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## REGULATIONS

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The relevant laws and regulations applicable to our operations and the business of our Group are set out below:

### HONG KONG LAWS AND REGULATIONS

#### Electricity Ordinance and Electrical Products (Safety) Regulation

No person shall supply an electrical product in Hong Kong for which no certificate of safety compliance has been issued as required by regulations respecting electrical product safety or the product does not comply with the applicable safety requirements or that is prohibited under the Electricity Ordinance.

For all electrical products, to ensure they will be used safely in applications for which it is made, it is required that the following requirements shall be printed on the product in English, Chinese or international standard symbols, or if it is not possible, on an accompanying notice, the recognition and observance of which will ensure that an electrical product will be used safely in application for which it is made:

- (a) rated voltage and frequency;
- (b) rated input in terms of watts, kilowatts, amperes or milliamperes;
- (c) model or type reference number; and
- (d) manufacturer's name or trade mark.

Moreover, all electrical products, together with their component parts, shall be made in such a way as to ensure that it can be safely and properly assembled and connected.

Under the Electrical Products (Safety) Regulation, electrical products supplied in Hong Kong are classified into "prescribed products" and "non-prescribed products". Prescribed products include certain types of plugs, adaptors, lampholders, flexible cords, extension units and unvented thermal storage type electric water heaters. All other electrical products are classified as "non-prescribed products".

Generally speaking, the non-prescribed products that conform to the safety standards listed in the "Guidance Notes for the Electrical Products (Safety) Regulation (2007 edition)" (the "**Guidance Notes**") or equivalent standards are deemed to satisfy the safety requirements of the Electrical Products (Safety) Regulation, subject to the compliance with the aforesaid general requirements. Under the Guidance Notes, safety standards for lighting related products (under the classification of "non-prescribed products") include IEC 61347-2-3 (for A.C. supplied electronic ballasts of tubular fluorescent lamps), IEC 60598-2-5 (for luminaires – floodlights), and IEC 61347-2-1 (particular requirements for starting device (other than glow starters), etc. These safety standards are standards applicable to our Group's "Tube-in-Tube" Fluorescent Lamps.

A certificate of compliance shall include the following information in English or Chinese language:

- (a) a reference number;
- (b) the name and model or type reference of the electrical product;
- (c) the name and address of the manufacturer;
- (d) the name and address of the person who requested testing of the electrical product;
- (e) a standard to which the electrical product was tested and found in conformity;
- (f) the name, address, authorized signature and, if applicable, company seal of the recognized certification body or recognized manufacturer, as the case may be; and
- (g) the date of certification.

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## REGULATIONS

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For a "non-prescribed product", the following may be accepted as a certificate of safety compliance:

- (a) a certificate or test report issued by certain "recognised certification bodies" (as defined in the Electrical Products (Safety) Regulation);
- (b) a declaration of conformity issued by a "recognised manufacturer" (as defined in the Electrical Products (Safety) Regulation);
- (c) a certificate or test report which, in the opinion of the Director of Electrical and Mechanical Services, demonstrates that an electrical product complies with the applicable safety requirements, and
- (d) a declaration of conformity issued by a manufacturer of the product where the information contained in the declaration of conformity is the same as the information required for a certificate of compliance other than requirements (a) and (d) in the preceding paragraph.

### **Waste Disposal Ordinance and Waste Disposal (Chemical Waste) (General) Regulation**

Any substance or thing being effluent and which is or contains any substance or chemical specified in Schedule 1 of the Waste Disposal (Chemical Waste) (General) Regulation (which includes mercury and its compounds), shall be regarded as chemical waste if such substance or chemical occurs in such form, quantity or concentration so as to cause pollution or constitute a danger to health or risk of pollution to the environment.

Under the Waste Disposal Ordinance and the Waste Disposal (Chemical Waste) (General) Regulation, a person shall not produce or cause to be produced chemical waste unless he is registered with the Director of Environmental Protection. The Director of Environmental Protection may cause to be maintained a register containing the names of the producers of chemical waste, the location of the premises of such producers where the chemical waste is produced, and a description of the business or activity in the course of or in connection with which the chemical waste is produced.

Until the chemical waste is disposed of by a waste producer in accordance with the Waste Disposal (Chemical Waste) (General) Regulation, he shall ensure that any chemical waste produced or caused to be produced by him or in his possession or custody is stored, packed and labelled in the prescribed manners under the Waste Disposal (Chemical Waste) (General) Regulation. A waste producer shall also ensure that every storage area where, and every cupboard, cabinet, storage tank or receptacle in which, chemical waste is stored displays a warning panel, notice or marking at or near the entrance or the opening, as the case may be, in the prescribed manner.

A waste producer is required by the Waste Disposal (Chemical Waste) (General) Regulation to dispose of the chemical waste by causing or arranging for any chemical waste produced by him or in his possession or custody (a) to be delivered to a reception point, or (b) to be disposed of at the site or premises in respect of where an appropriate waste disposal licence has been granted under the Waste Disposal Ordinance. A waste producer is deemed to have complied with (a) if he consigns the chemical waste to a licensed waste collector.

When a waste producer removes or transports the chemical waste from the site or premises where it is produced, stored or located, he shall engage the services of a waste collector. A waste producer shall also record on a trip ticket and 2 copies thereof (which should be in the form determined by the Director of Environmental Protection) the particulars or information required by the trip ticket, ensure and certify on the trip ticket and copies thereof that the chemical waste to be delivered is correctly classified, described, quantified and labelled, certify when the chemical waste is consigned to the waste collector for delivery on the trip ticket and copies thereof, and comply with any other requirement which the trip ticket specifies. Such trip tickets shall be retained by a waste producer at least for a period of 12 months from the date it is handed over or completed, and shall make the trip tickets available for the inspection by the Director of Environmental Protection, if so required.

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## REGULATIONS

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### **Patent Protection of "Tube In Tube" Fluorescent Lamp Technology in Hong Kong**

The "Tube In Tube" fluorescent lamp technology is the subject matter of a short-term patent in Hong Kong. Grant of a patent is governed by the Patents Ordinance (Cap. 514 Laws of Hong Kong), which came into force on 27 June 1997. The Ordinance provides that a short-term patent shall remain in force until the end of the period of 8 years beginning with the date of filing the application. A patent while it is in force confers on the patent owner the right to prevent all third parties not having his consent from making, putting on the market, using or importing the patented product; or stocking the patented product whether for the purpose of putting it on the market or otherwise.

### **Carbon Emission Report in Hong Kong**

According to the "Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes in Hong Kong)" (the "Guidelines"), jointly issued by the Environmental Protection Department and the Electrical and Mechanical Services Department in 2010, the Government allows the self-assessment and self-reporting of greenhouse gas performance. The reporting entity may also employ a third party to conduct the accounting process and to report on the greenhouse gas performance for its buildings. The Guidelines provides a systematic and scientific approach to account for and report on the greenhouse gas emission and removals from buildings in Hong Kong and should be followed to ensure that the reports are true and fair.

### **Carbon Emission Report in PRC**

Pursuant to the relevant provisions of the PRC laws, there is no requirement for the Group to obtain any qualification and/or license governed by and/or under PRC laws in order to collect the relevant power consumption data of the carbon emission report in PRC and issue the carbon emission report under the Consultancy Services business.

## **PATENT PROTECTION OF "TUBE-IN-TUBE" FLUORESCENT LAMP TECHNOLOGY WORLDWIDE**

Apart from Hong Kong, "Tube In Tube" fluorescent lamp technology is also the subject matter of patent protection in a number of countries. Generally speaking, a patent gives to the patent owner the exclusive right to use, exploit, manufacture, sell or import the subject matter of the patented invention. Patent protection is of a territorial nature and once a patent is granted, payment of annuity or maintenance fees is required to keep the patent in force. When a patent is not maintained or expires, the patent owner no longer has the exclusive right to use and/or exploit the patent. The following sets out the relevant laws in different jurisdictions in which the patents are granted:

### **Australia**

Grant of a patent is governed by the Patents Act 1990 (consolidated as of 24 June 2014). The Act came into force on 30 April 1991. The term of protection of a patent is 20 years from the filing date. During the term of a patent, the patent owner has the exclusive right to exploit the invention and to authorize another person to exploit the invention.

### **Canada**

Grant of a patent is governed by the Patent Act (R.S.C., 1985, c.P-4) which was last amended on 26 June 2013. The Act provides that the term of protection of a patent is 20 years from the filing date and the patent owner and the legal representatives of the patent owner have the exclusive right, privilege and liberty of making, constructing and using the invention and selling it to others to be used.

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## REGULATIONS

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### India

Grant of a patent is governed by the Patents Act 1970 as amended by the Patents (Amendment) Act of respectively of 1999, 2002 and 2005. Under the Act, the term of a patent is 20 years from filing and it confers on the patent owner the exclusive right to prevent third parties, who do not have his consent, from the act of making, using, offering for sale, selling or importing the patented products.

### Indonesia

Grant of a patent is governed by Law No.14 of 2001 regarding Patents which came into force on 1 August 2001. Patent is granted for a period of 20 years as from the filing date and it confers on the patent owner the exclusive right to exploit the patent and to prohibit any other party who without his consent to make, use, sell, import, rent out, deliver or supply for sale or rental or deliver the patented product.

### New Zealand

Grant of a patent is governed by the Patents Act 2013. The term of a patent is 20 years from the date of filing and a patent gives the patentee the exclusive rights during the term of the patent, to exploit the invention and to authorize another person to exploit the invention.

### Philippines

Grant of a patent is governed by the Intellectual Property Code of the Philippines (Republic Act No.8293), as amended by Republic Act No. 10372, which came into force on 1 January 1998. The term of protection of a patent is 20 years from the filing date of the application and during the term of the patent, it confers on the patent owner the exclusive right to restrain, prohibit and prevent any unauthorized person or entity from making, using, offering for sale, selling or importing the patented product. Where the subject matter of a patent is a process, to restrain, prevent or prohibit any unauthorized person or entity from using the process, and from manufacturing, dealing in, using, selling or offering for sale, or importing any product obtained directly or indirectly from such process.

### Singapore

Grant of a patent is governed by the Patents Act (Revised Edition 2005, as amended up to the Statutes (Miscellaneous Amendments) Act 2014) which came into force on 23 February 1995. A patent, once granted, shall continue in force until the end of the period of 20 years beginning with the date of filing the application for the patent or with such other date as may be prescribed. During the term of the patent, the patent owner can prevent others from making, disposing of, offering to dispose of, using or importing the patented product or keeping it whether for disposal or otherwise.

### Russian Federation

Grant of a patent is governed by the Civil Code of the Russian Federation (as amended up to 2014) which came into force on 1 December 2007. The validity term of a patent filed under the Patent Co-operation Treaty procedure indicating Russia as the receiving office is 20 years from the filing date of the Patent Co-operation Treaty application and it confers on the patent owner the exclusive right to import, manufacture, exploit, offer for sale, sell, introduce into civil circulation or store the patented product.

### South Africa

Grant of a patent is governed by Patents Act No. 57 of 1978 (which came into force on 1 January 1979) as amended by the Intellectual Property Laws, Amendment Act of 1997 and Patents Amendment Act No. 20 of 2005. The duration of a granted patent is 20 years from the date of application and it confers upon the patent owner the right to exclude other persons from making, using, exercising, disposing of or offering to dispose of, or importing the invention.

## REGULATIONS

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### **South Korea**

Grant of a patent is governed by the Patents Act (Act No. 950 promulgated on 31 December 1961 as amended on 15 July, 2014 by Act No. 11848). The term of a patent right commences upon registration and lasts for 20 years from its filing date. Patent owner has the exclusive right during the term of a patent to work the patent both commercially and industrially.

### **Vietnam**

Grant of a patent is governed by Law No. 36/2009/QH12 Amending and Supplementing a Number of Articles of the Law on Intellectual Property which came into force on 1 January 2010. The term of a patent is 20 years after the filing date of the patent application and it confers on the patent owner the economic right to use or authorize others to use, to prevent others from using the patent and to dispose of patent for invention.

### **U.S.A.**

Grant of a patent is governed by U.S. Patent Law, 35 U.S.C. §§ 1 et seq., (Consolidated Patent Law as of May 2014) which entered into force on 19 July 1952. Subject to payment of fees, the grant shall be for a term beginning on the date on which the patent issues and ending 20 years from the date on which the application for the patent was filed in the U.S.A. The patent confers on the patent owner the right to exclude others from making, using, offering for sale, selling the invention throughout the U.S.A. or importing the invention into the U.S.A.