
REGULATORY OVERVIEW

REGULATORY OVERVIEW OF THE HONG KONG PROPERTY INDUSTRY

(i) The land system in Hong Kong

The freehold of all land in Hong Kong (except St. John's Cathedral in Central, which was granted freehold) is owned by the Hong Kong Government. Land is generally leased to private parties by the Hong Kong Government under long-term leases. Such leases are in the form of "government leases" which usually contain a few standard restrictions and carry a nominal annual rent, or in the form of "conditions of grant" which usually contain more restrictions and an annual rent linked to rateable value and under which the lessee will, subject to compliance with the conditions, be entitled to a lease of the land. The lessee of the government lease or conditions of grant is normally referred to as the owner of the leased property.

There are usually various restrictive covenants in the conditions of grant and sometimes in the government leases, including land use restrictions. If a lessee wishes to modify the land use restrictions or remove or modify development restrictions in a government lease or conditions of grant, the lessee must apply to the DOL, and is usually required to pay a premium for the same.

(ii) Government lease terms

The terms of government leases vary according to the prevailing land policies at the time. In the past, government leases have been granted for fixed terms of 75 years, 99 years, 150 years or 999 years with or without right of renewal.

The Sino-British Joint Declaration on the Question of Hong Kong was signed between the PRC government and the British government on 19 December 1984, coming into force on 27 May 1985. Amongst other things, it sets out provisions with regard to the grant of new land, and the extension of non-renewable land leases following the resumption of Chinese sovereignty over Hong Kong from 1 July 1997. It was provided that government leases granted by the Hong Kong Government between 27 May 1985 and 30 June 2047 would carry terms that expired not later than 30 June 2047. These leases were granted at a premium and nominal rent until 30 June 1997, after which date the lessees did not need to pay an additional premium, but were required to pay an annual rent to the Hong Kong Government equivalent to 3% of the rateable value of the property from time to time.

At the time of the Sino-British Joint Declaration on the Question of Hong Kong, many non-renewable leases were in existence in respect of land in the New Territories district of Hong Kong. Pursuant to the New Territories Lease (Extension) Ordinance (Chapter 150 of the Laws of Hong Kong) (the "**New Territories Lease (Extension) Ordinance**"), which was enacted in 1988, all terms of government leases relating to land in the New Territories have been automatically extended to 30 June 2047, without payment of any additional premium, although the lessees are required under the New Territories Lease (Extension) Ordinance to pay an annual rent to the Hong Kong Government at 3% of the rateable value of the land from time to time.

On 1 July 1997, the Basic Law came into force. Amongst other things, it gives effect to the land policies enshrined in the Sino-British Joint Declaration on the Question of Hong Kong. Article 8 of the Basic Law provides that all laws previously in force in Hong Kong prior to 1 July 1997 (including the rules of equity, ordinances, subordinate legislation and customary law) shall be maintained, except for any that contravene the Basic Law, and subject to any amendment by the legislature of Hong Kong. It is further provided under Article 120 of the Basic Law that all leases granted, decided upon or renewed before the establishment of Hong Kong as a special administrative region of the PRC which extend beyond 30 June 1997, and all rights in relation to such leases, shall continue to be recognised and protected under the laws of Hong Kong and the policies formulated by the Hong Kong Government. In respect of leases of land without a right of renewal which expire after the establishment of Hong Kong as a special administrative region of the PRC, Article 123 of the Basic Law provides that such lease shall be dealt with in accordance with the laws and policies formulated by the Hong Kong Government on its own.

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(iii) The disposal of land by the Hong Kong Government

Government land in Hong Kong is normally disposed of by way of public auction or tender under which the Hong Kong Government sells the land to the highest bidder or tenderer for a premium.

Since 1999, sites for government land have been made available by the Hong Kong Government through an application system. Under this system, the Hong Kong Government publishes lists of sites available for sale upon application, and sites on such lists are only put up for public sale if there is an offer to buy the sites at a premium acceptable to the Hong Kong Government. Following the making of such offer, the applicant may sign an agreement with the Hong Kong Government and pay a deposit equivalent to the lesser of 5% of the minimum price he is prepared to pay for the site and HK\$25 million. An applicant whose minimum bid for a site is acceptable to the Hong Kong Government must still compete with others in an open auction or tender for the site.

On 28 February 2013, the Hong Kong Government announced that the application system for initiating the sale of Hong Kong government land will be abolished in respect of the Hong Kong Government's 2013–2014 Land Sale Programme, beginning in April 2013. During the course of the 2013–2014 Land Sale Programme, land sales will be conducted through regular tenders organised into quarterly schedules, allowing the Hong Kong Government to initiate sales of sites and control land supply by reference to market demand.

(iv) Deeds of mutual covenant and multi-story buildings

The Hong Kong Government does not issue a separate government lease for each unit in a multi-storey building. Generally, a document known as a “deed of mutual covenant” notionally divides the building and land granted under the government lease or conditions of grant into a number of equal undivided shares. The owners of units in a multi-storey building own collectively both the land, by way of leasehold, and the building upon it. Together, the land and building are held by the co-owners as tenants in common in proportion of these undivided shares which usually bear some relationship to the size of the individual units held by the various owners within the building.

Deeds of mutual covenant contain co-owners' agreements as to the manner of regulating their co-ownership of the land and the building and the effective maintenance and management of the building. Some deeds of mutual covenant may also provide for management shares to be allocated to each unit for the purposes of calculating a co-owner's contribution to management expenses. Under a deed of mutual covenant, each co-owner is allocated a number of shares which entitle that co-owner to the exclusive use and occupation of the co-owner's unit(s) to the exclusion of other co-owners, and giving each co-owner certain rights and obligations in relation to the use, maintenance and repair of the common parts and facilities of the building(s), to which each co-owner is bound to contribute a proportionate share of the associated costs and expenses by reference to the undivided shares or management shares allocated to its unit(s). Most deeds of mutual covenant also require a co-owner to pay management fee deposits and to make contributions to the management funds before taking possession of a unit.

(v) Compulsory acquisition of land

Many old buildings in Hong Kong are held under co-ownership as provided in paragraph (iv) above. Accordingly, to develop an old building, a developer needs to acquire all units in the building from each individual co-owner. Prior to 1999, in the event where one minority co-owner of a building refused to sell its unit to the majority owner and developer, the re-development of the building would be unable to proceed. To address this problem, the Land (Compulsory Sale for Redevelopment) Ordinance (Chapter 545 of the Laws of Hong Kong) (the “**Land (Compulsory Sale for Redevelopment) Ordinance**”) was enacted in 1998, coming into force in 1999, whereby a person who owns (or persons who together own, other than as mortgages) not less than 90% of the undivided shares in a lot may make an application to the Lands Tribunal for an order for the sale of

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the whole building for the purpose of redevelopment. The Land (Compulsory Sale for Redevelopment) Ordinance applies to all types of properties and is not limited to residential properties. If an applicant can prove to the satisfaction of the Lands Tribunal that certain specified requirements have been met, the Lands Tribunal may order the whole lot, including all the units owned by the minority owners, to be sold by way of public auction. Under the Land (Compulsory Sale for Redevelopment) Ordinance, an applicant may apply to the Lands Tribunal for an order for compulsory sale for the whole lot if, amongst other things, the following conditions are satisfied:

- (a) the owner has already acquired not less than 90% of the undivided shares in the lot;
- (b) re-development is justified due to the age or state of repair of the building; and
- (c) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot (including negotiation for the purchase of the shares owned by a minority owner on terms that are fair and reasonable).

The Land (Compulsory Sale for Redevelopment) Ordinance (Specification of Lower Percentage) Notice (Chapter 545A of the Laws of Hong Kong), which came into force on 1 April 2010, has lowered the compulsory sale application threshold to 80% for the following three classes of lots:

- (a) a lot with each of the units on the lot representing more than 10% of all the undivided shares in the lot. In such case, the building must have less than ten units;
- (b) a lot where the building is at least 50 years old; or
- (c) a lot where the building is an industrial building which is at least 30 years old and lies within a non-industrial zone under a draft or approved Outline Zoning Plan prepared under the Town Planning Ordinance (Chapter 131 of the Laws of Hong Kong) (the “**Town Planning Ordinance**”).

An applicant applying for a compulsory sale order under the above three categories must also satisfy the Lands Tribunal that (a) the re-development of the lot is justified due to the age or state of repair of the existing building; and (b) the majority owner has taken reasonable steps to acquire all the undivided shares in the lot.

(vi) Town planning and outline zoning plan

The Town Planning Board, formed under the provisions of the Town Planning Ordinance, is the principal body responsible for statutory town planning in Hong Kong. One type of statutory plan prepared and published by the Town Planning Board is known as the “outline zoning plan”, which shows the land use zones, development parameters and major road systems of an individual planning area. Areas covered by outline zoning plans are, in general, zoned for specified purposes, such as residential, commercial, industrial, green belt, open space, government, institution or community uses. Each outline zoning plan includes as an attachment a “schedule of notes” showing the uses which are always permitted in a particular zone, and other uses for which prior permission must be sought from the Town Planning Board.

(vii) Occupation permit

An occupation permit is a document issued by the Buildings Department under the provisions of the Buildings Ordinance (Chapter 123 of the Laws of Hong Kong) (the “**Buildings Ordinance**”) and stipulates the designated use of the property as at the time of issue, and may be issued in respect of the whole or part of a new building. If any material change is intended to be made to the use of the premises which would contravene the designated user specified in the occupation permit, one month’s notice must be given to the Building Authority of the intended change and the Building

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Authority may prohibit such change of use where, in its opinion, the building is not suitable by reason of its construction for the intended use. The occupation permit confirms that the statutory requirements of the Buildings Ordinance have been complied with, and will also show the permitted use of the building. Under usual practice, the occupation permit must be produced by the vendor to prove title in a property transaction.

Inconsistency with an occupation permit is potentially a title defect for a property which may be subject to requisition by a purchase during the course of a sale and purchase transaction. In the event that such requisition is not answered to the satisfaction of the purchaser, or the purchaser does not otherwise agree to purchase the property subject to such title defect, inconsistency with an occupation permit may entitle such purchaser to refuse completion of a sale and purchase of that property. In the absence of the issuance of a building order by the Building Authority, however, the existence of discrepancies with the terms of an occupation permit does not carry penalty under the relevant building-related statutory provisions.

(viii) The Buildings Department and the Building Authority

Amongst other things, the Buildings Department provides services to owners and occupants of existing premises in the private sector through the enforcement of the Buildings Ordinance. Such services include the reduction of dangers and nuisances created by unauthorised building works and advertisement signboards, improving fire safety measures in buildings and providing advice on the suitability of premises for the issue of licenses for specified commercial uses. Any alteration of premises, including the building of, as well as demolition of, structures carried out without the required permits and consents under the authority of the Buildings Department may be subject to warning notices, and subsequent building orders issued by the Building Authority.

(a) The enforcement policy of the Buildings Department

On 1 April 2011, the Buildings Department issued a revised enforcement policy on the prioritisation of enforcement work of the Buildings Department against unauthorised building works, which came into effect from 1 April 2011. This policy stated, amongst other things, that the Buildings Department will no longer issue warning notices but warning orders to unauthorised structures on rooftops, flat roofs, yards and lanes of buildings, irrespective of their level of risk to public safety or whether they are newly constructed.

Under section 40(1BA) of the Buildings Ordinance, any person who, without reasonable excuse, fails to comply with building orders issued under section 24(1) of the Buildings Ordinance is liable on conviction to a fine of HK\$200,000 and imprisonment for one year, as well as a further fine of HK\$20,000 for each day during which failure to comply with such order has continued.

Under section 40(1B) of the Buildings Ordinance, any person who fails to comply with building orders issued under sections 26(1) or 28(3) of the Buildings Ordinance without reasonable excuse is liable on conviction to a fine of HK\$50,000 and imprisonment for one year, as well as a further fine of HK\$5,000 for each day during which failure to comply with said order has continued. Any prosecution under the Buildings Ordinance may be commenced within 12 months of non-compliance with the relevant building order, or within 12 months of such non-compliance coming into notice of the Building Authority. Further, if any order to remove unauthorised building works is not complied with, the Building Authority may direct a government contractor to carry out relevant works and bill the owner of the property (as at the date of completion of the work) for a supervision charge and all costs incurred.

(b) Mandatory Building Inspection Scheme and Mandatory Window Inspection Scheme

The Mandatory Building Inspection Scheme and the Mandatory Window Inspection Scheme were introduced in June and December 2011, respectively, through the enactment of relevant

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amendments to the Buildings Ordinance through the Buildings (Amendment) Ordinance 2011 and subsidiary legislation, including the Buildings (Inspection and Repair) Regulation (Chapter 123P of the Laws of Hong Kong). The amended Buildings Ordinance empowers the Building Authority to issue statutory notices to owners as necessary requiring them to carry out prescribed inspections and repairs of their buildings and windows every ten years and five years, respectively.

The owners or owners' corporations who do not comply with statutory notices for mandatory building inspection without reasonable excuse may be prosecuted, and are liable upon conviction to a fine of HK\$50,000 and imprisonment for one year, while failure to comply with a statutory notice for mandatory window inspection without any reasonable excuse may lead to the service of a penalty notice for a fixed fine of HK\$1,500. Each year, 2,000 buildings will be selected for both mandatory building and window inspection to be carried out concurrently, while 3,800 buildings will be selected for mandatory window inspection only.

(ix) Government rates in Hong Kong

Government rates in Hong Kong is a form of indirect tax levied on properties by the Hong Kong Government. The revenue collected from government rates forms part of the Hong Kong Government's general revenue. Government rates are charged at a percentage of the rateable value which is the estimated rental value of a property at a designated valuation reference date, assuming that the property was then vacant and to let. For the current financial year of 2013–2014, the percentage charge for government rates is 5%. On 27 February 2013, the Hong Kong Government announced that rates concession will be given to all ratepayers to offset the rates payable for the four quarters from April 2013 to March 2014, subject to a ceiling of HK\$1,500 per quarter for each rateable tenement. For properties liable for rates for part of a quarter, the rates will be adjusted in proportion to that partial period in the corresponding quarter. Any unused portion of the concession in each quarter cannot be used to offset the outstanding rates in any other quarters.

Rateable values are subject to annual review by the Rating and Valuation Department of the Hong Kong Government, and properties in all parts of Hong Kong are liable to be assessed to rates under the Rating Ordinance (Chapter 116 of the Laws of Hong Kong). Both the owner and the occupier of a premises are liable for rates, and in practice, payment of government rates is dependent upon the terms of the agreement between these parties.

(x) Stamp duty in Hong Kong

The Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong) (the “**Stamp Duty Ordinance**”) imposes duty, payable within a specified time frame, on certain types of documents, including agreements for sale and purchase of properties in Hong Kong, conveyances on sale or leases of immovable properties in Hong Kong. All parties executing the relevant documents are liable for arrangement for the stamping of such documents within a prescribed time limit, failing which penalties of up to ten times the amount of stamp duty may become payable to the Hong Kong Government. Non-payment of penalties under the Stamp Duty Ordinance will attract civil liability, and any chargeable instrument which is not duly stamped will generally not be admissible in evidence in civil proceedings.

(a) *Special stamp duty*

In June 2011, the Stamp Duty (Amendment) Ordinance 2011 (Ordinance No. 14 of 2011) was enacted, pursuant to which a special stamp duty is imposed on disposal (which includes a resale or transfer) of residential properties in Hong Kong made within 24 months after its acquisition, on top of *ad valorem* stamp duty. Unless the transaction is exempted from special stamp duty or special stamp duty is not applicable, any residential property acquired on or after 20 November 2010 by either an individual or a company (regardless of the place of incorporation) which is resold within 24 months will be subject to special stamp duty.

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On 26 October 2012, the Financial Secretary of the Hong Kong Government announced that the Stamp Duty Ordinance would be further amended to adjust the rates of special stamp duty and extended the property holding period for all residential properties acquired on or after 27 October 2012 to a period of 36 months. The applicable amended rates of special stamp duty, which are set out in the Stamp Duty (Amendment) Bill 2012 (gazetted on 28 December 2012) are:

- 20% if the property has been held for six months or less;
- 15% if the property has been held for more than six months, but for less than 12 months; and
- 10% if the property has been held for more than 12 months, but for less than 36 months.

(b) *Buyer's stamp duty*

It was further announced by the Financial Secretary of the Hong Kong Government on 26 October 2012 that a buyer's stamp duty on residential properties would be introduced with effect from 27 October 2012. The provisions in respect of this buyer's stamp duty are set out in the Stamp Duty (Amendment) Bill 2012 (gazetted on 28 December 2012), and provide that upon the enactment of this legislation, any residential property acquired by any person (including a company incorporated) except a permanent resident of Hong Kong will be subject to buyer's stamp duty. This buyer's stamp duty is charged at a flat rate of 15% on the full stated consideration or market value (whichever is higher) of all residential properties, on top of the existing stamp duty and special stamp duty, if applicable.

(c) *Ad valorem stamp duty*

On 22 February 2013, the Financial Secretary of the Hong Kong Government announced that the Stamp Duty Ordinance will be amended to adjust the *ad valorem* stamp duty rates and to advance the charging of *ad valorem* stamp duty on non-residential property transactions from conveyance on sale to the agreement for sale. Any residential property (save for residential property acquired by a permanent resident of Hong Kong who does not own any other residential property in Hong Kong at the time of acquisition) and all non-residential property, where the agreement for sale is executed on or after 23 February 2013 will be subject to new rates of *ad valorem* stamp duty upon enactment of the relevant legislation. In line with the existing regime, both the buyer and seller will be jointly and severally liable to pay the new *ad valorem* stamp duty irrespective of any agreement to the contrary between them.

The abovementioned proposals by the Hong Kong Government will have legal effect once the relevant legislation is enacted.

REGULATORY OVERVIEW OF THE HONG KONG HOTEL, RESTAURANT AND CATERING INDUSTRY

(i) Hotel and guesthouse licence

A hotel and guesthouse licence is a document issued by the Hotel and Guesthouse Accommodation Authority of the Home Affairs Department of the Hong Kong Government, which processes applications for new licences of hotels and guesthouses, their renewal as well as their transfer, under the provisions of the Hotel and Guesthouse Accommodation Ordinance (Chapter 349 of the Laws of Hong Kong) (the "HGAO").

According to the HGAO, a "hotel" or a "guesthouse" means any premises whose occupier, proprietor or tenant holds out that, to the extent of his available accommodation, he will provide

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sleeping accommodation for any person presenting himself who appears able and willing to pay a reasonable sum for the services and facilities provided.

All new establishments must apply for a licence from the Hotel and Guesthouse Accommodation Authority before commencing operations unless a certificate of exemption has been issued or if the premise is excluded from the application of the HGAO under the Hotel Guesthouse Accommodation (Exclusion) Order (Chapter 349C of the Laws of Hong Kong) by reason of the sleeping accommodation being exclusively provided on a basis of a minimum period of 28 continuous days.

Validity periods of licences range from 12 to 84 months and are subject to renewal upon their expiration. The holder of a licence should apply for a renewal not less than three months prior to the expiry of the licence. It is the responsibility of the applicant to ensure that his premises do comply with the lease conditions, deed of mutual covenant and other regulations or laws of Hong Kong.

(ii) Restaurant licence

Any person operating a restaurant in Hong Kong is required to obtain a restaurant licence from the Food and Environmental Hygiene Department of the Hong Kong Government (the “**FEHD**”) under the Public Health and Municipal Services Ordinance (Chapter 132 of the Laws of Hong Kong) and the Food Business Regulation (Chapter 132X of the Laws of Hong Kong) (the “**FBR**”) before commencing a restaurant business. It is provided under section 31(1) of the FBR that no person shall carry on or cause, permit or suffer to be carried on any restaurant business except with a restaurant licence.

A general restaurant licence or light refreshment licence will be issued by the FEHD depending on the type of food to be served. A provisional licence valid for a period of 6 months or a lesser period can be issued to licensees pending the issue of a full licence, which are generally valid for a period of 12 months.

(iii) Food factory licence

We are required under the FBR to obtain a food factory licence issued by the FEHD in respect of our food businesses involving the preparation of food for sale off the premises. A provisional licence, which is valid for a period of 6 months or a lesser period would be issued to a new applicant who has fulfilled the basic requirements in accordance with the FBR pending fulfillment of all outstanding requirements for the issue of a full food factory licence.

(iv) Liquor licence

In Hong Kong, a person must obtain a liquor licence from the Liquor Licensing Board under the Dutiable Commodities (Liquor) Regulations (Chapter 109B of the Laws of Hong Kong) (the “**DCR**”) before the commencement of sale of liquor for consumption on the premises.

It is provided under section 17(3B) of the Dutiable Commodities Ordinance (Chapter 109 of the Laws of Hong Kong) that where regulations prohibit the sale or supply of any liquor, no person shall sell, or advertise or expose for sale, or supply or possess for sale or supply liquor except with a liquor licence. Regulation 25A of the DCR prohibits the sale of liquor for consumption on those premises or at a place of public entertainment or a public occasion for consumption at the place or occasion except with a liquor licence. A liquor licence will only be valid if the relevant premises remain licensed as a restaurant. Applications for liquor licences are referred to the Commissioner of Police and the District Officer concerned for comments. In general, a liquor licence is valid for a period of 12 months or lesser period, subject to continuous compliance with the requirements under the relevant legislation and regulations.

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(v) Water pollution control licence

In respect of certain of our operations in Hong Kong, we are required to obtain water pollution control licences from the Environmental Protection Department of the Hong Kong Government prior to any discharge of trade effluents under the Water Pollution Control Ordinance (Chapter 358 of the Laws of Hong Kong) (the “**WPCO**”).

Under sections 8(1) and 8(2) of WPCO, a person who discharges (i) any waste or polluting matter into the waters of Hong Kong in a water control zone; or (ii) any matter into any inland waters in a water control zone which tends (either directly or in combination with other matter which has entered into those waters) to impede the proper flow of the water in a manner leading or likely to lead to a substantial aggravation of pollution commits an offence. The occupier of the premise also commits an offence. Under sections 9(1) and 9(2) of the WPCO, a person who discharges any matter into a communal sewer or communal drain into a water control zone commits an offence and where any such matter is discharged into a communal sewer or communal drain into a water control zone commits an offence. Section 12(1)(b) of the WPCO however, states that a person does not commit an offence under the aforementioned sections should the discharge or deposit in question be made under, and in accordance with, a water pollution control licence.

A licence will be granted with terms and conditions specifying requirements relevant to the discharge, such as the discharge location, provision of wastewater treatment facilities, maximum allowable quantity, effluent standards, self-monitoring requirements and keeping records. Authorised officers may carry out inspections to ensure the compliance of the discharge.

A water pollution control licence is generally valid for five years, subject to continuous compliance with the requirements under the relevant legislation and regulations. A water pollution control licence is renewable.

(vi) Hotel television (transmission) licence

A hotel television (transmission) licence is a document issued by the Communications Authority pursuant to section 6(D)(2)(a) of the Telecommunications Ordinance (Chapter 106 of the Laws of Hong Kong). A person is required to obtain a telecommunications licence to establish or maintain a means of telecommunication. The person who wants to establish or maintain a telecommunications system for the provision of television entertainment and information services within a hotel is required to apply for a hotel television (transmission) licence. Only hotels licensed by the Hotel and Guesthouse Accommodation Authority under the Telecommunications Ordinance will be considered by the Communications Authority.

A hotel television (transmission) licence is usually valid for 12 months and at the discretion of the Communications Authority, may be renewed for a period of 12 months at a time.

(vii) Place of public entertainment licence

In Hong Kong, no person shall keep or use any place of public entertainment without a licence issued by the Licensing Authority pursuant to the Places of Public Entertainment Ordinance (Chapter 172 of the Laws of Hong Kong) whereby the general public is admitted with or without payment. “Entertainment” includes, amongst others, a concert, opera, ballet, stage performance or other musical, dramatic or theatrical entertainment, cinematograph, laser projection display, circus, a lecture or story-telling, an exhibition of any pictures, photographs, books, manuscripts or other documents or things, a sporting exhibition or contest, a bazaar, an amusement ride or any mechanical device (other than such an amusement ride) which is designed for amusement or a dance party.

For a place of public entertainment specially designed as a theatre or cinema, an application is required to be made to the Licensing Authority together with supporting documents such as drawings

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or diagrams showing the installation or any electric, lighting, cooling, ventilation or mechanical apparatus, and such information and specifications as the Buildings Department, Fire Services Department of the Hong Kong Government (the “FSD”) or the Licensing Authority may consider necessary. The applicant shall make public his intention and the purpose for which the premises will be used by exhibiting a notice on the site, or by advertisement in four newspapers (two English and two Chinese) circulated in Hong Kong. A copy of the notice or each of the four newspapers, as the case may be, shall be forwarded to the Licensing Authority.

The Licensing Authority may, upon compliance with the requirements, issue a licence for the use of the premises for such period as may be specified. Such licence may be renewed at the discretion of the Licensing Authority after consultation with the Buildings Department and FSD.

Regulation 162(1) of the Places of Public Entertainment Regulations (Chapter 172A of the Laws of Hong Kong) provides that any person who desires to keep or use any place of public entertainment, which is other than a cinema or theatre, must submit an alternative application form together with supporting documents at least 42 days for a function requiring erection of temporary structure, or 18 days for a function other than a dance party not requiring erection of temporary structure, or seven working days for a dance party not requiring erection of temporary structure before the commencement of the proposed function.

OVERVIEW OF OTHER APPLICABLE LAWS AND REGULATIONS

Standards for electric vehicle charging facilities

As described in “*Business—Environmental Matters*”, our properties at Hopewell Centre, Panda Place and KITEC offer charging facilities and free parking to visitors using electric vehicles as part of our support for the reduction of carbon emissions. The regulation of electric vehicle charging facilities is provided by the Electricity Ordinance (Chapter 406 of the Laws of Hong Kong) and the Electricity (Registration) Regulations (Chapter 406D of the Laws of Hong Kong), which require fixed electrical installations to comply with relevant requirements, and for electrical work on charging facilities to be carried out by registered electrical contractors and registered electrical workers of the appropriate grade. The Electrical and Mechanical Services Department of the Hong Kong Government has also published the “*Technical Guidelines on Charging Facilities for Electrical Vehicles*” in July 2011, prescribing recommendations for regular inspection of charging facilities, installation and maintenance considerations.