so permits or requires and where not inapplicable the following terms shall have the following meanings:

“Assignment”

shall mean the latest deed of Assignment of the Property in which the Society was the vendor assigning the Property to the Purchaser;

“Borrower”

shall mean the Borrower whose name, address and identity document are set out in the Schedule hereto and in the case of an individual shall include the person specifically herein named and his executors administrators successors and assigns and in the case of persons holding as tenants in common include the persons specifically herein named and any of them and their respective executors administrators successors and assigns and in the case of persons holding as joint tenants include the persons specifically herein named and the survivors or survivor of them and the executors administrators and successors of such survivor and his or their assigns and if the Borrower consists of two or more persons, each covenant or agreement on the part of the Borrower herein shall be deemed to have been given by them jointly and severally;

“Deed of Covenant”

shall mean the Deed of Covenant set out in the Schedule hereto and any variation or modification thereof;

“Facility Letter”

shall mean any facility letters, letters of offer, instruments or documents issued by the Lender to the Borrower which set out (inter alia) the terms and conditions mutually agreed by the Lender and the Borrower in relation to or in connection with the Loan to be secured by this Legal Charge;

“Government”

shall mean the Government of the Hong Kong Special Administrative Region;

**“Government Grant”**

shall mean the Government Grant more particularly set out in the Schedule hereto and any variation or modification thereof under which the Property is held from the Government;

**“Guarantee”**

shall mean the Guarantee specified in the Schedule hereto made between the Society and the Lender;

**“Lender”**

shall include the company or corporation specifically named as the Lender in the Schedule hereto and its successors and assigns;

**“Loan”**

shall mean the Loan set out in the Schedule hereto which is advanced by the Lender to the Borrower under this Legal Charge or any part thereof and any interest thereon for the time being remaining owing under this Legal Charge;

**“Ordinance”**

shall mean the Conveyancing and Property Ordinance, Cap. 219.

**“Property”**

shall mean the property set out in the Schedule hereto;

**“Purchaser”**

shall mean the purchaser of the Property who purchased the Property from the Society;

**“Society”**

shall mean Hong Kong Housing Society, a body corporate incorporated under the Hong Kong Housing Society Incorporation Ordinance, Cap. 1059.

- 1.2 Words importing the singular number shall include the plural number and vice versa, and words importing the masculine gender shall include feminine and neuter gender and vice versa.
- 1.3 The headings herein are included for the purpose of easy reference only and shall be ignored in the interpretation and construction of this Legal Charge.

**2. COVENANT FOR REPAYMENT**

- 2.1 In consideration of the Loan paid by the Lender to the Borrower (the receipt whereof the Borrower acknowledges), the Borrower HEREBY COVENANTS with the Lender to repay to the Lender the Loan and interest thereon by such number and amount of consecutive instalments as set out in the Facility Letter (hereinafter referred to as “the said number of instalments”) the first of such instalments and each succeeding instalment to be paid by the Borrower according to the terms stipulated by the Lender in the Facility Letter AND if any of the said number of instalments or any part thereof shall be and remain unpaid after the day on which it ought to be paid as aforesaid or if the Borrower shall fail to perform or observe any of the obligations or covenants herein contained and on his part to be performed or observed then the Borrower shall pay to the Lender on demand the whole of the Loan, interest thereon and all other sums of money owing by the Borrower to the Lender under the Facility Letter and this Legal Charge.

- 2.2 The Lender may at the request of the Borrower vary the amount of each outstanding instalment thereby varying the said number of instalments provided that in such event interest shall be recalculated and shall be charged only on the amount then remaining due on the Loan.

### **3. INTEREST**

- 3.1 Interest on the Loan shall be charged at the rate as set out in the Facility Letter.
- 3.2 All repayment instalments shall be credited firstly in respect of the interest due on the Loan and secondly (but only if the Lender shall elect so to do) in discharge of any other disbursements or expenses outstanding as already paid by the Lender in connection with the Property as provided by the covenants incorporated herein by Clause 7 hereof and thirdly in reduction of the Loan owing on the date of payment.
- 3.3 In the event of the Lender electing to discharge any of the disbursements or expenses referred to in Clause 3.2 hereof then the remaining instalments shall be increased by such amount to ensure that when the final instalment is paid, the amount discharged by the Lender in respect of such disbursements or expenses shall have been paid and discharged by the Borrower.

### **4. CHARGE OF PROPERTY**

- 4.1 In consideration of the Loan and as security for the repayment thereof the Borrower as Beneficial Owner HEREBY CHARGES the Property to the Lender PROVIDED ALWAYS that if the Borrower shall pay to the Lender the Loan and all other moneys hereby secured the Lender shall at the request and at the cost of the Borrower duly discharge this security. The charge herein contained shall be a legal charge insofar as the Property is a legal estate.
- 4.2 Notwithstanding the provisions of Clause 4.1 hereof, if no Government Lease in respect of the Property or any part thereof has been issued or deemed to have been issued at the date hereof under the provisions of the Ordinance, the following provisions shall apply and operate, namely:
- (a) The Borrower as beneficial owner hereby assigns unto the Lender All That the estate right title benefit and interest of and in the Property by way of mortgage as security for the repayment of the Loan TO HOLD the same with their and every of their appurtenances unto the Lender absolutely subject to the terms and conditions herein mentioned subject also to the Government Grant and to the proviso for redemption contained in Clause 4.1 hereof.
  - (b) All the terms covenants and conditions contained herein (whether expressed or by incorporation herein or implied under the Ordinance) shall so far as they do not contravene any applicable law have full force and effect.

### **5. PREPAYMENT**

- 5.1 Notwithstanding the provisions of Clause 2 hereof the Borrower may prepay the whole or part of the Loan by giving not less than \_\_\_\_\_ months written notice of his intention to make such prepayment to the Lender subject to the terms and conditions as are more particularly specified in the Facility Letter.
- 5.2 Any notice of intended prepayment given by the Borrower shall be irrevocable unless the Lender otherwise agrees and the prepayment shall be made in accordance with such notice.
- 5.3 The Loan after any partial prepayment shall be repayable by consecutive instalments of such amount and of such number as the Lender and the Borrower shall mutually agree.

**6. APPOINTMENT OF RECEIVER**

- 6.1 The Borrower hereby irrevocably appoints the Lender and any receiver or receivers appointed by the Lender by way of security jointly and each of them severally to be the attorney of the Borrower (with full power of substitution) and in his name or otherwise and on his behalf and as his act and deed to sign seal execute deliver perfect and do all deeds instruments acts and things which may be required or which the Lender or any such receiver or receivers shall think fit for carrying out any obligations imposed on the Borrower hereunder or for giving effect to any sale lease charge or dealing by the Lender or by any such receiver or receivers or for giving to the Lender the full benefit of this Legal Charge.

**7. COVENANTS AND POWERS INCORPORATED BY THE ORDINANCE**

- 7.1 The following covenants and powers shall be incorporated in this Legal Charge as if they were herein written in full, namely:
- (a) The covenants on the part of the Borrower set out in Part C of the Second Schedule to the Ordinance save and except that the Borrower shall not be required to obtain the prior written consent from the Lender to create further charges on the Property in favour of the Financial Secretary Incorporated or the organization of the Borrower's employer approved by the Society.
  - (b) The implied powers contained or referred to in sections 50 and 51 of the Ordinance Provided Always that if a receiver appointed pursuant to the power implied by section 50 of the Ordinance proposes to exercise a power of sale or a power of letting, the receiver in exercising such power shall be subject to and comply with Clause 11 hereof and the terms and conditions contained in the Guarantee.

**8. PROCEEDS OF SECURITY REALIZATION**

- 8.1 Any money which is received by the Lender arising from the exercise of his power of sale or letting under the Ordinance shall be applied according to the following priority:-
- (a) in discharge of all rent, taxes, rates and other outgoings due and affecting the Property;
  - (b) in payment of the receiver's lawful remuneration, costs, charges and expenses and all lawful costs and expenses properly incurred in the sale or other dealing;
  - (c) unless the Society purchases back the Property in accordance and in compliance with the right of first refusal provisions set out in the Government Grant, in payment to the Government or the Society on behalf of Government (or in reimbursement to the Lender for payment made by the Lender to the Government or the Society on behalf of Government) an amount equal to that proportion of the full market value, as assessed in accordance with the relevant provisions of the Government Grant, of the Property at the time of that payment which is the same proportion of the full market value, as specified in the Assignment, of the Property at the time of the sale to the Purchaser which was not paid by the Purchaser at the time of the assignment to him; and
  - (d) in payment of the Loan, interest and costs due under this Legal Charge.

- 8.2 The Lender shall not be answerable for any involuntary losses which may happen in the exercise of the aforesaid powers and trusts or any of them.

**9. FEES, COSTS AND EXPENSES**

- 9.1 For the avoidance of doubt it is hereby agreed and declared that the Borrower shall bear all legal costs and expenses in connection with the preparation and registration of this Legal Charge and its discharge and the enforcement of the security afforded under this Legal Charge.

**10. TIME IS OF THE ESSENCE**

- 10.1 Time shall be of the essence of this Legal Charge in every respect.

**11. RESTRICTIONS**

- 11.1 NOTWITHSTANDING ANYTHING HEREIN CONTAINED the Lender in exercising any of its rights and/or powers in respect of the Property shall observe perform and comply with all the terms and conditions contained in the Government Grant so far as they are relevant to the exercise of such rights and/or powers and that the said terms and conditions shall in such event be applied to the Lender in same force and effect as on the Borrower.

**12. NOTICES AND DEMANDS**

- 12.1 Any demand for payment or any other demand or notice under this Legal Charge may be made by the Lender by letter addressed to the Borrower sent by post to or left at the Property or the last known address of the Borrower in Hong Kong Special Administrative Region and every demand or notice so given shall be deemed to have been received by the Borrower on the day after the letter was posted or left as aforesaid.
- 12.2 If the Borrower consists of two or more persons, any demand for payment of the Loan and any notice required to be served upon the Borrower shall be deemed to have been well and sufficiently served on all such persons if served on any one of such persons.

**13. DISCLOSURE OF INFORMATION**

- 13.1 The Lender shall be entitled to disclose to the Society (and the Borrower hereby consents to the disclosure by the Lender) for the purposes of or in connection with the Guarantee any information about the Borrower, the state of account between the Borrower and the Lender and such other information regarding this Legal Charge as the Lender shall consider appropriate and the Borrower shall not be entitled to or make any claim for any breach of confidentiality in respect of such disclosure.

**14. SUCCESSORS AND ASSIGNS**

- 14.1 The terms of this Legal Charge shall be binding upon and enure to the benefit of the respective successor-in-title, executors and administrators and assigns of the parties hereto.

**15. APPLICABLE LAW**

- 15.1 This Legal Charge shall be governed by and interpreted in accordance with the laws of Hong Kong Special Administrative Region, and the Borrower and the Lender hereby irrevocably submit to the jurisdiction of the courts of Hong Kong Special Administrative Region.

**16. THIRD PARTY RIGHTS**

- 16.1 Subject to Clause 16.3, a person who is not a party to this Legal Charge has no right under the Contracts (Rights of Third Parties) Ordinance (Cap.623 of the Laws of Hong Kong) (the “**Third Parties Ordinance**”) to enforce or to enjoy the benefit of any term of this Legal Charge.
- 16.2 Notwithstanding any term of this Legal Charge, the consent of any person who is not a party to this Legal Charge is not required to rescind or vary this Legal Charge at any time.
- 16.3 Any director, officer, employee, affiliate or agent of the Lender may, by virtue of the Third Parties Ordinance, rely on any provision of this Legal Charge (including without limitation any indemnity, limitation or exclusion of liability) which expressly confers rights or benefits on that person.

IN WITNESS whereof the Borrower has hereunto set his hand and seal the day and year first above written.

**THE SCUEDULE ABOVE REFERRED TO**

**The date on which this Legal Charge is made : -**

**Name(s) and address of the Borrower(s) : -**

**Identification Number(s) : -**

**Name of Lender : -**

**The Guarantee : -**

The Guarantee made between the Society and the Lender dated the                      day of                      20

**The Loan : -**



**Government Grant : -**

**The Property : -**

SIGNED SEALED and DELIVERED )  
 )  
by the Borrower (who having )  
 )  
been previously identified by )  
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 )  
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 )  
 )  
in the presence of :- )

INTERPRETED by :-