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LACO/HQ/127 IV

10 October 2008

**Legal Advisory and Conveyancing Office ("LACO")**  
**Circular Memorandum No. 60**

**Review of the Lands Department Consent Scheme (the Consent Scheme)**

**(a) Definitions of “Saleable Area” and “Other Areas”**

**(b) Revised standard form of Agreement for Sale and Purchase (ASP)**


The standard form of Agreement for Sale and Purchase (for the sale of uncompleted residential units under the Consent Scheme) promulgated under LACO Circular Memorandum (LACO CM) No. 40A (as revised by LACO CM Nos. 47, 50 and 54) (ASP) has been revised.

2. With effect from the date of this Circular Memorandum, all new applications for pre-sale consent and applications being processed but not yet approved by LACO are required to adopt the revised form of ASP as set out in **Annex I**.

3. The significant amendments are:

- (i) A new definition on “Measurements” is added in Clause 1(1)(n).
- (ii) A new definition on “Other Areas” is added in Clause 1(1)(q).
- (iii) A revised definition on “Saleable Area” in Clause 1(1)(u) supersedes the definition in the original Clause 1(1)(t).
- (iv) Clauses 10(d) and 20(1) and (20)(2) have been amended to the effect that references to “saleable area” have been amended to “the measurements of the Property” or “Measurements”, as the context may require.
- (v) A revised Schedule 3 on “Property” sets out information on the undivided shares of the premises affected (including any carparking space), information on the lot and the description of the premises affected.

- (vi) A new Schedule 4 on “Measurements of the Property” is added. The measurement of the Saleable Area of the unit (including balcony/utility platform/verandah) is set out in Part A of the Schedule. The measurements of Other Areas (including any bay window, flat roof, roof, garden, cockloft, yard, terrace, car parking space and air-conditioning plant room) are set out in Part B of the Schedule, with each item to be separately measured and stated. If an air-conditioning platform is sold as part of the Property, the measurements of the air-conditioning platform is set out in Part C of the Schedule.
- (vii) The original Schedules 4 to 7 are re-named as Schedules 5 to 8.
4. Appendix XII to LACO CM 40C on “sales brochures” has been amended to incorporate all required information to be disclosed. The revised Appendix XII is attached for compliance. All new consents to be issued from the date of this Circular Memorandum will be subject to the requirements in the revised Appendix XII.
5. Any variation to the standard form of ASP requires the prior approval of LACO and requests for variation will not normally be entertained. Any such request may involve consultation with the relevant authorities and ample time should be allowed in processing and approving the application. Any new feature or item to be added in either “Saleable Area” or “Other Areas” in Schedule 4 shall be subject to the prior approval of LACO.
6. By way of background, a standardized definition on “Saleable Area”, as set out in **Annex II**, has been agreed among the various stakeholders which the Transport and Housing Bureau has consulted in the past few months. The Chinese translation of the term “Saleable Area” shall be “實用面積” .
7. Copies of this Circular Memorandum, Annexes and Appendix XII can be downloaded from Lands Department website at [www.info.gov.hk/landsd/](http://www.info.gov.hk/landsd/).

  
( HY CHAU )  
Deputy Director/Legal (Acting)  
for Director of Lands

To: All Solicitors

c.c. The Hong Kong Institute of Surveyors  
The Real Estate Developers Association of Hong Kong  
Consumer Council  
Estate Agents Authority  
Hong Kong Housing Society  
Urban Renewal Authority  
Housing Department  
Government Property Agency  
Rating & Valuation Department  
The Hong Kong Institute of Architects  
Independent Commission Against Corruption  
(Corruption Prevention Department)  
The Land Registry  
Transport & Housing Bureau  
Development Bureau  
Lands Department (CES/HQ)  
LACO, Lands Department (LACO7/316/61 SF18 Pt4)

## Annex I

This Agreement is made the                      day of                      Two thousand and

\*Delete if  
inapplicable

BETWEEN the Vendor \*[the Financier] and the Purchaser whose particulars are set out in Schedule 1.

WHEREAS :

Recitals

(1) The Vendor is obliged under the Government Grant to erect and complete upon the land before the [     ] day of [             ] 20[     ] the Development in all respects complying with the General and Special Conditions contained in the Government Grant.

or

(1) Under the Exclusion Order the Vendor is obliged to erect and complete not later than the [             ] day of [             ] 20[     ] the Development on the land in accordance with the building plans.

(2) For the purpose of selling and assigning various parts of the Development certain undivided shares of and in the land have been allocated to such parts, such shares being subject to adjustment by the Vendor under Clause 21.

(3) The Vendor has obtained the consent of the Director of Lands to enter into (inter alia) this Agreement for the sale of the Property.

NOW IT IS HEREBY AGREED AS FOLLOWS : -

Interpretation

1. (1) In this Agreement including the recitals the following expressions shall have the following meanings except where the context otherwise permits or requires: -

(a) “Authorized Person” means [             ], and this expression shall include any other authorized person or persons as defined in Section 2(1) of the Buildings Ordinance for the time being appointed by the Vendor in his place.

\*Applicable only if  
Director of Lands’  
consent has been  
granted for sales in  
phases, and delete if  
inapplicable

(b) \*["Building" means the building or buildings comprised in [Phase [     ] of] the Development of which the Property forms part.]

\*Delete if  
inapplicable

(c) \*["Building Mortgage" means the [             ] dated the [             ] day of [     ] made between the Vendor of the one part and [             ] of the other part registered in the Land Registry by Memorial No. [             ].]

- (d) “building plans” means the general building plans and specifications prepared by the Authorized Person and approved by the Building Authority under Reference No. [ ] and includes any approved amendments thereto.
- (e) “Certificate of Compliance” means the certificate issued or to be issued by the relevant Government authority to the effect that all the positive obligations of the Vendor under the Government Grant in relation to the land have been fulfilled.
- (f) “Construction Costs” means: -
  - (i) any sum incurred or to be incurred in connection with any works done or to be done, and materials or goods supplied or to be supplied, in connection with the site formation on the land for \*[Phase [ ] of] the Development, the substructure and superstructure construction of the Building, (including the communal and recreational facilities as set out in Schedule 7), and the making of \*[Phase [ ] of] the Development fit to qualify for the issue of an Occupation Permit and to comply with the Government Grant \*[in so far as they relate to Phase [ ] of the Development];
  - (ii) any sums needed to be incurred by the Vendor to install the fittings and finishes of \*[Phase [ ] of] the Development (including the fittings and finishes as set out in Schedule 6) and in making every unit in \*[Phase [ ] of] the Development ready for handover to purchasers on completion of the sale and purchase; and
  - (iii) any other sums (excluding the Professional Fees (as defined in Clause 1(1)(s) below)) which in the reasonable opinion of the Authorized Person needed to be incurred to complete the construction of \*[Phase [ ] of] the Development fit to qualify for the issue of an Occupation Permit and to comply with the Government Grant \*[in so far as they relate to Phase [ ] of the Development] and this Agreement.
- (g) “Deed of Mutual Covenant” means the document to be registered in the Land Registry by which the rights, interests and obligations of all or any of the co-owners of the land and the Development among themselves are defined and incorporates a Management Agreement (if any).
- (h) “Development” means the [insert brief description of the development giving as much information as reasonably

\*[For phased development only]

practicable so that a purchaser will have a general understanding as to the nature and composition of the development, the communal and recreational facilities provided therein, other special features (if any), etc.] now being constructed or to be constructed on the land in accordance with the building plans and intended to be known as [“ ”].

\*Delete if  
inapplicable

(i) \*["Exclusion Order" means the Exclusion Order dated the [ ] day of [ ] and registered in the Land Registry by Memorial No. [ ].]

[(j) "expiry date of the Building Covenant Period" means the date by which the Development is required to be completed under the Government Grant/Exclusion Order of the land or any extended period granted by the Government.]

(k) "Government" means the Government of the Hong Kong Special Administrative Region.

(l) "Government Grant" means the Government Grant document specified in Schedule 2.

(m) "land" means all that piece or parcel of land known and registered in the Land Registry as [Insert lot number].

(n) "Measurements" means the measurements of the Property set out in Schedule 4.

(o) "Occupation Permit" means that written permission to be issued by the Building Authority under the provisions of the Buildings Ordinance for the Building/Development to be occupied and includes a Temporary Occupation Permit.

(p) "Office hours" means 10:00 a.m. to 4:30 p.m. on weekdays and 10:00 a.m. to 12:00 noon on Saturdays.

(q) "Other Areas" means:

the area of any cockloft which shall be measured from the interior of the enclosing walls and shall include the internal partitions and columns within such cockloft;

the area of any bay window which shall be measured from the exterior of the enclosing walls or glass windows of such bay window and from the point where the bay window meets the wall dropping to the floor level of a unit excluding the thickness of such wall;

the area of any carparking space which shall be measured to the centre of its demarcating lines or the interior face of its enclosing walls, as the case may be;

the area of any yard, terrace, garden, flat roof, roof and air-conditioning plant room which shall be measured from the interior of their boundary lines, and where boundary consists of a wall, then it shall be measured from the interior of such wall.

Where the Property consists of any of the above-mentioned items, the area of each of such items shall be separately set out in Schedule 4.

\*Delete if  
inapplicable

(r) \*["Phase [ ]"] means the phase of the Development comprising [Blocks ].]

\*[For phased  
development only]

(s) "Professional Fees" means any sums incurred or to be incurred by the Vendor for the employment of the Authorized Person and other professional persons or consultants in relation to completion of \*[Phase [ ] of] the Development.

(t) "Property" means the property described in Schedule 3.

(u) "Saleable Area" means:

the floor area of a unit enclosed by walls (inclusive of the floor area of any balconies, utility platforms and verandahs but exclusive of the Other Areas), which area (including any balcony, utility platform or verandah enclosed by walls) shall be measured from the exterior of the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be) except where such enclosing walls separate two adjoining units, balconies, utility platforms or verandahs (as the case may be), in which case the measurement shall be taken from the middle of those walls, and shall include the internal partitions and columns within such unit, balconies, utility platforms or verandahs (as the case may be); but shall exclude the common parts outside the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be), and for balconies, utility platforms or verandahs, shall exclude the whole thickness of the enclosing walls or boundary which abut onto the unit Provided That if any of the enclosing walls abut onto a common area, then the whole thickness of the enclosing walls which so abut shall be included. Where a balcony, utility platform or verandah is not enclosed by a solid wall, the floor area of such balcony, utility platform or verandah shall be measured from the external boundary of the said balcony, utility platform or verandah.

(v) "Statutory Declaration" means the Statutory Declaration of the solicitor for the Vendor registered in the Land Registry by Memorial No. [ ] in support of the application for the consent of the Director of Lands to sell the Property.

(w) "Temporary Occupation Permit" means the temporary permit to be issued by the Building Authority under the provisions of the Buildings Ordinance for the Building/Development or any part thereof comprising the Property to be occupied.

(2) In this Agreement, if the context permits or requires, the singular number shall include the plural and the masculine gender shall include the feminine and the neuter.

Sale and purchase      2. The Vendor shall sell and the Purchaser shall purchase the Property TOGETHER with the right in common with the Vendor or other person or persons claiming through, under or in trust for the Vendor to use for the purpose of access to and egress from the Property the lifts, entrance hall, staircases and landings in the Development and such of the passages therein intended for common use and serving the Property and the appurtenances thereto and TOGETHER with all rights of way (if any) and other rights and all privileges, easements and appurtenances thereunto belonging or appertaining AND all the estate, right, title, interest, property, claim and demand whatsoever of the Vendor in and to the Property EXCEPTING AND RESERVING [unto the Vendor and its successors and assigns other than the Purchaser the right to the exclusive use, occupation and enjoyment of the whole of the Development \*[including the external walls (if any) of the Property] SAVE AND EXCEPT : -

\*Delete if  
inapplicable

(a) the Property; and

(b) such areas and facilities (if any) as may be designated as common areas or common parts and facilities in the Deed of Mutual Covenant or are intended for common use.]/

[(1) unto the Vendor and its successors and assigns other than the Purchaser the right to the exclusive use, occupation and enjoyment of the whole of the Development \*[including the external walls (if any) of the Property] SAVE AND EXCEPT :-

(a) the Property; and

(b) such areas and facilities (if any) as may be designated as common areas or common parts and facilities in the Deed of Mutual Covenant or are intended for common use; and



- (2) unto the Vendor the right at any time prior to completion of the sale and purchase to enter into a modification of the Government Grant to (here **insert** brief description of the modification) on such terms and conditions as may be agreed between the Government and the Vendor at their absolute discretion without any reference to, concurrence or approval of the Purchaser and any persons deriving or acquiring title or interest in the Property under the Purchaser and without the necessity of joining in the Purchaser and any persons deriving or acquiring title or interest in the Property under the Purchaser provided that all premium, charges and expenses for the modification of the Government Grant shall be borne by the Vendor solely and that the Purchaser's sole and exclusive right and privilege to hold, use, occupy and enjoy the Property shall not be affected.]

Purchase price

3. (1) The purchase price shall be the sum set out in Schedule 5 and shall be paid by the Purchaser to the Vendor's solicitors as stakeholders in the manner set out in Schedule 5.
- (2) In the event of any money paid hereunder to the stakeholders not being applied in the manner set out in Clause 26, such money shall be deemed to have been paid by the Purchaser to Messrs. [ ] as agents for the Vendor.
- (3) In the event of the Purchaser being required pursuant to Schedule 5 to pay the balance of the purchase price when the Vendor is not at that time in a position validly to assign the Property to the Purchaser for whatever reason, the Purchaser shall be entitled to withhold such payment until the Vendor is in a position validly to assign the Property and has given at least 14 days' notice in writing to that effect to the Purchaser. Provided that where the Purchaser has opted for payment of the full balance of purchase price within        days of the signing hereof in accordance with Schedule 5 then this sub-clause (3) shall not apply.
- (4) In respect of each payment of the purchase price or any part thereof required to be made hereunder, the Purchaser shall deliver to the Vendor's solicitors on the date on which such payment is required to be made hereunder a cashier order issued or a cheque certified good for payment by a licensed bank in the Hong Kong Special Administrative Region in favour of the Vendor's solicitors for the relevant amount.
- (5) Subject to sub-clause (3) but without prejudice to any other remedy hereunder, the Vendor shall be entitled to demand and receive payment of interest on the amount of any part of the purchase price not paid on its due date at the rate of 2% per annum above the prime rate specified by The Hongkong and

Shanghai Banking Corporation Limited from time to time calculated from the date on which the same ought to have been paid by the Purchaser to the date of actual payment.

Completion of Building/Development, extension of time, rescission, Certificate of Compliance

4. (1) The Vendor shall : -
- (a) continue the construction of the Development with all due expedition;
  - (b) comply with the requirements of the Building Authority and of any other relevant Government authority relating to the Development; and
  - (c) complete \*[Phase [ ] of] the Development in all respects in compliance with the conditions of the Government Grant \*[in so far as they relate to Phase [ ] of the Development], the building plans and this Agreement, incorporating the fittings and finishes as set out in Schedule 6 into the Property, on or before the #[ ] day of [ ] subject to such extensions of time as may be granted by the Authorized Person in accordance with sub-clause (5)(a).

\*[For phased development only except if the application is for the final phase of the Development]

#Insert AP's estimated date of compliance

[(2) The Vendor shall complete the Development in all respects in accordance with the building plans by the expiry date of the Building Covenant Period. If at any time it appears likely in the opinion of the Authorized Person that the Development will not be completed by the expiry date of the Building Covenant Period, the Vendor shall promptly apply for and obtain such extension of time for completing the Development as shall be required and shall pay any premium to the Government for such extension. The Vendor shall notify the Purchaser of such application and the terms of extension granted within 30 days of each event.

(3) If the Vendor fails to apply for and obtain any necessary extension of time for completing the Development under sub-clause (2) and fails to complete the Development by the expiry date of the Building Covenant Period, the Purchaser shall be entitled, \*[unless the completion of the sale and purchase herein has taken place], in addition to any other remedy that he may have, to give the Vendor notice in writing in that behalf to rescind this Agreement and upon service of such notice, this Agreement shall be rescinded within 7 days thereafter and the Vendor shall repay to the Purchaser all amounts paid by the Purchaser hereunder together with interest thereon at the rate of 2% per annum above the prime rate specified by the Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates on which such amounts were paid to the date of repayment, the repayment of such amounts and interest

\*This phrase is to be inserted in phased development only

to be in full and final settlement of all claims by the Purchaser against the Vendor hereunder.]

- (4) (a) Subject to sub-clause (4)(b), if the Vendor fails to complete \*Phase[ ] of the Development/ the Development by the date specified in sub-clause (1)(c) as extended by any extensions of time granted by the Authorized Person under sub-clause (5)(a), the Purchaser shall be at liberty by notice in writing to the Vendor to rescind this Agreement and upon service of such notice, this Agreement shall be rescinded within 7 days thereafter and the Vendor shall repay to the Purchaser all amounts paid by the Purchaser hereunder together with interest thereon at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates on which such amounts were paid up to the date of repayment, the repayment of such amounts and interest to be in full and final settlement of all claims by the Purchaser against the Vendor hereunder.
- (b) If the Purchaser does not rescind this Agreement under sub-clause (4)(a) within 28 days from the date specified in sub-clause (1)(c) or any extended date, he shall be deemed, without prejudice to his rights under sub-clause (4)(c) hereof, to have elected to wait for completion of [Phase [ ] of] the Development. In such event the Vendor shall pay to the Purchaser interest at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time on all amounts paid under this Agreement from the date following the date or extended date specified in sub-clause (1)(c) or any extended date up to the date of completion of \*Phase[ ] of the Development/the Development. Such interest shall be paid or allowed as a credit to the Purchaser in respect of the purchase price on completion of the sale and purchase.
- (c) If \*Phase[ ] of the Development/the Development is not completed in accordance with the building plans and the other provisions of this Agreement within a period of 6 months from the date specified in sub-clause (1)(c) or any extended date under sub-clause (5)(a), the Purchaser shall be at liberty either to rescind this Agreement in which event the provisions of sub-clause (4)(a) relating to repayment and interest shall apply or to await the completion of Phase[ ] of the Development/the Development in which event the provisions of this sub-clause (4)(b) relating to the payment of interest shall apply.

- (5) (a) The Vendor shall be entitled to such extensions of time for completion of \*Phase[ ] of the Development/the Development beyond the date stated in sub-clause (1)(c) as shall be granted by the Authorized Person and appear to him to be reasonable having regard to delays caused exclusively by any one or more of the following reasons:

-

- (i) Strike or lock-out of workmen;
  - (ii) Riots or civil commotion;
  - (iii) Force majeure or Act of God;
  - (iv) Fire or other accident beyond the Vendor's control;
  - (v) War; or
  - (vi) Inclement weather and for the purpose of this Agreement inclement weather means rainfall in excess of 20 millimetres in a twenty-four hour period (mid-night to mid-night) as recorded at the Hong Kong Observatory, a Rainstorm Black Warning is issued or the hoisting of Typhoon Signal No. 8 or above at any time between the hours of 8:00 a.m. and 5:00 p.m.
- (b) The Vendor shall notify the Purchaser in writing within 14 days from the issue of any such extensions of time granted by the Authorized Person and furnish the Purchaser with a copy of the relevant certificate of extension.
- (6) The Vendor shall apply in writing for a Certificate of Compliance or the consent of the Director of Lands to assign in respect of \*Phase[ ] of the Development/the Development within 14 days of his having completed \*Phase[ ] of the Development/the Development as stipulated in sub-clause (1)(c) above.
- (7) For the purpose of this Clause the issue of a Certificate of Compliance or consent to assign by the Director of Lands shall be conclusive evidence that \*Phase[ ] of the Development/the Development has been completed or is deemed to be completed as the case may be and nothing in this sub-clause shall preclude the Vendor from proving that it has complied with sub-clause (1)(c) above by any other means.

#### Completion

5. (1) The Vendor shall notify the Purchaser in writing that he is in a position validly to assign the Property within one month of the issue of the Certificate of Compliance or the consent of the Director of Lands to assign, whichever shall first happen.
- (2) The sale and purchase shall be completed at the offices of Messrs. [ ] during office hours within 14 days of the date of the notification to the Purchaser that the Vendor is in a position validly to assign the Property to the Purchaser.

- (3) Where the Purchaser under this Agreement is not the assignee personally executing the Assignment of the Property from the Vendor, the Purchaser is hereby required to disclose such information as will enable the Vendor to set out at length in the Assignment full details (including identity card numbers and full addresses) of all confirmors, nominees, sub-purchasers or other intermediate parties who had purchased or sold the Property or any interest therein by any means whatsoever and the full monetary price or other consideration and including any commissions, reservation or agents fees or any other amount which any of the parties knows has been paid or given to any person in connection with any intermediate transaction in addition to the consideration payable to the Vendor for the assignment under this Agreement, and in the event of the failure of the Purchaser and any other intermediate party failing to provide the required information to the satisfaction of the Vendor, the Vendor may notwithstanding anything to the contrary contained in Clause 6 hereof refuse to complete the assignment in favour of any assignee other than the Purchaser under this Agreement without incurring any liability for damages or otherwise to the Purchaser or any of the intermediate parties, whether disclosed or not.

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|----------------------|--|
| Possession           | 6. Subject to Clause 5 above, on completion of the sale and purchase, the Vendor and all other necessary parties (if any) will execute a proper assurance of the Property to the Purchaser or the Purchaser's nominee or sub-purchaser free from incumbrances but subject to the Government Grant and the Deed of Mutual Covenant. Subject as hereinafter mentioned, the Purchaser or the Purchaser's nominee or sub-purchaser shall on completion of the sale and purchase be entitled to vacant possession of the Property, all outgoings including Government rent, rates and management fees up to and including the completion date being paid by the Vendor.   |
| Risk                 | 7. The Property shall as between the Vendor and the Purchaser remain at the Vendor's risk until the date fixed for completion of the sale and purchase in Clause 5.  |
| Requisition on title | 8. If the Purchaser shall make and insist on any objection or requisition in respect of the title or otherwise which the Vendor shall be unable or (on the ground of difficulty, delay or expense or on any other reasonable ground) unwilling to remove or comply with, the Vendor shall, notwithstanding any previous negotiation or litigation, be at liberty to cancel the sale on giving to the Purchaser or his Solicitors at least 14 days' notice in writing to that effect, in which case unless the objection or requisition shall have been in the meantime withdrawn, the sale shall on the expiry of the notice be cancelled and the Purchaser shall be entitled to a return of the deposit and other sums of money already paid but without interest, costs or compensation. |

- Government Grant 9. (1) The Property is sold subject to and with the benefit of the Government Grant, for the term of years created thereby and with any right of renewal thereby granted and subject to all easements (if any) subsisting therein.
- (2) No error, mis-statement or mis-description shall cancel the sale nor shall any compensation be allowed in respect thereof save as otherwise provided in this Agreement and except where such error, mis-statement or mis-description relates to a matter materially and adversely affecting the value or user of the Property.
- Warranties 10. The Vendor hereby warrants : -
- (a) that consent in writing for the Vendor to enter into this Agreement has been obtained under the Government Grant;
- (b) that at the date hereof (i) the building plans have been duly approved, (ii) the Authorized Person has duly certified that the foundations of the Building/Development have been completed, (iii) the consent of the Building Authority has been given under the Buildings Ordinance to commence building works on the superstructure of the Building/Development and (iv) to the best of the Vendor's knowledge no impediment exists which would prohibit or impede the completion of construction of \*Phase[ ] of the Development/the Development within the time specified in Clause 4(1)(c);
- A schedule of fittings and finishes conforming with para. 11.3.1(a) of the Annex to this LACO CM must be included in this Agreement
- (c) that the fittings and finishes specified in Schedule 6 shall, on or before completion of the construction of\*Phase[ ] of the Development/the Development, be incorporated into the Property Provided Always that if the Vendor is prevented by force majeure or other reason beyond his control from obtaining such fittings and finishes, other fittings and finishes certified by the Authorized Person to be of comparable quality may be substituted;
- (d) that subject to Clause 20 the Property will on completion of the construction of \*Phase[ ] of the Development/the Development be as shown on the plan attached hereto and the measurements of the Property will be the Measurements;
- (e) that on completion of the Development the Vendor shall provide the communal \*[and recreational] facilities set out in Schedule 7.
- \*Delete if inapplicable
- Rights of Purchaser 11. (1) The Purchaser shall at any time before completion of the sale and purchase be at liberty to : -
- (a) subject to sub-clause (2) hereof, sub-sell the Property or transfer the benefit of this Agreement without any interference or charges by the Vendor or anyone claiming under or through the Vendor;

- (b) charge or mortgage the Property for the purchase money thereof Provided Always that notice in writing of any such charge or mortgage is given to the Vendor or his solicitors;
  - (c) instruct any firm of solicitors of his choice to act for him in this Agreement and the subsequent Assignment to the Purchaser and in the event that the Purchaser instructs solicitors other than the Vendor's solicitors to act for him, each party shall pay its own solicitors' costs of and incidental to this Agreement and the subsequent Assignment to the Purchaser (including all legal costs of and incidental to the preparation, completion, stamping and registration of this Agreement and the subsequent Assignment).
- (2) The Purchaser hereby covenants with the Vendor that in the event that the Purchaser sub-sells the Property or transfers the benefit of this Agreement in any manner whatsoever and whether by written or unwritten agreement before the completion hereof, the Purchaser will procure from the sub-purchaser, donee, nominee, beneficiary, attorney or other transferee whomsoever a covenant in the sub-sale Agreement for Sale and Purchase or impose a binding obligation in such other agreement to the effect that such sub-purchaser or other transferee whomsoever shall (i) disclose, by setting out at length in the sub-sale Agreement for Sale and Purchase or other agreement whatsoever, full details (including identity card numbers and full addresses) of all confirmors, nominees and other intermediate parties who had purchased or sold the Property or any interest therein by any means whatsoever and the full monetary price or other consideration including any commission, reservation or agents fee or any other amount which any of the parties knows has been paid or given over to any person in addition to the consideration payable to the Vendor for the assignment and (ii) will procure from any subsequent sub-purchaser or other transferee a covenant, in the subsequent sub-sale Agreement for Sale and Purchase or impose a binding obligation in any other agreement, having similar effect as this Clause 11(2).
- Cancellation of Agreement
- (3) In the event of the Purchaser requesting and the Vendor agreeing to execute a Cancellation Agreement or any other means which has the effect of cancelling this Agreement or the obligations of the Purchaser hereunder, the Vendor shall be entitled to retain the sum of 5% of the total purchase price of the Property as consideration for his agreeing to cancel this Agreement and not as a penalty and the Purchaser will in addition pay or reimburse, as the case may be, to the Vendor all legal costs, charges, disbursements (including stamp duty, if any) in connection with the cancellation of this Agreement.

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|--|---|
| Good title   | <p>12. (1) The Vendor shall at his own expense show a good title to the Property and produce to the Purchaser for his perusal such certified or other copies of any deeds or documents of title, wills and matters of public record as may be necessary to complete such title. The costs of verifying the title, including search fees, shall be borne by the Purchaser who shall also, if he requires certified copies of any documents in the Vendor's possession relating to other property retained by the Vendor as well as to the Property, pay the cost of such certified copies.</p> <p>(2) The Purchaser shall raise no objection if the Vendor's interest in the Property is an equitable interest and not a legal estate.</p>   |
| Documents of title   | <p>13. Such of the documents of title as relate exclusively to the Property will be delivered to the Purchaser. All other documents of title in the possession of the Vendor will be retained by him and he will, if required, give to the Purchaser a covenant for the safe custody, production and delivery of copies thereof at the expense of the Purchaser.</p>  |
| Costs and disbursements of Agreement<br><br>*Delete as appropriate | <p>14. (1) Subject to the provisions of Clause 11(1)(c), all legal costs of and incidental to the preparation, completion, stamping and registration of this Agreement and the subsequent Assignment to the Purchaser shall be borne and paid by the *Purchaser/Vendor.</p>   |
| Stamp duty etc.  | <p>(2) All stamp duty and registration fees payable on this Agreement (if any) and the subsequent Assignment shall be borne and paid by the Purchaser.</p> <p>(3) The professional fees for the plan to be annexed to the Assignment shall be borne and paid by the Purchaser.</p>  |
| Time of the essence  | <p>15. Time shall in every respect be of the essence of this Agreement.</p>   |
| Default of Purchaser   | <p>16. (1) Should the Purchaser fail to observe or comply with any of the terms and conditions herein contained or to make the payments in accordance with Schedule 5 or any interest payable hereunder within 7 days of the due date, the Vendor may (subject to Clause 3(3)) give to the Purchaser notice in writing calling upon the Purchaser to make good his default. In the event of the Purchaser failing within 21 days from the date of service of such notice fully to make good his default, the Vendor may by a further notice in writing forthwith determine this Agreement.</p> <p>(2) Upon the determination of this Agreement pursuant to sub-clause (1) :-</p> <p>(a) the sum paid by the Purchaser under item (i) of Schedule 5 by way only of deposit shall be forfeited to the Vendor; and</p> |



- (b) where the Purchaser has entered into possession of the Property, the Vendor shall become entitled to re-enter upon the Property and repossess the same free from any right or interest of the Purchaser therein and to receive from the Purchaser as occupation fee a sum equal to interest at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time on the unpaid balance of the purchase price for the period during which the Purchaser was in occupation.
- (3) Upon determination of this Agreement under sub-clause (1) the Vendor may resell the Property either by public auction or private contract subject to such stipulations as the Vendor may think fit and any increase in price on a resale shall belong to the Vendor. On a resale, any deficiency in price shall be made good and all expenses attending such resale shall be borne by the Purchaser and such deficiency and expenses shall be recoverable by the Vendor as and for liquidated damages Provided That the Purchaser shall not be called upon to bear such deficiency or expenses unless the Property is resold within 6 months of the determination of this Agreement.

- |                         |   |
|-------------------------|---|
| Default of Vendor       | 17. In the event of the Vendor failing to complete the sale in accordance with the terms and conditions hereof, it shall not be necessary for the Purchaser to tender an Assignment to the Vendor for execution before taking proceedings to enforce specific performance of this Agreement.  |
| Deed of Mutual Covenant | 18. On completion of the sale and purchase, the Purchaser shall EITHER enter into a Deed of Mutual Covenant with the Vendor to define their respective rights and obligations of and in the land and the Development and to make provisions for the management of the Development OR at the Vendor's option accept an Assignment of the Property from the Vendor subject to and with the benefit of the Deed of Mutual Covenant entered into by the Vendor with another purchaser or purchasers in respect of the land and the Development. Such Deed of Mutual Covenant shall follow closely the draft exhibited to the Statutory Declaration subject however to such modifications as are necessitated by changes in the building plans, any adjustment of the undivided shares, a change in the management company and the like. The provisions of the Deed of Mutual Covenant shall not conflict with the Guidelines set out in Legal Advisory and Conveyancing Office Circular Memorandum No. 56 as amended from time to time unless otherwise permitted by the Director of Lands. |
| Costs of DMC            | 19. The Purchaser shall pay to Messrs. [ ] the costs of and incidental to the Deed of Mutual Covenant in accordance with the scale of costs prescribed in the Solicitors (General) Costs Rules which include the costs for the provision of a certified copy of such Deed of Mutual Covenant to the Purchaser.  |

Alteration of building 20. (1) plans

Notwithstanding anything hereinbefore contained, the Vendor hereby reserves the right to alter the building plans whenever the Vendor considers necessary Provided That the Vendor shall notify the Purchaser in writing of such alteration if the same affects in any way the Property as soon as the same has been approved by the Building Authority. If as a result of such alteration, the measurements of the Property or any part thereof according to such amended plans shall differ from the Measurements, then the purchase price shall be adjusted in proportion to the variation of the measurements of the parts of the Property affected Provided That if the increase or reduction in the measurements of the Property or any part thereof shall exceed 5% of the Measurements, then the Purchaser shall be at liberty to rescind this Agreement in which event all moneys paid by him hereunder shall be returned to him with interest thereon at the rate of 2% per annum above the prime rate specified by The Hongkong and Shanghai Banking Corporation Limited from time to time from the date or dates of payment to the date of repayment. The Purchaser shall exercise his right of rescission by notice in writing to the Vendor within 30 days of the Purchaser being notified in writing by the Vendor of the approval of such amended plans by the Building Authority, and if no such notice is received by the Vendor within such time, the Purchaser shall be deemed to have accepted such plans.

(2) Any dispute as to -

- (a) the extent of any variation in the Measurements under sub-clause (1), or
- (b) the extent of any adjustment of the purchase price as a result thereof, or
- (c) whether the proviso to Clause 10(c) has been complied with and, if it has not, as to the extent of the damages which should be paid

shall first be referred to the Authorized Person for a decision thereon.

(3) If either party is dissatisfied with the decision of the Authorized Person, such party shall within 14 days of the decision being communicated to him give to the other party notice of his intention to refer the matter to another authorised person as defined in Section 2(1) of the Buildings Ordinance acting as an expert. Should the parties fail to agree on such other authorised person to be appointed within 30 days after the giving of such notice either party shall be entitled to apply to the President of The Hong Kong Institute of Surveyors for the appointment of a member of the Institute whose decision

shall be final and binding on both parties. If neither party refers the decision within the time aforesaid, the decision of the Authorized Person shall be final and binding on the parties hereto. The costs of the Authorized Person shall be paid as directed by him in his award.

- |                                       |  |
|---------------------------------------|--|
| Adjustment of undivided shares        | <p>21. The Vendor hereby expressly reserves the right to adjust the number of undivided shares into which the land and the Development shall be notionally divided and the fraction which each share bears to the whole Provided That such adjustment shall not -</p> <p>(a) alter the total number of undivided shares by more than 3% without the prior consent in writing of the Director of Lands, or</p> <p>(b) affect the Purchaser's sole and exclusive right and privilege to hold, use, occupy and enjoy the Property.</p>          |
| Utility deposits                      | <p>22. Before being entitled to possession of the Property the Purchaser shall : -</p> <p>(a) reimburse the Vendor a due proportion of any deposits paid by the Vendor for the supply of water electricity and gas (if any) to the common parts of the Development; and</p> <p>(b) pay to the Vendor or the manager of the Development all the deposits and advance payments payable under the Deed of Mutual Covenant and the deposit for the removal of debris left by the Purchaser his agents or contractors.</p>                        |
| Alteration of standard terms          | <p>23. The terms of this Agreement shall not in any way be altered or varied without the prior written consent of the Director of Lands.</p>   |
| Registration                          | <p>24. This Agreement shall be registered at the Land Registry within 1 month from the *[        ] day of [    ] 20[    ] being the date of the preliminary agreement referred to at Schedule 8 item (g) of this Agreement.</p>  |
| *Insert date of preliminary agreement |  |
| No [further] mortgage by Vendor       | <p>25. The Vendor shall not after the execution of this Agreement enter into any [further] mortgage or charge of the Property or any other part of the land or the Development without obtaining the prior written consent of the Director of Lands but nothing herein shall prevent the Vendor from charging the unpaid proceeds of sale under this Agreement (subject however to Clause 26) to further finance the Construction Cost and Professional Fees so long as notice of any such mortgage or charge is given to the Purchaser.</p> |
| Release of purchase price             | <p>26. (1) Subject as hereinafter provided, any part of the purchase price paid by the Purchaser to Messrs. [        ] shall be held by them as stakeholders pending completion of the sale and purchase and shall be applied and released in the following manner only -</p>  |

- (a) first, towards payment of the Construction Cost and Professional Fees to the Vendor from time to time in such amount or amounts as shall be certified by the Authorized Person as having been expended or having become payable on the construction of the Development;
- (b) second, towards payment of funds drawn under the Building Mortgage (if any) for payment of the Construction Cost and Professional Fees and interest thereon;
- (c) third, in the event of Messrs. [ ] at any time holding as stakeholders a sufficient sum to cover the entire outstanding balance of Construction Cost and Professional Fees as certified by the Authorized Person from time to time and other sums referred to in sub-clause (1)(b), towards payment of any other moneys secured by the Building Mortgage;

and

- (d) fourth, in the event of Messrs. [ ] at any time holding as stakeholders a sufficient sum to cover the total of the sums referred to in sub-clause (1)(c), then Messrs. [ ] may release the excess amount to the Vendor.

Provided Always that : -

- (i) in respect of any payment under sub-clause (1)(a) Messrs. [ ] shall not at any time release to the Vendor any sum in excess of the amount certified by the Authorized Person as having been paid and/or become payable towards the Construction Cost and Professional Fees at that time less the amount which the Vendor has drawn under the Building Mortgage for payment of Construction Cost and Professional Fees; and
  - (ii) the Vendor shall not in any circumstances draw under the Building Mortgage any part of the Construction Cost and Professional Fees already paid under sub-clause (1)(a);
- (2) All moneys received by Messrs. [ ] as stakeholders hereunder shall be placed in a client account bearing interest and subject to clearance (if the payment is made by cheque) the Vendor shall be entitled to all interest (if any) earned on such account.

Notices	27. Any notice required to be given hereunder shall be deemed to have been validly given if addressed to the party to whom the notice is given and sent by ordinary prepaid post to the address of such party herein stated or to his last known address if a notification of change of address has previously been given to the other party or his solicitors and shall be deemed to have been served on the second business day after the date of posting.
Defects	<p>28. (1) The Vendor shall at its own cost and as soon as reasonably practicable after receipt of a written notice served by the Purchaser within 6 months of the date of completion of the sale and purchase under Clause 5 remedy any defects to the Property, or the fittings or finishes specified in Schedule 6, caused otherwise than by the act or neglect of the Purchaser. The provisions of this sub-clause are without prejudice to any other rights or remedies the Purchaser may have at common law or otherwise.</p> <p>(2) The Vendor undertakes with the Purchaser to use his best endeavours to enforce all defects and maintenance obligations under all contracts relating to the construction of the Development in so far as such defects relate to or affect the Property or the common parts and facilities of the Development.</p> <p>(3) In the event of the winding-up (whether voluntary or otherwise) or dissolution of the Vendor the benefit and rights of and in all warranties and guarantees under all contracts relating to the construction of the Development shall be assigned by the Vendor to the Owners' Corporation incorporated under the Building Management Ordinance or if no such corporation exists to the manager of the Development for the time being to be held in trust for the Purchaser and all other purchasers of units in the Development.</p>
Provisions to survive Assignment	<p>29. [The provisions of Clauses 10, 13 and 28 shall survive completion of the sale and purchase by the Assignment.]/</p> <p>[The Purchaser hereby expressly acknowledges and agrees that the Vendor may apply to and negotiate with the Government for a modification of the Government Grant to (here <b>insert</b> brief description of the modification) pursuant to his right excepted and reserved under Clause 2(2) and may take personally (to the exclusion of the Purchaser and any persons deriving or acquiring title or interest in the Property under the Purchaser) any benefit arising out of or incidental to the modification entered into and that the modification of the Government Grant shall not give to the Purchaser, or any persons deriving or acquiring title or interest in the Property under the Purchaser, any right of objection or action against the Vendor or the Government.</p>
Provisions to survive Assignment	30. The provisions of Clause 10, 13, 28 and 29 shall survive completion of the sale and purchase by the Assignment.]

Public holiday etc.	31. If the day on which completion of the sale and purchase is to take place as hereinbefore provided shall fall on a public holiday or on a day on which Typhoon Signal No. 8 or above is hoisted or Rainstorm Black Warning is issued at any time between the hours of 9:00 a.m. and 5:00 p.m., completion of the sale and purchase shall be automatically postponed to the immediately following day which is not a public holiday and on which no Typhoon Signal No. 8 or above is hoisted or Rainstorm Black Warning is issued at any time between the hours of 9:00 a.m. and 5:00 p.m.
*[Financier] *Delete if inapplicable	*[32 The Financier hereby covenants with the Purchaser that the Financier will not call back the whole or any part of the loan which has been advanced or will be advanced to the Vendor until the Development has been completed and that the Financier will, if necessary, provide all further finance to enable the Vendor to complete construction of the Development.]
Marginal notes	33. The marginal notes to this Agreement shall not be deemed to be part hereof and shall not affect the interpretation or construction of this Agreement.
Certification of value (Delete if the value exceeds the amount specified in Head 1(1A) of the 1 <sup>st</sup> Schedule to Cap 117)	34. It is hereby certified that the transaction hereby effected does not form part of a larger transaction or a series of transactions in respect of which the amount or value or the aggregate amount or value of the consideration exceeds HK\$
Stamp Duty Ordinance	35. For the purpose of section 29B(1) and (5) of the Stamp Duty Ordinance, the matters required to be specified are as set out in Schedule 8 hereto.

## SCHEDULE 1

(a) Vendor :

(b) Purchaser : [Insert name, title, identification document (if any) and address of the party/parties signing the Agreement] and which for the purposes of this Agreement shall include their executors and administrators.

\*(c) Financier :

\*Delete if inapplicable

## SCHEDULE 2

(a) Government Lease/Conditions of Sale/\*Grant/Exchange No. /New Grant  
No. .\*as varied or modified by Modification Letter dated [ ] and registered in the Land  
Registry by Memorial No.

(b) Parties :

(c) Date :

(d) Term : years from expiring on

(e) User :

(f) Lot Number :

\*delete if inapplicable



### SCHEDULE 3

#### Property

ALL THAT the estate right title benefit and interest of and in ALL THOSE equal undivided parts or shares of and in the land which for the purposes of identification is shown on the Site Plan attached hereto and thereon coloured \* and of and in the Development now under construction thereon and intended to be known as \* TOGETHER with the exclusive right and privilege to hold use occupy and enjoy ALL THOSE premises known as FLAT on the FLOOR of TOWER [and Carparking Space No. ] of the Development (as shown and designated \* on the Floor Plan(s) [and Car Park Plan] hereto attached and thereon coloured \* ).

\* insert as appropriate

## SCHEDULE 4

### Measurements of the Property

#### A Saleable Area:

Approximately [ ] square metres \*of which approximately [ ] square metres belong to the balcony \*and [ ] square metres belong to the utility platform \*and [ ] square metres belong to the verandah

#### B Other Areas:

*Approximately	square metres for the bay window
*Approximately	square metres for the [flat] roof
*Approximately	square metres for the garden
*Approximately	square metres for the cockloft
*Approximately	square metres for the yard
*Approximately	square metres for the terrace
*Approximately	square metres for the car parking space
*Approximately	square metres for the air-conditioning plant room

#### C Air-conditioning platform:

*Approximately	square metres
----------------	---------------

\*delete if inapplicable

#### SCHEDULE 5

The purchase price mentioned in Clause 3 (1) shall be HK\$[ ], payable by the Purchaser to Messrs. [ ] as follows: -

- (i) the amount of \$[ ] has been paid as deposit on signing the agreement preliminary to this Agreement;

SCHEDULE 6

Fittings and Finishes

SCHEDULE 7

Communal (and Recreational) Facilities

## SCHEDULE 8

Matters required to be specified under Section 29B(5) of the Stamp Duty Ordinance :

- (a) (1) Name of the Vendor -  
Address/Registered  
Office of the Vendor -
- (2) Name of the Purchaser -  
Address/Registered  
Office of the Purchaser -
- (b) (1) Identification Number  
of the Vendor -
- (2) Identification Number  
of the Purchaser -
- (c) (1) Business Registration  
Number of the Vendor -
- (2) Business Registration  
Number of the Purchaser -
- (d) Description and location  
of the Property -
- (e) The Property is a residential property within the meaning of Section 29A(1) of the Stamp Duty Ordinance.
- (f) Date of this Agreement -
- (g) This Agreement was preceded by [insert the name of the provisional agreement, e.g. Instruction on Sale] on the same terms made between [insert the names of the parties] on the [ ] day of [ ] 20[ ].
- (h) There is no agreed date for the conveyance on sale or assignment of the Property [or as the case may be].
- (i) There is an agreed consideration for the conveyance on sale or assignment that is to, or may, take place pursuant to this Agreement and the amount of the consideration is \$[ ].
- (j) There is no other consideration which the parties signing this Agreement know has been paid or given, or has been agreed to be paid or given, to any person for or in connection with this Agreement or any conveyance on sale or assignment pursuant to this Agreement (excluding legal expenses) [or as the case may be].

AS WITNESS the hands of the said parties hereto the day and year first above written.

SIGNED by )  
 )  
 )  
on behalf of the Vendor )  
 )  
whose signature is verified )  
 )  
by : - )

Solicitor, Hong Kong.

\*[SEALED with the Common Seal )  
 )  
of the Financier and SIGNED )  
 )  
by )  
 )  
 )  
whose signatures are )  
 )  
verified by : - )]

SIGNED by the Purchaser in )  
 )  
the presence of : - )

Solicitor, Hong Kong.

\*Delete if inapplicable



INTERPRETED to the Purchaser in the [ ] dialect of the Chinese language  
by :-

Clerk to Messrs. [ ]  
Solicitor & C., Hong Kong

RECEIVED the day and year first above written )  
)  
of and from the Purchaser the above mentioned )  
)  
deposit of DOLLARS )\$  
)

---

Messrs. [ ] as stakeholders

Dated

20

---

A G R E E M E N T  
for Sale and Purchase of

---

REGISTERED at the Land Registry by Memorial  
No.[                      ]  
on

for Land Registrar

---

SOLICITORS, & C.,  
HONG KONG

[revised on 10.10.2008]

**Definition of “Saleable Area”:**

the floor area of a unit enclosed by walls (inclusive of the floor area of any balconies, utility platforms and verandahs but exclusive of the Other Areas), which area (including any balcony, utility platform or verandah enclosed by walls) shall be measured from the exterior of the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be) except where such enclosing walls separate two adjoining units, balconies, utility platforms or verandahs (as the case may be), in which case the measurement shall be taken from the middle of those walls, and shall include the internal partitions and columns within such unit, balconies, utility platforms or verandahs (as the case may be); but shall exclude the common parts outside the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be), and for balconies, utility platforms or verandahs, shall exclude the whole thickness of the enclosing walls or boundary which abut onto the unit. Provided That if any of the enclosing walls abut onto a common area, then the whole thickness of the enclosing walls which so abut shall be included. Where a balcony, utility platform or verandah is not enclosed by a solid wall, the floor area of such balcony, utility platform or verandah shall be measured from the external boundary of the said balcony, utility platform or verandah.

**Definition of “Other Areas” :**

the area of any cockloft which shall be measured from the interior of the enclosing walls and shall include the internal partitions and columns within such cockloft;

the area of any bay window which shall be measured from the exterior of the enclosing walls or glass windows of such bay window and from the point where the bay window meets the wall dropping to the floor level of a unit excluding the thickness of such wall;

the area of any carparking space which shall be measured to the centre of its demarcating lines or the interior face of its enclosing walls, as the case may be;

the area of any yard, terrace, garden, flat roof, roof and air-conditioning plant room which shall be measured from the interior of their boundary lines, and where boundary consists of a wall, then it shall be measured from the interior of such wall.

**Information To Be Incorporated In the Sales Brochure**

The sales brochure shall include the following information, which must be accurate at the time of printing the sales brochure :

1. Introduction

General description of development; the identity of the intended manager, if known.

2. Location Plan

Including up-dated information on prominent environmental features in the vicinity, e.g. public park, swimming pool, refuse collection point etc.; intended user of surrounding areas, if known.

3. Layout Plan Drawn to Scale

Including communal facilities (and their completion dates if possible); undeveloped land and its intended use within the boundary of the development; the scale used.

4. Salient Points of Government Lease

Including lot number; lease term; user restrictions on the lot; onerous lease conditions (if any) which would affect purchasers' usual legal rights.

(Sufficient copies of the Government Lease must be deposited in the sales office(s) for inspection by prospective purchasers free of charge.)

5. Detailed Plan of a Typical Floor

Showing all principal external dimensions of the property; external dimensions of individual compartments in each property; the scale used, a note informing prospective purchasers (i) the internal areas of properties on upper floors will generally be slightly larger than lower floors due to the reducing thickness of structural walls on upper floors (ii) if there are special fittings/features affecting the enjoyment of the owner of a property (e.g. exposed pipes) (the location of such special fittings/features should be specified). In case there is any non-typical floor, a separate floor plan should be shown.

(Sufficient copies of the building plans approved by the Building Authority must also be deposited in the sales office(s) for inspection by prospective purchasers free of charge.)

6. Definitions of “Saleable Area” and “Other Areas” and Measurements of the Property

Stating the definitions of “Saleable Area” and “Other Areas” (as defined in Appendix A) and setting out the Saleable Area and the Other Areas of each property. The Chinese translation of the term “Saleable Area” shall be “實用面積”.

7. Fittings and Finishes

Refer to Appendix B

8. Anticipated Completion Date of the Building

9. Salient Points of the Deed of Mutual Covenant (DMC)

Including definition of common areas; terms of appointment of Manager; principle/basis of fixing management fee; management fee deposit; a note informing prospective purchasers that a full script of the DMC is available for inspection upon request, free of charge.

(Sufficient copies of the DMC must be deposited in the sales office(s) for inspection by prospective purchasers free of charge.)

10. Carpark

Specify the location, number and the minimum dimensions of the carparks.

11. Miscellaneous Payments upon Delivery of Property

Including debris removal fee, reimbursement to vendor for water/electricity/gas deposit (inform purchasers of the obligation to pay such fees even though the exact amount is unknown).

12. Date of Printing of Sales Brochure

13. Names and Information of Developer, Authorized Persons, Contractors, Solicitors Firms, Mortgagee bank, Financiers, etc

Containing information on the names of the developer, its parent or holding company or companies; the Authorized Person registered with the Building Authority for the development and the professional firm to which the Authorized Person belongs, the main superstructure contractor for the development registered with the Building Authority; the solicitors firms representing the developer in the sale of properties; the mortgagee bank (if any) financing the construction of the development under a building mortgage; the bank which has given an undertaking to provide finance to complete the development (if any) and the financier which had provided loans to finance the development (if any).

Containing information on any personal or financial relationship of the Authorized Person and the partner of the solicitors firm with the developer company, its parent or holding company and the main superstructure contractor.

If there are any subsequent changes to the persons or the relationships disclosed, amendments to the sales brochure should be made immediately and LACO should be informed immediately.

14. Maintenance of Slopes

If the Government Lease requires the owners to maintain at their expense any slopes within and/or outside the lot, a note informing prospective purchasers of such requirement and that under the DMC the Manager is to be given full authority by all the owners to carry out the necessary slope maintenance works in accordance with all guidelines issued from time to time by the appropriate government department and each owner will be obliged to make contributions towards the costs of such works. A plan showing the slopes and any retaining walls or other related structures already constructed or to be constructed within and/or outside the lot should be included in the sales brochure.

15. Preliminary Deposit

Containing a prominent statement that the preliminary deposit tendered by prospective purchasers at the time of registration will be encashed and the proceeds thereof held or refunded by the stakeholders without interest.

16. Preliminary Agreement – Forfeiture of preliminary deposit

Containing a prominent statement that, if any person who signed a Preliminary Agreement for Sale and Purchase does not, for any reason, sign the Agreement for Sale and Purchase (ASP), the amount to be forfeited by the developer must not be more than (i) 5% of the purchase price of the property or (ii) the actual amount of the preliminary deposit, whichever is the lesser.

17. Cancellation Agreement

Containing a prominent statement that in the event of the developer, at the request of the purchaser, agreeing (at his own discretion) to cancel the ASP or the obligations of the purchaser thereunder, the developer will retain the sum of 5% of the total purchase price of the property (and any parking space) in addition to payment by the purchaser of all legal costs, charges or disbursements (including stamp duty, if any) incurred by the vendor in connection with the cancellation of the sale and purchase.

18. Government Rent

Containing a note that the grantee will pay/has paid all outstanding Government rent in respect of the lot from the date of the Government Lease up to and including the date of the respective assignments.

19. Warning to Purchasers

Incorporating the bilingual “Warning to Purchasers” notice in the Approved Forms A1 and A2 contained in Practice Direction 12 of Chapter 24 Section A of The Hong Kong Solicitors’ Guide to Professional Conduct (Volume 2) issued by The Law Society of Hong Kong.

20. Contact Details of The Law Society of Hong Kong

Including the enquiry telephone number and website address of The Law Society of Hong Kong to facilitate prospective purchasers to obtain easy access to the details of solicitors firms available to them.

21. Technical Modification

Where a minor and technical modification of the Government Lease is underway, the

sales brochure shall fully disclose the nature of the technical modification and the specific lease condition(s) to be modified

22. Purchasers' right of access to information

Purchasers shall have a right of access to information on the total construction costs and total professional fees required to complete the development as well as the total construction costs and total professional fees expended and paid as at the end of the preceding calendar month and shall be provided with a written copy of the aforesaid updated information upon requests from purchasers who have signed the ASP subject to the payment of a nominal fee of not more than HK\$100.00 per request.

The sales brochure shall not contain any statement to the effect that the ASP or the DMC or any other aspect of the development is subject to the Lands Department Consent Scheme or has been approved by LACO or the Lands Department.



## **Appendix A**

### **Definition of “Saleable Area”:**

the floor area of a unit enclosed by walls (inclusive of the floor area of any balconies, utility platforms and verandahs but exclusive of the Other Areas), which area (including any balcony, utility platform or verandah enclosed by walls) shall be measured from the exterior of the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be) except where such enclosing walls separate two adjoining units, balconies, utility platforms or verandahs (as the case may be), in which case the measurement shall be taken from the middle of those walls, and shall include the internal partitions and columns within such unit, balconies, utility platforms or verandahs (as the case may be); but shall exclude the common parts outside the enclosing walls of such unit, balconies, utility platforms or verandahs (as the case may be), and for balconies, utility platforms or verandahs, shall exclude the whole thickness of the enclosing walls or boundary which abut onto the unit. Provided That if any of the enclosing walls abut onto a common area, then the whole thickness of the enclosing walls which so abut shall be included. Where a balcony, utility platform or verandah is not enclosed by a solid wall, the floor area of such balcony, utility platform or verandah shall be measured from the external boundary of the said balcony, utility platform or verandah.

### **Definition of “Other Areas” :**

the area of any cockloft which shall be measured from the interior of the enclosing walls and shall include the internal partitions and columns within such cockloft;

the area of any bay window which shall be measured from the exterior of the enclosing walls or glass windows of such bay window and from the point where the bay window meets the wall dropping to the floor level of a unit excluding the thickness of such wall;

the area of any carparking space which shall be measured to the centre of its demarcating lines or the interior face of its enclosing walls, as the case may be;

the area of any yard, terrace, garden, flat roof, roof and air-conditioning plant room which shall be measured from the interior of their boundary lines, and where boundary consists of a wall, then it shall be measured from the interior of such wall.

**A Recommended List Of  
Fittings And Finishes In A Development**

**EXTERIOR**

External Walls

The type of external finishes

Windows

The material of the frames and glass

Bay Windows

The material and windowsill finishes of the bay windows

Planter

The type of finishes of the planters

Verandah/Balcony

The type of finishes and whether the verandah/balcony is covered or not

Drying Facilities for Clothing

The type and material of the drying facilities for clothing

**INTERIOR FINISHES**

Lobbies

The type of wall, floor and ceiling finishes in the lobbies

Internal Walls and Ceilings

The type of bedroom and living/dining room wall and ceiling finishes

Floors

The material of the floor and skirting of the bedrooms and the living/dining rooms

Bathroom

The type of wall, floor, and ceiling finishes and whether the wall finishes run up to the ceiling

### Kitchen

The type of wall, floor, ceiling, and cooking bench finishes and whether the wall finishes run up to the ceiling

## **INTERIOR FITTINGS**

### Doors

The material, finishes and accessories of the doors (especially the entrance door to each individual property)

### Bathroom

The type and material of the fittings and equipment in the bathroom; the water supply system; bathing facilities i.e. shower or bath tub and size of bath tub if applicable

### Kitchen

The material of the sink unit; the water supply system; the material and finishes of the kitchen cabinets; the type of all other fittings and equipment in the kitchen

### Bedroom

The type and material of all the fittings (such as wardrobes) in the bedroom

### Telephone and Aerials

The locations and number of such utilities

### Electricity

Details of the fittings including safety devices, concealed or exposed conduits, the location and number of power points, sockets, air-conditioner points etc.

### Gas/Electricity Supply

The type, system and location of the gas/electricity supply

### Washing Machine Connection Point

The location and design of the washing machine connection point

### Water Supply & Pipes

The material of the water pipes, whether they are concealed or exposed and whether hot water is available etc.

## **SECURITY FACILITIES**

A description of security services including details of all built-in provisions and their locations

## MISCELLANEOUS

### Lifts

The country of origin/brand name of the lifts and whether the lifts serve all floors

### Letter Box

The letter box material

### Refuse Collection

The means of refuse collection, location of refuse room etc.

### Water/Electricity/Gas Meters

The location of the meters and whether there are separate or communal meters of individual apartments

### N.B.

- (1) If the country of origin/brand name is mentioned, the developer should undertake that materials of comparable quality will be used if the intended source becomes unavailable.
- (2) Mock-up properties of accurate size and structural layout should be set up wherever possible.

[Revised on 10.10.2008]