

**(SQE)**

## **Sample Questions with Answers and Explanation**

**Notes:**

**1. All references to:**

- (a) “Hong Kong” shall mean the Hong Kong Special Administrative Region (“HKSAR”).
- (b) “Government” shall mean The Government of the HKSAR.
- (c) the “Code of Ethics” shall mean the Code of Ethics issued by the Estate Agents Authority.
- (d) the “Practice Circular” shall mean the practice circulars issued by the Estate Agents Authority.
- (e) the “Licensing Regulation” shall mean the Estate Agents (Licensing) Regulation.
- (f) the “Practice Regulation” shall mean the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation.
- (g) a gender shall include the opposite and the neuter gender.
- (h) the singular shall include the plural and vice versa.

**2. Unless otherwise stated:**

- (a) the Estate Agents Ordinance and its subsidiary legislation shall apply to all questions.
- (b) “estate agent”, “licensee” and “salesperson” shall mean a person holding a relevant licence under the Estate Agents Ordinance.
- (c) a “land search” refers to the land register of a property in the Land Registry.
- (d) “Property Information Form (Form 1)” and “Leasing Information Form (Form 2)” refer to the corresponding forms prescribed in the Practice Regulation.
- (e) “Estate Agency Agreement (Form 3)”, “Estate Agency Agreement (Form 4)”, “Estate Agency Agreement (Form 5)” and “Estate Agency Agreement (Form 6)” refer to the corresponding agreements prescribed in the Practice Regulation.

1. Mike holds a salesperson's licence and has entered the estate agency trade for three years. He is now 22 years old. He has recently applied for the post of manager offered by Excellence Estate Agency Limited ("Excellence Estate Agency") which needs to appoint a manager for the effective and separate control of the business of its branch office in compliance with the Estate Agents Ordinance. Excellence Estate Agency informed Mike subsequently that according to the Estate Agents Ordinance, he was not qualified for the post. Which of the following is probably the reason?
- A. Mike is not a university graduate.
  - B. Mike has less than five years' experience in the trade.
  - C. Mike has not reached the age of 25.
  - D. Mike is not a partner of Excellence Estate Agency.
  - E. **Mike is not a holder of an estate agent's licence (individual).**

**Explanation:**

Section 38(1) of the Estate Agents Ordinance provides that any office of an estate agency business shall be under the effective and separate control of a manager who is an individual and the holder of an estate agent's licence. Since Mike holds a salesperson's licence but not an estate agent's licence, he is not qualified for the post. Hence, the answer is E.

There is however no specific requirement with regard to the educational level, age, experience of the licensee or whether he is a partner of the estate agency concerned for the appointment as a manager for the effective control of the business of an estate agency office in compliance with the Estate Agents Ordinance. Hence, options A, B, C and D are incorrect.

2. According to the definition of “advertisement” in the Estate Agents Ordinance, which of the following is/are advertisement(s)?

- (i) a poster containing residential properties for sale, displayed in the Central MTR station
- (ii) a price list of residential properties for sale, published in a newspaper
- (iii) a leaflet containing residential properties for sale/lease, inserted into the mail boxes of a residential building

- A. (i) only
- B. (ii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)**

**Explanation:**

According to section 2(1) of the Estate Agents Ordinance, “advertisement” (廣告) includes every form of advertisement, whether to the public or not, and whether –

- “ (a) in a newspaper or other publication;  
(b) by television or radio;  
(c) by the display of posters, notices, signs, labels, showcards or goods;  
(d) by the distribution of circulars, brochures, catalogues, price lists or any other material;  
(e) by the exhibition of pictures, models or films; or  
(f) in any other way,

and any reference to the issue or publication of advertisements shall be construed accordingly.”

Option (i) falls within the meaning of advertisements in section 2(1)(c);

Option (ii) falls within the meaning of advertisements in sections 2(1)(a);

Option (iii) falls within the meaning of advertisements in section 2(1)(d) as a type of publication in the form of leaflet”.

Therefore, the answer is E.

3. Under the Estate Agents Ordinance and the Practice Regulation, an estate agent who has entered into an estate agency agreement with the vendor of a residential property is required to have in his possession which of the following information relating to the property?

- (i) the unexpired term of the relevant Government lease
- (ii) the year of completion
- (iii) the user

- A. (i) only
- B. (iii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)**

**Explanation:**

Under section 36(1)(a)(i) of the Estate Agents Ordinance and section 3(1) of the Practice Regulation, a licensed estate agent entering into an estate agency agreement with the vendor of a residential property is required to have in his possession or under his control property information prescribed in the Property Information Form (Form 1). The property information prescribed in the Form 1 include (inter alia), the particulars of current ownership and subsisting encumbrances registered in the Land Registry, the floor area, the year of completion, the user and the unexpired term of the Government lease in relation to the property etc.

In light of the above, options (i), (ii), (iii) are correct and therefore, E is the answer.

4. Which of the following is/are specified as a criminal offence(s) according to the Estate Agents Ordinance?
- (i) any licensed estate agent or licensed salesperson who, without reasonable excuse, for or in connection with an estate agency business, uses any name other than the name specified in his licence
  - (ii) any person who, without reasonable excuse, furnishes misleading information to the investigator appointed under the Estate Agents Ordinance in relation to an investigation carried out by the Estate Agents Authority
  - (iii) any licensed estate agent who, without reasonable excuse, issues an advertisement before obtaining the vendor's written consent
- A. (i) only
  - B. (ii) only
  - C. (i) and (ii) only**
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)

**Explanation:**

Sections 55(1) & 55(2) of the Estate Agents Ordinance have specified a number of offences which may be committed by any person or licensee.

Section 55(2)(a) provides that a licensee who, without reasonable excuse, for or in connection with an estate agency business uses any name other than the name specified in his licence, commits an offence. Hence, option (i) is correct.

Section 55(1)(h)(i) states that any person who, without reasonable excuse, makes any statement or furnishes any information, which is false or misleading in a material particular, in purported compliance with any requirement imposed on him in relation to an investigation under or pursuant to section 28(5) of the Estate Agents Ordinance, commits an offence. Hence, option (ii) is correct.

However, if a licensed estate agent issues an advertisement in respect of a vendor's residential property without obtaining the prior written consent of the vendor, he commits a breach of section 9(2) of the Practice Regulation only but not a criminal offence. Therefore, option (iii) is incorrect.

Hence, the answer is C.

5. Under the Estate Agents Ordinance, which of the following is a duty owed by an estate agent to his client in respect of the sale and purchase of a residential property in relation to which he has entered into an estate agency agreement?
- A. To recommend a solicitor to the client to act for the client in the sale and purchase.
  - B. To introduce a mortgagee bank to the client.
  - C. To assist the client in taking out insurance on the property.
  - D. To disclose to the client full particulars of any pecuniary or other beneficial interest which the estate agent has in the property.**
  - E. To advise the client to instruct a surveyor to conduct a valuation of the property.

**Explanation:**

Under section 36(1)(a)(vi) of the Estate Agents Ordinance, every licensed estate agent shall disclose to a client full particulars of any pecuniary or other beneficial interest which the agent has in the property concerned, together with particulars of any benefit, including any commission or any interest of any kind whatever in such property, whether monetary or otherwise, which will accrue to the agent should the property be disposed of. Hence, the answer is D.

Under section 6 of the Practice Regulation, a licensed estate agent who acts for a vendor or a purchaser in the sale and purchase of a residential property shall enter into the prescribed estate agency agreement (i.e. a Form 3 or Form 4 (as the case may be)) with his client.

It is stipulated in the Form 3 that an estate agent owes his vendor client the following duties:

- (a) market the property on behalf of the vendor;
- (b) obtain information in relation to the property for the vendor;
- (c) arrange for purchasers to inspect the property;
- (d) conduct negotiation and submit all offers in relation to the property to the vendor; and
- (e) assist the vendor in entering into a binding agreement for sale and purchase with a purchaser.

It is stipulated in the Form 4 that the estate agent owes his purchaser client the following duties:

- (a) obtain information in relation to the properties for the purchaser;
- (b) arrange for the purchaser to inspect the properties if requested to do so by the purchaser;
- (c) conduct negotiation and submit all offers to the vendors of the properties as instructed by the purchaser; and
- (d) assist the purchaser in entering into a binding agreement for sale and purchase with the vendor of any one or more of the properties.

Answers A, B, C and E are not among the duties of an estate agent stated in the Estate Agents Ordinance. Hence, they are incorrect answers.

6. Anna is an undischarged bankrupt. Eighteen months ago, Ben was convicted of conspiracy to defraud a bank, contrary to the Theft Ordinance, and sentenced to imprisonment for one year. Ten years ago, Carol was convicted and fined for careless driving causing a minor traffic accident, contrary to the Road Traffic Ordinance. Which of them may not be considered to be a “fit and proper person” to hold a salesperson’s licence or an estate agent’s licence under the Estate Agents Ordinance?

- (i) Anna
- (ii) Ben
- (iii) Carol

- A. (i) only
- B. (ii) only
- C. (iii) only
- D. (i) and (ii) only**
- E. (i) and (iii) only

**Explanation:**

Sections 19(2) and 21(3) of the Estate Agents Ordinance state that, in determining whether a person is fit and proper for the purpose of holding an estate agent’s licence/a salesperson’s licence, the Estate Agents Authority shall have regard to (inter alia) the following: –

- (i) whether the person is an undischarged bankrupt (sections 19(2)(a) and 21(3)(a)); and
- (ii) any conviction of the person for any offence, being a conviction as regards which it was necessary to find that the person acted fraudulently, corruptly or dishonestly (sections 19(2)(d) and 21(3)(d)).

As such, Anna, being an undischarged bankrupt, is not a fit and proper person for the purpose of holding an estate agent’s licence under section 19(2)(a) or a salesperson’s licence under section 21(3)(a); and Ben who was convicted of conspiracy to defraud a bank, an offence involving dishonesty, is also not a fit and proper person for the purpose of holding an estate agent’s licence under section 19(2)(d) or a salesperson’s licence under section 21(3)(d) .

However, Carol’s conviction for careless driving causing a minor accident does not fall within one of the factors which the Estate Agents Authority shall have regard

to under section 19(2) or 21(3).

In light of the above, only options (i) and (ii) are correct. Hence, the answer is D.

7. Under the Estate Agents Ordinance, which of the following statements is/are correct?

- (i) Only a holder of an estate agent's licence (individual) is required to disclose to a client any beneficial interest which he has in a property.
- (ii) The manager appointed for the effective and separate control of the business of an estate agency office in compliance with the Estate Agents Ordinance must be a holder of an estate agent's licence (individual).
- (iii) Only a holder of an estate agent's licence (individual) is allowed to sign the prescribed estate agency agreement on behalf of the estate agency.

- A. (ii) only
- B. (iii) only
- C. (i) and (iii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Under section 38(1)(a) of the Estate Agents Ordinance, a person appointed as the manager for the effective and separate control of the business at any estate agency office shall be an individual and the holder of an estate agent's licence (individual). Therefore, option (ii) is correct.

A licensee, whether he holds a salesperson's licence or an estate agent's licence (individual), is required under section 36(1)(a)(vi) of the Estate Agents Ordinance to disclose to his client any beneficial interest he has in a property. However, there is no requirement under the Estate Agents Ordinance that only a holder of an estate agent's licence (individual) is allowed to sign the prescribed estate agency agreement on behalf of an estate agency. Therefore, options (i) and (iii) are incorrect.

Hence, the answer is A.

8. Under the Estate Agents Ordinance and the Licensing Regulation, which of the following are among the requirements that an applicant has to fulfil in order to be eligible to be granted a salesperson's licence?
- (i) He has to pass the relevant qualifying examination within six months immediately before the date of his application for the licence.
  - (ii) He has attained the age of 18 at the date of his application for the licence.
  - (iii) He is a fit and proper person to hold a salesperson's licence.
  - (iv) He has completed the educational level of Form 5 of secondary education or its equivalent.
- A. (i) and (iii) only
  - B. (ii) and (iv) only
  - C. (i), (ii) and (iii) only
  - D. (ii), (iii) and (iv) only**
  - E. (i), (ii), (iii) and (iv)

**Explanation:**

Under section 7(1)(a) of the Licensing Regulation, no licence shall be granted to an individual unless he has within 12 months immediately before the date of his application for the grant of the licence, passed the relevant examination. Therefore, option (i) is incorrect.

Under section 6 of the Licensing Regulation, an individual is not eligible to be granted or hold or continue to hold a licence unless he has attained the age of 18 years at the date of his application for the licence. Therefore, option (ii) is correct.

Under section 21(2) of the Estate Agents Ordinance, an individual shall not be eligible to be granted or hold or continue to hold a salesperson's licence unless the Estate Agents Authority considers him a fit and proper person to hold a salesperson's licence. Therefore, option (iii) is correct.

Under section 7(1)(a) of the Licensing Regulation, no licence shall be granted to an individual unless he has completed an educational level of Form 5 of secondary education or its equivalent. Therefore, option (iv) is correct.

Hence, the answer is D.

9. Kelly's salesperson's licence will expire on 21 March 2014. If she wishes to renew her licence and continue to do estate agency work as a salesperson immediately after 21 March 2014, according to the Licensing Regulation, she should apply for the renewal of her licence:
- A. at any time before 21 March 2014.
  - B. within one month after receiving notification from the Estate Agents Authority.
  - C. on or before 21 February 2014.
  - D. not earlier than 22 September 2013 and not later than 21 February 2014.
  - E. not earlier than 22 December 2013 and not later than 21 February 2014.**

**Explanation:**

Under section 13 of the Licensing Regulation, an application for the renewal of a licence shall be made not more than 3 months and not less than 1 month prior to the expiration of the licence. The answer is therefore E.

10. Edward is a salesperson who acts for a vendor to market the vendor's property. He also acts for the purchaser. In order to induce the purchaser to sign a provisional agreement for sale and purchase as soon as possible, Edward told the purchaser that two other clients had made higher offers, when in fact there was none. Edward might have breached which of the following provisions in the Code of Ethics?

- (i) to protect and promote the interests of clients
- (ii) to adhere to the principles of fair competition and refrain from restrictive business practices
- (iii) to provide services to clients with honesty, fidelity and integrity

- A. (i) only
- B. (ii) only
- C. (i) and (iii) only**
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Paragraph 3.4.1 of the Code of Ethics states: "Estate agents and salespersons, in engaging and accepting an appointment as an agent, should protect and promote the interests of their clients, carry out the instructions of their clients in accordance with the estate agency agreement and act in an impartial and just manner to all parties involved in the transaction". Edward's act of lying to his purchaser client that there were higher offers when in fact there was none might have induced the purchaser to make a hasty decision in purchasing the property. Hence, the purchaser's interest might not have been protected or promoted. Therefore, option (i) is correct.

Paragraph 3.3.1 of the Code of Ethics states: "Estate agents and salespersons shall, in the course of business, provide services to clients with honesty, fidelity and integrity. They should protect their clients against fraud, misrepresentation or any unethical practices in connection with real estate transactions." Edward lied to the purchaser client that two other clients had made higher offers when in fact there was none. Hence, Edward failed to provide services to clients with honesty, fidelity and integrity. Option (iii) is therefore correct.

Edward's behavior or conduct has nothing to do with fair competition and restrictive business practices. Option (ii) is therefore incorrect.

The answer is therefore C.

11. Which of the following is a provision/are provisions in the Code of Ethics issued by the Estate Agents Authority?

- (i) Estate agents and salespersons shall, in the course of business, provide services to clients with honesty, fidelity and integrity.
- (ii) Estate agents and salespersons should avoid any practice which may bring discredit and/or disrepute to the estate agency trade.
- (iii) Estate agents and salespersons shall, in fulfilling their duties, exercise due care and due diligence.

- A. (i) only
- B. (i) and (ii) only
- C. (i) and (iii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)**

**Explanation:**

Paragraph 3.3.1 of the Code of Ethics states: “Estate agents and salespersons shall, in the course of business, provide services to clients with honesty, fidelity and integrity. They should protect their clients against fraud, misrepresentation or any unethical practices in connection with real estate transactions.”

Hence, option (i) is correct.

Paragraph 3.7.2 of the Code of Ethics states: “Estate agents and salespersons should avoid any practice which may bring discredit and/or disrepute to the estate agency trade.”

Hence, option (ii) is correct.

Paragraph 3.5.1 of the Code of Ethics states: “Estate agents and salespersons shall, in fulfilling their duties, exercise due care and due diligence.”

Hence, option (iii) is correct.

In light of the above, E is the correct answer.

12. Mr Wong was a purchaser client of ABC Estate Agency (“ABC”). He intended to purchase a residential property listed at ABC. Since Mr Wong was concerned about whether any person had died at the property, he enquired about it with Stephen, a salesperson of ABC. Although Stephen knew that a former occupier had died at the property, he told Mr Wong that there had been no such incident. Which of the following statements is/are correct?
- (i) Stephen might have breached his duty as a salesperson by making a misrepresentation.
  - (ii) Stephen might have breached the Code of Ethics by providing service to his client while he had insider knowledge of special incidents about the property.
  - (iii) Stephen might have breached the Code of Ethics by failing to provide service to his client with honesty, fidelity and integrity.
- A. (i) only
  - B. (ii) only
  - C. (i) and (iii) only**
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)

**Explanation:**

Paragraph 3.3.1 of the Code of Ethics states: “Estate agents and salespersons shall, in the course of business, provide services to clients with honesty, fidelity and integrity. They should protect their clients against fraud, misrepresentation or any unethical practices in connection with real estate transactions.” In this case, Stephen had made a misrepresentation (i.e. an untrue or misleading statement of fact) that no one had died at the property when in fact he knew that a former occupier had died at the property. Stephen therefore failed to provide services to clients with honesty, fidelity and integrity. Hence, options (i) and (iii) are correct.

“Providing service while having insider knowledge” is not covered by the Code of Ethics. Hence, option (ii) is not a correct choice.

In light of the above, C is the correct answer.

13. According to the guidelines in the Practice Circular regarding the maintenance of order at first sale sites, salespersons and estate agents should refrain from which of the following activities?

- (i) Intercepting vehicles.
- (ii) Distributing promotional pamphlets to prospective purchasers.
- (iii) Obstructing public places with advertising hoardings and banners.

- A. (i) only
- B. (ii) only
- C. (i) and (ii) only
- D. (i) and (iii) only**
- E. (i), (ii) and (iii)

**Explanation:**

Refer to Practice Circular No. 18-03 (CR).

Paragraph (31) of the above Circular provides that: “Licensees must not in the course of soliciting business or conducting promotional activities stand on the carriageway or **intercept vehicles**, as this may endanger their own safety and the safety of drivers and other road users.”

Hence, option (i) is correct.

Paragraph (34) of the above Circular provides that: “Licensees must not strike or impede vehicles or conduct themselves in a manner which may distract drivers heading for or passing by the first-sale sites: for example, waving promotional leaflets to beckon the drivers of the vehicles.”

Distributing promotional pamphlets to prospective purchasers does not by itself breach the above guideline. Hence, option (ii) is not correct.

Paragraph (36) of the above Circular provides that: “**Licensees must not place** folding tables, chairs, sun shades, **banners** or advertising hoardings on pavements, pedestrian-only streets and other **public places**, as such items may obstruct, inconvenience, cause annoyance to or endanger pedestrians and other road users.”

Hence, option (iii) is correct.

In light of the above, D is the answer.

14. Under the Practice Regulation, which of the following is/are the duty/duties of the purchaser's estate agent in relation to the inspection of property?

- (i) to accompany the purchaser in the inspection
- (ii) to obtain the vendor's consent before arranging the inspection
- (iii) to compile and supply to the purchaser an inventory of the furniture in the property before the inspection

- A. (i) only
- B. (i) and (ii) only**
- C. (i) and (iii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

According to section 10 of the Practice Regulation, a licensee shall-

- (a) assist in making arrangements for the inspection and viewing by a purchaser of a residential property (including a car parking space and common areas if applicable) and accompany the purchaser for such inspection and viewing unless otherwise instructed by the purchaser;
- (b) not arrange an inspection and viewing by any person of a residential property without the prior consent of the vendor of the property;
- (c) before the signing of an agreement for sale and purchase or a lease, establish what is to be included in the disposition of the residential property concerned and prepare a written inventory thereof.

Hence, (i) and (ii) are correct options corresponding to sections 10(a) and 10(b). However, there is no requirement in the Practice Regulation that a licensee shall compile and supply to the purchaser an inventory of the furniture in the property before the inspection. Hence, (iii) is not a correct option. The correct answer is therefore B.

15. Under the Practice Regulation, a licensee must enter into an estate agency agreement with his client, using the prescribed form, in which of the following situations?

- (i) A transaction involving the sale of a second-hand residential property only.
- (ii) A transaction involving the sale of a car parking space only.
- (iii) A transaction involving the purchase of a first-hand residential property only.

- A. (i) only
- B. (ii) only
- C. (iii) only
- D. (i) and (ii) only
- E. (i) and (iii) only

**Explanation:**

The Practice Regulation prescribes the relevant forms for estate agency agreements for residential properties (see the Schedule of the Practice Regulation)

According to Practice Regulation section 3(4) –

The forms are not prescribed for the purposes of the Estate Agents Ordinance in the case of –

- (a) the sale and purchase or leasing of a car parking space carried out separately from the sale and purchase or leasing of a residential property;
- (b) the leasing of a residential property that is not a self-contained unit; or
- (c) subject to section 7(1), a first sale of an undivided share in land in which a residential property forms part.

In light of the above, only option (i) is correct. Hence, A is the correct answer.

16. When an estate agent issues an advertisement for a residential property, which of the following are matters he should pay attention to in order to comply with the requirements of the Practice Regulation?
- (i) whether the information stated in the advertisement is accurate
  - (ii) whether the vendor's prior written consent to the issuance of the advertisement has been obtained
  - (iii) whether the asking price of the property stated in the advertisement is the market price
  - (iv) whether the asking price of the property stated in the advertisement is in accordance with the vendor's instruction
- A. (i) and (ii) only  
B. (i) and (iii) only  
C. (ii) and (iv) only  
D. (i), (ii) and (iii) only  
**E. (i), (ii) and (iv) only**

**Explanation:**

Section 9 of the Practice Regulation provides that:–

- (1) A licensed estate agent shall not cause or permit to be issued an advertisement wholly or partly relating to his estate agency business which includes any statement or particular that is false or misleading in a material particular.  
Hence, option (i) is correct.
- (2) A licensed estate agent shall obtain a vendor's written consent prior to the issue of an advertisement in respect of the vendor's residential property.  
Hence, option (ii) is correct.
- (3) A licensed estate agent shall not cause or permit to be advertised a residential property in respect of which he is acting as such agent at a price or rental or on terms different from that instructed by the client concerned.  
Hence, option (iv) is correct.

Option (iii) is not a requirement under the Practice Regulation.

In light of the above, E is the correct answer.

17. Under the Practice Regulation, which of the following must a salesperson inform a person of before doing any estate agency work for that person?

- (i) the number of the statement of particulars of business of the estate agency company that he works for
- (ii) he is a licensed salesperson
- (iii) the number of his salesperson's licence

- A. (i) only
- B. (ii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only**
- E. (i), (ii) and (iii)

**Explanation:**

Section 5(2) of the Practice Regulation provides that:–

A licensed salesperson shall not do any estate agency work for a person before the person is informed –

- (a) that the salesperson is a licensed salesperson;
- (b) of the number of the salesperson's licence held by the salesperson.

Hence, options (ii) and (iii) are correct. Option (i) not a requirement under the Practice Regulation. Therefore, the correct answer is D.

18. Before arranging for a purchaser who is not legally represented to enter into an estate agency agreement in relation to a residential property, which of the following is/are the step(s) that a licensee should take in order to comply with the requirements of the Practice Regulation?

- (i) Explain to the purchaser the different types of agency appointments in the estate agency agreement and their respective implications and effects on the purchaser.
- (ii) Explain to the purchaser every term and condition in the estate agency agreement.
- (iii) Recommend that the purchaser seek legal advice if the purchaser does not understand the explanation or meaning of any term in the estate agency agreement.

- A. (i) only
- B. (ii) only
- C. (iii) only
- D. (i) and (ii) only
- E. (i), (ii) and (iii)**

**Explanation:**

Under section 6(3) of the Practice Regulation:–

A licensee shall, before a person who is not legally represented enters into an estate agency agreement in relation to a residential property –

- (a) explain to the person the different types of agency appointment in the agreement and their respective implications and effects on the person;
- (b) explain to the person every term and condition set out in the agreement to ensure that the person is made aware of his rights and obligations under the agreement; and
- (c) recommend that the person seek legal advice if the person does not understand any part of the explanation given under paragraph (a) or (b).

Hence, options (i), (ii) and (iii) are all correct and the correct answer is E.

19. Under the Residential Properties (First-hand Sales) Ordinance, saleable area, in relation to a residential property, means the floor area of the residential property including the floor area of:

- (i) balconies
- (ii) bay windows
- (iii) cocklofts
- (iv) utility platforms

- A. (i) and (ii) only
- B. (i) and (iv) only**
- C. (ii) and (iii) only
- D. (i), (ii) and (iv) only
- E. (i), (ii), (iii) and (iv)

**Explanation:**

Pursuant to section 8(1) of the Residential Properties (First-hand Sales) Ordinance

—

**saleable area (實用面積)**, in relation to a residential property—

- (a) means the floor area of the residential property;
- (b) includes the floor area of every one of the following to the extent that it forms part of the residential property—
  - (i) a balcony;
  - (ii) a utility platform;
  - (iii) a verandah; and
- (c) excludes the area of every one of the items specified in Part 1 of Schedule 2 to the extent that it forms part of the residential property.

Part I of Schedule 2

- 1. an air-conditioning plant room
- 2. a bay window
- 3. a cockloft
- 4. a flat roof
- 5. a garden
- 6. a parking space
- 7. a roof
- 8. a stairhood
- 9. a terrace

10. a yard

See also paragraph (12) of Practice Circular 13-04 (CR).

Hence, options (i) and (iv) are correct and the answer is B.

20. Which of the following are the duties of an estate agent stipulated in the Estate Agency Agreement (Form 4)?

- (i) to obtain property information for the purchaser
- (ii) to arrange for the purchaser to inspect properties if so requested
- (iii) to procure a mortgage for the purchaser
- (iv) to conduct negotiations for the purchaser
- (v) to assist the purchaser in entering into an agreement for sale and purchase with the vendor

- A. (i), (iii) and (v) only
- B. (ii), (iii) and (iv) only
- C. (i), (ii), (iv) and (v) only**
- D. (ii), (iii), (iv) and (v) only
- E. (i), (ii), (iii), (iv) and (v)

**Explanation:**

Clause 2(d) of the Estate Agency Agreement (Form 4) states that the agent's duties shall be as set out in Schedule 2, which provides that the agent shall –

- (a) obtain information in relation to the Properties for the Purchaser;
- (b) arrange for the Purchaser to inspect the Properties if requested to do so by the Purchaser;
- (c) conduct negotiation and submit all offers to the vendors of the Properties as instructed by the Purchaser; and
- (d) assist the Purchaser in entering into a binding agreement for sale and purchase with the vendor of any one or more of the Properties.

To procure a mortgage for the purchaser is not a duty of the agent as stated the Estate Agency Agreement (Form 4).

Hence, the correct options are (i), (ii), (iv) and (v) and the answer is C.

21. The owner of a flat under the “Home Ownership Scheme” (“HOS”) should pay the premium to which of the following departments or organisations if he sells his flat in the open market rather than under the HOS Secondary Market Scheme?
- A. Lands Department
  - B. Hong Kong Housing Society
  - C. Rating and Valuation Department
  - D. Hong Kong Housing Authority**
  - E. Transport and Housing Bureau

**Explanation:**

According to section 1 of the Schedule of the Housing Ordinance, the owner of an HOS property shall not alienate or enter into agreement to alienate the property unless he has paid a premium to the Hong Kong Housing Authority. Hence, D is the correct answer.

22. Under the Unconscionable Contracts Ordinance, which of the following matters may the court have regard to in determining whether a contract or part of a contract was unconscionable in the circumstances relating to the contract at the time it was made?

- (i) the relative strengths of the bargaining positions of the parties
- (ii) whether the consumer was able to understand any documents relating to the supply of goods or services
- (iii) whether any undue influence or pressure was exerted on the consumer or any unfair tactics used against him

- A. (iii) only
- B. (i) and (ii) only
- C. (i) and (iii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)**

**Explanation:**

According to section 6(1) of the Unconscionable Contracts Ordinance, in determining whether a contract or part of a contract was unconscionable in the circumstances relating to the contract at the time it was made, the court may have regard to (among other things)—

(a) the relative strengths of the bargaining positions of the consumer and the other party;

...

(c) whether the consumer was able to understand any documents relating to the supply or possible supply of the goods or services;

(d) whether any undue influence or pressure was exerted on, or any unfair tactics were used against, the consumer or a person acting on behalf of the consumer by the other party or a person acting on behalf of the other party in relation to the supply or possible supply of the goods or services; and

...

Hence, all the options (i), (ii) and (iii) are correct and the answer is E.

23. FILL IN THE BLANK:

Please choose the correct answer from A to E.

In the sale of a “Home Ownership Scheme” flat in the open market where 5 years has elapsed since the date of the first assignment and the premium has not yet been paid to the Hong Kong Housing Authority, the agreement for sale and purchase must state that, unless the Director of Housing stipulates otherwise, the vendor must pay the premium to the Hong Kong Housing Authority within \_\_\_\_\_ of the date of the agreement for sale and purchase and before assignment.

- A. 7 days
- B. 14 days
- C. 21 days
- D. 28 days**
- E. 30 days

**Explanation:**

According to section 4(b)(ii) of the Schedule of the Housing Ordinance, where 5 years has elapsed since the date of the first assignment and the premium has not yet been paid to the Hong Kong Housing Authority, the agreement for sale and purchase must contain a condition that the premium as assessed by the Director be paid to the Authority prior to assignment and within 28 days of the date of the agreement or within such period as may be otherwise stipulated by the Director.

Hence, D is the correct answer.

24. Raymond is an estate agent who often refers clients to Big Profit Bank for mortgages. In order to obtain a favourable valuation, he gives a clerk in the mortgage department of the bank \$10,000 per month. Which of the following may Raymond have breached?

- (i) Prevention of Bribery Ordinance
- (ii) Conveyancing and Property Ordinance
- (iii) Code of Ethics

- A. (i) only
- B. (ii) only
- C. (iii) only
- D. (i) and (iii) only**
- E. (ii) and (iii) only

**Explanation:**

Under section 9(2) of the Prevention of Bribery Ordinance, any person who, without lawful authority or reasonable excuse, offers any advantage to any agent as an inducement to or reward for or otherwise on account of the agent's—

- (a) doing or forbearing to do, or having done or forborne to do, any act in relation to his principal's affairs or business; or
- (b) showing or forbearing to show, or having shown or forborne to show, favour or disfavour to any person in relation to his principal's affairs or business,

shall be guilty of an offence.

Hence, the aforesaid act of Raymond may constitute an offence under the aforesaid ordinance. Option (i) is a correct choice.

Furthermore, Code of Ethics 3.1.1 provides that estate agents and salespersons shall refrain from activities during their practice which may infringe the law. Hence, option (iii) is a correct choice.

The Conveyancing and Property Ordinance does not include provisions relevant to this case. Hence, option (ii) is NOT a correct choice.

In light of the above, D is the correct answer.

25. Under the Prevention of Bribery Ordinance, an agent commits an offence if he, without his principal's consent, accepts from a third party any advantage as reward for doing, or forbearing to do, any act in relation to his principal's business. Which of the following constitutes an "advantage" under the Prevention of Bribery Ordinance?

- (i) a commission
- (ii) the gift of a gold watch
- (iii) a loan

- A. (i) only
- B. (iii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)**

**Explanation:**

Pursuant to section 2 of the Prevention of Bribery Ordinance, unless the context otherwise requires-

"advantage" (利益) means-

- (a) any gift, loan, fee, reward or commission consisting of money or of any valuable security or of other property or interest in property of any description

Hence, options (i), (ii) and (iii) are all correct choices and the answer is E.

26. A salesperson uses personal data which are saved in the computer record of his estate agency to make telephone calls to a number of property owners to offer his service. To comply with the provisions of the Personal Data (Privacy) Ordinance on direct marketing, which of the following statements should the salesperson make to the property owners when he calls them for the first time?

- (i) "I am required to store your personal data in a manner specified by you."
- (ii) "If you make a request for me to cease using your personal data for direct marketing, I shall do so without charge."
- (iii) "I am obliged to return your personal data to you after use."

- A. (ii) only
- B. (iii) only
- C. (i) and (ii) only
- D. (i) and (iii) only
- E. (ii) and (iii) only

**Explanation:**

Section 35F(1) of the Personal Data (Privacy) Ordinance provides that:

A data user must, when using a data subject's personal data in direct marketing for the first time, inform the data subject that the data user must, without charge to the data subject, cease to use the data in direct marketing if the data subject so requires.

Options (i) and (iii) are not requirements of the Ordinance. Hence, option (ii) is the only correct choice and the answer is A.

27. Under the Land Registration Ordinance, which of the following instruments is/are registrable in the Land Registry?

- (i) a legal charge in respect of a residential property
- (ii) a mortgage in respect of a car-parking space
- (iii) a charging order in respect of a commercial property

- A. (ii) only
- B. (iii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Section 2(1) of the Land Registration Ordinance provides that:

The Land Registry shall be a public office for the registration of deeds, conveyances, and other instruments in writing, and judgments; and all deeds, conveyances, and other instruments in writing, and all judgments, by which deeds, conveyances, and other instruments in writing, and judgments, any parcels of ground, tenements, or premises in Hong Kong may be affected, may be entered and registered in the said office in the prescribed manner.

As all the instruments in options (i), (ii) and (iii) are instruments in writing by which the properties concerned may be affected, all such instruments may be entered and registered in the Land Registry and therefore E is the correct answer.

28. The land search of a flat (“the Flat”) which Mrs Lam plans to purchase reveals a dangerous slope order registered recently. The order requires the owners of the building of which the Flat forms part (“the Building”) to carry out maintenance work on a slope adjacent to the Building. Which of the following pieces of advice given by the salesperson acting for Mrs Lam is/are correct?

- (i) Mrs Lam may disregard the order, as it was issued before she enters into the provisional agreement for sale and purchase of the Flat.
- (ii) The provisional agreement for sale and purchase of the Flat should stipulate which party shall bear the share of the cost of the maintenance work to be borne by the owner of the Flat.
- (iii) The Incorporated Owners of the Building will be responsible for slope maintenance and Mrs Lam will not have to bear the costs of the work or any part thereof.

- A. (i) only
- B. (ii) only**
- C. (iii) only
- D. (i) and (iii) only
- E. None of the above (i), (ii) and (iii)

**Explanation:**

Even though the order was issued before Mrs Lam enters into the provisional agreement for sale and purchase of the Flat, the maintenance works and payment might extend well beyond the completion of the sale and purchase of the Flat, i.e. when Mrs Lam becomes the owner. The Incorporated Owners of the Building will decide on the share of the costs borne by each flat according to the terms and provisions in the Deed of Mutual Covenant of the Building (which set out the rights and liabilities of the owners of the flats of the Building) but will not bear the costs themselves. Hence, option (iii) is not a correct choice. The registered owner at the time when the payment is due will be responsible for the costs, therefore option (i) is incorrect because Mrs Lam might have become the registered owner of the Flat by then. Having regard to Code of Ethics 3.4.1 the salesperson concerned should protect the interest of Mrs Lam by advising her to negotiate with the vendor which party shall bear the share of the cost of the maintenance work to be borne by the owner of the Flat, and expressly state the agreed solution in the provisional agreement for sale and purchase of the Flat. Hence, option (ii) is the correct choice and the answer is B.

29. Which of the following instruments relating to a residential property does **NOT** require the payment of stamp duty?
- A. **Deed of mutual covenant**
  - B. Formal agreement for sale and purchase
  - C. Assignment
  - D. Tenancy agreement
  - E. Provisional agreement for sale and purchase

**Explanation:**

Section 4(1) of the Stamp Duty Ordinance provides that:

Every instrument, wherever executed, specified in the First Schedule shall be chargeable with the stamp duty specified in respect thereof in that Schedule.

In this respect, Assignments, Agreements for Sale and Purchase and Tenancy Agreements are specified in Head 1(1), Head 1(1A) and Head 1(2) of the First Schedule respectively, and therefore shall be chargeable with stamp duty. Deeds of mutual covenant, however, are not specified in the Stamp Duty Ordinance. Hence, A is the correct answer.

30. Mr Lai decided to buy a ground floor unit which had been used as a restaurant for nearly ten years, and to continue to lease out the unit as a restaurant. After paying the further deposit and signing the formal agreement for sale and purchase, he was told by his lawyer that the occupation permit of the building showed that the permitted occupation purpose of the unit was “domestic”. Which of the following statements is/are correct?

- (i) The permitted occupation purpose of the unit can always be changed upon payment of a premium.
- (ii) The Building Authority may by notice require the owner to discontinue the use of the unit as a restaurant.
- (iii) The use of the unit as a restaurant might contravene the Deed of Mutual Covenant of the building.

- A. (ii) only
- B. (iii) only
- C. (i) and (ii) only
- D. (ii) and (iii) only**
- E. (i), (ii) and (iii)

**Explanation:**

Section 25(2) of the Building Ordinance states that:

Where in the opinion of the Building Authority any building is not suitable by reason of its construction for its present or intended use, he may by order in writing served on the owner or occupier —

- (a) .....
- (b) require the owner or occupier to discontinue such present use of the building within 1 month from the service of the order:

Provided that the Building Authority may permit by notice in writing such building works as he deems necessary for the purpose of rendering the building suitable for its present or intended use.

Hence, (i) is not correct as the permitted user of a unit is subject to approval by the Building Authority and cannot be changed simply by payment of a premium to the Building Authority; and (ii) is correct according to section 25(2)(b).

As the Deed of Mutual Covenant may contain restrictions to the use of units of the building, (iii) is also a correct choice. The answer is therefore D.

31. Under the Stamp Duty Ordinance, the prescribed time limit for stamping and the maximum penalty payable for late stamping of a tenancy agreement are respectively:
- A. 7 days after execution; two times the amount of the stamp duty
  - B. 14 days after execution; four times the amount of the stamp duty
  - C. 15 days after execution; six times the amount of the stamp duty
  - D. 30 days after execution; two times the amount of the stamp duty
  - E. 30 days after execution; ten times the amount of the stamp duty**

**Explanation:**

The time for stamping tenancy agreements as required under Head 1(2) of the First Schedule of the Stamp Duty Ordinance is 30 days after execution and Section 9(1) provides that the maximum amount of penalty payable for late stamping shall be 10 times the amount of the stamp duty.

Hence, the answer is E.

32. A land search reveals that a property was purchased three years ago for \$10 million. The property is subject to an “all monies” mortgage, and the vendor agrees to sell it for \$8.3 million because he is in financial trouble. Which of the following steps should the salesperson acting for the purchaser take in the circumstances?
- (i) Suggest to the purchaser that all deposits should be stakeheld by a firm of solicitors.
  - (ii) Explain to the purchaser the risks of not arranging for the stakeholding of the deposits.
  - (iii) If the purchaser chooses not to arrange for the stakeholding of the deposit, obtain a written acknowledgement from the purchaser that the salesperson has provided suggestions and explanations to the purchaser on the stakeholding of deposits.
- A. (i) only
  - B. (ii) only
  - C. (i) and (iii) only
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)**

**Explanation:**

According to Practice Circular No. 05-07 (CR), as it is often difficult to ascertain whether the property is a negative equity and/or whether the vendor is able to discharge the mortgage, it is important for the licensee acting for the purchaser to advise the purchaser of any possible risks in payment of deposits directly to the vendor and of the desirability of arranging for the stakeholding of all deposit by a firm of solicitors where there is an undischarged mortgage. Furthermore, in the sale and purchase of property where there is an undischarged mortgage, and where the purchaser chooses not to arrange for the stakeholding of the deposit, licensees are advised to obtain a written acknowledgement from the purchaser acknowledging that he/she has been advised of the deposit stakeholding arrangement. Hence, options (i), (ii) and (iii) are correct.

In light of the above, the answer is E.

33. Which of the following statements regarding the deed of mutual covenant of a building is **NOT CORRECT**?

- A. It states that the owner of a unit in the building shall not use his unit for certain purposes.
- B. It is a deed entered into between the developer of the building and the first purchaser of a unit in the building.
- C. It contains provisions relating to the management of the building.
- D. It is a deed by which the owners of the building mutually covenanted to exchange their units.**
- E. It is a document which can be registered in the Land Registry.

**Explanation:**

The deed of mutual covenant of a building sets out the rights and obligations of the respective co-owners of the development. Hence, A is correct.

It is a deed entered into by the developer of the building, the manager appointed by the developer, and the first person to purchase a unit in the building. Hence, B is correct.

It provides for the management of the building and maintenance of the common parts, as well as the duties and powers of the manager. Hence, C is correct.

According to section 2(1) of the Land Registration Ordinance, all deeds by which parcels of ground, tenements or premises in Hong Kong may be affected can be registered in the Land Registry. Hence, E is correct.

The deed of mutual covenant does not covenant owners to mutually exchange their units. Hence, D is incorrect and is therefore the answer.

34. An estate agent should draw his purchaser client's attention to which of the following documents under the column of "Incumbrances" in a land search?

- (i) a building order which has not been complied with
- (ii) a tenancy agreement for a term which has not yet expired
- (iii) a building mortgage which has been discharged

- A. (i) only
- B. (iii) only
- C. (i) and (ii) only**
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

A building order is issued when there is a breach of the Building Ordinance, and non-compliance would lead to enforcement action, including Government re-entry, thus rendering the title of the property concerned defective. Hence, option (i) is a correct choice.

The interest of a tenant (e.g. option to renew) under a tenancy agreement for a term which has not yet expired and being registered in the Land Registry will give constructive/actual notice to anyone who intends to purchase the property which is subject to such interest of the tenant. Hence, option (ii) is also a correct choice.

A building mortgage which has been discharged does not affect the property concerned anymore. Hence, option (iii) is not a correct choice.

In light of the above, the answer is C.

35. Which of the following registered documents contained in a land search would reveal that a particular mortgage on the property (“the Mortgage”) has been discharged?

- (i) a “receipt on discharge of a charge” of the Mortgage
- (ii) a “deed of release” of the Mortgage
- (iii) a “transfer of mortgage” of the Mortgage

- A. (i) only
- B. (ii) only
- C. (i) and (ii) only**
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Both a “receipt on discharge of a charge” and a “deed of release” of the Mortgage indicate that the Mortgage has been fully repaid and discharged. Hence options (i) and (ii) are correct choices.

A “transfer of mortgage” transfers the Mortgage from one mortgagee to another, but the Mortgage stays in force. Hence, option (iii) is not a correct choice.

In light of the above, the answer is C.

36. David instructed Carol, a salesperson, to act for him in the purchase of a property which is a flat on the first floor of a building. He told Carol that he intended to use the property as his new residence. Carol arranged for David to enter into a provisional agreement for sale and purchase of the property with the vendor. Later, David's lawyer advised David that the permitted use of all the flats on the first floor was for non-domestic use. In the circumstances, which of the following statements is **NOT CORRECT**?
- A. **The approval of the Lands Department is required for the change of the permitted use of the property.**
  - B. The title of the property may be defective if there is unauthorised change in the use of the property.
  - C. The use of the property as a residence may breach the Buildings Ordinance.
  - D. Carol might have breached her duty to David for failing to check the permitted use of the property.
  - E. Carol should have advised David not to purchase the property.

**Explanation:**

According to section 25 of the Buildings Ordinance -

“(1) One month's notice in the specified form shall be given to the Building Authority of any intended material change in the use of a building by the person intending to carry out or authorising the carrying out of such change. (Amended 68 of 1993 s. 14)”. Hence, choice A is incorrect as the application for changes in user should be submitted to the Building Authority instead.

Choice B is correct since changing the permitted use(s) of a building without prior approval of the Building Authority could contravene the Building Ordinance and/or the land lease conditions, giving rise to enforcement action including Government re-entry. Such a breach can render the title of the property defective.

Choice C is correct pursuant to section 25 of the Buildings Ordinance, as change in use of buildings may breach the Buildings Ordinance.

Pursuant to sections 36(1)(a)(i) and (ii) of the Estate Agents Ordinance, Carol should possess prescribed information of the property including permitted use of the property, and be reasonably satisfied as to the accuracy of the information. Hence, choice D is also correct.

As David told Carol that he intended to use the property as his new residence, Carol should have advised David to purchase a residential property instead. Hence, E is also correct.

In light of the above, the answer is A.

37. Which of the following is/are the duty/duties of an owners' corporation of a building?

- (i) Keep the common parts of the building in good condition.
- (ii) Carry out such works in respect of the common parts of the building as ordered by the relevant Government authorities.
- (iii) Enforce obligations contained in the deed of mutual covenant for the management of the building.

- A. (i) only
- B. (i) and (ii) only
- C. (i) and (iii) only
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Section 18(1) of the Building Management Ordinance provides that:

- (1) The owners' corporation shall-
  - (a) maintain the common parts and the property of the corporation in a state of good and serviceable repair and clean condition;
  - (b) carry out such work as may be ordered or required in respect of the common parts by any public officer or public body in exercise of the powers conferred by any Ordinance;
  - (c) do all things reasonably necessary for the enforcement of the obligations contained in the deed of mutual covenant (if any) for the control, management and administration of the building.

Hence, all the options are correct and the answer is E.

38. Which of the following documents would contain information as to which parts of a building are common areas?

- (i) the deed of mutual covenant of the building
- (ii) the Government lease relating to the building
- (iii) the certificate of compliance relating to the building

- A. (i) only
- B. (ii) only
- C. (iii) only
- D. (i) and (ii) only
- E. (i) and (iii) only

**Explanation:**

The Deed of Mutual Covenant provides for the management of the building and maintenance of the common parts. Hence, option (i) is a correct choice.

The Government lease is usually granted before the building was constructed on the lot to which the lease relates, and contains provisions regarding the lot rather than the building. Hence, option (ii) is not a correct choice.

The certificate of compliance relating to the building is evidence that the conditions of the land grant whereupon the building is erected have been complied with. Hence, it is not related to the common areas of the building and option (iii) is not a correct choice.

In light of the above, the answer is A.

39. Under Part IV of the Landlord and Tenant (Consolidation) Ordinance, which of the following is/are the implied covenant(s) in a domestic tenancy, a breach of which by the tenant may constitute a ground for forfeiture of the tenancy?

- (i) Not to make any structural alteration to the flat without the landlord's consent.
- (ii) Not to keep pets in the flat.
- (iii) To pay rent within 15 days of the date when the rent falls due.

- A. (i) only
- B. (i) and (ii) only
- C. (i) and (iii) only**
- D. (ii) and (iii) only
- E. (i), (ii) and (iii)

**Explanation:**

Under Part IV of the Landlord and Tenant (Consolidation) Ordinance, a breach of the following implied covenants by the tenant may constitute a ground for forfeiture of the tenancy:

- non-payment of the rent within 15 days of the due date;
- use, or suffer or permit the use of, the premises or any part thereof for an immoral or illegal purpose;
- causing unnecessary annoyance, inconvenience or disturbance to the landlord or to any other person;
- making any structural alteration to, or suffer or permit any structural alteration to, the premises without the prior written consent of the landlord.

There is no provision in the Ordinance that prohibits keeping pets in the premises.

Hence, options (i) and (iii) are correct whereas option (ii) is not, and the answer is C.

40. Which of the following are matters that an estate agent should attend to when handling the sub-letting of a property?

- (i) Find out if the principal tenancy agreement prohibits sub-letting.
- (ii) Inform the Land Registry of the sub-letting.
- (iii) If the principal tenancy agreement prohibits sub-letting, request the principal tenant to produce proof of the landlord's consent to the sub-letting.
- (iv) Ensure that the term of the sub-tenancy does not exceed the term of the principal tenancy.

- A. (i) and (ii) only
- B. (iii) and (iv) only
- C. (i), (ii) and (iii) only
- D. (i), (iii) and (iv) only**
- E. (i), (ii), (iii) and (iv)

**Explanation:**

According to Practice Circular No. 01-09 (CR), estate agents handling subletting properties should pay attention to the following:

- (1) Review the tenancy agreement between the principal landlord and the principal tenant to see if there is any restriction on subletting and whether prior consent for subletting has to be obtained from the principal landlord;
- (2) The terms of the sub-tenancy agreement between the principal tenant and the sub-tenant shall be subject to the terms of the tenancy agreement between the principal landlord and the principal tenant. The tenancy period under the sub-tenancy agreement shall not exceed that under the original tenancy agreement.

Hence, options (i), (iii) and (iv) are correct. Option (ii) is not a requirement by law or stipulated in the Practice Circular.

In light of the above, the answer is D.