



Long Lease Incentive Program

Important Notes

The Tanner Hill is for lease only, not for sale.

A. Background

1. The Hong Kong Housing Society (“**HKHS**”) will implement a program known as “Long Lease Incentive Program” (the “**Program**”) in respect of The Tanner Hill (the “**Development**”) under which an existing or prospective tenant of the Development who intends to take a long lease of a residential unit in the Development from HKHS may, subject to the approval of the HKHS, lease the said residential unit from HKHS for a fixed term of 24 months before such tenant enters into a long lease agreement of the said residential unit with HKHS.
2. The Key Features of the Program are set out in Section B below.

B. Key Features

1. The following persons are eligible to apply to HKHS for joining the Program:
 - (a) Long Lease Wait-listing Person (i.e., persons not being an existing tenant of the Development) (“**Wait-Listing Person**”);
 - (b) Existing Short Lease Tenant (“**SL Tenant**”); and
 - (c) Existing Long Lease Tenant who intends to take a long lease of another residential unit in the Development (“**LL Tenant**”).
2. Upon HKHS’ approval of his/her application to join the Program:
 - (a) the successful applicant of the Program (the “**Program Tenant**”) shall sign a 24 months’ fixed term lease agreement (the “**Convertible Lease Agreement**”), a service agreement (the “**Service Agreement**”) and other ancillary documents in respect of a residential unit (as selected by the Program Tenant and confirmed in the confirmation form issued by HKHS and signed by the Program Tenant (the “**Flat Confirmation**”)) (“**the said Unit**”) with HKHS; and
 - (b) if the Program Tenant is a SL Tenant or a LL Tenant, the Program Tenant shall also sign an agreement (in such form and terms as prescribed by HKHS) (the “**Early Termination Letter**”) with HKHS to terminate his/her existing lease agreement.

3. The Convertible Lease Agreement will contain the following principal terms:
- (a) the Program Tenant shall lease the said Unit from HKHS for a fixed term of 24 months commencing on a date as specified in the Convertible Lease Agreement (the “**Lease Commencement Date**”) Provided that the Lease Commencement Date:
 - (i) must fall between 1 April 2022 to 31 March 2023 (both days inclusive); and
 - (ii) shall be a date not earlier than 15 **working days** (as defined below) and not later than 1 month from (but exclusive of) the date of the Flat Confirmation of the said Unit. The expression “**working day**” means any day other than Saturday, Sunday and a public holiday in Hong Kong;
 - (b) the Program Tenant shall pay monthly rent at a fixed rate (the “**Rent**”) for the said Unit throughout the term of the Convertible Lease Agreement;
 - (c) at any time during the term of the Convertible Lease Agreement, the Program Tenant may elect to replace its Convertible Lease Agreement by a long term lease terminable with life (i.e., a long lease) of the said Unit (the said replacement of the Convertible Lease Agreement by a long lease is known as the “**Conversion**”), in which event:
 - (i) the Program Tenant shall comply with the procedures and requirements as prescribed by HKHS to effectuate the Conversion;
 - (ii) the Program Tenant shall enter into a long lease agreement (the “**Long Lease Agreement**”), a conversion deed (the “**Conversion Deed**”) and other ancillary documents as prescribed by HKHS for the Conversion; and
 - (iii) the Convertible Lease Agreement will be terminated upon the execution of the Long Lease Agreement; and
 - (d) the Program Tenant may terminate the Convertible Lease Agreement early by giving at least 1-month’s prior written notice to HKHS, provided that if:

- (i) the Program Tenant is:
 - (1) a Wait-Listing Person;
 - (2) a LL Tenant; or
 - (3) a SL Tenant and is not the existing tenant of the said Unit immediately before he/she enters into the Convertible Lease Agreement; and
- (ii) the Convertible Lease Agreement is terminated during the first 12 months of the term,

the Program Tenant shall pay to HKHS a compensation equivalent to 3-months' Rent for the early termination of the Convertible Lease Agreement.

- 4. The amount of the entry contribution (the “**Entry Contribution**”) payable by the Program Tenant under the Long Lease Agreement will be determined by HKHS by reference to:
 - (a) the age of the Program Tenant (or (if the Program Tenant shall be two persons) the younger Program Tenant) as at the commencement date of the term of the Long Lease Agreement;
 - (b) the price level of the residential units of the Development for calculating the Entry Contribution payable for the said residential units as set out in the price list published by HKHS under “*EC Price List of FY2021/2022 (EC List Number 1H)*”; and
 - (c) the terms and conditions of the Long Lease Agreement.
- 5. Subject to the terms of the Convertible Lease Agreement, 200% of the total amount of the Rent paid under the Convertible Lease Agreement during the period from the Lease Commencement Date to the termination date of the Convertible Lease Agreement will be applied towards part payment of the Entry Contribution payable by the Program Tenant under the Long Lease Agreement.
- 6. The Program is only applicable to three specified unit types of the Development, being studio units, 1-bedroom units (with storeroom) and (2-bedroom units (without storeroom))*.

*(To be launching in the first quarter of 2023)

7. The Convertible Lease Agreement is a one-off non-renewable agreement. If there is no Conversion during the term of the Convertible Lease Agreement, the Program Tenant must move out from the said Unit and deliver up vacant possession of the said Unit to HKHS upon the termination of the Convertible Lease Agreement.
8. The Convertible Lease Agreement and the Long Lease Agreement must be in respect of the same residential unit in the Development. Change of unit during the Conversion is not allowed.

C. Other Information and Remarks

1. In the event of any conflict or discrepancy between the English and Chinese versions of this Important Notes, the English version shall prevail.
2. Applicants shall refer to the “Important Notes: Flat Selection Arrangement for Wait-listing Person” and the “Summary of Application Procedures” for flat selection details.
3. This Important Notes is for reference only and shall not be legally binding on HKHS. All information provided in this Important Notes are based on the existing terms, policies, principles and guidelines upon which HKHS will lease the residential units in the Development under the Program. HKHS reserves the right to amend the terms and conditions and its policies, principles and guidelines relating to the Program and the information set out in this Important Notes without notice.
4. This Important Notes only sets out the key features of the Program. Please refer to the Convertible Lease Agreement, the Service Agreement, the Early Termination Letter, the Conversion Deed, the Long Lease Agreement and other documents and materials (collectively, the “**lease documentation**”) as prepared and released by HKHS from time to time for details, and if any applicant considers necessary, he/she should seek independent legal advice on the lease documentation before submitting his/her application. Forms of the Convertible Lease Agreement, the Service Agreement, the Early Termination Agreement, the Conversion Deed and the Long Lease Agreement are available for inspection at The Tanner Hill Leasing Office. In the event of any discrepancy between this Important Notes and the lease documentation, the terms of the lease documentation

shall prevail over this Important Notes.

5. HKHS shall not be regarded as having made any warranties or representations about the accuracy and completeness of this Important Notes, and HKHS will not bear any responsibility for any loss or damages suffered by any person arising from his/her/their reliance on all or any part of the contents herein.
6. For more details, you may contact HKHS via:
 - (a) Call our Hotline at 8208 8862;
 - (b) Send email to us: enquiry@thetannerhill.hkhs.com;
 - (c) Visit our website: www.thetannerhill.hkhs.com; and
 - (d) In person to our Leasing Office (3/F, Joyous Hub, The Tanner Hill, 8 Tanner Road, North Point).