This Appendix sets forth summaries of certain aspects of PRC laws and regulations 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 [**REDACTED**] with an overview of the principal legal and regulatory provisions applicable to the Company. This summary is not intended to include all the information which is important to potential [**REDACTED**]. For discussion of laws and regulations which are relevant to business of the Company, please refer to "Regulations" in this document.

## THE PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) (the "**Constitution**") which was amended and came into effect on March 11, 2018 and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, 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》) which was last revised on March 13, 2023 and took effect on March 15, 2023 (the "**Legislation Law**"), the NPC and the Standing Committee of the NPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The Standing Committee of the NPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during its adjournment, provided that such supplements and amendments shall not be in conflict with the basic principles of such laws.

The State Council is the highest organ of state 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 any provision of the Constitution, laws and administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such 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 examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people's congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people's governments of the provinces or autonomous regions concerned, a decision should be made by the standing committees of the people's congresses of provinces or autonomous regions to resolve the issue. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, authorities directly under the State Council with administrative management functions, as well as the bodies prescribed by law may, in accordance with the laws and the administrative regulations, decisions, and orders of the State Council, develop departmental rules within their respective power. The matters prescribed in departmental rules shall be matters for the enforcement of laws or the administrative regulations, decisions, and orders of the State Council. The people's governments of provinces, autonomous regions, municipalities and cities divided into districts, and autonomous prefectures may formulate rules in accordance with laws, administrative regulations and local regulations of the relevant provinces, autonomous regions and municipalities.

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 Standing Committee of the NPC 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 NPC 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》) effective on June 10, 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 Standing Committee of the NPC 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.

## THE PRC JUDICIAL SYSTEM

Under 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》) (amended by the Standing Committee of the NPC on October 26, 2018 and effective from January 1, 2019), the people's courts of the PRC are classified into 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 divided into three levels, namely, the primary people's courts, the intermediate people's courts and the higher people's courts. The primary people's courts may set up special civil courts based on the status of the region, population and cases. The Supreme People's Court is the highest judicial body in the PRC. The Supreme People's Court 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.

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 courts 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 any definite errors in a legally effective final judgment or ruling of the people's court at any level or the people's court at the next higher level finds such errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), which was last amended on September 1, 2023 and took effect on January 1, 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 court located in the defendant's place of domicile. The parties to disputes over contracts or other property rights may, by a written agreement, choose a people's court of jurisdiction located at the defendant's place of domicile, the place where the contract is performed or signed, the plaintiff's place of domicile, the place where the object is located or any other place that is effectively connected with the disputes, provided that such choice may not contravene the provisions of the Civil Procedure Law regarding hierarchical jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a PRC court. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a PRC court. 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 actions 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 law on the suspension or interruption of the statute of limitations shall apply to the suspension or interruption of the statute of limitations of the action for which enforcement is sought. If a party fails to satisfy within the stipulated period a judgment for which the court has granted an enforcement approval, the court may, upon application by the other party, proceed with compulsory enforcement of the judgment.

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 property is not located within the territory of the PRC, the applicant may 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 of the PRC, the parties concerned may directly apply to the intermediate people's court of the PRC 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 country and the PRC or in accordance with the principle of reciprocity. However, if the judgment or ruling results in a violation of the basic legal principles of the PRC or is against PRC's sovereignty, security or public interests, it shall not be recognized or enforced.

## THE 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 of the PRC (the "**Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The last revised Company Law took effect on July 1, 2024.

The Trial Measures and related guidelines, which were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, apply to direct and indirect subscriptions of overseas shares and listings of domestic companies. The Trial Measures also stipulate administrative filing procedures and regulatory requirements for the overseas issuance of securities and listing of domestic enterprises.

On March 28, 2025, the CSRC issued the latest Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), which took effect on the same date. Pursuant to the Trial Measures and its supporting guideline the Guidelines on the Application of Regulatory Rules — No. 1 for Overseas Offering and Listing (《監管規則適用指引—境外發行上市類第1號》), the 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 with its registered capital divided into shares of equal nominal value. The shareholders of the company shall bear liability for the company to the extent of the shares they subscribe for, and the company shall bear liability for the debts of the company with all its assets.

A company must conduct its business in accordance with laws, regulations as well as social and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor which has the joint and several liabilities associated with the debts of the invested enterprises.

### Incorporation

A joint stock limited company may be incorporated by means of 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 joint stock limited companies incorporated by means of promotion, the promoters shall subscribe for the total number of shares to be issued upon the company's formation as specified in its articles of association. For companies incorporated by means of subscription, the shares subscribed for by the promoters shall not be less than 35% of the total number of shares required to be issued upon the company's formation as specified in its articles of association, unless otherwise provided by the laws or administrative regulations.

For a joint stock limited company incorporated by means of subscription, the promoters shall convene an inaugural meeting within 30 days after full payment has been made for all shares to be issued at the company's incorporation. The promoters shall inform the subscribers of or announce the date of the meeting 15 days before the inaugural meeting is convened. The inaugural meeting may be held only if subscribers representing more than half of the voting rights are present. For a joint stock limited company incorporated by means of promotion, the convening and voting procedures for the inaugural meeting shall be governed by the company's articles of association or by the promoters' agreement.

The inaugural meeting of the company must exercise the following functions and powers:

(i) review the promoters' report on the preparations for the company's establishment;

(ii) adopt the company's articles of association;

(iii) elect directors and supervisors;

(iv) examine the company's formation expenses;

(v) examine the valuation of any non-monetary contributions made by the promoters; and

(vi) if force majeure occurs or significant changes in operating conditions directly affect the establishment of the company, resolve not to proceed with the company's formation.

Resolutions on the matters listed in the preceding paragraph adopted by the inaugural meeting shall be passed by a majority of the voting rights held by the subscribers present at the meeting.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established, and has the status of a legal person, after the business license has been issued by the relevant registration authority.

**Registered shares and issued shares**

Under the Company Law, a shareholder may make a capital contribution in money or in the form of non-monetary property such as physical assets, intellectual-property rights, land-use rights, equity rights, creditor's rights, or any other non-monetary property which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by laws or administrative regulations.

The capital of a joint stock limited company is divided into shares. All of the company's shares shall, as stipulated in the articles of association, be either par-value shares or no-par-value shares. If par-value shares are adopted, the amount per share must be the same. The company may, in accordance with its articles of association, convert all issued par-value shares into no-par-value shares, or vice versa. Where no-par-value shares are adopted, at least one-half of the proceeds from the issuance of the shares must be credited to the company's registered capital.

A joint stock limited company shall maintain a register of shareholders and keep it at the company's premises. The register shall contain the following particulars:

(i) the name and domicile of each shareholder;

(ii) the class and number of shares subscribed for by each shareholder;

(iii) the serial numbers of any share certificates issued in physical form; and

(iv) the date on which each shareholder acquired the shares.

The issuance of shares of a joint stock limited company shall be conducted in a fair and equitable manner. The same class of shares must carry equal rights. For the same class of shares issued at the same time, each share shall be issued on the same conditions and at the same price. Subscribers shall pay the same price for each of the share they subscribe for. Par-value shares may be issued at their par value or at a price above par, but never below par.

The Trial Measures provide that a company issuing and listing securities in an overseas market may raise capital and distribute dividends or interest in either foreign currency or Renminbi. In certain circumstances — such as share-based incentive schemes or acquisitions of assets through the issuance of securities — domestic enterprises that conduct a direct overseas offering and listing may also issue securities to specific domestic investors.

Under the Trial Measures, where a domestic enterprise undertakes a direct overseas offering and listing, shareholders holding its domestic unlisted shares who apply to convert those shares into overseas-listed shares for trading on an overseas exchange must comply with the relevant rules of the CSRC and entrust the domestic enterprise to file the conversion with the CSRC. The term "domestic unlisted shares" refers to shares already issued by the domestic enterprise but not listed or traded on any domestic exchange. Such domestic unlisted shares must be centrally registered and held in custody with a domestic securities depository and clearing institution. The registration, clearing, and settlement arrangements for overseas-listed shares are governed by the rules of the overseas listing venue.

Domestic enterprises conducting an overseas offering and listing must file with the CSRC in accordance with the Trial Measures, submitting a filing report, legal opinions, and other relevant documents that truthfully, accurately, and completely disclose information such as shareholder details. For a direct overseas offering and listing by a domestic enterprise, the issuer itself shall file with the CSRC. For an indirect overseas offering and listing by a domestic enterprise, the issuer must designate a principal domestic operating entity as the responsible domestic party to file with the CSRC.

**Increase in Share Capital**

Pursuant to the relevant provisions of the Company Law, when a joint stock limited company intends to issue new shares, the shareholders' meeting shall adopt resolutions on the following matters:

(i) the class and number of the new shares;

(ii) the issue price of the new shares;

(iii) the start and end dates of the new share offering;

(iv) the class and number of new shares to be offered to existing shareholders; and

(v) where no-par-value shares are issued, the amount of the proceeds from the new share offering to be credited to the company's registered capital.

Any public offering of shares by the company must be registered with the securities regulatory authority under the State Council and be accompanied by the publication of a prospectus.

**Reduction of Share Capital**

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

(i) the company shall prepare a balance sheet and a property list;

(ii) the reduction of registered capital must be approved by the shareholders' meeting;

(iii) within 10 days of the date on which the resolution on reducing registered capital is made, the creditors shall be notified by the Company and a public announcement shall be made on newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(iv) creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay the debts or provide relevant guarantees; and

(v) the company shall file an application for change of registration with the company registry.

A company reducing its registered capital must decrease each shareholder's contribution or shares proportionally according to their respective capital contributions or shareholdings, unless otherwise provided by law, separately agreed by all shareholders of a limited liability company, or otherwise specified in the articles of association of a joint stock limited company.

**Repurchase of Shares**

Under the Company Law, the company may not acquire its own shares except in any of the following circumstances:

(i) decreasing the registered capital of the company;

(ii) merger with other companies which hold the company's shares;

(iii) using the shares for an employee stock plan or share incentive;

(iv) a shareholder who dissents from a shareholders' resolution approving a merger or division of the company requesting that the company repurchase his or her shares;

(v) such shares are used for transferring convertible corporate bonds issued by the company; or

(vi) where it is necessary for a listed company to maintain its corporate value and stockholders' equity.

A company purchasing its own shares under any of the circumstances set forth in items (i) or (ii) above shall be subject to a resolution of the shareholders' meeting. A company purchasing its own shares under any of the circumstances set forth in items (iii), (v) and (vi) above may, pursuant to its articles of association or the authorization of its shareholders' meeting, be subject to a resolution of a board meeting at which more than two-thirds of directors are present.

The shares of the company acquired by its own under the circumstance stipulated in item (i) of paragraph 1 of this article shall be deregistered within 10 days from the date of acquisition; the shares shall be assigned or deregistered within six months if the share repurchase is made under the circumstances stipulated in either item (ii) or item (iv); and the shares held in total by a company after a share repurchase under any of the circumstances stipulated in item (iii), item (v) or item (vi) shall not exceed 10% of the company's total issued shares, and shall be assigned or deregistered within three years.

**Transfer of Shares**

Shares held by shareholders may be transferred legally. 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 shall 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 names or titles and domiciles of the transferees in its register of shareholders. Change of the register of shareholders shall not be made within 20 days before convening of a shareholders' meeting or five days prior to the base date on which the company decides to distribute dividends. However, where there are separate provisions by laws, administrative regulations or the securities regulatory authorities under the State Council on alternation of register of shareholders of listed companies, those provisions shall prevail.

Under the Company Law, shares issued before a company's public offering may not be transferred for one year from the date on which the company's shares are listed and traded on a stock exchange. Where laws, administrative regulations, or securities regulatory authorities under the State Council provide otherwise for the transfer of shares in the company held by shareholders or actual controllers of a listed company, such provisions shall prevail.

The directors, supervisors and senior management personnel of a 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 determined 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. The shares they hold in the company also cannot be transferred within half a year after such persons have left office. The articles of association may set other restrictive requirements on the transfer of a company's shares held by its directors, supervisors and senior management.

If shares are pledged during a period when their transfer is restricted under any law or administrative regulation, the pledgee may not enforce the pledge within that restricted period.

**Shareholders**

Under the Company Law and the Guidelines for Articles of Association, the rights of shareholders include the following:

(i) to receive dividends and other forms of distributions in proportion to the number of shares they hold;

(ii) to attend or appoint a proxy to attend shareholders' meeting and to exercise corresponding voting rights;

(iii) to supervise, present suggestions on or make inquiries about the operations of the company;

(iv) to transfer their shares in accordance with laws, administrative regulations and the articles of association;

(v) to inspect the articles of association, register of shareholders, counterfoil of corporate bonds, minutes of shareholders' meetings, resolutions of board meetings, resolutions of meetings of the supervisory committee and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations;

(vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held upon the company's termination or liquidation;

(vii) to exercise other rights conferred by laws, administrative regulations, and the articles of association.

The obligations of shareholders include the following:

(i) to observe the articles of association;

(ii) to contribute to the share capital as determined by the number of shares subscribed by them and the method of subscription;

(iii) not to abuse shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the company's creditors;

(iv) to fulfill other obligations stipulated by laws, administrative regulations and the articles of association.

**Shareholders' Meeting**

According to the Company Law, the shareholders' meeting of a joint stock limited company is composed of all shareholders. The shareholders' meeting is the organ of authority of the company, and shall exercise the following functions and powers:

(i) to elect and replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors;

(ii) to deliberate and approve reports of the board of directors;

(iii) to deliberate and approve reports of the supervisory committee;

(iv) to deliberate and approve the company's profit distribution proposals and loss recovery proposals;

(v) to resolve on any increase or reduction of the company's registered capital;

(vi) to resolve on the issuance of corporate bonds;

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

(viii) to amend the articles of association; and

(ix) to exercise any other powers stipulated in the articles of association.

Pursuant to the Company Law, the shareholders' meeting shall hold an annual meeting once every year. An extraordinary shareholders' meeting shall be convened within two months from the date of occurrence of any of the following events:

(i) the number of directors is less than the number required by the Company Law or less than two-thirds of the number stipulated in the articles of association;

(ii) the outstanding losses of the company amount to one-third of the company's total paid-in share capital;

(iii) shareholders who individually or jointly hold more than 10% of the company's shares request to do so;

(iv) the board of directors deems it necessary to convene the meeting;

(v) the supervisory committee proposes to convene the meeting; or

(vi) other circumstances as provided for in the articles of association.

A shareholders' meeting shall be convened and presided over by the chairman of the board of directors. If the chairman is unable to perform his/her duties or fails to perform his/her duties, the vice chairman of the board shall preside over the meeting; if the vice chairman is unable to perform his/her duties or fails to perform his/her duties, more than half of the directors shall jointly recommend a director to preside over the meeting.

If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner; if the supervisory committee does not convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting.

Where one or more shareholders who individually or jointly hold more than 10% of the company's shares request the convening of an extraordinary shareholders' meeting, the board of directors or the supervisory committee must, within ten days of receiving the request, decide whether to convene such an extraordinary shareholders' meeting and notify the shareholders in writing of its decision.

To hold a shareholders' meeting, the time, venue and matters to be considered shall be noticed to the shareholders 20 days before the meeting is held; to hold an extraordinary shareholders' meeting, the shareholders shall be noticed 15 days before the meeting is held.

The shareholders severally or jointly holding 1% or more of the shares of the company may raise interim proposals and submit them in writing to the board of directors 10 days prior to the convening of the shareholders' meeting. The interim proposals shall include a clear agenda and specific matters for resolution. The board of directors shall, within 2 days after the receipt of such proposals, notify other shareholders, and submit them to the shareholders' meeting for deliberation. This does not apply to any interim proposal that violates laws, administrative regulations, or the provisions of the articles of association, or that falls outside the scope of the powers of the shareholders' meeting. The company shall not raise the shareholding ratio of shareholders submitting the interim proposals.

According to the Company Law, if a shareholder appoints a proxy to attend the shareholders' meeting, the matters, authority, and duration of the proxy shall be clearly specified; the proxy shall submit a power of attorney from the shareholder to the company and exercise voting rights within the scope of the authorization. There is no specific provision in the Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting.

Under the Company Law, shareholders present at the shareholders' meeting shall have one vote for each share they hold, except for holders of class shares. Shares held by the company are not entitled to any voting rights.

Under the Company Law and the Guidelines for Articles of Association, resolutions passed at the shareholders' meeting shall be approved by more than half of the voting rights held by shareholders present at the meeting. Resolutions made by the shareholders' meeting on the amendment to the articles of association, increase or reduction of registered capital, or the merger, division or dissolution of the company or changes in the company's form shall be approved by more than two-thirds of the voting rights held by shareholders present at the meeting.

A cumulative voting system may be adopted for the election of directors or supervisors at the shareholders' meeting in accordance with the articles of association or the resolution of the shareholders' meeting. The cumulative voting system means that, in the election of directors or supervisors, each share carries as many voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

**Board of Directors**

Pursuant to the Company Law, a joint stock limited company shall have a board of directors composed of not less than three members. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. A director may serve consecutive terms if re-elected upon the expiration of his/her term.

The board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over the meetings of the board of directors and review the implementation of resolutions of the board of directors. The vice chairman shall assist the chairman in his/her work. If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties on his/her behalf; if the vice chairman is unable or fails to perform his/her duties, a director nominated by more than half of the directors shall perform the duties on his/her behalf.

A person shall not serve as a director of the company under the following circumstances:

(i) a person without or with limited capacity for civil conduct;

(ii) a person who has been convicted for criminal offense for corruption, bribery, encroachment of property, misappropriation of property or disruption of the socialist market economy order, or has been deprived of political rights due to a crime, and less than five years have elapsed since the completion of the execution of the penalty; or who has been declared on probation, and less than two years have elapsed since the expiration of the probation period;

(iii) a director, factory director or manager of a company or enterprise undergoing bankruptcy liquidation and is personally liable for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of the company or enterprise;

(iv) a person who serves as the legal representative of a company or an enterprise whose business license has been revoked or which was ordered to close down due to its violation of law, and who is personally liable for this, and less than three years have elapsed since such revocation of business license or close-down; or

(v) an individual who has a large amount of debts remaining unpaid and who has been listed as a dishonest debtor by the people's court.

Meetings of the board of directors shall be convened at least twice a year. Notice of the meeting shall be given to all directors and supervisors at least 10 days before the meeting. The board of directors shall exercise the following functions and powers:

(i) to convene the shareholders' meeting and submit work reports to the shareholders' meeting;

(ii) to implement resolutions of the shareholders' meeting;

(iii) to decide on the company's business plans and investment proposals;

(iv) to formulate the company's profit distribution plans and plans for making up losses;

(v) to formulate plans for the company to increase or decrease its registered capital, and issue corporate bonds;

(vi) to formulate plans for the merger, division or dissolution of the company, or change of the company's form;

(vii) to decide on the establishment of the company's internal management structure;

(viii) to decide on the appointment or dismissal of the company's managers, and their remuneration; based on the nomination of the managers, to decide on the appointment or dismissal of the company's deputy managers and chief financial officer, and their remuneration;

(ix) to formulate the company's basic management system; and

(x) other powers and functions conferred by the articles of association, or the shareholders' meeting.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors require the approval of more than half of all directors. Voting on the resolution of the board of directors shall be carried out on the basis of one person one vote. The board of directors shall make minutes of the decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the minutes.

Directors shall attend meetings of the board of directors personally; where a director is unable to attend a meeting of the board of directors for some reason, he/she may entrust another director in writing to attend the meeting on his/her behalf. The letter of authorization shall specify the scope of authorization. The directors shall be responsible for the resolutions of the board of directors. If a resolution of the board of directors violates any laws, administrative regulations or the articles of association or resolutions of the shareholders' meeting, as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be relieved from that liability.

**Supervisory Committee**

Under the Company Law, a joint stock limited company shall have a supervisory committee, which shall consist of at least three members. The supervisory committee shall consist of shareholder representatives and an appropriate proportion of employee representatives of the company. In particular, the proportion of employee representatives shall not be less than one-third, and the actual proportion shall be specified in the articles of association. The employee representatives in the supervisory committee shall be democratically elected by the company's employees at the employee representative assembly, employee meeting or otherwise. Directors and senior management members shall not act concurrently as supervisors. The supervisory committee shall appoint a chairman and may appoint a vice chairman.

The chairman and the vice chairman of the supervisory committee shall be elected by more than half of all the supervisors. The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee; where the chairman of the supervisory committee is unable or fails to perform his/her duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee; where the vice chairman of the supervisory committee is unable or fails to perform his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

The supervisory committee shall exercise the following functions and powers:

(i) to examine the company's finance;

(ii) to supervise the directors and senior management in their performance of duties and to propose the removal of any director or senior management who violates the laws, administrative regulations, the articles of association or the resolutions of the shareholders' meeting;

(iii) to demand rectification from the directors and senior management when the acts of such persons are harmful to the company's interests;

(iv) to propose the convening of extraordinary shareholders' meetings and, in case the board of directors does not perform the obligations to convene and preside over the shareholders' meetings in accordance with the Company Law, to convene and preside over the shareholders' meetings;

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

(vi) to institute lawsuits against directors and senior management in accordance with Article 189 of the Company Law; and

(vii) other functions and powers specified in the articles of association.

A joint stock company may, according to the articles of association, establish an audit committee consisting of directors in the board of directors to exercise the functions and powers of the supervisory committee, instead of establishing a supervisory committee.

On December 27, 2024, the CSRC promulgated 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 include provisions in their articles of association for establishing an audit committee under the board of directors to perform the functions and powers of the supervisory committee stipulated in the Company Law and not setting up the supervisory committee or appointing supervisors, 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 PRC (《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 January 1, 2026. Before a listed company adjusts the setup of its internal supervisory body, the supervisory committee or supervisors shall continue to abide by the provisions in the original systems and rules of the CSRC.

**Manager and Senior Management**

Pursuant to the Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be accountable to the board of directors and exercise functions and powers as specified in the articles of association or as authorized by the board of directors. The manager shall attend meetings of the board of directors as a non-voting attendee.

According to the Company Law, senior management shall mean the manager, deputy manager(s) and chief financial officer of a company, board secretary (in case of a listed company) and other personnel as stipulated in the articles of association.

**Duties of Directors, Supervisors and Senior Management**

Directors, supervisors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have fiduciary and diligent duties to the company. Directors, supervisors and senior management have a duty of loyalty to the company and shall take measures to avoid conflicts between their personal interests and interests of the company. They shall not exploit their positions to obtain improper benefits.

Directors, supervisors and senior management shall owe a duty of diligence to the company. In performing their duties, they shall exercise the reasonable care that a manager would ordinarily exercise, in the best interests of the company.

Directors, supervisors and senior management are prohibited from:

(i) misappropriating the company's property or embezzling the company's funds;

(ii) depositing the company's funds into accounts opened in their own names or in the names of other individuals;

(iii) making use of official powers to accept bribes or other illegal income;

(iv) accepting and possessing commissions paid by a third party for transactions conducted with the company;

(v) disclosing secrets of the company without authorization; or

(vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management enters into a contract or conducts a transaction with the company directly or indirectly, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or the shareholders' meeting, subject to the approval through a resolution of the board of directors or the shareholders' meeting according to the articles of association.

Immediate family members of directors, supervisors and senior management, enterprises directly or indirectly controlled by directors, supervisors, senior management or their immediate family members, or any connected parties that are otherwise connected with directors, supervisors and senior management, when entering into contracts or conducting transactions with the company, are subject to the provisions of the preceding paragraph.

No director, supervisor or senior management may take advantage of official powers to seek business opportunities for themselves or others that should have otherwise been available to the company, except under any of the following circumstances: (i) when he/she has reported to the board of directors or the shareholders' meeting and approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association; or (ii) when the company, according to the laws, administrative regulations, or the articles of association, cannot utilize such business opportunities.

No director, supervisor or senior management may operate for themselves or others any business similar to that of the company which he/she serves, without reporting to the board of directors or the shareholders' meeting and obtaining approval through a resolution of the board of directors or the shareholders' meeting according to the articles of association.

If any director, supervisor or senior management contravenes any law, administrative regulation or the articles of association in the performance of his/her duties, resulting in any loss to the company, he/she shall be liable for compensation.

**Finance and Accounting**

Pursuant to the Company Law, the company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of the financial department of the State Council and shall, at the end of each financial year, prepare a financial and accounting report which shall be audited by an accounting firm as required by law. The financial and accounting report shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial department of the State Council.

The financial and accounting reports of a joint stock limited company shall be available at the company for inspection by the shareholders at least 20 days before the convening of an annual shareholders' meeting. A joint stock limited company which has issued shares to the public shall publish its financial and accounting reports.

The premium received by the company through issuance of shares at prices above par value, amount of proceeds from the issuance of no-par value shares not included in the registered capital and other incomes required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

The common reserve fund of the company shall be used to make up for the losses, enhance the operating scale or increase the registered capital of the company. Losses incurred by the company shall be offset by using discretionary common reserve fund and statutory common reserve fund first. If losses cannot be fully covered, the capital reserve fund may be applied in accordance with prescribed regulations. Upon conversion of the statutory common reserve fund into registered capital, the balance of the fund shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. Its assets shall not be deposited in any accounts opened in the name of any individual.

**Appointment and Dismissal of Accounting Firm**

Pursuant to the Company Law, the appointment and dismissal of the accounting firm responsible for the auditing of the company shall be determined by the shareholders' general meeting, the board of directors or the supervisory committee in accordance with the articles of association. The accounting firm shall be allowed to make representations when the shareholders' meeting, the board of directors or the supervisory committee conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting vouchers, accounting books, financial accounting reports and any other accounting materials to the accounting firm it employs and shall not refuse to provide or conceal such information, or provide false information.

According to the Guidelines for Articles of Association, the appointment of an accounting firm by the company must be determined by the shareholders' meeting, and the board of directors shall not appoint an accounting firm before such determination by the shareholders' meeting. The audit fees of the accounting firm shall be determined by the shareholders' meeting.

**Profit Distribution**

When distributing after-tax profits for the current year, the company shall withdraw 10% of the profits as its statutory common reserve fund. Such withdrawal may be stopped when the statutory common reserve fund of the company has accumulated to over 50% of the registered capital of the company. When the company's statutory common reserve fund is not sufficient to make up for its losses of the previous years, current year profits shall be used to make up for the losses before allocations are set aside for the statutory common reserve fund according to the preceding paragraph. After allocation of the statutory common reserve fund from after-tax profits, the company may, upon a resolution passed at the shareholders' meeting, allocate discretionary common reserve fund from after-tax profits. The remaining after-tax profits of the company after covering losses and making appropriations to common reserve funds shall be distributed to shareholders of a joint stock limited company in proportion to the shares held by them, except as otherwise provided in the articles of association. Shares of the company held by the company itself shall not be entitled to profit distribution.

If the company distributes profits to shareholders in violation of the Company Law, the profits thus distributed shall be returned to the company. If losses are caused to the company, the shareholders as well as the liable directors, supervisors and senior management members shall bear the liability for compensation.

Where the shareholders' meeting has adopted a resolution on profit distribution, the board of directors shall distribute such profits within six months from the date on which the resolution of the shareholders' meeting is adopted.

**Dissolution and Liquidation**

According to the Company Law, the company shall be dissolved in the event that:

(i) the business term stipulated in the articles of association expires, or any other cause for dissolution as specified in the articles of association occurs;

(ii) the shareholders' meeting resolves to dissolve the company;

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

(iv) the company's business license is revoked, or the company is ordered to close down or rescind in accordance with the law;

(v) dissolution is ordered by the people's court in accordance with Article 231 of the Company Law. Where a dissolution event specified in the preceding paragraph occurs, the company should publicize such event via the National Enterprise Credit Information Publicity System within 10 days.

Where the company is to be dissolved pursuant to the provision of item (i) above, it may continue to exist through amendment of the articles of association or by resolution of the shareholders' meeting, provided that such amendment of the articles of association or such resolution of the shareholders' meeting is approved by shareholders holding more than two-thirds of the voting rights of the shareholders attending the shareholders' meeting. Where the company is dissolved pursuant to item (i), (ii), (iv) or (v) above, liquidation shall be conducted. Directors shall serve as the liquidation obligors who must form a liquidation group within 15 days from the occurrence of the dissolution event. The liquidation group shall consist of directors, unless otherwise provided in the articles of association or the shareholders' meeting resolves to appoint other persons. Liquidation obligors failing to perform obligations timely, thereby causing losses to the company or the creditors, shall be liable for damages.

Where the liquidation group is not formed to carry out liquidation within the prescribed time limit, or where a liquidation group is formed but does not proceed with liquidation, interested parties may apply to the people's court to designate relevant persons to form a liquidation group to carry out liquidation. The people's court shall accept such application and promptly organize the liquidation group to carry out liquidation.

During the liquidation period, the liquidation group may exercise the following powers:

(i) to clear up the company's property and prepare a balance sheet and an inventory of assets respectively;

(ii) to notify creditors of the company by mail or by announcement;

(iii) to handle the outstanding business of the company relating to liquidation;

(iv) to pay taxes owed by the company and taxes incurred in the course of liquidation;

(v) to clear up claims and debts;

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

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

The liquidation group shall, within ten days from the date of its establishment, notify the creditors of the company, and shall, within 60 days, make an announcement in newspapers or through the National Enterprise Credit Information Publicity System. Creditors shall declare their claims to the liquidation group within 30 days from the date of receipt of the notice, or within 45 days from the date of announcement if no notice is received. When declaring claims, creditors shall state the relevant particulars of the claims and provide supporting materials. The liquidation group shall register the claims. During the period of declaration of claims, the liquidation group shall not make repayment to creditors.

After clearing up the company's property and preparing a balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

The remaining property of the company, after paying liquidation expenses, employees' wages, social insurance expenses and statutory compensation, paying taxes owed, and settling the company's debts, shall be distributed, in the case of a limited liability company, in proportion to the capital contributions made by the shareholders, and in the case of a joint stock limited company, in proportion to the shares held by the shareholders.

During the liquidation period, the company shall continue to exist, but shall not conduct business activities unrelated to liquidation. Before the company's property has been settled in accordance with the preceding provision, it shall not be distributed to shareholders.

Where, after clearing up the company's property and preparing a balance sheet and an inventory of assets, the liquidation group discovers that the company's property is insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. After the people's court accepts the bankruptcy application, the liquidation group shall hand over liquidation matters to the bankruptcy administrator designated by the people's court.

Members of the liquidation group shall perform their liquidation duties with the duty of loyalty and diligence. Where members of the liquidation group fail to perform their liquidation duties, causing losses to the company, they shall bear liability for compensation; where losses are caused to creditors due to intent or gross negligence, they shall bear liability for compensation.

Upon completion of the liquidation of the company, the liquidation group shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and submit it to the company registration authority to apply for deregistration of the company.

Where the business license of the company is revoked, or the company is ordered to close down or deregistered, and no application for deregistration of the company has been filed with the company registration authority within three years, the company registration authority may make a public announcement through the National Enterprise Credit Information Publicity System for a period of not less than 60 days. Upon expiry of the announcement period, if no objection has been raised, the company registration authority may deregister the company.

**Overseas Listing**

According to the Trial Measures, where an issuer conducts an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for issuance and listing overseas. After the issuer's overseas issuance and listing, where securities are issued in the same overseas market, the issuer shall file with the CSRC within three working days after completion of the issuance. After the issuer's overseas issuance and listing, where securities are issued and listed in another overseas market, filing shall be made in accordance with the provisions of the first paragraph of this article.

**Loss of Shares**

Where shares are stolen, lost or destroyed, shareholders may, in accordance with the public notice procedure prescribed under the Civil Procedure Law of the People's Republic of China, request the people's court to declare such shares void. After the people's court declares such shares void, shareholders may apply to the company for reissuance of the shares.

**Suspension and Termination of Listing**

The Company Law has deleted the provisions relating to suspension and termination of listing. The Securities Law of the People's Republic of China (2019 Revision) has also deleted the provisions relating to suspension of listing. Where listed securities fall within the delisting circumstances prescribed by a stock exchange, the stock exchange shall terminate their listing and trading in accordance with its business rules.

According to the Trial Measures, where an issuer voluntarily terminates its listing or is compulsorily delisted after issuing and listing securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of such event.

**Securities Laws and Regulations**

In October 1992, the State Council established the Securities Commission and the CSRC. The Securities Commission was responsible for coordinating the drafting of securities laws and regulations, formulating policies related 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 was the regulatory body under the Securities Commission, responsible for drafting regulatory rules for the securities market, supervising securities companies, regulating the public issuance of securities by Chinese companies domestically and overseas, standardizing securities trading, preparing securities-related statistical data, and conducting relevant research and analysis. On March 29, 1998, the State Council merged the two departments and restructured the CSRC.

The Interim Provisions on the Management of the Issuing and Trading of Stocks, promulgated by the State Council and effective on April 22, 1993, set out the application and approval procedures for public issuance of shares, share trading, acquisition of listed companies, custody, clearing and transfer of listed shares, information disclosure by listed companies, investigation and penalties, as well as arbitration of disputes.

The Regulations of the State Council Concerning Domestic Listed Foreign Shares of 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》), promulgated by the State Council and effective on December 25, 1995, primarily provided for the issuance, subscription, trading, and dividend payment of domestic listed foreign shares, as well as information disclosure by joint stock limited companies holding domestic listed foreign shares.

The Securities Law of the People's Republic of China (the "**PRC Securities Law**"), as most recently amended by the Standing Committee of the National People's Congress on December 28, 2019 and effective on March 1, 2020, sets out a series of provisions on, among others, securities issuance and trading in China, acquisition of listed companies, stock exchanges, securities companies, and the duties and responsibilities of the State Council's securities regulatory authority, and comprehensively regulates securities market activities in China. The PRC Securities Law provides that domestic enterprises issuing securities overseas directly or indirectly, or listing their securities for trading overseas, shall comply with relevant provisions of the State Council. At present, the issuance and trading of shares overseas are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

**Arbitration and Enforcement of Arbitral Awards**

According to the Arbitration Law of the People's Republic of China ("**Arbitration Law**"), as amended by the Standing Committee of the National People's Congress on September 1, 2017 and effective on January 1, 2018, the Arbitration Law shall apply to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to arbitration before an arbitration commission established in accordance with the Arbitration Law. Before arbitration rules are formulated by the China Arbitration Association, arbitration commissions may, in accordance with the Arbitration Law and the relevant provisions of the Civil Procedure Law of the People's Republic of China, formulate provisional arbitration rules. Where an arbitration agreement has been concluded between the parties, if one party files a lawsuit with the people's court, the people's court shall not accept it, except where the arbitration agreement is invalid.

According to the Arbitration Law, arbitration follows the system of finality of one arbitral award, which is binding on all parties to the arbitration. If one party fails to comply with the award, the other party may apply to the people's court for compulsory enforcement of the arbitral award in accordance with the Civil Procedure Law of the People's Republic of China. Where the arbitration procedure is unlawful (including where the composition of the arbitration commission violates statutory procedures, the matters decided fall outside the scope of the arbitration agreement, or the arbitration commission has no jurisdiction to arbitrate), the people's court may rule not to enforce the arbitral award rendered by the arbitration commission. Where an arbitral award made in accordance with law within the territory of the People's Republic of China has become legally effective, and the party requests enforcement but the person subject to enforcement or its property is not within the territory of the People's Republic of China, the party may directly apply to a competent foreign court for recognition and enforcement. Likewise, people's courts may, on the basis of the principle of reciprocity or any international treaty concluded or acceded to by China, recognize and enforce arbitral awards rendered by foreign arbitration institutions.

According to the Arrangements of the Supreme People's Court on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangements of the Supreme People's Court for the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, arbitral awards rendered by arbitration institutions in Mainland China may be enforced in Hong Kong, and Hong Kong arbitral awards may likewise be enforced in Mainland China.

**Judicial Judgments and Their Enforcement**

Pursuant to the Arrangement 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 Parties Concerned, promulgated by the Supreme People's Court on July 3, 2008 and implemented on August 1, 2008 (which was repealed on January 29, 2024), for final and enforceable judgments requiring payment of money rendered by a court of the Mainland China or a court of Hong Kong in civil and commercial cases where a written jurisdiction agreement exists, the parties may, in accordance with such arrangement, apply to a court of the Mainland China or a court of Hong Kong for recognition and enforcement. "Written jurisdiction agreement" refers to an agreement whereby the parties, for the purpose of resolving disputes that have arisen or may arise in connection with a specific legal relationship, expressly agree in writing that the courts of the Mainland China or the courts of Hong Kong shall have exclusive jurisdiction. Accordingly, final judgments of the Mainland China or Hong Kong that satisfy certain conditions under the aforementioned regulation may, upon application by the parties, be recognized and enforced by the courts of the Mainland China or the courts of the Hong Kong Special Administrative Region.

On January 25, 2024, the Supreme People's Court promulgated the Arrangement 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 (《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**"), which came into effect on January 29, 2024, aiming to establish a clearer and more comprehensive mechanism for the recognition and enforcement of a broader scope of judgments in civil and commercial cases between the Hong Kong Special Administrative Region and the Mainland China.