

June 2019 e-Quiz

*Notes to candidates:*

- 1. Most of the contents of this e-Quiz are adopted from June 2017 e-Quiz.*
- 2. Please read the scenario and annex (if any) before attempting the questions. The subject matter and names of parties are fictitious.*
- 3. Clause 5.3 of the CPD Guidelines provides that, for the purpose of the award of the Certificate of Attainment, the following limitation applies in calculating CPD points:*

*To encourage practitioners to diversify their modes of learning, certain modes may be capped. For example, the cap for EAA e-Quiz is four CPD points per a 12-month CPD period. Therefore, even if a participant completes more than four e-Quizzes (one CPD point each) during a 12-month CPD period, only four CPD points can be earned.*

**Pass Mark:** You will have 10 questions in this e-Quiz. You will earn one CPD point if you score not less than 5 correct answers.

**Remarks:** In the following questions, the following words have the following corresponding meanings:

**“the Authority”** means the Estate Agents Authority;

**“the Practice Regulation”** means the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation;

**“the Code of Ethics”** means the Code of Ethics issued by the Estate Agents Authority; and

**“the Practice Circular”** means the practice circulars issued by the Estate Agents Authority.

Case

**Lease of Property A**

1. Tenet is the tenant of Flat A, 12<sup>th</sup> Floor, Fragrant Garden, 25 Sunflower Road, Kowloon Tong, Hong Kong (Property A), and for years has been sharing it with his brother, Sales. The current 2-year tenancy agreement has one more year to run. Sales graduated last month and now works as a salesperson for XYZ Estate Agency (XYZ).
2. Tenet has just found a new job in Macau and so will soon move over there. Knowing that with no proof of stable income, the landlord will probably be reluctant to transfer the tenancy to Sales. Tenet agrees to continue to deal with the landlord as if he were to remain the tenant, so long as Sales continues to pay the rent.

### **Listing of Property A**

3. Au Tze Bun (Au) walks into XYZ telling Sales that he wants to sell his property which has a sitting tenant, and for this reason all viewing must be booked in advance. Sales realizes that Au is his landlord when Au gave him the address of Property A. Sales however did not tell Au he lives there. Sales suggests to Au that if he appoints XYZ as an exclusive agent for 6 months, XYZ will advertise Property A on the front page of Property Post, a prominent weekly property magazine, for the whole period.
4. Au asks if the exclusive agency can be for a shorter period, and Sales tells him that it has been XYZ's policy to require 6 months minimum for exclusive agency services. After some negotiation, Au agrees to appoint XYZ as exclusive agency for Property A for 4 months commencing from 26<sup>th</sup> March 2019 and as non-exclusive agent for the following 2 months. Sales starts completing Property Information Form (Form 1) and Estate Agency Agreement (Form 3).
5. Au wants to sell Property A for \$5,500,000. Sales phones Banker Q who gives a verbal valuation of \$5,350,000 only. Au says he will not sell Property A for anything less than \$5,400,000. XYZ's computer record shows that in the past month two comparable properties fetched \$5,340,000 and \$5,350,000 respectively and Sales considers it a waste of valuable marketing resources to advertise Property A for \$5,500,000.
6. Sales believes that for the best interest of Au it will be vital marketing strategy to get prospective purchasers to enquire of and take a look at Property A, and so he proposes to Au to put up a price of \$5,400,000 in Property Post. Au reluctantly agrees, but refuses to amend in writing his written listing price of \$5,500,000.

### **Ownership of Property A**

7. Au tells Sales that Property A is in the joint name of Au and his wife, Chan Nga Man (Mrs Au). They have applied for divorce. Au claims that he is the sole beneficial owner as all deposits and mortgage payments have been paid by him. Au also says that Mrs Au has agreed to sell Property A in exchange for him agreeing to a divorce; that she now lives with her boyfriend in the Mainland and Au is doubtful if he can locate her to sign any documents to sell Property A.
8. As proof that all mortgage payments have been made by him, Au shows Sales his

bank pass book and some recent mortgage payment receipts.

9. Au also gives Sales a letter signed by him (**Annex A**) saying that he will bear full responsibilities for any problems that may arise from Mrs Au not signing the estate agency agreement and provisional agreement for sale and purchase. Au assured Sales that the letter is a valid authorization.

### **Land Search of Property A**

10. **Annex B** is a recent land search of Property A. Apart from the bank mortgage, it also shows an application to the court for ancillary relief by Mrs Au.
11. Au says there is no need to enter the application to the court into the Form 1 as Mrs Au, not having paid a cent, has no legal claim to Property A. He shows Sales a letter from his solicitors, Messrs. Dai Tai Wai & Co, to prove that he is the sole beneficial owner of Property A (**Annex C**).
12. Au signs Form 1 prepared by Sales. However, Au refuses to sign Form 3. Au insists on signing the Form 3 at the same time when he signs the provisional agreement for sale and purchase.

### **List of Annexes:**

- A: Declaration of Authority
- B: Land Search of Property A
- C: Letter from Dai Tai Wai & Co.
- D: Search record of the Rating and Valuation Department's Property Information Online

**Annex A**

**DECLARATION OF AUTHORITY**

To: (estate agent/purchaser) \_\_\_\_\_

I declare that I have obtained the authority of Chan Nga Man (joint owner of Flat A, 12<sup>th</sup> Floor, Fragrant Garden, 25 Sunflower Road, Kowloon Tong, Hong Kong) to sign the attached [estate agency agreement/provisional agreement for sale and purchase] (the Agreement) on her behalf.

I warrant that I shall perform the terms of the Agreement and shall indemnify you against all damages and costs for anything arising from my signing the Agreement on her behalf.

Signature : *Au Tze Bun*

Name/HKID of owner representative : Au Tze Bun / D123456(7)

Address : Room 1003, No. 1 Queen' Road Central, Hong Kong.

Date: 12 March 2019

**Annex B**

**土地註冊處 THE LAND REGISTRY  
土地登記冊 LAND REGISTER**

印製於 PRINTED AT: INTERNET SEARCH (DOWNLOAD)  
查冊日期及時間 SEARCH DATE AND TIME: 26/03/2019 14:30  
查冊者姓名 NAME OF SEARCHER: X  
查冊種類 SEARCH TYPE: HISTORICAL AND CURRENT

本登記冊列明有關物業截至 26/03/2019 07:30 之資料  
THE INFORMATION SET OUT BELOW CONTAINS PARTICULARS OF THE PROPERTY UP TO 07:30  
ON 26/03/2019.

備存土地紀錄以供市民查閱旨在防止秘密及有欺詐成分的物業轉易，以及提供容易追溯和確定土地財產及不動產業權的方法。土地紀錄內載的資料不得用於與土地紀錄的宗旨無關之目的，使用所提供的資料須符合《個人資料（私隱）條例》的規定。

The land records are kept and made available to members of the public to prevent secret and fraudulent conveyances, and to provide means whereby the titles to real and immovable property may be easily traced and ascertained. The information contained in the land records shall not be used for purposes that are not related to the purposes of the land records. The use of information provided is subject to the provisions in the Personal Data (Privacy) Ordinance.

**物業資料  
PROPERTY PARTICULARS  
\*\*\*\*\***

## 物業參考編號

PROPERTY REFERENCE NUMBER (PRN): A1234567

## 地段編號

LOT NO: KOWLOON INLAND LOT NO. 1021

批約 HELD UNDER : GOVERNEMENT LEASE

年期 LEASE TERM : 75 YEARS RENEWABLE FOR 24 YEARS

開始日期 COMMENCEMENT OF LEASE TERM: 1/7/1898

每年地稅 RENT PER ANNUM : \$150.00

## 所佔地段份數

SHARE OF THE LOT : 7/1213

ADDRESS: FLAT A ON 12<sup>th</sup> FLOOR  
FRAGRANT GARDEN  
25 SUNFLOWER ROAD  
KOWLOON TONG  
HONG KONG

地址: 香港九龍塘  
太陽花路 25 號  
香逸園  
12 樓 A 室

## 備註

REMARKS :

**業主資料**  
**OWNER PARTICULARS**

\*\*\*\*\*

業主姓名 NAME OF OWNER	身分 (如非唯一擁有人)	註冊摘要編號 MEMORIAL NO.	文書日期 DATE OF INSTRUMENT	註冊日期 DATE OF REGISTRATION	代價 CONSIDERATION
	CAPACITY (IF NOT SOLE OWNER)				
FRAGRANT COMPANY LIMITED		UB 704717 備註 REMARKS : ASSIGNMENT OF KIL1021	11/ 8/ 1976	8/ 9/ 1976	\$800,000.00
MU CHE MA WO YI MU	JOINT TENANT JOINT TENANT	UB 903534 備註 REMARKS : ASSIGNMENT WITH PLAN			
AU TZE BUN 區子彬	JOINT TENANT	06111635730470	7/ 11/ 2006	16/ 11/ 2006	\$3,380,000.00
CHAN NGA MAN 陳雅文	JOINT TENANT				

**物業涉及的轉轄**  
**INCUMBRANCES**

\*\*\*\*\*

註冊摘要編號 MEMORIAL NO.	文書日期 DATE OF INSTRUMENT	註冊日期 DATE OF REGISTRATION	文書性質 NATURE	受惠各方 IN FAVOUR OF	代價 CONSIDERATION
UB 749889	20/ 4/ 1977	19/ 5/ 1977	BUILDING MORTGAGE	BIG BANK	
UB 843764	3/ 1/ 1979	23/ 1/ 1979	RECEIPT ON DISCHARGE		
UB 894236	4/ 2/ 1979	3/ 3/ 1979	OCCUPATION PERMIT		
UB 900629	12/ 10/ 1979	3/ 11/ 1979	DEED OF MUTUAL CONVENANT		
0609123542701	21/ 8/ 2006	12/ 9/ 2006	AGREEMENT FOR SALE AND PURCHASE	AU TZE BUN CHAN NGA MAN (JOINT TENANTS) 備註 SEE ASSIGNMENT REMARKS: MEMORIAL NO. 06111635730470	\$3,380,000.00
06111635730482	7/ 11/ 2006	16/ 11/ 2006	MORTGAGE TO SECURE GENERAL BANKING FACILITIES	SMALL BANK	
16071505643576	20/ 6/ 2016	15/ 7/ 2016	CERTIFIED TRUE COPY OF NOTICE OF AN APPLICATION FOR ANCILLARY RELIEF	AU CHAN NGA MAN "PETITIONER" AU TZE BUN "RESPONDENT" 備註 IN F.C.M.C.NO.4604 OF REMARKS: 2016	

**等待註冊的契約**  
**DEEDS PENDING REGISTRATION**

\*\*\*\*\*

註冊摘要編號 MEMORIAL NO.	文書日期 DATE OF INSTRUMENT	交付日期 DATE OF DELIVERY	文書性質 NATURE	受惠各方 IN FAVOUR OF	代價 CONSIDERATION
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———無 NIL———

———登記冊末端 END OF REGISTER———

Annex C

**DAI TAI WAI & Co.  
Solicitors and Notary Public**

Your Ref.: CCW/SC/B00-55/SC

Our Ref.: BBC/135

Messrs. Tony Tong & Co.  
Suite 1408, 14/F.,  
Hang Lung Building,  
7 Des Voeux Road Central,  
Hong Kong.

22 August 2018

Dear Sirs,

**Re: F.C.M.C.No. 4604 of 2016**

Thank you for your letter of 20 August 2016 the assertions of which are denied absolutely. We are instructed that your client, Chan Nga Man, has agreed not to ask for any maintenance should our client, Mr Au Tze Bun, expedite the divorce proceedings, which he has.

Though your client is a joint owner of the property at Flat A, 12<sup>th</sup> Floor, Fragrant Garden, 25 Sunflower Road, Hong Kong, our client is its sole beneficial owner as all mortgage payments and monthly re-payments are paid by him (see payment receipts enclosed). She is therefore holding her share of the property, if any (which is denied), in trust for our client only.

We hereby demand you to cause the registration of the Notice of Application for Ancillary Relief to be vacated within 14 days of this letter. All our client's rights are hereby reserved.

Yours faithfully,

*[signed]*

Dai Tai Wai & Co.

Encl.

(attachments omitted for this e-quiz)



差餉物業估價署「物業資訊網」  
RATING AND VALUATION DEPARTMENT  
PROPERTY INFORMATION ONLINE



記錄編號  
Record No.:  
1 / 1

估價編號 : 681-97136-0310-0D 最早發出入伙文件日期 : 4-Feb-1979  
Assessment No. : 681-97136-0310-0D Date of Issue of the Earliest Occupation Document : 4-Feb-1979  
資料提供日期 : 26-Mar-2019 時間 : 14:40:23 面積對算值 : 1 平方米 = 10.764 平方尺  
Date of Provision of Information : 26-Mar-2019 Time : 14:40:23 Area Conversion Factor : 1 m<sup>2</sup> = 10.764 ft<sup>2</sup>

差餉物業估價署所提供的資料 Information provided by Rating and Valuation Department

交易參考編號 Transaction Reference Number: RVD1000004283	物業地址或名稱: 九龍塘太陽花路 25 號 香逸園 12 樓 A 室	Address or description of tenement : 25 SUNFLOWER RD FRAGRANT GARDEN 12/F FLAT A KOWLOON TONG
物業資訊網入伙文件 對照編號 PIO Serial Number of Occupation Document : 0222256		

供差餉或地租評估的物業類別 : 私人住宅物業  
Property Type for Rates or Government Rent Purposes : Private Domestic Property

實用面積 : 50.0 平方米 m<sup>2</sup>  
Saleable Area : 50.0 m<sup>2</sup>

附註 : 此物業有下列附屬設施，並不包括在實用面積內。  
Remarks : This property has the following ancillary accommodation which has not been included in the saleable area.

(i) 窗台面積 Bay Window Area : 1.7 平方米 m<sup>2</sup>

\*\* 計算此物業的實用面積時，所採納的牆身厚度最多不超過 230 毫米。

A maximum wall thickness of 230 mm is adopted in calculating the saleable area of this property.

實用面積定義 Definition of Saleable Area

實用面積是指個別單位獨立使用的樓面面積，包括露台、陽台、工作平台及其他類似設施，但不包括公用地方，如樓梯、升降機槽、入牆暗渠、大堂及公用洗手間。實用面積是量度至外牆的表面或共用牆的中線所包括的面積。窗台、平台、天台、花園、前庭、天井、冷氣機房、冷氣機平台、花槽及車位並不包括在內。

Saleable area is defined as the floor area exclusively allocated to the unit including balconies, verandahs, utility platforms and other similar features but excluding common areas such as stairs, lift shafts, pipe ducts, lobbies and communal toilets. It is measured to the exterior face of the external walls and walls onto common parts or the centre of party walls. Bay windows, flat roofs, top roofs, gardens, terraces, yards, air-conditioning plant rooms, air-conditioning platforms, planters/flower boxes and car parking spaces are excluded.

重要通告 IMPORTANT NOTES

謹請注意，此項查詢服務的收費只為收回運作成本，並不包括任何利潤元素。由「物業資訊網」發放的資料，乃摘自差餉物業估價署的物業資料庫，該資料庫主要是為評估差餉及地租而設。此資訊系統所發放的資料只為查詢人提供快捷參考用途。除用作為評估差餉及地租外，本署決不能保證有關資料的準確性。由於庫內所存資料只為評估差餉及地租的用途，本署或本署職員因此毋須為引用此等資料作其他用途而導致的損害或損失負責。在此情況下，使用本「物業資訊網」系統的查詢人最好從正本文件及圖則核實資料，如有需要，更應諮詢所聘專業人士的意見。

The charge for this enquiry service is purely aimed at recovering the operation cost and does not reflect any profit making element. Please note that the information released by the Property Information Online is extracted from the Rating and Valuation Department's property database which is primarily set up for rates and Government rent purposes. Such information is released for quick reference only. The Department in no way warrants the accuracy of the information for any purposes other than rates and Government rent assessments. Neither the Department nor any of its staff shall be responsible for or held responsible for any damages or loss caused by applying such information for any purposes other than rates and Government rent assessments. Users of this Property Information Online system are strongly advised to verify the information from the original documents and plans, and where necessary, consult their own professional advisers.



## June 2019 e-Quiz

### Please answer Questions 1-10:

1. Which of the following documents as revealed in the land search in Annex B should be stated on the Property Information Form (Form 1) as a subsisting encumbrance on Property A?
  - (i) Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576
  - (ii) Building Mortgage Memorial No. UB749889
  - (iii) Deed of Mutual Covenant Memorial No. UB900629
  - (iv) Mortgage Memorial No. 06111635730482
  - A. (i) only
  - B. (iv) only
  - C. (i) and (iv) only
  - D. (i), (ii) and (iv) only
  - E. (ii), (iii) and (iv) only
  
2. According to the land search in Annex B, for the purpose of completing the column of “Name(s) of owner(s)” in the Property Information Form (Form 1), who should be stated as the owner(s) of Property A?
  - A. Small Bank
  - B. Chan Nga Man
  - C. Au Tze Bun
  - D. Au Tze Bun and Chan Nga Man

3. For the purpose of completing the Property Information Form (Form 1), what is the saleable area of Property A and what is the prescribed source?
- A. Saleable area: 500 ft<sup>2</sup>; prescribed source: Land Registry
  - B. Saleable area: 51.7 m<sup>2</sup>; prescribed source: Land Registry
  - C. Saleable area: 48.3 m<sup>2</sup>; prescribed source: Rating and Valuation Department
  - D. Saleable area: 50 m<sup>2</sup>; prescribed source: Rating and Valuation Department
4. For the purpose of completing the Property Information Form (Form 1) on 26 March 2019, what is the unexpired term of the Government lease inclusive of the renewable term (a period exceeding six months shall be counted as one year)?
- A. 28 years
  - B. 30 years
  - C. 32 years
  - D. 34 years
5. When Sales showed a copy of the land search of Property A (Annex B) to a potential purchaser, he should have drawn the purchaser's attention to the Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576 and advised the purchaser that:
- (i) the Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576 shows that Chan Nga Man has given up her right of ownership in Property A.
  - (ii) the letter dated 22 August 2018 issued by Messrs. Dai Tai Wai & Co. shows that Au Tze Bun is the sole beneficial owner of Property A and can sell Property A without the agreement of Chan Nga Man.
  - (iii) the letter dated 22 August 2018 issued by Messrs. Dai Tai Wai & Co. shows that there is a dispute as to whether Au Tze Bun is the sole beneficial owner of Property A .
  - (iv) the purchaser should seek legal advice in relation to such court case before entering into any provisional agreement for sale and purchase.
- A. (ii) only
  - B. (iii) only
  - C. (i) and (ii) only
  - D. (iii) and (iv) only
  - E. (i), (ii) and (iv) only
6. Which of the following statements is/are correct?

- (i) The purchase of Property A by Au Tze Bun and Chan Ngar Man was financed by a mortgage loan under Mortgage Memorial No. 06111635730482.
- (ii) Au Tze Bun and Chan Nga Man purchased Property A at \$800,000.00.
- (iii) Mu Che Ma and Wo Yi Mu were the vendors in Agreement for Sale and Purchase Memorial No. 06091235427011.

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

7. Which of the following statements about Sales's disclosure of interests under Clause 9 of the estate agency agreement (Form 3) is/are correct?

- (i) There is nothing for him to disclose.
- (ii) He should disclose that his brother is the tenant of Property A.
- (iii) He should disclose that he resides in Property A of which his brother is the tenant of Property A.
- (iv) He should disclose the selling price of comparable properties.

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

8. A potential purchaser would like to purchase Property A to run a beauty salon and she asks Sales the permitted user of Property A. Which of the following documents may state the permitted user of Property A?
- (i) Occupation Permit Memorial No. UB894236
  - (ii) Receipt on Discharge Memorial No. UB843764
  - (iii) Assignment with Plan Memorial No. UB903534
- A. (i) only
  - B. (ii) only
  - C. (iii) only
  - D. (i) and (ii) only
  - E. (ii) and (iii) only
9. Which of the following statements about “the advertisement” of Property A is/are correct?
- (i) Sales would breach the Practice Regulation if he advertised Property A for sale.
  - (ii) Sales would breach the Practice Regulation for putting up a price of \$5,400,000 in the advertisement of Property A in Property Post.
  - (iii) Sales would breach the Practice Regulation by continuing to advertise Property A for one more month after sale.
- A. (iii) only
  - B. (i) and (ii) only
  - C. (i) and (iii) only
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)

10. For Au Tze Bun to validly execute on behalf of Chan Nga Man all agreements and assignments for the sale of Property A, which of the following steps need to be taken?
- (i) Au Tze Bun executes the Declaration of Authority (Annex A) as a deed under seal.
  - (ii) Chan Nga Man executes a power of attorney by deed appointing Au Tze Bun to execute documents relating to the sale of Property A on her behalf.
  - (iii) Chan Nga Man writes Au Tze Bun an authorization letter authorizing him to sign the provisional agreement for sale and purchase of Property A.
- A. (i) only
  - B. (ii) only
  - C. (iii) only
  - D. (ii) and (iii) only
  - E. None of the above (i), (ii) and (iii)

**June 2019 e-Quiz**

**Answer guide**

Note:

1. This answer guide is prepared by the Estate Agents Authority and provides the correct answers to the questions of the June 2019 e-Quiz.
2. In this answer guide, the following words have the following corresponding meanings: -

“the Authority” means the Estate Agents Authority;

“the Practice Regulation” means the Estate Agents Practice (General Duties and Hong Kong Residential Properties) Regulation;

“the Code of Ethics” means the Code of Ethics issued by the Estate Agents Authority; and

“the Practice Circular” means the practice circulars issued by the Estate Agents Authority.

3. The copyright of the e-Quiz, this answer guide and all supporting materials (collectively "the materials") belong to the Authority, and the materials may be reproduced by participants for the purpose of attempting the questions only. No reproduction of the materials for any other purpose is allowed without the prior written consent of the Authority.

**Please answer Questions 1-10:**

1. Which of the following documents as revealed in the land search in Annex B should be stated on the Property Information Form (Form 1) as a subsisting encumbrance on Property A?
- (i) Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576
  - (ii) Building Mortgage Memorial No. UB749889
  - (iii) Deed of Mutual Covenant Memorial No. UB900629
  - (iv) Mortgage Memorial No. 06111635730482
- A. (i) only
  - B. (iv) only
  - C. (i) and (iv) only**
  - D. (i), (ii) and (iv) only
  - E. (ii), (iii) and (iv) only

**Answer:**

Building Mortgage Memorial No. UB749889 had been discharged by Receipt on Discharge Memorial No. UB843764. Deed of Mutual Covenant is not an encumbrance on a property.

The answer is C.

2. According to the land search in Annex B, for the purpose of completing the column of “Name(s) of owner(s)” in the Property Information Form (Form 1), who should be stated as the owner(s) of Property A?
- A. Small Bank
  - B. Chan Nga Man
  - C. Au Tze Bun
  - D. Au Tze Bun and Chan Nga Man**

**Answer:**

Au Tze Bun and Chan Nga Man purchased Property A in 2006 as joint tenants. They are the owners of Property A.

The answer is D.

3. For the purpose of completing the Property Information Form (Form 1), what is the saleable area of Property A and what is the prescribed source?
- A. Saleable area: 500 ft<sup>2</sup>; prescribed source: Land Registry
  - B. Saleable area: 51.7 m<sup>2</sup>; prescribed source: Land Registry
  - C. Saleable area: 48.3 m<sup>2</sup>; prescribed source: Rating and Valuation Department
  - D. Saleable area: 50 m<sup>2</sup>; prescribed source: Rating and Valuation Department**

**Answer:**

According to the search record of the Property Information Online service by the Rating and Valuation Department in Annex D, the saleable area of Property A is 50 m<sup>2</sup>. The answer is D.

4. For the purpose of completing the Property Information Form (Form 1) on 26 March 2019, what is the unexpired term of the Government lease inclusive of the renewable term (a period exceeding six months shall be counted as one year)?
- A. 28 years**
  - B. 30 years
  - C. 32 years
  - D. 34 years

**Answer:**

According to the land search, the lease term of the Government lease is stated as 75+24=99 years from 1/7/1898. The term expired on 30/6/1997 but was automatically extended to 30/6/2047 by virtue of Annex III of the Basic Law. The unexpired term is therefore 2047-2019=28 years.

The answer is A.



5. When Sales showed a copy of the land search of Property A (**Annex B**) to a potential purchaser, he should have drawn the purchaser's attention to the Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576 and advised the purchaser that:
- (i) the Certified True Copy of Notice of An Application for Ancillary Relief Memorial No. 16071505643576 shows that Chan Nga Man has given up her right of ownership in Property A.
  - (ii) the letter dated 22 August 2018 issued by Messrs. Dai Tai Wai & Co. shows that Au Tze Bun is the sole beneficial owner of Property A and can sell Property A without the agreement of Chan Nga Man.
  - (iii) the letter dated 22 August 2018 issued by Messrs. Dai Tai Wai & Co. shows that there is a dispute as to whether Au Tze Bun is the sole beneficial owner of Property A .
  - (iv) the purchaser should seek legal advice in relation to such court case before entering into any provisional agreement for sale and purchase.
- A. (ii) only  
B. (iii) only  
C. (i) and (ii) only  
**D. (iii) and (iv) only**  
E. (i), (ii) and (iv) only

**Answer:**

The letter issued by Messrs. Dai Tai Wai & Co. and the Certified True Copy of Notice of An Application for Ancillary Relief are not conclusive evidence as to whether Au Tze Bun is the sole beneficial owner of Property A and whether Chan Nga Man has given up her right of ownership in Property A; therefore, the statements in options (i) and (ii) are not correct. The letter issued by Messrs. Dai Tai Wai & Co. shows that there is a dispute as to whether Au Tze Bun is the sole beneficial owner of Property A. The purchaser should seek independent legal advice on the matter. Therefore, Sales should have advised the purchaser (iii) and (iv).

The answer is D.

6. Which of the following statements is/are correct?
- (i) The purchase of Property A by Au Tze Bun and Chan Ngar Man was financed by a mortgage loan under Mortgage Memorial No. 06111635730482.
  - (ii) Au Tze Bun and Chan Nga Man purchased Property A at \$800,000.00.
  - (iii) Mu Che Ma and Wo Yi Mu were the vendors in Agreement for Sale and Purchase Memorial No. 06091235427011.
- A. (ii) only
  - B. (iii) only
  - C. (i) and (iii) only**
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)

**Answer:**

Au Tze Bun and Chan Nga Man purchased Property A at the price of \$3,380,000, not \$800,000. Option (ii) is incorrect.

Options (i) and (iii) are correct.

The answer is C.

7. Which of the following statements about Sales's disclosure of interests under Clause 9 of the estate agency agreement (Form 3) is/are correct?
- (i) There is nothing for him to disclose.
  - (ii) He should disclose that his brother is the tenant of Property A.
  - (iii) He should disclose that he resides in Property A of which his brother is the tenant of Property A.
  - (iv) He should disclose the selling price of comparable properties.
- A. (i) only  
B. (iii) only  
C. (iv) only  
**D. (ii) and (iii) only**  
E. (ii), (iii) and (iv) only

**Answer:**

Clause 9 of the Estate Agency Agreement (Form 3) provides that the disclosure of interest criteria applies if the agent or his specified relative (which includes the spouse, parent, child, brother or sister of the agent) has a pecuniary or other beneficial interest in the property.

Sales therefore needs to disclose his brother is the tenant of Property A and he resides in Property A.

The answer is D.

8. A potential purchaser would like to purchase Property A to run a beauty salon and she asks Sales the permitted user of Property A. Which of the following documents may state the permitted user of Property A?

- (i) Occupation Permit Memorial No. UB894236
- (ii) Receipt on Discharge Memorial No. UB843764
- (iii) Assignment with Plan Memorial No. UB903534

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

**Answer:**

According to Monograph: Encumbrances issued by the Authority, paragraph (3)4.1.e, the permitted user or restrictions on the user of a property is normally found in the conditions of the government grant and the occupation permit.

The answer is A.

9. Which of the following statements about “the advertisement” of Property A is/are correct?
- (i) Sales would breach the Practice Regulation if he advertised Property A for sale.
  - (ii) Sales would breach the Practice Regulation for putting up a price of \$5,400,000 in the advertisement of Property A in Property Post.
  - (iii) Sales would breach the Practice Regulation by continuing to advertise Property A for one more month after sale.
- A. (iii) only
  - B. (i) and (ii) only
  - C. (i) and (iii) only
  - D. (ii) and (iii) only
  - E. (i), (ii) and (iii)**

**Answer:**

Section 9(2) of the Practice Regulation provides that 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.

Section 9(3) of the Practice Regulation provides that a licensed estate agent shall not advertise a residential property at a price different from that instructed by the client concerned.

Au neither entered into Form 3 with XYZ nor gave written consent to advertise Property A for \$5,400,000. The acts in options (i) and (ii) would breach the Practice Regulation.

Section 9(5)(a) of the Practice Regulation provides that a licensed estate agent shall remove all advertisements issued as soon as is practicable after the residential property is no longer available for sale.

Even if Au entered into the Form 3 with XYZ and gave written consent to advertise Property A, the act in option (iii) by continuing to advertise Property A after its sale would breach the Practice Regulation.

The answer is E.

10. For Au Tze Bun to validly execute on behalf of Chan Nga Man all agreements and assignments for the sale of Property A, which of the following steps need to be taken?
- (i) Au Tze Bun executes the Declaration of Authority (Annex A) as a deed under seal.
  - (ii) Chan Nga Man executes a power of attorney by deed appointing Au Tze Bun to execute documents relating to the sale of Property A on her behalf.
  - (iii) Chan Nga Man writes Au Tze Bun an authorization letter authorizing him to sign the provisional agreement for sale and purchase of Property A.
- A. (i) only
  - B. (ii) only**
  - C. (iii) only
  - D. (ii) and (iii) only
  - E. None of the above (i), (ii) and (iii)

**Answer:**

According to the Practice Circular (Circular No.15-02 (CR)), to protect a client's interest, it is imperative that before the practitioner accepts any appointment of authorised representative and/or deals with any person claiming to be the authorised representative of the absent contracting party ("the representative") in a sale and purchase or leasing transaction, the representative must be able to produce a power of attorney duly executed by the absent contracting party authorising the representative to enter into the transaction concerned and to execute the relevant document(s) such as the estate agency agreement and/or the provisional agreement for sale and purchase/provisional tenancy agreement, for and on his behalf. The power of attorney should be properly executed and attested. There is no legal requirement for a power of attorney to be attested. However, in order to avoid unnecessary disputes, the EAA recommends that a power of attorney should be attested by a solicitor. It is not sufficient and is highly risky simply to request the representative (whether a co-owner or otherwise) to sign a declaration to the effect that he has or will have proper authorisation from the absent contracting party and that he will be personally responsible for all consequences.

The answer is B.