This appendix sets forth a summary of principal PRC laws, regulations and policies which are relevant to the Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange". The principal objective of this summary is to provide potential investors with an overview of the principal legal and regulatory provisions applicable to the Company. This summary is not intended to include all the data which may be important to the potential investors. For discussion of laws and regulations which are relevant to business of the Company, please refer to "Regulatory Overview" in this document.

PRC Legal System

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the "**Constitution**") (last amended on 11 March 2018 and effective from the same date) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**") (last amended on 13 March 2023 and effective from 15 March 2023), the NPC and the NPC Standing Committee are empowered to exercise the legislative power of the state. The NPC is entitled to formulate and amend basic laws governing state organs, civil, criminal and other matters. The NPC Standing Committee is entitled to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene the Constitution, laws and administrative regulations. The people's congress and its standing committee of a city divided into districts may, according to the city's specific circumstances and actual needs, develop local regulations on urban and rural construction and management, ecological civilization development, historical culture protection, and grassroots governance, among others, provided that they do not contravene the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region where the city is located. If the law provides otherwise on the formulation of local regulations by a city divided into districts, those provisions shall prevail. Relevant local regulations will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of such local regulations which are submitted for approval, and shall approve them within four months if they do not contradict the Constitution, the laws, the administrative regulations, and the local regulations of their respective provinces or autonomous regions. The people's congress of an ethnic autonomous region shall have the power to develop autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnicities.

The ministries and commissions of the State Council, the PBOC, the National Audit Office, the subordinate institutions with administrative functions directly under the State Council, and the organizations prescribed by laws may formulate departmental rules within the power of their respective departments based on the laws and the administrative regulations, decisions and orders of the State Council.

The Constitution has the highest legal effect, and any laws, administrative regulations, local regulations, autonomous regulations as well as separate regulations and rules shall not contravene the Constitution. Laws have higher legal authority than administrative regulations, and local regulations and rules. Administrative regulations have higher legal authority than local regulations and rules. The legal authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts and autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its Standing Committee, and to annul any autonomous regulations and separate regulations approved by its Standing Committee that contravene the Constitution or the Legislation Law. The NPC Standing Committee has the right to revoke administrative regulations that contravene the Constitution and laws, to revoke local regulations that contravene the Constitution, laws and administrative regulations, as well as to revoke the autonomous regulations and separate regulations approved by the standing committees of the people's congresses of provinces, autonomous regions and municipalities that contravene the Constitution and the Legislation Law. The State Council has the right to alter or revoke inappropriate departmental rules and local government regulations. The people's congresses of provinces, autonomous regions and municipalities have the right to alter or revoke inappropriate local regulations enacted or approved by their standing committees. The standing committees of the local people's congresses have the power to annul any inappropriate rules enacted by the people's governments at the corresponding level, and the people's government of a province or an autonomous region has the authority to modify or annul any inappropriate rules formulated by people's governments at the next lower level.

Pursuant to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed on 10 June 1981, in cases where the limits of articles of laws or decrees need to be further defined or additional stipulations need to be made, the NPC Standing Committee should provide interpretations or make stipulations by means of decrees. Interpretation of questions involving the specific application of laws in court trials shall be provided by the Supreme People's Court. Interpretation of questions involving the specific application of laws in the procuratorial work of the procuratorates shall be provided by the Supreme People's Procuratorate. Interpretation of questions involving the specific application of laws in areas unrelated to court trials and the procuratorial work of the procuratorates shall be provided by the State Council and the competent departments. At the regional level, the power to interpret local regulations is vested in the local legislative and administrative authorities which promulgate such regulations.

PRC Judicial System

According to the Constitution and the Organic Law of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) (last amended by the NPC Standing Committee on 26 October 2018 and effective from 1 January 2019), the people's courts in the PRC are comprised of the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court is the highest judicial organ in the PRC and shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels.

According to the Constitution and the Organic Law of the People's Procuratorates of the PRC (《中華人民共和國人民檢察院組織法》) (last amended by the NPC Standing Committee on 26 October 2018 and effective from 1 January 2019), the people's procuratorates are the state organs for legal supervision and are comprised of the Supreme People's Procuratorate, the local people's procuratorates at all levels, military procuratorates and other special people's procuratorates. The Supreme People's Procuratorate is the highest procuratorial organ and shall direct the work of the local people's procuratorates at all levels and special people's procuratorates, and people's procuratorates at higher levels shall direct the work of people's procuratorates at lower levels.

The people's courts employ a two-tier appellate system, that is, the judgments or rulings of the second instance at a people's court are final. A party may appeal against the judgment or ruling of the first instance of a local people's court. The people's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's court are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court, and judgments or rulings of the first instance of the Supreme People's Court, are final. However, if the Supreme People's Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the local people's court at any level, or if the people's court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people's court at a lower level, it has the authority to review the case itself or to direct the lower-level people's court to conduct a retrial. If the chief judge of a people's court at any level finds definite errors in a legally effective judgment, ruling, or conciliation statement of such court and considers a retrial necessary, the case shall be submitted to the adjudication committee for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》), which was last amended on 1 September 2023 and took effect on 1 January 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law of the PRC. Generally, a civil case is heard by the people's court at the defendant's domicile. The parties to disputes over contracts or other property rights may, by a written agreement, choose the people's court for jurisdiction at the domicile of the plaintiff or the defendant, the place of performance of the contract, the place where the contract was signed, the place where the subject matter is located, and other places that have an actual connection with the dispute, provided that the provisions of this law on hierarchical jurisdiction and exclusive jurisdiction are not violated.

Foreigners, stateless persons, foreign enterprises and foreign organizations shall have the same litigation rights and obligations as citizens, legal persons and other organizations of the PRC when initiating or responding to legal proceedings in PRC people's courts. If a foreign court imposes limitations on the civil litigation rights of citizens and enterprises of the PRC, the PRC people's courts shall apply the principle of reciprocity to the civil litigation rights of the citizens and enterprises of that country. Where foreigners, stateless persons, foreign enterprises or foreign organizations institute or respond to legal proceedings in a PRC people's court and need to appoint a lawyer to represent them in the litigation, they must appoint a lawyer from the PRC. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence, and conduct other litigation acts on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of the PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for the enforcement of the same within two years, subject to application for postponed enforcement or revocation. The provisions of the law regarding the suspension and interruption of limitation periods for litigation shall apply to the suspension and interruption of the limitation period for enforcement applications. If the party still fails to satisfy within the stipulated period the obligations established in the legal instruments according to the enforcement notice, the court may take corresponding enforcement measures.

If a party applies for execution of a legally effective judgment or ruling made by a people's court and the party subject to execution or his/her property is not located within the territory of the PRC, the applicant may directly apply for recognition and enforcement of such judgment or ruling to the foreign court with relevant jurisdiction, or the people's court may, in accordance with the provisions of the international treaties concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request recognition and enforcement of such judgment or ruling by a foreign court. Similarly, if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people's court, the parties may directly apply to the intermediate people's court with jurisdiction for recognition and enforcement, or the foreign court may request recognition and enforcement by the people's court in accordance with the provisions of international treaties concluded or acceded to by the foreign country and the PRC or in accordance with the principle of reciprocity. However, if the judgment or ruling results in a contradiction of the basic principles of the PRC laws or violation of the PRC's sovereignty, security or public interests, it shall not be recognized or enforced.

Company Law, Trial Measures and Guidelines for Articles of Association

A joint stock limited company incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law was adopted by the NPC Standing Committee on 29 December 1993, became effective on 1 July 1994 and was successively amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023, with the latest amendment coming into effect on 1 July 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Trial Measures**") which were promulgated by the CSRC on 17 February 2023 and came into effect on 31 March 2023, along with the five supporting guidelines, apply to direct and indirect overseas issuance of securities or the listing and trading of securities overseas by domestic enterprises in China.

The Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**") (last amended by the CSRC on 28 March 2025 and effective from the same date) provide guidelines to the articles of association. According to the Trial Measures, domestic companies that directly offer and list securities in overseas markets shall formulate their articles of association in line with the Guidelines for Articles of Association and other relevant CSRC regulations concerning corporate governance to standardize corporate governance practices.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association which are applicable to the Company.

General Provisions

A joint stock limited company refers to a corporate legal person incorporated in the PRC under the Company Law which has independent corporate assets and enjoys corporate property rights, and its registered capital is divided into shares of equal nominal value. The company shall bear liability for its own debts with all its assets. The shareholders of the joint stock limited company shall bear liability for the company to the extent of the shares they subscribe for.

When engaging in business operations, a company shall comply with the laws and regulations, social morality and business ethics, be honest and faithful and accept the supervision of the government and the general public. A company may invest in other enterprises. If it is prescribed by any law that a company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company shall have a minimum of one but no more than 200 people as its promoters, and over half of the promoters must be resident within the PRC.

For a joint stock limited company incorporated by way of promotion, the promoters shall subscribe in full for the shares to be issued by the company upon its establishment as provided in the company's articles of association. Where a joint stock limited company is incorporated by subscription, the promoters shall subscribe for no less than 35% of the total number of shares to be issued by the company upon its establishment as provided in the company's articles of association; unless otherwise stipulated by law or administrative regulations, in which case such provisions shall prevail.

In the case of a joint stock limited company established by subscription, the promoters shall convene the company's inaugural meeting within 30 days from the date on which the full subscription price for all shares to be issued upon incorporation has been paid. The promoters shall inform the subscribers of or announce the date of the meeting 15 days before the inaugural meeting is convened. The inauguration meeting shall be attended by subscribers representing more than half of the voting rights. Where a joint stock limited company is incorporated by way of promotion, the convening and voting procedures for the inaugural meeting shall be governed by the company's articles of association or the promoters' agreement. The Board of Directors shall authorize a representative to file an application for incorporation with the company registration authority within 30 days after the conclusion of the inaugural meeting. Upon approval of the registration and issuance of a business license by the company registration authority, the company is formally established as a legal person.

Share Capital

A shareholder may make a capital contribution in money or in non-monetary property that can be valued in money and transferred in accordance with the law, such as physical assets, intellectual property rights, land-use rights, equity interests and creditor's right, except for property which are prohibited from being contributed as capital by the laws or administrative regulations. The value of the non-monetary properties as capital contributions shall be assessed and verified.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. Any subscriber shall pay the same price for each share subscribed. The offering price of par-value shares may be equal to or greater than their nominal value, but may not be less than their nominal value.

A domestic enterprise that offers and lists its securities overseas must, under the Trial Measures, file with the China Securities Regulatory Commission by submitting a filing report, legal opinion and other relevant materials that truthfully, accurately and completely disclose shareholder information, etc. Pursuant to the Trial Measures, and unless otherwise provided therein or by the State, the offering of securities by a domestic enterprise in an overseas listing may be made only to overseas investors.

Increase in Share Capital

Under the Company Law, when a company issues new shares, the shareholders' meeting must resolve on: the class and number of the new shares; the offering price of the new shares; the start and end dates of the new share issue; and the class and number of new shares to be offered to existing shareholders. A company that offers shares to the public must register the offering with the securities regulatory authority under the State Council and publish a document. After the full subscription price for the shares has been received, the company must make a public announcement.

Reduction of Share Capital

When reducing its registered capital, the Company shall prepare a balance sheet and an inventory of property. The Company shall, within 10 days from the date on which the resolution on the reduction of registered capital is adopted at the shareholders' meeting, notify its creditors and, within 30 days, make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System. A creditor may, within 30 days from the date of receipt of the notice or, if he/she did not receive a notice, within 45 days from the date of the announcement, require the Company to pay off debts or to provide a commensurate guarantee. The Company must apply for registration of a change for reducing registered capital with the relevant company registration authority.

When a company reduces its registered capital, it shall reduce the capital contributions or the number of shares held by the shareholders proportionally to their respective contributions or shareholdings, unless the law provides otherwise, all shareholders of a limited liability company agree otherwise, or the articles of association of a joint stock limited company provide otherwise.

Repurchase of Shares

The Company shall not buy back its own shares. However, this does not apply in any of the following circumstances:

(1) decreasing the registered capital of the Company;

(2) merging with another company that holds the Company's shares;

(3) using the shares for an employee stock ownership plan or equity incentive;

(4) shareholders object to resolutions of the shareholders' meeting concerning merger or division of the Company, requiring the Company to buy their shares;

(5) using the shares to convert into the convertible corporate bonds issued by the Company;

(6) when it is necessary for a listed company to safeguard its own value and the rights and interests of shareholders.

Repurchase of its own shares by the Company under the circumstances specified in items (1) and (2) above shall be subject to resolution adopted by the shareholders' meeting; repurchase of its own shares by the Company under the circumstances specified in items (3), (5) or (6) may be subject to a resolution at a board meeting attended by more than two thirds of the Directors in accordance with the Articles of Association or the authorization by the shareholders' meeting.

Following the acquisition by the Company of its own shares as described above, such shares must be cancelled within 10 days of the date of the acquisition in the case of item (1) and transferred or cancelled within six months in the case of items (2) and (4); under the circumstance set forth in items (3), (5) or (6), the total number of the Company's shares held by the Company itself shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

A listed company acquiring its own shares shall perform the obligation of information disclosure in accordance with the Securities Law of the People's Republic of China (中華人民共和國證券法). A listed company acquiring its own shares under any of the circumstances set forth in items (3), (5) and (6) shall carry out trading in a public and centralized manner.

The Company shall not accept its shares as the subject matter of pledge.

Transfer of Shares

The shares held by the shareholders of a joint stock limited company may be transferred according to relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Shares may be transferred by means of endorsement by shareholders or by such other means as provided for by laws or administrative regulations, and after such transfer, the company shall register the name or title and domicile of the transferee in the share register. The share register shall not be altered within 20 days before convening of a shareholders' meeting or 5 days prior to the base date on which the company decides to distribute dividends. Where there are separate provisions by law, administrative regulation or the securities regulatory authority under the State Council on alternation of share register of listed companies, those provisions shall prevail.

Pursuant to the Company Law, the shares issued before the Company's public offering of shares shall not be transferred within one year from the date when the Company's shares are listed and traded on a stock exchange. Where there are separate provisions by law, administrative regulation or the securities regulatory authority under the State Council on transfer of the Company's shares held by shareholders or actual controllers of listed companies, those provisions shall prevail. The Directors, Supervisors and senior management members of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of the total shares held by them in the Company per annum during their terms of office fixed at the time of their appointment; the shares they hold in the Company shall not be transferred within one year from the date on which the shares of the Company are listed and traded. Any of the aforesaid persons shall not transfer the shares of the Company held by him/her within half a year from his/her termination of the office. The Articles of Association may impose additional restrictive rules on the transfer of the Company's shares held by its Directors, Supervisors and senior management members.

If shares are pledged during a period when laws or administrative regulations prohibit their transfer, the pledgee may not exercise its rights over the pledge during that prohibition period.

Shareholder(s)

Pursuant to the Company Law and Guidelines for Articles of Association, the shareholders of the Company shall be entitled to the following rights:

(1) to obtain dividends and other forms of profit distribution in proportion to the number of shares held by them;

(2) to lawfully request, convene, preside over or attend shareholders' meetings either in person or by proxy and exercise the corresponding voting right;

(3) to supervise the Company's business operations, propose recommendations or raise inquiries;

(4) to transfer, give or pledge their shares in accordance with the laws, administrative regulations and the Articles of Association;

(5) to inspect and copy the Articles of Association, share register, minutes of shareholders' meetings, resolutions of board meetings, and financial and accounting reports; shareholders who meet the relevant regulations may inspect the Company's accounting books and accounting vouchers;

(6) in the event of termination or liquidation of the Company, to participate in the distribution of the Company's remaining assets in proportion to the number of shares they held;

(7) with respect to a shareholder who votes against a resolution adopted at any shareholders' meetings on the merger or division of the Company, to request the Company to buy back his/her shares; and

(8) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of shareholders include the obligation to abide by the laws, administrative regulations, and the Articles of Association, to pay the subscription monies in respect of the shares subscribed for and the method of subscription, to be liable for the Company to the extent of the amount of his/her subscribed shares, and any other shareholder obligation specified in the Articles of Association.

Shareholders' Meeting

The shareholders' meeting is the Company's organ of power, which shall exercise its powers according to the Company Law. A shareholders' meeting shall exercise the following functions and powers:

(1) to elect and replace Directors and Supervisors and to decide on matters relating to the remuneration of Directors and Supervisors;

(2) to consider and approve reports of the Board;

(3) to consider and approve reports of the Supervisory Committee;

(4) to consider and approve the Company's profit distribution proposals and loss recovery proposals;

(5) to resolve on the increase or reduction of the registered capital of the Company;

(6) to resolve on issuance of bonds of the Company;

(7) to resolve on merger, division, dissolution and liquidation of the Company or change of its corporate form;

(8) to amend the Articles of Association; and

(9) to exercise other functions and powers specified in the Articles of Association.

The shareholders' meeting shall be convened once a year. In any of the following circumstances, an extraordinary shareholders' meeting shall be held within two months:

(1) the number of Directors falls short of the quorum stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(2) the unrecovered losses of the Company amount to one third of the total amount of its share capital;

(3) it is required by shareholder(s) individually or jointly holding more than 10% shares of the Company;

(4) when deemed necessary by the Board;

(5) when proposed by the Supervisory Committee; or

(6) if any other circumstance as specified in the Articles of Association occurs.

A shareholders' meeting shall be convened by the Board of Directors and shall be presided over by the chairman. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly recommended by over half of the Directors. If the Board cannot or fails to fulfill its obligation to convene a shareholders' meeting, the Supervisory Committee shall duly convene and preside; if even the Supervisory Committee cannot or fails to convene a shareholders' meeting, shareholders severally or jointly holding more than 10% of the shares of the Company for over 90 days consecutively may convene and preside over the meeting.

According to the Company Law, for a shareholders' meeting to be held, a notice shall be given to each shareholder 20 days in advance, which shall state the time and venue of the meeting, and the matters to be deliberated at the meeting. For an extraordinary shareholders' meeting, a notice shall be given to each shareholder 15 days in advance.

Under the Company Law, each share held by a shareholder present at a shareholders' meeting carries one vote, except for holders of class shares. The Company has no voting rights for its own shares it holds.

Resolutions in respect of the election of Directors or Supervisors may be passed by way of cumulative voting pursuant to the Articles of Association or resolutions of the shareholders' meeting. Cumulative voting means that when Directors or Supervisors are being elected at a shareholders' meeting, each share has as many voting rights as the candidates for Directors or Supervisors, and the shareholders' voting rights may be used in a concentrated manner.

Pursuant to the Company Law and the Guidelines for Articles of Association, any resolution of a shareholders' meeting shall be adopted by a simple majority of the voting rights held by shareholders present at the meeting. However, when the shareholders' meeting makes a resolution to modify the Articles of Association, or to increase or reduce the registered capital, or a resolution about the merger, division, dissolution or change of corporate form, such a resolution shall be adopted by shareholders representing more than two-thirds of the voting rights held by the shareholders present at the meeting.

A shareholders' meeting shall make the minutes for the decisions about the matters discussed at the meeting. The presider of the meeting and the Directors in presence shall affix their signatures to the minutes, which shall be preserved together with the book of signatures of the shareholders in presence as well as the power of attorney thereof.

Board of Directors

A joint stock limited company shall set up a board of directors, consisting of more than three members. The term of office of the directors shall be provided for by the articles of association, but each term of office shall not exceed three years. The directors may, after the expiry of their term of office, hold a consecutive term upon re-election. If no reelection is timely carried out after the expiry of the term of office of the directors, or if the number of the members of the board of directors is less than the quorum due to the resignation of some directors prior to the expiry of their term of office, the original directors shall, before the newly elected directors assume their posts, perform the powers of directors according to the laws, administrative regulations, as well as the articles of association.

Pursuant to the Company Law, a board of directors shall exercise the following functions and powers:

(1) to convene shareholders' meetings and report its work to the shareholders;

(2) to implement the resolutions passed at shareholders' meetings;

(3) to decide on the Company's business plans and investment plans;

(4) to formulate the profit distribution plan and loss makeup plan of the Company;

(5) to formulate plans for the increase or decrease of the registered capital of the Company and for the issuance of corporate bonds;

(6) to formulate plans for the merger, division, dissolution or change of corporate form of the Company;

(7) to resolve on the internal management setup of the Company;

(8) to resolve on the appointment or dismissal of the Company's manager and his/her compensation, and, according to the nomination of the manager, decide on the appointment or dismissal of vice manager(s) and the persons in charge of finance as well as their compensations;

(9) to formulate the basic management system of the Company; and

(10) to exercise other functions and powers as specified in the Articles of Association or conferred by the shareholders' meetings.

According to the Company Law, the Board shall convene at least two meetings each year. All Directors and Supervisors shall be notified 10 days prior to each meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of the Directors, or the Supervisory Committee may propose to convene an interim meeting of the Board. The chairman shall convene and preside over the Board meeting within 10 days upon receipt of such proposal. When convening an interim meeting, the Board may separately set the notice method and time limit for the Board meeting. A meeting of the Board shall not be held unless more than half of the Directors are present. A resolution of the Board shall be adopted by more than half of all Directors. Each Director shall have one vote in the Board's decision-making. Directors shall attend Board meetings in person; if a Director is unable to attend for any reason, he/she may entrust another Director in writing to attend on his/her behalf. The letter of authorization shall specify the scope of the powers granted.

If a resolution of the Board violates laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting, causing serious losses to the Company, the Directors who have participated in the resolution shall be liable for compensation to the Company. A Director may be exempted from liability if it is proven that he/she expressed objection at the time of voting and such objection has been recorded in the meeting minutes.

According to the Company Law, any person involved in any of the following circumstances shall not serve as Director of the Company: (i) lacking or having limited capacity for civil conduct; (ii) having been sentenced to criminal punishment for corruption, bribery, embezzlement, misappropriation of property, or disrupting the socialist market economic order, or having been deprived of political rights due to a crime, where five years have not elapsed since the date on which execution of the sentence was completed, or where a suspended sentence was imposed, where less than two years has passed since the end of the probation period; (iii) serving as a director, factory chief, or manager of a company or enterprise undergoing bankruptcy liquidation, and being personally responsible for the bankruptcy of such company or enterprise, where three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed; (iv) serving as the legal representative of a company or enterprise whose business license has been revoked or which is ordered to close down due to violations of law, and bearing personal responsibility, where three years have not elapsed since the date of license revocation or order to close; (v) being listed as a person subject to enforcement by a people's court for failing to repay a substantial amount of personal debt when due;

An election or appointment of a Director that violates the provisions above shall be invalid. If a Director is found to be involved in such circumstances during his/her term of office, the Company shall dismiss the Director.

According to the Company Law, the Board shall have one chairman, and may have a vice chairman.

The chairman and vice chairman shall be elected by more than half of all Directors. The chairman shall convene and preside over Board meetings and supervise the implementation of Board resolutions. The vice chairman shall assist the chairman in his/her work. If the chairman of the Board is unable to or fails to perform his/her duties, the vice chairman shall perform the duties. If the vice chairman of the Board is unable to or fails to perform his/her duties, a Director jointly elected by more than half of the Directors shall perform the duties.

Supervisory Committee

According to the Company Law, a joint stock limited company shall establish a Supervisory Committee, which shall consist of three or more members. The members of the Supervisory Committee shall include shareholder representatives and a proper proportion of employee representatives of the Company. The proportion of employee representatives shall not be less than one-third, and the specific proportion shall be stipulated in the Articles of Association. Employee representatives on the Supervisory Committee shall be democratically elected by the Company's employees through the employee representative congress, the employee congress, or any other means. Directors and senior management members shall not concurrently serve as Supervisors.

The term of office of a Supervisor shall be three years. Upon expiration of the term of office, the Supervisor may be re-elected for consecutive terms. If a Supervisor's term of office expires and no new Supervisor has been elected in a timely manner, or if the resignation of a Supervisor during his/her term of office causes the number of members of the Supervisory Committee to fall below the statutory quorum, the original Supervisor shall continue to perform his/her duties in accordance with laws, administrative regulations and the Articles of Association until the new Supervisor takes office.

The Supervisory Committee shall exercise the following functions and powers:

(1) to review the financial affairs of the Company;

(2) to supervise the acts of the Directors and senior management members in performing their duties and propose to remove any Director or senior management member who is in violation of the laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting;

(3) to require any Director or senior management member who acts in any manner that damages the interests of the Company to make correction;

(4) to propose for an extraordinary shareholders' meeting, and convene and preside over the shareholders' meeting when the Board fails to do the same according to the Company Law;

(5) to submit proposals to the shareholders' meeting;

(6) to file a lawsuit against the Directors or senior management members in accordance with the relevant provisions of the Company Law; and

(7) other functions and powers as stipulated in the Articles of Association.

Supervisors may attend Board meetings without voting rights and may make inquiries or suggestions regarding the matters resolved by the Board. If the Supervisory Committee finds that the Company's operating conditions are abnormal, it may conduct an investigation; if necessary, it may engage an accounting firm or other entities to assist in its work, with expenses borne by the Company.

The Supervisory Committee shall have one chairman and may have a vice chairman. The chairman and vice chairman of the Supervisory Committee shall be elected by more than half of all Supervisors. The chairman of the Supervisory Committee shall convene and preside over meetings of the Supervisory Committee. If the chairman is unable to or fails to perform his/her duties, the vice chairman shall convene and preside over the meetings; if the vice chairman is unable or fails to perform his/her duties, a Supervisor jointly elected by more than half of the Supervisors shall convene and preside over the meetings.

A joint stock limited company may, under the articles of association, set up an audit committee composed of directors in the board of directors, which shall exercise the functions and powers of the supervisory committee as stipulated by the Company Law. It may not have a supervisory committee or supervisors.

In accordance with the Guidelines for Articles of Association, the Company's Board of Directors shall establish an audit committee to exercise the functions and powers of the Supervisory Committee as stipulated by the Company Law.

On 27 December 2024, the CSRC issued the Transitional Arrangements for the Implementation of Supporting Rules under the New Company Law (《關於新<公司法>配套制度規則實施相關過渡期安排》), requiring listed companies to stipulate in their articles of associations that an audit committee of the board of directors shall be set up to exercise the functions and powers of the supervisory committee as required by the Company Law and no supervisory committee or supervisor is required in accordance with the Company Law, the Provisions of the State Council on the Implementation of the Registration Management System for Registered Capital under the Company Law of the People's Republic of China (《國務院關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), and the supporting rules of the CSRC by 1 January 2026. Before a listed company adjusts its internal supervisory institution setup, the supervisor committee or supervisors shall continue to comply with the provisions in the original rules and regulations of the CSRC.

Manager and Senior Management Members

According to the Company Law, a joint stock limited company shall have a manager, who shall be appointed or dismissed by a resolution of the Board. The manager shall be accountable to the Board and shall exercise functions and powers in accordance with the Articles of Association or the authorization of the Board. The manager shall attend meetings of the Board without voting rights.

According to the Company Law, senior management members refer to the Company's manager, deputy manager, chief financial officer, the Board secretary of a listed company, and other persons as stipulated in the Articles of Association.

Obligations of Directors, Supervisors and Senior Management Members

According to the Company Law, Directors, Supervisors and senior management members shall comply with laws, administrative regulations, and the Articles of Association, and shall owe duties of loyalty and diligence to the Company.

Directors, Supervisors and senior management members shall not have the following acts:

(1) to misappropriate the Company's property or embezzle the Company's funds;

(2) to deposit the Company's funds in accounts opened in their own name or other individuals' names;

(3) to use their position to offer bribes or receive other illegal income;

(4) to accept commissions from transactions between others and the Company for their own benefit;

(5) to disclose the Company's secrets without authorization; or

(6) other acts in violation of the obligation of loyalty to the Company.

Where any Director, Supervisor or senior management member directly or indirectly directly or indirectly enters into a contract or conducts transactions with the Company, he/she shall report to the Board or the shareholders' meeting on the matters concerning the contract or transactions and obtain approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association. Where any of the near relatives of the Directors, Supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the Directors, Supervisors or senior management members or any of their near relatives, or any of the related parties who has any other related-party relationship with the Directors, Supervisors or senior management members, enters into a contract or conducts transactions with the Company, the aforementioned provisions shall apply.

Directors, Supervisors or senior management members shall not use their position to seek business opportunities belonging to the Company for themselves or others, except under any of the following circumstances:

(1) they have reported to the Board or the shareholders' meeting and obtained approval by resolution of the Board or the shareholders' meeting in accordance with the Articles of Association; or

(2) the Company is unable to utilize the business opportunity in accordance with laws, administrative regulations or the Articles of Association.

Directors, Supervisors or senior management members shall not engage in the same business as the company they serve either for themselves or for others, without reporting to the Board or the shareholders' meeting and obtaining approval by resolution of the Board or the shareholders' meeting;

Any income obtained by a Director, Supervisor or senior management member in violation of the above provisions shall belong to the Company.

If a Director, Supervisor or senior management member, in the performance of his/her duties, violates any laws, administrative regulations, or the provisions of the Articles of Association and thereby causes losses to the Company, he/she shall bear the liability for compensation.

Finance and Accounting

The Company shall establish its own financial and accounting systems according to laws, administrative regulations and provisions of the financial department of the State Council. The Company shall prepare a financial accounting report at the end of each fiscal year and have it audited by an accounting firm in accordance with the law. The financial accounting report shall be made in accordance with the laws, administrative regulations and the provisions of the financial department of the State Council.

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than 20 days before the annual shareholders' meeting; a joint stock limited company that has publicly issued shares shall announce its financial accounting report.

The premiums received by the Company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the Company. The reserve funds of the Company shall be used to make up for the Company's losses, expand the Company's production and operation, or be converted into an increase of the Company's registered capital. When the reserve funds are used to make up for the Company's losses, the discretionary reserve fund and statutory reserve fund shall be used first; if they are still insufficient, the capital reserve fund may be used in accordance with relevant provisions. When the statutory reserve fund is converted into registered capital, the remaining balance of the said reserve fund shall not be less than 25% of the Company's registered capital prior to such conversion.

The Company shall not keep any accounting books other than the statutory accounting books. No accounts shall be opened in the name of any individual for the storage of the Company's funds.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of an accounting firm undertaking the Company's auditing business shall be decided by the shareholders' meeting, the Board or the Supervisory Committee in accordance with the provisions of the Articles of Association. When the Company's shareholders' meeting, the Board or the Supervisory Committee votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. The Company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or make false reports.

According to the Articles of Association Guidelines, the appointment and dismissal of accounting firms shall be decided by the shareholders' meeting. The Board of Directors shall not appoint an accounting firm before such decision is made by the shareholders' meeting. The audit fees of the accounting firm shall be determined by the shareholders' meeting.

Profit Distribution

According to the Company Law, when the Company distributes its profits for the current year after tax, it shall appropriate 10% of such profits to the statutory reserve fund. Where the accumulated amount of the statutory reserve fund has reached 50% or more of the Company's registered capital, no further appropriation is required. If the statutory reserve fund of the Company is insufficient to make up for losses incurred in previous years, the current year's profits shall first be used to make up for the losses before making appropriations to the statutory reserve fund in accordance with the provisions of the preceding paragraph. After the Company has appropriated the statutory reserve fund from its after-tax profits, it may, upon resolution of the shareholders' meeting, make appropriations to the discretionary reserve fund from its after-tax profits. The remaining after-tax profits after making up for losses and appropriations to the reserve funds shall be distributed by the joint stock limited company to shareholders in proportion to the number of shares held by them, save as otherwise specified in the Articles of Association. Shares held by the Company itself shall not participate in profit distribution.

Where the Company distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of such provisions to the Company. Where losses are caused to the Company, the shareholders and the Directors, Supervisors or senior management members who are responsible shall bear the liability for compensation.

If the shareholders' meeting makes a resolution to distribute profits, the Board shall carry out the distribution within six months from the date when the resolution of the shareholders' meeting is made.

Amendment to the Articles of Association

According to the Company Law, a resolution of the shareholders' meeting to amend the Company's Articles of Association shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

According to the Guidelines for Articles of Association, the Company shall amend the Articles of Association under any of the following circumstances: (1) where the provisions of the Company Law or laws and administrative regulations are amended, and any provisions of the Articles of Association conflict with the amended laws or administrative regulations; (2) where the Company's information changes and becomes inconsistent with the facts stated in the Articles of Association; and (3) where the shareholders' meeting resolves to amend the Articles of Association.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved under any of the following circumstances:

(1) the term of operation as specified in the articles of association expires, or other circumstances for dissolution as prescribed in the articles of association arise;

(2) a resolution for dissolution is adopted by the shareholders' meeting;

(3) dissolution is required due to merger or division of the company;

(4) the company's business license is lawfully revoked, or the company is ordered to close down or deregistered; or

(5) where the company encounters serious difficulties in its operations and management, and the continued existence of the company would cause substantial losses to the interests of the shareholders and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the company may petition the people's court to dissolve the company.

Where any of the above dissolution events occur, the company shall, within 10 days, make a public announcement of the cause of dissolution through the National Enterprise Credit Information Publicity System.

Where the circumstances set out in items (1) and (2) above occur and the company has not yet distributed its assets to the shareholders, it may continue to exist by amending the articles of association or upon resolution of the shareholders' meeting. The amendment to the articles of association or the resolution of the shareholders' meeting under the provisions above shall be approved by shareholders representing two-thirds or more of the voting rights present at the shareholders' meeting in the case of a joint stock limited company.

Where the company is dissolved under any of the circumstances set out in items (1), (2), (4), or (5) above, liquidation shall be carried out. The directors shall be the liquidation obligors and shall, within 15 days from the date on which the cause of dissolution arises, form a liquidation committee to carry out liquidation. The liquidation committee shall be composed of directors, unless otherwise provided in the articles of association or otherwise resolved by the shareholders' meeting. Where a liquidation obligor fails to perform his/her liquidation duties in a timely manner and thereby causes losses to the company or its creditors, such obligor shall bear the liability for compensation. If the liquidation committee is not formed to carry out liquidation within the prescribed period, or if it is formed but fails to perform liquidation, any interested party may apply to the people's court to appoint relevant personnel to form a liquidation committee to conduct liquidation. The people's court shall accept such application and promptly organize the liquidation committee to conduct liquidation.

During the liquidation period, the liquidation committee shall exercise the following powers:

(1) to take inventory of the company's property and prepare a balance sheet and an inventory of assets, respectively;

(2) to notify and announce to creditors;

(3) to handle unfinished business related to liquidation;

(4) to pay outstanding taxes and taxes arising during the liquidation process;

(5) to verify and settle claims and debts;

(6) to distribute the remaining property of the company after the settlement of debts; and

(7) to represent the company in civil litigation activities.

The liquidation committee shall, within 10 days from its establishment, notify the creditors, and shall make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System within 60 days.

Creditors shall declare their claims to the liquidation committee within 30 days from the date of receipt of the notice, or within 45 days from the date of the public announcement if no notice has been received. Creditors declaring claims shall specify relevant details of their claims and provide supporting materials. The liquidation committee shall register the declared claims. During the period for the declaration of claims, the liquidation committee shall not make any repayment to creditors.

After taking inventory of the company's property and preparing the balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan, which shall be submitted to the shareholders' meeting or the people's court for confirmation. The company's property, after payment of liquidation expenses, employee wages, social insurance expenses, and statutory compensation, settlement of outstanding taxes, and repayment of the company's debts, shall be distributed among shareholders of a joint stock limited company in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not engage in any business activities unrelated to liquidation. The company's property shall not be distributed to shareholders prior to the settlement of debts in accordance with the provisions above.

After taking inventory of the company's property and preparing the balance sheet and inventory of assets, if the liquidation committee discovers that the company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. Upon acceptance of the bankruptcy application, the liquidation committee shall hand over liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' meeting or the people's court for confirmation, and then submitted to the company registration authority for cancellation of company registration. Members of the liquidation committee shall perform their duties of loyalty and diligence in conducting liquidation. Any member who neglects his/her duties and causes losses to the company shall be liable for compensation; where a creditor suffers losses due to the intentional misconduct or gross negligence of a member, such member shall also be liable for compensation.

Where a company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with the relevant laws on enterprise bankruptcy.

Where a company's business license has been revoked, it has been ordered to close down, or it has been revoked by law, and the company fails to apply to the company registration authority for cancellation of company registration within three years, the registration authority may make a public announcement through the National Enterprise Credit Information Publicity System, with an announcement period of not less than 60 days. Upon expiration of the announcement period, if no objection is raised, the registration authority may cancel the company registration.

Overseas Listing

Pursuant to the Trial Measures, where an issuer conducts an initial public offering or listing overseas, it shall file a record with the CSRC within three working days after submitting its application documents for the overseas offering and listing. After the issuer has completed its overseas offering and listing, if it subsequently issues securities in the same overseas market, it shall file a record with the CSRC within three working days after completion of such issuance. After the issuer has completed its overseas offering and listing, if it subsequently offers and lists securities in another overseas market, it shall make the filing in accordance with the provisions set out above.

Suspension and Termination of Listing

The Company Law has deleted provisions relating to suspension and termination of listing. The Securities Law has likewise deleted provisions concerning suspension of listing. For securities listed for trading, where any circumstance for termination of listing as stipulated by the stock exchange occurs, the stock exchange shall terminate the listing and trading of such securities in accordance with its business rules.

According to the Trial Measures, where an issuer voluntarily delists or is compulsorily delisted after an overseas offering and listing, it shall report the details of such matter to the CSRC within three working days from the date of occurrence and public announcement of the relevant event.

Merger and Division

In the case of a merger, the parties involved shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The company shall, within 10 days from the date on which the merger resolution is adopted, notify its creditors and, within 30 days, make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if no such notice has been received, request that the company repay its debts or provide corresponding security. When companies merge, the claims and debts of all parties to the merger shall be assumed by the surviving company or the newly established company.

Where a company is divided, its assets shall be divided accordingly, and it shall prepare a balance sheet and an inventory of assets. The Company shall, within 10 days from the date on which the resolution on division is adopted, notify its creditors and, within 30 days, make a public announcement in newspapers or through the National Enterprise Credit Information Publicity System. Debts incurred prior to the division of the company shall be jointly and severally assumed by the companies after the division, unless otherwise provided in a written agreement on debt repayment entered into between the company and its creditors prior to the division.

PRC Securities Laws and Regulations

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was responsible for organizing the drafting of securities regulatory legislation, formulating policies relating to securities, planning the development of the securities market, guiding, coordinating, and supervising all securities-related institutions in China, and managing the CSRC. The CSRC acted as the regulatory and executive body of the Securities Committee, responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating public offerings of securities by Chinese enterprises within and outside China, supervising securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. In April 1998, the State Council merged and reorganized the two bodies into the CSRC.

On 22 April 1993, the State Council promulgated the Interim Provisions on the Management of the Issuing and Trading of Stocks (《股票發行與交易管理暫行條例》), which regulate the issuance and trading of shares, the acquisition of listed companies, the custody, settlement, and transfer of listed shares, information disclosure of listed companies, investigations and penalties, and arbitration of disputes.

On 25 December 1995, the State Council promulgated the Provisions of the State Council on Domestic Listing of Foreign-invested Shares by Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). These provisions mainly regulate the issuance, subscription, trading, dividend distribution, and other allocations of domestically listed foreign shares, as well as the information disclosure obligations of joint stock limited companies holding domestically listed foreign shares.

The Securities Law was promulgated by the NPC Standing Committee on 29 December 1998 and came into effect on 1 July 1999. It was subsequently amended on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014, and 28 December 2019, and the current version took effect on 1 March 2020. The Securities Law comprises 14 chapters and 226 articles, regulating, among other things, the issuance and trading of securities, the listing of securities, acquisitions of listed companies, stock exchanges, securities companies, securities registration and settlement institutions, and the responsibilities of securities regulatory authorities.

According to the Securities Law, where a domestic enterprise directly or indirectly issues securities or lists its securities for trading overseas, it shall comply with the relevant provisions of the State Council. The specific measures for the subscription and trading of shares of domestic companies in foreign currencies shall be separately prescribed by the State Council. Currently, the issuance and trading of securities overseas (including H shares) are primarily governed by regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "**PRC Arbitration Law**") was adopted by the NPC Standing Committee on 31 August 1994, came into effect on 1 September 1995, and was subsequently amended on 27 August 2009 and 1 September 2017. The PRC Arbitration Law applies, among others, to foreign-related economic disputes where the parties have entered into a written agreement to submit such disputes to arbitration by an arbitration commission established in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that, before the China Arbitration Association promulgates arbitration rules, arbitration commissions may, in accordance with the relevant provisions of the PRC Arbitration Law and the Civil Procedure Law of the People's Republic of China, formulate provisional arbitration rules. Where parties choose arbitration as the means of dispute resolution, such arbitration must be conducted on a voluntary basis, and an arbitration agreement must be reached between the parties. Once an arbitration agreement has been concluded, if one party files a lawsuit before a people's court, the court shall not accept the case, except where the arbitration agreement is invalid.

Pursuant to the PRC Arbitration Law, arbitration in China follows a system of finality in a single instance, which is binding upon the parties to the arbitration. If either party fails to comply with the arbitral award, the other party may apply to a people's court for compulsory enforcement of the award. Where the arbitration procedure is found to be unlawful (including, but not limited to, circumstances where the composition of the arbitral tribunal or the arbitral proceedings contravene statutory procedures, or where the matters decided fall outside the scope of the arbitration agreement, or where the arbitration commission lacks jurisdiction), the people's court shall, upon review by a collegiate panel, rule that the arbitral award rendered by the arbitration commission shall not be enforced.

For arbitral awards made within the territory of the PRC that have taken legal effect, where enforcement is sought but the respondent or its assets are located outside the PRC, the party may apply directly to a competent foreign court for recognition and enforcement. Likewise, for arbitral awards rendered outside the territory of the PRC that have taken legal effect and require recognition and enforcement by a people's court of the PRC, the court shall handle such requests in accordance with international treaties concluded or acceded to by the PRC, or under the principle of reciprocity.

Pursuant to the Arrangement of the Supreme People's Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) issued by the Supreme People's Court on 24 January 2000 and effective from 1 February 2000, as well as the Supplemental Arrangement of the Supreme People's Court Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on 26 November 2020, arbitral awards rendered by arbitral institutions in mainland China may be enforced in Hong Kong, and arbitral awards rendered in Hong Kong may likewise be enforced in mainland China.

Judicial Judgments and Their Enforcement

According to the Arrangement of the Supreme People's Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between the Parties (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the "**Arrangement**"), promulgated by the Supreme People's Court on 3 July 2008 and implemented on 1 August 2008, where a final and enforceable judgment requiring the payment of money is rendered in a civil or commercial case involving a written jurisdiction agreement between the parties, either party may apply for recognition and enforcement of the judgment in a people's court of the mainland or in a court of the Hong Kong Special Administrative Region pursuant to the Arrangement. A "written jurisdiction agreement" refers to an agreement, made in writing between the parties for the purpose of resolving disputes that have arisen or may arise in relation to a specified legal relationship, expressly designating either the people's courts of the mainland or the courts of the Hong Kong Special Administrative Region as having exclusive jurisdiction. Therefore, final judgments rendered in the mainland or Hong Kong that meet the above conditions may be submitted by the parties for recognition and enforcement to the relevant people's courts in the mainland or to the courts of the Hong Kong Special Administrative Region. The Arrangement of the Supreme People's Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters between the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和

執行民商事案件判決的安排》) (the "**New Arrangement**") came into effect on 29 January 2024, replacing the Arrangement. However, "written jurisdiction agreements" concluded before 29 January 2024 pursuant to the Arrangement remain applicable. The New Arrangement aims to establish a clearer and more comprehensive mechanism for the recognition and enforcement of a wider range of civil and commercial judgments between the Hong Kong Special Administrative Region and the mainland.