B1. FOREIGN LAWS AND REGULATIONS

FOREIGN LAWS AND REGULATIONS

Our Company is incorporated under the laws of Luxembourg with limited liability and governed by its Articles of Association, as amended from time to time, and subject to Luxembourg laws and regulations (the "**Luxembourg Law**"). We set out below a summary of key laws and regulations that concern shareholder rights and taxation that may differ from comparable provisions in Hong Kong.

This summary does not contain all applicable laws and regulations, nor does it set out all the differences with laws and regulations in Hong Kong, or constitute legal or tax advice. Please consult with your own legal adviser or tax adviser in respect of your rights and obligations.

RIGHTS OF SHAREHOLDERS

1. Dividends

Under our constitution

Upon recommendation of the Board, the Company in general meeting may decide on allocating the annual net profit. Such allocation may include the distribution of dividends, the setting up or provisioning of the legal or other reserves, a carry forward, as well as the amortisation of the share capital, without such capital being decreased. Dividends possibly allocated may be paid at such times and places as the Board determines, including paying interim dividends, in accordance with the Company's articles of association and under applicable laws.

Under Luxembourg Law

Except for cases of reduction of subscribed share capital, no distributions to shareholders may be made if on the last day of the last financial year, the net assets value as shown in the annual accounts are, or following such a distribution would become, lower than the amount of the subscribed capital plus the reserves which may not be distributed by law or by virtue of the articles of association.

The amount of a distribution to shareholders may not exceed the amount of the profits at the end of the last financial year plus any profits carried forward and any amounts drawn from reserves which are available for that purpose, less any losses carried forward and sums to be placed to reserve in accordance with the law or the articles of association.

No interim dividends may be paid unless the articles authorise the board of directors to do so. The amounts to be distributed shall not exceed the total profits made since the end of the last financial year, for which the annual accounts have been approved, plus any profits carried forward and sums drawn from reserves available for this purpose, less losses carried forward and any sums to be placed in reserve pursuant to the requirements of the law or of the articles of association.

2. Voting Rights

Under our constitution

Each Share is entitled to one vote. Except as otherwise required by law or the Articles, resolutions at a general meeting of shareholders duly convened will be adopted at a simple majority of the votes cast. The votes cast shall not include votes attaching to Shares in respect of which the shareholder has not taken part in the vote or has abstained or has returned a blank or invalid vote. At any general meeting, any resolution put to the vote of the meeting shall be decided by poll.

3. Shareholders' Suits / Protection of Minorities

Under our constitution

One or more shareholders, who hold together at least ten percent (10%) of the subscribed capital may request that one or more additional items be put on the agenda of the general meeting. Such request shall be sent by registered mail to the registered office of the company, at least five days prior to holding the general meeting.

In the event of default in convening a meeting requisitioned by shareholders as referred to above, criminal penalties may apply. Accordingly, any director (including a *de facto* director), who is in violation of such requirement, may be subject to a fine of EUR500 to EUR25,000.

Under Luxembourg Law

If upon a request made by one or more shareholders representing at least ten percent (10%) of the share capital to convene a general meeting of shareholders, the board of directors fails to convene such general meeting of shareholders within the period provided for by law, the general meeting of shareholders may be convened by an ad hoc representative appointed by the chairman of the District Court (*Tribunal d'Arrondissement*) dealing with commercial matters upon request made by one or more shareholders representing at least ten percent (10%) of the share capital.

The courts are generally not authorised to intervene in the management of a company. An intervention of the president of the chamber of the district court of Luxembourg dealing with commercial matters and sitting as in summary proceedings ("*juge des référés*") is only possible in case of exceptional and urgent circumstances where the management of the company and its operations are at risk or blocked. In such case, a minority shareholder may file a petition to request the judge to appoint an interim manager, who may only act within the limits set out in the judgement (*ordonnance*).

The judge may only take a decision in case of urgency. According to Luxembourg case law, a case of urgency would only consist in facts which would endanger the existence of the company ("*périls graves pour l'existence de la société*"). Therefore, the mere fact that there is a conflict between majority and minority shareholders does not, according to Luxembourg case law, constitute a sufficient justification to appoint an interim manager.

One or more shareholders representing at least 10% of the share capital or at least 10% of the voting rights attached to all securities (i.e. shares and beneficiary units) issued by the company may ask in writing questions to the management body on one or more transactions (i.e. one or more acts of management) of the company or any companies controlled by it.

In case the management body does not provide an answer to the questions within a period of 1 month, the shareholders concerned may request the president of the chamber of the district court of Luxembourg dealing with commercial matters and sitting as in summary proceedings, to appoint one or more experts to prepare a report on the matters relating to the relevant matters as included in the question (i.e. in relation to the acts of management referred to in the written question). The Court may decide that such report is made public.

One or more minority shareholders or holders of beneficiary units holding, at the general meeting of shareholders at which a decision was taken on the discharge (*quitus*), securities entitled to vote

at such general meeting of shareholders representing at least 10% of the voting rights, are entitled to bring a court action against the members of the management body for the account of the company.

Minority shareholders may bring an action against the majority shareholders in case they believe that the decisions passed with the voting rights of the majority shareholder(s) are (i) contrary to the interests of the company; and (ii) with the intention only to favour the majority shareholder(s) to the detriment of the minority shareholder(s).

The nullity of a decision of the general meeting shall be ordered by a court decision. The nullity of the disputed decision may not be invoked by any person who has voted in favour of such disputed decision, except in case such person's consent has been vitiated, or such person has expressly or tacitly waived this right to avail itself of such nullity, unless the nullity results from a public policy rule.

The judicial action to claim the nullity of the relevant decisions must be introduced within 6 months after the date of the decisions have been taken by the general meeting. In addition, the nullity of the decision of the general meeting can be coupled with a decision to grant damages to the minority shareholders.

4. Liquidation / Dissolution

Under our constitution

Upon proposal from the Board, the Company may by special resolution at an extraordinary general meeting resolve to dissolve the Company. In such event, the Company in general meeting shall decide on the method of dissolution and appoint one or more liquidators.

From the net assets resulting from the dissolution once the liabilities have been settled, there shall be deducted a sum necessary to redeem the amount paid up on the Shares and not amortised. The balance shall be allocated *pro rata* among all the Shares.

Under Luxembourg Law

The winding up of the Company is a process resolved upon by three different general meetings. The first general meeting must be held in front of a Luxembourg notary, approving the dissolution and liquidation of the Company, as well as appointing one or more liquidators who may be physical persons or corporate entities. Once the liquidator is appointed, his duty will be to realise the assets in order to settle the outstanding liabilities. If no realisation of assets is required to pay the liabilities (because sufficient cash is available), the liquidator may, upon request of the shareholder(s) simply pay the liabilities out of the available cash and subsequently distribute the remaining assets to the shareholders.

A second general meeting of shareholders is convened by the liquidator, and appoints one or more commissioner(s) (commissaire(s)) to examine the documents drawn up by the liquidator(s) and convene another general meeting of shareholders.

After completion of its review of the actions taken and of the report drawn up by the liquidator, the third general meeting of shareholders fixed during the second general meeting examines the liquidator's report and the commissioner's report, grants discharge to the liquidator(s) and resolves on the termination of the liquidation.

The termination of the liquidation shall be published in the same way as the decision to liquidate the Company, taken at the first extraordinary general meeting. Such publication further contains an indication on the place where the corporate books are deposited and kept for a minimum period of five years.

DIRECTORS' POWERS AND INVESTOR PROTECTION

5. Director's Borrowing Powers

Under our constitution

The Company shall not, whether directly or indirectly, (i) make a loan or quasi-loan to, or enter into a credit transaction with, a Director or any of his or her associates; or (ii) enter into a guarantee or provide any security in connection with a loan, quasi-loan or credit transaction made or entered into by any person to such a Director or his or her associates.

6. Disposal of Assets

Under Luxembourg Law

The Board is vested with the broadest powers to perform all acts of administration and disposition in a company's assets, including the power to borrow. All powers not expressly reserved by law or by the articles of association to the general meeting of shareholders fall within the competence of the board of directors.

7. Shareholders' Suits / Protection of Minorities

See item 2 above.

TAKEOVER OR SHARE REPURCHASES

8. Redemption, Purchase and Surrender of Shares

Under our constitution

The Company has power to repurchase part or all of any class of shares, subject to applicable laws. The Company may also issue redeemable shares, redeemable either at the Company's or the holder's election subject to Luxembourg law. The redemption of a redeemable share is not subject to authorisation by shareholders. Redeemed shares may be cancelled upon request of the Board by special resolution passed at an extraordinary general meeting.

Under Luxembourg Law

Without prejudice to the principle of equal treatment of all shareholders who are in the same position, and the law on market abuse, the Company may acquire its own shares either itself or through a person acting in his own name but on the company's behalf subject to certain conditions as prescribed under the LCC:

(a) the authorisation to acquire shares shall be given by the general meeting of shareholders, which shall determine the terms and conditions of the proposed acquisition and in particular the maximum number of shares to be acquired, the duration of the period for which the

authorisation is given which may not exceed five years and, in the case of acquisition for value, the maximum and minimum consideration. The board of directors shall satisfy themselves that, at the time of each authorised acquisition, the conditions referred to in points (b) and (c) below are observed;

(b) the acquisitions, including shares previously acquired by the company and held by it and shares acquired by a person acting in its own name but on the company's behalf, must not have the effect of reducing the net assets below the aggregate of the subscribed capital and the reserves which may not be distributed under law or the articles of association. Such amount of subscribed capital shall be reduced by the amount of subscribed capital remaining uncalled if the latter amount is not included as an asset in the balance sheet;

(c) only fully paid-up shares may be included in the transaction;

(d) the offer to repurchase must be made on the same terms to all shareholders in the same situation except for repurchases which have been unanimously decided by a general meeting at which all shareholders were present or represented; similarly, listed companies may purchase their own shares on the stock exchange without an offer to acquire having to be made to its shareholders.

Where the acquisition of the Company's own shares is necessary in order to prevent serious and imminent harm to the Company, the condition under (a) above shall not apply.

In such a case, the next general meeting must be informed by the board of directors of the reasons for and the purpose of the acquisitions made, the number and nominal values, or in the absence thereof, the accounting par value, of the shares acquired, the proportion of the subscribed capital which they represent and the consideration paid for them.

The condition under (a) shall likewise not apply in the case of shares acquired by either the Company itself or by a person acting in his own name but on behalf of the Company for the distribution thereof to the employees of the company, or to employees of an affiliated company controlled by the company.

The distribution of any such shares must take place within twelve months from the date of their acquisition.

9. Reconstructions

Under Luxembourg Law

The increase or reduction of the share capital of a company shall be resolved upon by an extraordinary general meeting of shareholders, acting in accordance with the conditions prescribed for the amendment of the articles of association.

Any extraordinary general meeting held to consider and approve a reduction of capital is required to be held in the presence of a notary who is responsible for ensuring that laws applicable to capital reduction are complied with. Any share capital reduction shall be made in equal terms to each shareholder in accordance with the equal treatment principle, except where the shareholders expressly waive their right to participate in a share capital reduction.

The convening notice shall specify the purpose of the reduction and how it is to be carried out.

The reduction may be carried out by a repayment to shareholders or a waiver of their obligation to pay up their shares. Where the reduction of share capital results in the capital being reduced below the legally prescribed minimum (i.e. EUR 30,000 for a *société anonyme*), the meeting must at the same time resolve to either increase the capital up to the required level or transform the company into another form of company.

If the reduction is to be carried out by means of a repayment to shareholders or a waiver of their obligation to pay up their shares, creditors whose claims were made prior to the publication in the Luxembourg electronic gazette (*Recueil électronique des Sociétés et Associations*, or "RESA") of the minutes of the general meeting resolving on the share capital reduction may, within 30 days from such publication, apply for the constitution of security to the judge presiding the chamber of the *Tribunal d'Arrondissement* dealing with commercial matters and sitting in urgency matters. The president may only reject such an application if the creditor already has adequate safeguards or if such security is unnecessary, having regard to the assets of the company.

10. Take-overs

Under Luxembourg / EU Law

The law of 19 May 2006 on take-over bids implementing the EC directive 2004/25/CE and directive 2004/25/CE only apply to takeover bids for the securities carrying voting rights of companies governed by the laws of member states of the European Economic Area, where all or some of those securities are admitted to trading on a regulated market within the meaning of Directive 2014/65/EU in one or more Member States. We have not made, and currently have no plans to make, any application for the admission of any of our securities to trading on any regulated market within the meaning of Directive 2014/65/EU or any other stock exchange other than the Hong Kong Stock Exchange. Accordingly, neither the aforesaid EC directive 2004/25/CE nor any other rules, regulations, laws or directives in the EU or Luxembourg concerning public takeovers apply to our Company.

TAXATION

11. Tax Residency

Under Luxembourg Law

A Shareholder will not become resident, nor be deemed to be resident, in Luxembourg solely by virtue of purchasing, holding and/or disposing of Shares or the execution, performance, delivery and/or enforcement of his/her rights thereunder.

12. Income Tax

Under Luxembourg Law

Non-resident Shareholders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are not liable for any Luxembourg income tax, irrespective of whether they receive payments of dividends or realize capital gains upon the disposal of Shares, except for capital gains realized on a substantial participation before the acquisition or within the first 6 months of the acquisition thereof (subject to the provisions of a relevant double tax treaty). Taxable capital gains are subject to income tax in Luxembourg at a maximum rate of 24.94% (for corporates resident in Luxembourg-city) or a

maximum rate of 45.78% (for individuals). A participation is deemed to be substantial, amongst others, where a shareholder holds, either alone or together with his spouse and/ or minor children, directly or indirectly within the 5 years preceding the disposal, more than 10% of the share capital of the Company.

The above taxation is subject to the application of relevant double tax treaties and, based on the provisions of the double tax treaty between Luxembourg and Hong Kong dated 2 November 2007, capital gains realised by a Shareholder, who is a resident of Hong Kong, shall be taxable only in Hong Kong.

Non-resident Shareholders having a permanent establishment or a permanent representative in Luxembourg to which or whom the Shares are attributable, must include any income received, as well as any gain realized upon the sale, disposal or redemption of Shares, in their taxable income for Luxembourg tax assessment purposes, unless the conditions of the participation exemption regime, as described below, are satisfied. If the conditions of the participation exemption are not fulfilled, 50% of the gross dividends received by a Luxembourg permanent establishment or permanent representative are however exempt from income tax. Taxable gains are defined as being the difference between the price for which the Shares have been disposed of and the lower of their cost or book value.

Under the participation exemption regime (subject to the relevant anti-abuse rules), dividends derived from the Shares may be exempt from income tax if (i) the Shares are attributable to a qualified permanent establishment ("**Qualified Permanent Establishment**"); and (ii) at the time the dividend is put at the disposal of the Qualified Permanent Establishment, it has held or committed itself to hold for an uninterrupted period of at least 12 months a qualified shareholding ("**Qualified Shareholding**"), i.e. Shares representing either (a) a direct participation of at least 10% in the share capital of the Company, or (b) a direct participation in the Company of an acquisition price of at least EUR 1.2 million. A Qualified Permanent Establishment means (a) a Luxembourg permanent establishment of a company covered by Article 2 of the Council Directive 2011/96/EU of 30 November 2011 ("**Parent-Subsidiary Directive**"), (b) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) resident in a State having a tax treaty with Luxembourg, and (c) a Luxembourg permanent establishment of a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than a EU Member State. Liquidation proceeds may be exempt under the same conditions.

Under the participation exemption regime, capital gains realized on the Shares may be exempt from income tax if cumulatively (i) the Shares are attributable to a Qualified Permanent Establishment; and (ii) at the time the capital gain is realized, the Qualified Permanent Establishment has held or committed itself to holding for an uninterrupted period of at least 12 months Shares representing either (a) a direct participation in the share capital of the Company of at least 10%, or (b) a direct participation in the Company of an acquisition price of at least EUR 6 million.

13. Net Worth Tax

Under Luxembourg Law

Non-resident Shareholders, who have neither a permanent establishment nor a permanent representative in Luxembourg to which or whom the Shares are attributable, are not liable to any Luxembourg net worth tax on their Shares.

Non-resident Shareholders who have a permanent establishment or a permanent representative in Luxembourg to which the Shares are attributable, are as a rule subject to Luxembourg net worth tax on such Shares, except if the Shareholder is a non-resident individual taxpayer.

14. Withholding Tax

Under Luxembourg Law

Dividends paid by the Company to the Shareholders are as a rule subject to a 15% withholding tax in Luxembourg.

However, subject to the provisions of an applicable double tax treaty, the rate of withholding tax may be reduced. For instance, based on the provisions of the double tax treaty between Luxembourg and Hong Kong dated 2 November 2007, dividends paid by the Company to a beneficial owner that is a Hong Kong resident may, under certain conditions, be either exempt from withholding tax (i.e. the beneficial owner is a company (other than a partnership) which holds directly at least 10% of the capital of the company paying the dividends or a participation with an acquisition cost of at least €1.2 million in the company paying the dividends) or benefit from a reduced rate of 10% (i.e. all other cases). In order to benefit from such treaty exemption or reduced rate on dividend payments made by the Company, a certificate of residence status issued by the Hong Kong Inland Revenue Department will have to be provided by shareholders who are residents of Hong Kong to the Company at its registered office within such period of time before any particular dividend payment date as shall be specified by the Company in its announcement of dividend payments. Shareholders should seek independent professional advice in relation to the procedures, timing and cost involved in obtaining a certificate of residence status from the Hong Kong Inland Revenue Department.

Furthermore, based on Luxembourg domestic law, a withholding tax exemption may apply under the participation exemption (subject to the relevant anti-abuse rules) if cumulatively (i) the Shareholder is an eligible parent ("**Eligible Parent**"); and (ii) at the time the income is made available the Shareholder has held or commits itself to holding a Qualified Shareholding for an uninterrupted period of at least 12 months. An Eligible Parent includes (a) a company covered by Article 2 of the Parent-Subsidiary Directive or a Luxembourg permanent establishment thereof, (b) a company resident in a State having a double tax treaty with Luxembourg and subject to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, (c) a company limited by share capital (*société de capitaux*) or a cooperative society (*société coopérative*) resident in the European Economic Area other than an EU Member State and liable to a tax corresponding to Luxembourg corporate income tax or a Luxembourg permanent establishment thereof, or (d) a Swiss company limited by share capital (*société de capitaux*) which is effectively subject to corporate income tax in Switzerland without benefiting from an exemption.