

## **Restrictions on Alienation**

All Subsidised Sale Flats (“SSF”) in Eminence Terrace I sold by Hong Kong Housing Society (“HKHS”) are subject to certain restrictions on alienation as stipulated in the Land Grant:

**Use** - Each flat should be used for private residential purpose only.

### **Restrictions on alienation-**

- I. Every assignment, charging, letting or mortgage, etc. of the flat shall be subject to the provisions in the Land Grant. Pursuant to the Land Grant, unless otherwise permitted by the provisions of the Land Grant, the owner cannot freely assign, charge, let, mortgage or alienate in any form his/ her interest in the flat before payment of the premium.
- II. Subject to the prior written approval from HKHS and in conformity with the conditions as may be imposed by HKHS and the compliance with the guidelines from time to time issued by the Secretary for Housing (if applicable), the owner may charge or mortgage the flat to (i) a bank or other financial institution, (ii) the organisation of the owner's employer approved by HKHS or (iii) HKHS without payment of the premium.
- III. Subject to the prior written approval from HKHS and compliance with the guidelines from time to time issued by the Secretary for Housing (if applicable), the owner may charge or mortgage the flat to a participating bank or The Hong Kong Mortgage Corporation Limited or any of its subsidiaries (“HKMC Group”) or such other financial institution as may be approved from time to time by the Secretary for Housing for the purpose of obtaining a loan secured by a mortgage under the Reverse Mortgage Programme operated by the HKMC Group or such other financial institution as may be approved from time to time by the Secretary for Housing without payment of the premium.
- IV. At any time before the payment of the premium by the owner to the Government, the owner may only sell the flat to a purchaser who has been certified eligible by HKHS, and such sale must be subject to such terms and conditions as may be required by HKHS and the Land Grant.
- V. Within 5 years from the date of first assignment of the flat, if the owner signs the Preliminary Agreement for Sale and Purchase (“PASP”) with a purchaser who has been certified eligible by HKHS, the selling price must not be more than the purchase price specified in the first assignment.
- VI. After the expiry of the first 15 years from the date of the first assignment, the owner may directly apply to the Government for assessment of the premium, and may thereafter sell, assign, mortgage, charge or let the flat after payment of the premium.
- VII. The premium assessment is based on the prevailing market value of the flat which is not subject to any alienation restrictions, and will be calculated at a proportion being the difference between the purchase price of the flat and its initial market value as set out in the first assignment of the flat. In other words, the amount of the premium is equivalent to the prevailing value of the discount offered at the time of purchase.

**The above restrictions on alienation are contained in the Land Grant, and HKHS does not have any right or power to vary the provisions therein. Further, HKHS will not buy back the flats in Eminence Terrace I sold under this sales scheme.**

- VIII. Purchasers should take note that the full market value used to calculate the discount at the time of purchase is the market value prevailing at the date of the PASP. Once determined, the purchase price of each flat under this sales scheme will remain unchanged during offer period. There is usually a gap of several months between determination of purchase price and execution of the PASP. During such time the market value of a flat may be adjusted in accordance with the market conditions. As a result, the discount offered at the time of purchase may be different from that offered when the purchase price was set. The amount of premium payable is calculated based on the actual discount enjoyed by the purchaser at the time of signing the PASP.

**Note:** The above information is for reference only. Please refer to the terms of the relevant Land Grant for details.