This Appendix sets out a summary of the principal PRC laws, regulations and policies related to the daily business operations currently conducted by the Company within the PRC. 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 may be important to potential [**REDACTED**]. For a discussion of the laws and regulations related to the business of the Company, please refer to the section headed "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**"), which was amended and became effective on March 11, 2018, and is composed of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules and regulations of the State Council, rules and regulations of local governments, laws of special administrative regions, international treaties signed by the PRC government and other normative documents. Court judgments do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), which was latest amended on March 13, 2023 and became effective on March 15, 2023, the National People's Congress (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 has the power to formulate and amend laws other than those required to be formulated by the NPC; and during the adjournment of the NPC, it may partially supplement and amend the laws formulated by 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 state administrative organ and has the power to formulate administrative regulations in accordance with the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government and their respective standing committees may formulate local regulations based on the specific conditions and actual needs of their respective administrative areas, provided that such regulations do not contravene the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their respective standing committees may formulate local regulations on matters such as urban and rural construction and management, ecological civilization construction, historical and cultural protection, and primary-level governance, based on the specific conditions and actual needs of such cities, provided that such regulations do not contravene the Constitution, laws, administrative regulations and local regulations of the relevant province or autonomous region; where laws otherwise provide for matters regarding which cities divided into districts may formulate local regulations, such provisions shall prevail. The relevant local regulations shall be reported to the standing committee of the people's congress of the relevant province or autonomous region for approval before implementation.

The standing committees of the people's congresses of provinces and autonomous regions shall examine the legality of the local regulations submitted for approval, and shall grant approval within four months if such regulations do not contravene the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. The people's congresses of ethnic autonomous areas have the power to formulate autonomous regulations and separate regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, institutions directly under the State Council with administrative functions, and institutions prescribed by law may formulate departmental rules within the limits of the authority of their respective departments in accordance with laws as well as the administrative regulations, decisions and orders of the State Council.

The NPC has the power to alter or annul any inappropriate laws formulated by its Standing Committee, and has the power to annul any autonomous regulations or separate regulations approved by its Standing Committee that contravene the Constitution or the Legislation Law. The Standing Committee of the NPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and separate regulations approved by the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government that contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul inappropriate departmental rules and local government rules. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul inappropriate local regulations formulated and approved by their respective standing committees. The standing committees of local people's congresses have the power to annul inappropriate rules formulated by the people's governments at the corresponding levels, while the people's governments of provinces and autonomous regions have the power to alter or annul inappropriate rules formulated by the people's governments at the next lower level.

According to the Resolution of the Standing Committee of the NPC on Strengthening the Interpretation of Laws (《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 June 10, 1981, where the provisions of laws and decrees require further clear definition or supplementary provisions, the Standing Committee of the NPC shall provide interpretations or formulate provisions by means of decrees. Issues relating to the specific application of laws in the trial work of courts shall be interpreted by the Supreme People's Court. Issues relating to the specific application of laws in the procuratorial work of procuratorates shall be interpreted by the Supreme People's Procuratorate. Issues concerning the specific application of other laws that do not fall within the trial work of courts and the procuratorial work of procuratorates shall be interpreted by the State Council and the competent departments. At the local level, the power to interpret local regulations vests in the local legislative and administrative organs that promulgate such regulations.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization 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 on January 1, 2019), the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and the specialized 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 specialized civil tribunals based on the conditions of the region, population and cases. The Supreme People's Court is the highest judicial organ of the PRC. The Supreme People's Court supervises the trial work of the local people's courts at all levels and the specialized people's courts, and the higher-level people's courts supervise the trial work of the lower-level people's courts.

The people's courts adopt a two-tier trial system where the second instance is final, which means that the judgments or rulings of the second instance at the people's courts 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 lodge a protest with the people's court at the next higher level in accordance with the procedures prescribed by law. If no appeal is filed by the parties and no protest is lodged by the people's procuratorate within the prescribed time limit, the judgment or ruling of the people's court shall become 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, as well as judgments or rulings of the first instance of the Supreme People's Court, are final. However, if the Supreme People's Court finds definite errors in a legally effective final judgment or ruling of a people's court at any level, or if a higher-level people's court finds definite errors in a legally effective final judgment or ruling of a lower-level people's court, or if the president of a people's court at any level finds definite errors in a legally effective final judgment or ruling of such court, they have the power to bring the case for retrial in accordance with the 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**"), latest amended on September 1, 2023 and effective on January 1, 2024, prescribes the conditions for instituting civil proceedings, the jurisdiction of the people's courts, the procedures to be complied with for conducting civil proceedings, and the procedures for the execution of civil judgments or rulings. All parties to a civil proceeding instituted within the PRC must comply with the Civil Procedure Law. A civil case is generally heard by a court located in the defendant's place of domicile. Parties to a contract dispute or other property rights dispute may, through a written agreement, choose to be subject to the jurisdiction of the people's court in the defendant's place of domicile, the place where the contract is performed, the place where the contract is signed, the plaintiff's place of domicile, the place where the subject matter is located, or any other place with an actual connection to the dispute, provided that the provisions of the Civil Procedure Law regarding hierarchical jurisdiction and exclusive jurisdiction are not violated.

Foreign nationals, stateless persons, foreign enterprises or foreign organizations that institute or respond to proceedings in a people's court shall enjoy the same litigation rights and obligations as PRC citizens, legal persons or other organizations. If the courts of a foreign country impose restrictions on the civil litigation rights of PRC citizens and enterprises, the PRC people's courts shall apply the principle of reciprocity to the civil litigation rights of the citizens and enterprises of such country. If foreign nationals, stateless persons, foreign enterprises or foreign organizations institute or respond to proceedings in a PRC people's court and need to entrust lawyers to represent them in the proceedings, they must entrust PRC lawyers. In accordance with the international treaties concluded or acceded to by the PRC or on the principle of reciprocity, the people's courts and foreign courts may request each other to serve documents, investigate and collect evidence, and conduct other litigation acts on each other's behalf. If a request from a foreign court would impair the sovereignty, security or social public interest of the PRC, the people's courts shall not accept such request.

Parties must comply with legally effective judgments and rulings in civil proceedings. If any party to a civil proceeding refuses to comply with 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 enforcement of the relevant judgment or ruling within two years, or apply for deferred enforcement or revocation. The laws regarding the suspension or interruption of the limitation of action shall apply to the suspension or interruption of the limitation period for applying for enforcement. If such party still fails to perform the judgment within the prescribed period approved by the court for enforcement, the court may compulsorily enforce the judgment against such party upon the application of the other party.

If a party requests for the enforcement of a legally effective judgment or ruling made by a people's court against the other party, and the other party or its assets are located outside the People's Republic of China, the requesting party may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or ruling, or the people's court may request the foreign court to recognize and enforce such judgment or ruling in accordance with the international treaties concluded or acceded to by the PRC or on the principle of reciprocity. Similarly, if a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a PRC people's court, the party concerned may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may request the people's court to recognize and enforce it in accordance with the provisions of international treaties concluded or acceded to by such country and the PRC or on the principle of reciprocity; however, if such judgment or ruling violates the basic principles of PRC laws or national sovereignty, security or social public interest, it shall not be recognized and enforced.

COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

Joint stock limited companies established in the PRC seeking a listing on the Hong Kong Stock Exchange are primarily subject to the following laws and regulations of the PRC.

The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**") was adopted at the Fifth Session of the Standing Committee of the Eighth NPC on December 29, 1993 and came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively. The latest revised Company Law came into effect on July 1, 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**") and relevant guidelines were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, which are applicable to the direct and indirect overseas share subscription and listing of domestic companies. The Trial Measures also stipulate the filing management measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC promulgated the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**") which were latest amended and came into effect on the same date. According to the Trial Measures and its supporting guidelines, the Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing Category No. 1 (《監管規則適用指引—境外發行上市類第1號》), where a domestic company issues and lists its securities directly overseas, it shall formulate its articles of association and standardize its corporate governance with reference to the Guidelines for Articles of Association and other relevant regulations of the CSRC on corporate governance.

A summary of the major provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company is set out below.

General Provisions

A "joint stock limited company" refers to an enterprise legal person incorporated in the PRC in accordance with the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares subscribed by them, and the company is liable for its debts to the extent of all its properties.

A company must comply with laws and regulations as well as social public ethics and commercial morals when engaging in business activities. A company may invest in other companies with limited liability. The liability of the company to such invested companies is limited to the amount of its investment. Unless otherwise provided by law, a company shall not become a capital contributor that assumes joint and several liability for the debts of the invested companies.

Incorporation

A joint stock limited company may be incorporated by promotion or public subscription. To incorporate a joint stock limited company, there shall be 1 to 200 promoters, among which more than half of the promoters must have their domiciles within the PRC.

Where a joint stock limited company is incorporated by promotion, the promoters shall subscribe in full for the shares to be issued upon the incorporation of the company as stipulated in the articles of association. Where a joint stock limited company is incorporated by public subscription, the shares subscribed by the promoters shall not be less than 35% of the total number of shares to be issued upon the incorporation of the company as stipulated in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

The promoters of a joint stock limited company incorporated by public subscription shall convene an inaugural meeting of the company within 30 days after the share capital for the shares to be issued upon incorporation of the company has been fully paid up. The promoters shall notify each subscriber of the date of the meeting or make an announcement 15 days prior to the convening of the meeting. The inaugural meeting may only be held if subscribers holding more than half of the voting rights are present. The convening and voting procedures of the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated by the articles of association or the promoters' agreement.

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

(i) to consider the report of the promoters on the preparation for the incorporation of the company;

(ii) to adopt the articles of association;

(iii) to elect directors and supervisors;

(iv) to review the expenses incurred for the incorporation of the company;

(v) to review the valuation of the non-monetary property contributed by the promoters; and

(vi) to resolve not to incorporate the company in the event of force majeure or significant changes in operating conditions that directly affect the incorporation of the company.

Resolutions made at the inaugural meeting on the matters listed in the preceding paragraph shall be passed by subscribers present at the meeting holding more than half of the voting rights.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for the registration of the incorporation of the joint stock limited company. Upon the issuance of the business license by the relevant registration authority, a company is officially incorporated and acquires the status of a legal person.

Registered Shares and Issue of Shares

Under the Company Law, shareholders may make capital contributions in currency or in kind, intellectual property rights, land use rights, equity rights, creditor's rights, or other non-monetary properties that can be evaluated in currency and transferred according to laws, except for properties that are prohibited from being used for capital contributions under any law or administrative regulation.

The capital of a joint stock limited company shall be divided into shares. All shares of a company shall, in accordance with the articles of association of the company, adopt either par value shares or no par value shares. In the case of par value shares, the amount of each share shall be equal. A company may, in accordance with its articles of association, convert all issued par value shares into no par value shares, and vice versa. Where no par value shares are adopted, more than one-half of the proceeds from the issuance of the shares shall be credited to the registered capital.

A joint stock limited company shall maintain a register of shareholders and keep it at the company. The register of shareholders shall set out the following matters:

(i) the name and address of each shareholder;

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

(iii) the serial numbers of the share certificates if such share certificates are issued in paper form; and

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

The issuance of shares of a joint stock limited company shall follow the principles of fairness and impartiality. Each share of the same class shall rank *pari passu*. For the same class of shares issued at the same time, the conditions and price of issuance for each share shall be identical. For the shares subscribed by the subscribers, the same price shall be paid for each share. The issue price of par value shares may be at par or at a premium to par, but shall not be below the par value.

The Trial Measures stipulate that a company issuing and listing securities in overseas markets may raise funds and distribute dividends in foreign currencies or RMB. Under certain circumstances, such as equity incentives and acquisition of assets through the issuance of securities, a domestic enterprise may issue securities to specific domestic targets when it directly issues and lists overseas.

According to the Trial Measures, where a domestic enterprise directly issues and lists overseas, shareholders holding its domestic unlisted shares who apply to convert their domestic unlisted shares into overseas listed shares and list and trade them on an overseas trading venue shall comply with the relevant regulations of the CSRC, and entrust the domestic enterprise to file with the CSRC. The "domestic unlisted shares" referred to in the preceding paragraph mean the shares issued by a domestic enterprise but not listed or traded on any domestic trading venue. The domestic unlisted shares shall be centrally registered and deposited with a domestic securities registration and clearing institution. The registration and clearing arrangements of overseas listed shares shall be governed by the regulations of the place of overseas listing.

A domestic enterprise issuing and listing overseas shall file with the CSRC in accordance with the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truly, accurately and completely disclose shareholder information and other circumstances. Where a domestic enterprise issues and lists overseas directly, the issuer shall file with the CSRC. Where a domestic enterprise issues and lists overseas indirectly, the issuer shall designate a major domestic operating entity as the domestic responsible person to file with the CSRC.

Increase of Share Capital

According to the relevant provisions of the PRC Company Law, when a joint stock limited company proposes to issue new shares, the shareholders' meeting shall pass resolutions on the following matters:

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

(ii) the issue price of the new shares;

(iii) the commencement and closing dates of the new share issue;

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

(v) in the case of issuing no par value shares, the amount of the proceeds from the issuance of the new shares to be credited to the registered capital.

Where a company makes a public offering of shares, it shall register with the securities regulatory authority of the State Council and announce the documents.

Reduction of Share Capital

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

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

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

(iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders' meeting on the reduction of registered capital, and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days;

(iv) the creditors shall have the right to require the company to settle its debts or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if no notice is received; and

(v) the company shall apply to the company registration authority for registration of the change.

When a company reduces its registered capital, it shall reduce the capital contributions or shares correspondingly in proportion to the capital contributions or shareholdings of the shareholders, unless otherwise provided by laws, otherwise agreed by all shareholders of a limited liability company, or otherwise stipulated in the articles of association of a joint stock limited company.

Repurchase of Shares

Under the Company Law, a company shall not purchase its own shares except in any of the following circumstances:

(i) where the company's registered capital is reduced;

(ii) where it merges with another company holding its shares;

(iii) where its shares are used for employee stock ownership plan or equity incentives;

(iv) where a shareholder requests the company to purchase his/her/its shares due to objection to the resolution on the merger or division of the company adopted at a shareholders' meeting;

(v) where its shares are used for conversion of corporate bonds issued by the company that are convertible into share certificates; or

(vi) where it is necessary for a listed company to maintain its corporate value and the rights and interests of its shareholders.

Where a company purchases its own shares under the circumstances set out in items (i) or (ii) of the preceding paragraph, a resolution shall be passed at a shareholders' meeting. Where a company purchases its own shares under the circumstances set out in items (iii), (v) or (vi) of the preceding paragraph, a resolution may be passed at a meeting of the board of directors attended by two-thirds or more of the directors in accordance with the articles of association of the company or the authorization of the shareholders' meeting.

After a company purchases its own shares pursuant to the provisions of the first paragraph of this article, under the circumstance set out in item (i), the shares shall be cancelled within ten days from the date of the purchase; under the circumstances set out in items (ii) or (iv), the shares shall be transferred or cancelled within six months; and under any of the circumstances set out in items (iii), (v) or (vi), the aggregate number of the shares of the company held by the company shall not exceed 10% of the total number of issued shares of the company, and such shares shall be transferred or cancelled within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the laws. Under the Company Law, a transfer of shares by a shareholder shall be conducted on a legally established stock exchange or by other methods as stipulated by the State Council. The transfer of share certificates shall be effected by the shareholder by way of endorsement or by other methods stipulated by laws and administrative regulations; following the transfer, the company shall record the name and address of the transferee in the register of shareholders. No changes in the register of shareholders shall be made within 20 days prior to the convening of a shareholders' meeting or within five days prior to the benchmark date decided by the company for the purpose of dividend distribution. Where laws, administrative regulations or the securities regulatory authority of the State Council stipulate otherwise in respect of the changes to the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, shares issued prior to the public offering of shares by a company shall not be transferred within one year from the date on which the share certificates of the company are listed and traded on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council stipulate otherwise in respect of the transfer of shares of the company held by the shareholders or de facto controllers of a listed company, such provisions shall prevail.

Directors, supervisors and senior management of a company shall declare to the company the shares of the company held by them and any changes thereto. During their term of office determined upon assumption of duty, the shares transferred by them in any given year shall not exceed 25% of the total number of shares of the company held by them; the shares of the company held by them shall not be transferred within one year from the date on which the share certificates of the company are listed and traded. Within six months after their departure from office, the aforementioned personnel shall not transfer the shares of the company held by them. The articles of association of the company may lay down other restrictive provisions in respect of the transfer of shares of the company held by the directors, supervisors and senior management of the company.

Where shares are pledged within the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge rights during such restricted transfer period.

Shareholders

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

(i) to receive dividends and other forms of profit distributions in proportion to their shareholdings;

(ii) to lawfully request to convene, convene, preside over, attend or appoint a proxy to attend shareholders' meetings, and to exercise the corresponding voting rights;

(iii) to supervise the business operations of the company, and to put forward proposals or raise inquiries;

(iv) to transfer, gift or pledge the shares held by them in accordance with the laws, administrative regulations and the articles of association;

(v) to inspect and copy the articles of association, the register of shareholders, the minutes of the shareholders' meetings, the resolutions of the meetings of the board of directors, and financial and accounting reports; and shareholders meeting the stipulated requirements may inspect the accounting books and accounting vouchers of the company;

(vi) in the event of termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them;

(vii) for shareholders who object to the resolutions on the merger or division of the company passed at a shareholders' meeting, to require the company to purchase their shares; and

(viii) other rights stipulated by laws, administrative regulations, departmental rules or the articles of association.

The obligations of shareholders include:

(i) to abide by the laws, administrative regulations and the articles of association;

(ii) to pay subscription monies according to the shares subscribed for and the method of subscription;

(iii) not to withdraw their share capital, except in the circumstances stipulated by laws and regulations;

(iv) not to abuse their shareholder's rights to damage the interests of the company or other shareholders; and not to abuse the independent status of the company as a legal person and the limited liability of shareholders to damage the interests of the creditors of the company; and

(v) other obligations imposed by laws, administrative regulations and the articles of association.

Shareholders' Meeting

Under the Company Law, the shareholders' meeting of a joint stock limited company shall be 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 directors and supervisors, and to decide on matters concerning the remuneration of directors and supervisors;

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

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

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

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

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

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

(viii) to amend the articles of association of the company; and

(ix) other functions and powers stipulated in the articles of association of the company.

Under the Company Law, an annual shareholders' meeting shall be held once every year. An extraordinary shareholders' meeting shall be convened within two months upon the occurrence of any of the following circumstances:

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

(ii) where the unrecovered losses of the company reach one-third of the total share capital;

(iii) upon request by shareholders individually or jointly holding 10% or more of the shares of the company;

(iv) when deemed necessary by the board of directors;

(v) upon proposal by the supervisory committee to convene the meeting; or

(vi) other circumstances stipulated in the articles of association of the company.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors; where the chairman of the board of directors is unable to or does not perform his/her duties, the meeting shall be presided over by the vice chairman of the board of directors; where the vice chairman of the board of directors is unable to or does not perform his/her duties, a director jointly elected by more than half of the directors shall preside over the meeting.

Where the board of directors is unable to or does not perform its duties to convene the shareholders' meeting, the supervisory committee shall convene and preside over the meeting in a timely manner; if the supervisory committee does not convene and preside over the meeting, the shareholder(s) individually or jointly holding 10% or more of the shares of the company for 90 consecutive days or more may convene and preside over the meeting on their own.

If the shareholder(s) individually or jointly holding 10% or more of the shares of the company request the convening of an extraordinary shareholders' meeting, the board of directors and the supervisory committee shall, within 10 days upon receipt of the request, make a decision on whether to convene the extraordinary shareholders' meeting and reply to the shareholder(s) in writing.

To convene a shareholders' meeting, a notice setting out the time, venue, and matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting; in the case of an extraordinary shareholders' meeting, a notice shall be given to all shareholders 15 days prior to the meeting.

Shareholder(s) individually or jointly holding 1% or more of the shares of the company may put forward interim proposals and submit them in writing to the board of directors 10 days before the convening of the shareholders' meeting. The interim proposals shall contain clear topics and specific resolution matters. The board of directors shall notify other shareholders within two days after receiving the proposals, and submit the interim proposals to the shareholders' meeting for consideration, except where the interim proposals violate the provisions of laws, administrative regulations, or the articles of association, or do not fall within the terms of reference of the shareholders' meeting. The company shall not increase the shareholding percentage required for shareholders to propose interim proposals.

According to the Company Law, where a shareholder entrusts a proxy to attend the shareholders' meeting, the matters, scope of authority, and valid period of the proxy shall be clearly stated; the proxy shall submit a shareholders' power of attorney to the company and exercise voting rights within the scope of authorization. The Company Law does not contain explicit provisions on the statutory quorum of shareholders for a shareholders' meeting.

According to the Company Law, shareholders attending a shareholders' meeting shall have one vote for each share held by them, except for holders of class shares. The shares of the company held by the company itself shall carry no voting rights.

According to the Company Law and the Guidelines for the Articles of Association, a resolution of the shareholders' meeting shall be passed by a simple majority of the voting rights held by the shareholders attending the meeting. Resolutions of the shareholders' meeting on amendments to the articles of association, increase or reduction of registered capital, and the merger, division, dissolution, or change of corporate form of the company, shall be passed by two-thirds or more of the voting rights held by the shareholders attending the meeting.

When the shareholders' meeting elects directors or supervisors, a cumulative voting system may be implemented in accordance with the provisions of the articles of association or resolutions of the shareholders' meeting. The cumulative voting system means that when the shareholders' meeting elects directors or supervisors, each share carries the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights owned by the shareholders may be cast in a concentrated manner.

Board of Directors

According to the Company Law, a joint stock limited company shall establish a board of directors, which shall consist of three or more members. The term of office of a director shall be stipulated in the articles of association, provided that each term shall not exceed three years. Upon the expiry of their term of office, directors shall be eligible for re-election.

The board of directors shall have one chairman and may have vice chairmen. The chairman and vice chairmen shall be elected by the board of directors with the approval of more than half of all the directors. The chairman shall convene and preside over the meetings of the board of directors and inspect the implementation of the resolutions of the board of directors. The vice chairman shall assist the chairman in his/her work. Where the chairman is unable to or does not perform his/her duties, the vice chairman shall perform such duties; where the vice chairman is unable to or does not perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

A person shall not serve as a director of the company if any of the following circumstances applies:

(i) the person has no civil capacity or has restricted civil capacity;

(ii) the person has been sentenced to criminal penalty due to corruption, bribery, encroachment of property, misappropriation of property or disrupting the socialist market economic order, or has been deprived of political rights due to a criminal offence, and a period of less than five years has elapsed since the completion of execution of the penalty, or in the case of probation, a period of less than two years has elapsed since the expiry of the probation period;

(iii) the person has served as a director, factory manager, or manager of a company or an enterprise that has been declared bankrupt and liquidated, and is personally liable for the bankruptcy of such company or enterprise, and a period of less than three years has elapsed since the date of completion of the bankruptcy and liquidation of such company or enterprise;

(iv) the person has served as the legal representative of a company or an enterprise the business license of which has been revoked and which has been ordered to close down due to any violation of law, and is personally liable for such revocation and closure, and a period of less than three years has elapsed since the date of revocation of the business license and closure of such company or enterprise; or

(v) the person is listed as a dishonest person subject to enforcement by the people's court due to his/her failure to repay a relatively large amount of personal debt when due.

The board of directors shall convene at least two meetings each year. A notice of each meeting shall be given to all directors and supervisors 10 days prior to the convening of the meeting. The board of directors exercises the following functions and powers:

(i) to convene the shareholders' meeting and report its work to the shareholders' meeting;

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

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

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

(v) to formulate the company's plans for increasing or reducing its registered capital and the issuance of corporate bonds;

(vi) to formulate the company's plans for merger, division, dissolution, or change of corporate 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 manager and his/her remuneration matters, and to decide on the appointment or dismissal of the company's deputy manager(s) and person in charge of finance and their remuneration matters based on the nomination by the manager;

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

(x) other functions and powers stipulated in the articles of association or granted by the shareholders' meeting.

A meeting of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all the directors. Each director shall have one vote for the voting on resolutions of the board of directors. The board of directors shall prepare minutes of the decisions on the matters discussed at the meeting, and the directors attending the meeting shall sign the meeting minutes.

A meeting of the board of directors shall be attended by the directors in person; if a director is unable to attend the meeting for any reason, he/she may entrust another director in writing to attend on his/her behalf, and the power of attorney shall specify the scope of authorization. The directors shall bear responsibility for the resolutions of the board of directors. Where a resolution of the board of directors violates laws, administrative regulations, the articles of association, or the resolutions of the shareholders' meeting, causing serious losses to the company, the directors who participated in the resolution shall be liable to compensate the company; however, if it can be proven that a director expressed his/her dissenting vote during the voting and such dissent was recorded in the meeting minutes, the said director may be exempted from liability.

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 an appropriate proportion of the company's employee representatives. The proportion of employee representatives shall not be less than one-third, and the specific proportion shall be stipulated in the articles of association. The employee representatives in the supervisory committee shall be democratically elected by the employees of the company through the employees' representative congress, the employees' congress, or other forms. Directors and senior management shall not concurrently serve as supervisors.

The supervisory committee shall have one chairman and may have vice chairmen. The chairman and vice chairmen 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 the meetings of the supervisory committee; where the chairman of the supervisory committee is unable to or does not 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 to or does not perform his/her duties, a supervisor jointly elected by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

The supervisory committee exercises the following functions and powers:

(i) to inspect the company's finances;

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

(iii) to demand the directors and senior management to rectify their acts when such acts harm the interests of the company;

(iv) to propose the convening of an extraordinary shareholders' meeting, and to convene and preside over the shareholders' meeting when the board of directors fails to perform its duties to convene and preside over the shareholders' meeting as stipulated in the Company Law;

(v) to put forward proposals to the shareholders' meeting;

(vi) to initiate legal proceedings against the directors and senior management in accordance with the provisions of Article 189 of the Company Law; and

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

A joint stock limited company may, in accordance with the provisions of its articles of association, establish an audit committee comprising directors within the board of directors to exercise the functions and powers of the supervisory committee in lieu of establishing a supervisory committee.

On December 27, 2024, the CSRC promulgated the transitional arrangements regarding the implementation of the supporting systems and rules of the new Company Law. Listed companies shall, prior to January 1, 2026, in accordance with the Company Law, the Provisions of the State Council on the Implementation of the Registered Capital Registration Management System 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》), the supporting systems and rules of the CSRC, and other regulations, stipulate in their articles of association to establish an audit committee within the board of directors to exercise the functions and powers of the supervisory committee as stipulated in the Company Law, and shall not establish a supervisory committee or supervisors. Prior to the adjustment of the setup of internal supervisory institutions by listed companies, the supervisory committee or supervisors shall continue to comply with the provisions in the original systems and rules of the CSRC.

Managers and Senior Management

Under the Company Law, a joint stock limited company shall have a manager, whose appointment or dismissal shall be decided by the board of directors. The manager shall be accountable to the board of directors and shall exercise functions and powers in accordance with the provisions of the articles of association or the authorization of the board of directors. The manager shall attend meetings of the board of directors as a non-voting member.

Under the Company Law, senior management refers to the manager, deputy managers, and the person in charge of finance of a company, the secretary to the board of directors of a listed company, and other personnel stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

The Company Law requires that the directors, supervisors and senior management of a company shall comply with relevant laws, regulations and the articles of association, and shall owe duties of loyalty and diligence to the company. Directors, supervisors and senior management owe a duty of loyalty to the company, and shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not use their powers to seek improper benefits.

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

Directors, supervisors and senior management shall not:

(i) misappropriate company property or embezzle company funds;

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

(iii) accept bribes or receive other illegal income by taking advantage of their powers;

(iv) accept and appropriate for themselves commissions from transactions between others and the company;

(v) disclose company secrets without authorization; or

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

Where directors, supervisors or senior management directly or indirectly enter into a contract or conduct a transaction with the company, they shall report the matters relating to the entering into of the contract or the conduct of the transaction to the board of directors or the shareholders' meeting, and such contract or transaction shall be approved by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association.

The preceding paragraph shall apply where the close relatives of the directors, supervisors or senior management, the enterprises directly or indirectly controlled by the directors, supervisors, senior management or any of their close relatives, or any related parties having any other connected relationship with the directors, supervisors or senior management enter into a contract or conduct a transaction with the company.

Directors, supervisors and senior management shall not take advantage of the convenience of their positions to seek commercial opportunities belonging to the company for themselves or others, except in any of the following circumstances:

(i) having reported to the board of directors or the shareholders' meeting, and having obtained approval by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association; or

(ii) where the company is unable to utilize such commercial opportunity according to the provisions of laws, administrative regulations or the articles of association.

Directors, supervisors and senior management shall not operate for themselves or for others the same type of business as that of the company they serve, unless they have reported to the board of directors or the shareholders' meeting and obtained approval by a resolution of the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association.

Directors, supervisors and senior management who violate the provisions of laws, administrative regulations or the articles of association in the performance of their duties and cause losses to the company shall be liable for compensation.

Finance and Accounting

Under the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations and the regulations of the financial department of the State Council. A company shall prepare a financial and accounting report at the end of each accounting year, and such report shall be audited by an accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial department of the State Council.

The financial and accounting report of a joint stock limited company shall be made available at the company for inspection by the shareholders 20 days prior to the convening of the annual shareholders' meeting; and a joint stock limited company that issues shares to the public shall announce its financial and accounting report.

The premium obtained by a company from issuing shares at a price exceeding the par value of the shares, the amount of the share proceeds from the issuance of no-par value shares that is not included in the registered capital, and other items stipulated by the financial department of the State Council to be included in the capital reserve, shall be allocated to the company's capital reserve.

The company's reserves shall be used to make up for the company's losses, expand its production and operations, or increase the company's registered capital. When using reserves to make up for the company's losses, the discretionary reserve and statutory reserve shall be used first; and if the losses still cannot be made up, the capital reserve may be used in accordance with the regulations. When the statutory reserve is converted to increase the registered capital, the balance of such reserve remaining shall not be less than 25% of the company's registered capital before the conversion.

A company shall not establish any other accounting books in addition to the statutory accounting books. No company funds shall be deposited in any account opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

Under the Company Law, the appointment or dismissal of an accounting firm to undertake the company's audit business shall be decided by the shareholders' meeting, the board of directors or the supervisory committee in accordance with the provisions of the articles of association. When the shareholders' meeting, the board of directors or the supervisory committee of a company votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions. The company shall provide the appointed 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.

The Guidelines for Articles of Association stipulate that the appointment of an accounting firm by a company must be decided by the shareholders' meeting, and the board of directors shall not appoint an accounting firm before a decision is made by the shareholders' meeting. The audit fee of the accounting firm shall be decided by the shareholders' meeting.

Profit Distribution

When a company distributes its after-tax profits for the current year, it shall allocate 10% of the profits to the company's statutory reserve. If the accumulated amount of the company's statutory reserve reaches 50% or more of the company's registered capital, no further allocation is required. If the company's statutory reserve is insufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for such losses before the allocation to the statutory reserve is made in accordance with the preceding provisions. After making allocations to the statutory reserve from its after-tax profits, the company may, subject to a resolution of the shareholders' meeting, also make allocations to the discretionary reserve from its after-tax profits. The remaining after-tax profits after the company has made up for its losses and allocated to its reserves shall be distributed by a joint stock limited company in proportion to the shares held by the shareholders, unless otherwise stipulated in the articles of association. No profit shall be distributed in respect of the shares of the company held by the company itself.

If a company distributes profits to the shareholders in violation of the provisions of the Company Law, the shareholders shall return to the company the profits distributed in violation of the provisions; and if losses are caused to the company, the shareholders and the directors, supervisors and senior management who are responsible shall be liable for compensation.

Where the shareholders' meeting passes a resolution on profit distribution, the board of directors shall complete the distribution within six months from the date on which the resolution of the shareholders' meeting is passed.

Dissolution and Liquidation

Under the Company Law, a company shall be dissolved for any of the following reasons:

(i) the term of its business operations stipulated in the articles of association has expired, or other events of dissolution stipulated in the articles of association have occurred;

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

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

(iv) its business license is revoked, or it is ordered to close down or it is canceled in accordance with the law; or

(v) it is dissolved by a people's court in accordance with the provisions of Article 231 of the Company Law.

Where a company is subject to any of the events of dissolution stipulated in the preceding paragraph, it shall make the event of dissolution public through the National Enterprise Credit Information Publicity System within 10 days.

Where a company is dissolved pursuant to the provision of sub-paragraph (i) above, it may continue to exist by amending its articles of association or by a resolution of the shareholders' meeting, and such amendment of the articles of association or resolution of the shareholders' meeting shall be passed by the shareholders representing two-thirds or more of the voting rights held by the shareholders attending the shareholders' meeting. Where a company is dissolved pursuant to the provisions of sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors are the persons obliged to liquidate the company and shall form a liquidation committee to conduct the liquidation within 15 days from the date of occurrence of the event of dissolution. The liquidation committee shall be composed of directors, unless otherwise stipulated in the articles of association or other persons are elected by a resolution of the shareholders' meeting. If the persons obliged to liquidate fail to perform their liquidation obligations in a timely manner, thereby causing losses to the company or its creditors, they shall be liable for compensation.

If a liquidation committee is not formed within the time limit to conduct the liquidation, or if the liquidation committee is formed but fails to conduct the liquidation, interested parties may apply to the people's court to designate relevant persons to form a liquidation committee to conduct the liquidation. The people's court shall accept such application and organize a liquidation committee to conduct the liquidation in a timely manner.

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

(i) to liquidate the company's property, and prepare a balance sheet and a property inventory, respectively;

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

(iii) to handle the outstanding businesses of the company related to the liquidation;

(iv) to pay all outstanding taxes of the company and taxes arising in the course of liquidation;

(v) to clear claims and debts;

(vi) to distribute the remaining property of the company after fully settling its debts; and

(vii) to participate in civil litigation activities on behalf of the company.

The liquidation committee shall notify the creditors of the company within 10 days from the date of its establishment, and make a public announcement in newspapers or on 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, for those who have not received the notice, within 45 days from the date of the public announcement. When declaring a claim, a creditor shall explain the relevant matters of the claim and provide supporting materials. The liquidation committee shall register the claims. During the claim declaration period, the liquidation committee shall not make any settlement to the creditors.

After liquidating the company's property and preparing the balance sheet and property inventory, the liquidation committee 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 the respective payment of liquidation expenses, employees' wages, social insurance premiums and statutory compensation, payment of outstanding taxes and settlement of the company's debts, shall be distributed by a limited liability company in proportion to the capital contributions of the shareholders, and by a joint stock limited company in proportion to the shares held by the shareholders.

During the liquidation period, the company continues to exist, but shall not engage in any business activities unrelated to the liquidation. The property of the company shall not be distributed to the shareholders prior to the full settlement in accordance with the provisions of the preceding paragraph.

If, after liquidating the company's property and preparing a balance sheet and property inventory, the liquidation committee finds 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 has accepted the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by the people's court.

Members of the liquidation committee owe duties of loyalty and diligence in the performance of their liquidation duties. If members of the liquidation committee neglect to perform their liquidation duties and cause losses to the company, they shall be liable for compensation; and if they cause losses to creditors due to intention or gross negligence, they shall be liable for compensation.

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

Where a company's business license is revoked, or it is ordered to close down or is canceled, and it fails to apply to the company registration authority for cancellation of the company's registration for 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 the expiration of the public announcement period, if there is no objection, the company registration authority may cancel the company's registration.

Overseas Listing

According to the Trial Measures, where an issuer conducts an initial public offering or listing overseas, it shall file with the CSRC within 3 working days after submitting the application documents for the offering and listing overseas. After the issuer has offered and listed securities overseas, if it offers securities in the same overseas market, it shall file with the CSRC within 3 working days after the completion of the offering. After the issuer has offered and listed securities overseas, if it conducts an offering and listing in other overseas markets, it shall make a filing in accordance with the provisions of the first paragraph of this article.

Loss of Share Certificates

Where share certificates are stolen, lost or destroyed, a shareholder may, in accordance with the public notice procedures for assertion of claims stipulated in the Civil Procedure Law, request a people's court to declare such share certificates void. After the people's court has declared the share certificates void, the shareholder may apply to the company for a replacement of the share certificates.

Suspension and Termination of Listing

The Company Law has deleted the provisions relating to the suspension and termination of listing. The Securities Law of the PRC (2019 Revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted the provisions relating to the suspension of listing. Where listed securities fall within the delisting circumstances stipulated by the 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 mandatorily terminated from listing after offering and listing its securities in an overseas market, the issuer shall submit a report to the CSRC within 3 working days after the occurrence and public disclosure of the event.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, directing, coordinating and supervising all securities-related institutions in the PRC, and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of the securities market, supervising securities companies, regulating the public offering of securities by PRC companies at home and abroad, regulating securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. On March 29, 1998, the State Council merged the above two departments and reorganized the CSRC.

The Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 stipulate the application and approval procedures for the public issuance of shares, trading of shares, acquisition of listed companies, custody, clearing and transfer of listed shares, information disclosure of listed companies, investigation and penalties, and arbitration of disputes.

The Regulations of the State Council on 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 mainly stipulate the issuance, subscription, trading, and payment of dividends of domestic listed foreign shares, as well as the information disclosure of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the PRC (《中華人民共和國證券法》) (the "**PRC Securities Law**"), as latest 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 other things, the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority of the State Council in the PRC, and comprehensively regulates activities in the PRC securities market. The PRC Securities Law provides that domestic enterprises directly or indirectly issuing securities overseas or listing their securities for trading overseas shall comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares issued overseas are mainly regulated 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 PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") amended by the Standing Committee of the NPC on September 12, 2025 and effective on March 1, 2026, the Arbitration Law is applicable to foreign-related economic disputes where the parties have entered into a written agreement to submit the matters to an arbitration commission constituted in accordance with the Arbitration Law for arbitration. Where the parties have reached an arbitration agreement and one party institutes an action in a people's court, the people's court shall not accept the case, unless the arbitration agreement is invalid.

Under the Arbitration Law, arbitration is subject to a system of finality of the award (一裁終局), which is binding on all parties to the arbitration. If one of the parties fails to comply with the award, the other party to the award may apply to the people's court for enforcement of such arbitral award in accordance with the Civil Procedure Law. If the arbitration procedures are illegal (including where the composition of the arbitration commission violates statutory procedures, the matters ruled upon are not within the scope of the arbitration agreement, or the arbitration commission has no power to arbitrate), the people's court may rule not to enforce the arbitral award made by the arbitration commission. Where a party requests the enforcement of a legally effective arbitral award made within the territory of the PRC in accordance with the law, if the party subject to enforcement or its property is not within the territory of the PRC, the party may apply directly to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, a people's court may recognize and enforce arbitral awards made by foreign arbitration institutions based on the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

According 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》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and 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 November 26, 2020 and effective on November 27, 2020, awards made by arbitration institutions in Chinese Mainland may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in Chinese Mainland.

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 Parties Concerned (《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》) promulgated by the Supreme People's Court on July 3, 2008 and effective on August 1, 2008 (repealed on January 29, 2024), for an enforceable final judgment requiring payment of money in a civil and commercial case with a written choice of court agreement made by a Chinese Mainland court or a Hong Kong court, the parties concerned may apply to a Chinese Mainland court or a Hong Kong court for recognition and enforcement under this arrangement. A "written agreement on jurisdiction" refers to an agreement explicitly stipulating in written form that a Chinese Mainland court or a Hong Kong court has sole jurisdiction in order to resolve disputes which have arisen or may arise in connection with a specific legal relationship. Therefore, final judgments in Chinese Mainland or Hong Kong that meet certain conditions under the aforementioned regulations may be recognized and enforced by the Chinese Mainland courts or the courts of the Hong Kong Special Administrative Region upon the application of the parties.

On January 25, 2024, the Supreme People's Court issued 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, seeking to establish a clearer and more definite mechanism for the recognition and enforcement of a broader range of judgments in civil and commercial matters between the Hong Kong Special Administrative Region and the PRC.