This appendix contains a summary of the laws and regulations relating to companies and securities in the PRC, and the additional regulatory provisions of the Stock Exchange on joint stock limited companies in the PRC. The primary purpose of this summary is to provide potential investors with an overview of the principal laws and regulations applicable to us. This summary is not intended to include all information that may be important to potential investors. For a discussion of the laws and regulations that specifically govern our business, please refer to "Regulatory Overview" in this document.

PRC LAWS AND REGULATIONS

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**") and is composed of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, rules and regulations of local governments, laws of special administrative regions, and international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgements do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the PRC Legislation Law (2023 Amendment) (《中華人民共和國立法法(2023修正)》) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and the Standing Committee of the NPC (the "**SCNPC**") 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 SCNPC has the power to formulate and amend laws other than those required to be enacted by the NPC; and during the adjournment of the NPC, to partially supplement and amend the laws enacted 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 based on the Constitution and laws. The People's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and other subordinate institutions directly under the State Council with administrative functions may formulate departmental regulations within the jurisdiction of their respective departments based on the laws as well as the administrative regulations, decisions and orders of the State Council.

The Constitution has the highest legal effect, and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The effect of laws is higher than that of administrative regulations, local regulations and rules; the effect of administrative regulations is higher than that of local regulations and rules; and the effect of local regulations is higher than that of the rules of the local governments at the corresponding and lower levels.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) adopted on 10 June 1981, issues related to the specific

application of laws and decrees in court trials shall be interpreted by the Supreme People's Court; issues related to the specific application of laws and decrees during the prosecution process of procuratorates shall be interpreted by the Supreme People's Procuratorate. The State Council and its ministries and commissions are also vested with the power to interpret administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional regulations and administrative rules is vested in the regional legislative and administrative authorities which promulgate such regulations and rules.

PRC Judicial System

Under the Constitution and the PRC Law on the Organization of the People's Courts, the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels: primary people's courts, intermediate people's courts and higher people's courts. The Supreme People's Court is the highest judicial organ in the PRC, supervising the trial work of the local people's courts at all levels and special people's courts, and higher people's courts supervise the trial work of lower people's courts. The people's procuratorates also have the power to exercise legal supervision over civil actions of the people's courts at the corresponding and lower levels.

The people's courts implement the system of finality of the second instance, that is, the judgement or ruling of the people's court of the second instance is final. A party may appeal against the judgement or ruling of the first instance of a local people's court, and the People's procuratorate may present a protest to the people's court at the next higher level in accordance with the procedures stipulated by law. If the parties do not appeal and the people's procuratorate does not present a protest within the prescribed time limit, the judgement or ruling of the people's court shall be final. However, if the Supreme People's Court finds definite errors in a legally effective judgement or ruling of the people's courts at all levels, or if a higher people's court finds such errors in a legally effective judgement or ruling of a lower people's court, it has the authority to bring up the case for trial or direct a retrial in accordance with the trial supervision procedures.

The PRC Civil Procedure Law (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), which was last amended on 1 September 2023 and took effect on 1 January 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgement or ruling. All parties to a civil action instituted within the territory of the PRC must comply with the Civil Procedure Law. Generally, a civil case is heard by the court located in the defendant's place of domicile. The parties to a contract dispute or any dispute involving other property rights may, by written agreement, choose the people's court at the place of domicile of the defendant, the place of performance of the contract, the place of signing of the contract, the place of domicile of the plaintiff, the place where the object of action is located, or other places substantially connected with the dispute to have jurisdiction, provided that the provisions of the Civil Procedure Law regarding level of jurisdiction and exclusive jurisdiction shall not be violated.

Foreign individuals, persons without nationality, foreign enterprises or foreign organisations that initiate or defend actions in the people's courts shall have the same litigation rights and obligations as citizens, legal persons or other organisations of the PRC. If a foreign court imposes restrictions on the litigation rights of citizens and enterprises of the PRC, the people's courts of the PRC shall apply the principle of reciprocity to the civil litigation rights of

the citizens and enterprises of such foreign country. Parties must abide by legally effective judgements and rulings in civil actions; if one party refuses to perform, the other party may apply to the people's court for enforcement of the relevant judgement or ruling within two years.

If the party subject to execution under a judgement or ruling or his property is not within the territory of the PRC, and the party applies for enforcement, the party may directly apply to a foreign court with jurisdiction for recognition and enforcement; where a legally effective judgement or ruling made by a foreign court needs to be recognised and enforced by a people's court of the PRC, the party 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 recognised and enforce it in accordance with the provisions of an international treaty concluded or acceded to by the foreign country and the PRC, or on the principle of reciprocity. However, if the judgement or ruling violates the basic principles of the laws of the PRC or damages national sovereignty, security, or social and public interests, it shall not be recognised or enforced.

THE COMPANY LAW, THE OVERSEAS LISTING TRIAL MEASURES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC and seeking a listing on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") is mainly subject to the following PRC laws and regulations:

(1) The Company Law of the PRC (《中華人民共和國公司法》) (the "**Company Law**"), which was adopted at the Fifth Meeting of the Standing Committee of the Eighth National People's Congress on 29 December 1993, came into effect on 1 July 1994, and was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023, and the latest revised Company Law has been effective since 1 July 2024;

(2) 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 its five supporting guidelines, which were promulgated by the China Securities Regulatory Commission (the "**CSRC**") on 17 February 2023 and came into effect on 31 March 2023, apply to the direct and indirect overseas securities offering and listing activities of domestic enterprises, and provide for the relevant filing administration measures and regulatory requirements; and

(3) The Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for the Articles of Association**"), which were last amended by the CSRC and came into effect on 28 March 2025. According to the Trial Measures and its supporting guideline "Applicable Guidelines under Regulatory Rules – Overseas Offering and Listing No. 1", domestic enterprises conducting direct overseas offering and listing shall formulate their articles of association with reference to the Guidelines for the Articles of Association and other relevant regulations of the CSRC on corporate governance to regulate corporate governance.

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

General

"A joint stock limited company" means a corporate legal person incorporated in China under 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 they have subscribed for and the liability of a company is limited to the full value of all the property owned by it. A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics. A company may invest in other limited liability companies and joint stock limited companies. The liabilities of the Company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation of a Company

A joint stock limited company may be established by means of promotion or public offering. To establish a joint stock limited company, there shall be not less than one but not more than two hundred promoters, more than half of whom shall have their domiciles within the territory of the PRC. Where a joint stock limited company is to be established by means of promotion, the promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association; if a joint stock limited company is to be established by means of public offering, the promoters shall subscribe for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association, provided that where laws and administrative regulations provide otherwise, such provisions shall prevail.

Promoters of a joint stock limited company established by means of public offering shall, within thirty days from the date on which full payment has been made for the shares to be issued at the time of establishment of the company, convene an establishment meeting of the company. The establishment meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. The resolutions made on the matters such as deliberating on the promoters' report on the preparations, adopting the articles of association, electing directors and supervisors, and reviewing the establishment expenses and the valuations of the non-monetary property contributed shall be adopted by the subscribers present at the meeting who hold more than half of the voting rights. Within thirty days after the conclusion of the establishment meeting, the board of directors shall apply to the company registration authority for registration of the incorporation of the joint stock limited company; after the business licence has been issued by the relevant registration authority, the company is formally established and has the status of a legal person.

Share Capital

Pursuant to the Company Law, shareholders may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights, land use rights, equity interests or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital pursuant to any laws or administrative regulations. If a capital contribution is made in non-monetary assets, the injected assets must be evaluated and verified, and converted into shares. All shares of the company shall adopt either par value shares or no-par value shares in accordance with the provisions of the articles of association. Where par value shares are adopted, the amount of each share shall be equal, and where no-par value shares are adopted, more than half of the proceeds from the issuance of shares shall be included in the registered capital.

A joint stock limited company shall maintain a register of shareholders which sets forth matters such as the name and domicile of each shareholder, the class and number of shares subscribed for by each shareholder, the serial numbers of shares for shares issued in paper form, and the date on which each shareholder acquired the shares. The Trial Measures provide that domestic enterprises conducting securities offering and listing on overseas markets may raise funds and distribute dividends in foreign currencies or Renminbi.

Allotment and Issue of Shares

Shares of a joint stock limited company shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank *pari passu*; shares of the same class in the same issue shall be issued at the same price and on same conditions. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Domestic enterprises conducting overseas offering and listing shall file with the CSRC in accordance with the Trial Measures, submit filing reports, legal opinions and other relevant materials, which shall truthfully, accurately and completely explain shareholder information and other information. In the case of a domestic enterprise conducting a direct overseas offering and listing, the issuer shall file with the CSRC. In the case of a domestic enterprise conducting an indirect overseas listing, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC. Under the Trial Measures, for a domestic enterprise conducting a direct overseas offering and listing, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorise the domestic enterprise to file with the CSRC on their behalf; domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency, and the registration and settlement arrangements of overseas listed shares shall be subject to applicable rules in overseas markets.

Increase in Share Capital

According to relevant provisions of the Company Law, when a joint stock limited company intends to issue new shares, the shareholders' meeting shall pass resolutions on matters such as the class and number of new shares, the issue price of new shares, the commencement and end dates of the new share issuance, the class and number of new shares to be issued to existing shareholders, and the amount of proceeds from the issuance of new non-par value shares to be included in the registered capital. Where the company conducts a public offering of shares to the public, it shall be registered with the securities regulatory authority of the State Council and relevant documents shall be announced.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) the company shall prepare a balance sheet and an inventory of assets; (ii) the reduction of registered capital shall be approved by shareholders at the shareholders' meeting; (iii) the company shall notify the creditors within ten days from the date of the resolution to reduce the registered capital passed by the shareholders' meeting, and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days; (iv) creditors have the right to require the company to settle debts or provide corresponding guarantee 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 has been received; and (v) the company shall apply to the company registration authority for registration of change. Where a company reduces its registered capital, it shall correspondingly reduce the contribution amounts or shares in proportion to the capital contributions or shares held by shareholders, unless otherwise provided by law or the articles of association of the joint stock limited company.

If a company still has losses after making up for losses in accordance with the relevant provisions of the Company Law, it may reduce its registered capital to make up for losses. Where the registered capital is reduced to make up for losses, the company shall not distribute to shareholders, nor shall it exempt shareholders from their obligations to pay capital contributions or share capital; after a company reduces its registered capital in accordance with such provision, it shall not distribute profits before the accumulated amount of statutory reserve and discretionary reserve reaches 50% of the company's registered capital.

Repurchase of Shares

Pursuant to the Company Law, a company shall not repurchase its own shares except in any of the following circumstances: (i) reduction of the registered capital of the company; (ii) merger with another company that holds its shares; (iii) use of shares for an employee stock ownership plan or equity incentive; (iv) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company; (v) use of shares for conversion of convertible corporate bonds issued by the company; or (vi) it is necessary for a listed company to maintain its company value and protect its shareholders' equity.

A resolution of a shareholders' meeting is required for the repurchase of shares by a company under the circumstances stipulated in item (i) or (ii) above; for a company's repurchase of shares under the circumstances stipulated in item (iii), (v) or (vi) above, a resolution may be adopted by not less than two-thirds of the directors attending the meeting of the board of directors according to the provisions of the articles of association or as authorised by the shareholders' meeting. The shares acquired by the company according to the above provisions shall be deregistered within ten days from the date of acquisition if under the circumstance of item (i); shall be transferred or deregistered within six months if under the circumstances of item (ii) or (iv); and the shares in the company held in total by the company under any circumstances of item (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or deregistered within three years. Where a listed company repurchases its own shares, it shall perform information disclosure obligations in accordance with the provisions of the Securities Law of the PRC.

A company shall not accept its own shares as the subject matter of a pledge. Except where the company carries out an employee stock ownership plan, no company may provide gifts, loans, guarantees or other financial aids for others to obtain the shares of the company or the parent company thereof; for the benefits of the company, the company may, upon a resolution by the shareholders' meeting or by the board of directors under the articles of association or the authorization of the shareholders' meeting, provide financial aids for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial aids shall not exceed 10% of the total issued share capital, and a resolution by the board of directors shall be adopted by more than two-thirds of all the directors.

Transfer of Shares

The shares held by a shareholder may be transferred according to law. Under the Company Law, a shareholder shall effect a transfer of his shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. Change of the register of shareholders shall not be registered within twenty days before the convening of a shareholders' meeting or five days prior to the base date on which the company decides to distribute dividends, provided that where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the change of the register of shareholders of a listed company, such provisions shall prevail. Shares of the company issued prior to the public issue of shares may not be transferred within one year of the date of the company's listing on the stock exchange.

Directors, supervisors and senior management of the company shall declare to the company the shares of the company they hold and the changes thereof, and during the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares of the company they hold; they shall not transfer the shares of the company they hold within one year of the date of the company's listing on the stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period. The Company Law does not contain restrictive provisions on the shareholding proportion of a single shareholder.

Shareholders

According to the Company Law and the Guidelines for the Articles of Association, the rights of shareholders include: (i) to receive dividends and other forms of profit distribution in accordance with their shareholding proportions; (ii) to request, convene, preside over, attend or appoint a proxy to attend shareholders' meetings and exercise corresponding voting rights in accordance with the law; (iii) to supervise the operation of the company, and make proposals or enquiries; (iv) to transfer, gift or pledge shares held by them in accordance with laws, administrative regulations and provisions of the articles of association; (v) to inspect or photocopy the articles of association, register of shareholders, minutes of shareholders' meetings, resolutions of board meetings and financial and accounting reports, and qualified shareholders may inspect the company's accounting books and accounting vouchers; (vi) in the event of the termination or liquidation of the company, to participate in the distribution of the company's remaining assets in accordance with their shareholding proportions; (vii) for shareholders objecting to resolutions on the merger or division of the company made by the shareholders' meeting, to request the company to acquire their shares; and (viii) other rights provided by laws, administrative regulations, departmental rules and the articles of association. Where the contents of resolutions of the company's shareholders' meeting or board of directors violate the articles of association, shareholders have the right to request the people's court to declare them invalid.

Shareholders' liabilities include: (i) to abide by laws, administrative regulations and the articles of association; (ii) to pay share capital according to the number of shares subscribed for and the method of capital contribution; (iii) not to withdraw their share capital except in circumstances provided by laws and regulations; (iv) not to abuse shareholders' rights to harm the interests of the company or other shareholders, and not to abuse the independent corporate

status of the company and the limited liability of shareholders to harm the interests of company creditors; and (v) other obligations to be assumed as provided by laws, administrative regulations and the articles of association.

Shareholders' Meetings

According to the Company Law, the shareholders' meeting of a joint stock limited company, composed of all shareholders, is the governing authority of the company, and exercises functions including electing and replacing directors, deciding on matters relating to the remuneration of directors; considering and approving reports of the board of directors; considering and approving the company's profit distribution plans and loss recovery plans; deciding on the increase or reduction of the company's registered capital; deciding on the issue of corporate bonds; deciding on the merger, division, dissolution, liquidation or change of corporate form of the company; amending the articles of association; and other powers specified in the articles of association.

Shareholders' meetings shall be convened annually. An extraordinary shareholders' meeting shall be convened within two months upon the occurrence of any of the following circumstances: (i) the number of directors is less than the number specified in the Company Law or less than two-thirds of the number specified in the articles of association; (ii) the unrecovered losses of the company reach one-third of the total share capital; (iii) shareholders individually or collectively holding 10% or more of the company's shares make a request; (iv) the board of directors deems it necessary; (v) the audit committee proposes to convene; or (vi) other circumstances specified in the articles of association.

To convene a shareholders' meeting, notice stating the time, venue and matters to be considered at the meeting shall be given to all shareholders twenty days prior to the meeting; notice of an extraordinary shareholders' meeting shall be given to all shareholders fifteen days prior to the meeting. Shareholders individually or collectively holding 1% or more of the company's shares may submit interim proposals in writing to the board of directors (or the convener) ten days prior to the convening of the shareholders' meeting. Under the Company Law, shareholders attending the shareholders' meeting shall have one vote for each share held, except for class shareholders, and shares held by the company itself have no voting rights. There is no express provision in the Company Law regarding the quorum of shareholders for a shareholders' meeting.

According to the Company Law and the Guidelines for the Articles of Association, resolutions of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. Resolutions of the shareholders' meeting to amend the articles of association, increase or reduce the registered capital, and resolutions on the merger, division, dissolution or change of corporate form of the company shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting. When a shareholders' meeting elects directors or supervisors, the accumulative voting system may be implemented in accordance with the provisions of the articles of association or resolutions of the shareholders' meeting.

Amendments to Articles of Association

Under the Company Law, the resolution of the shareholders' meeting to amend the articles of association must be passed by more than two-thirds of the voting rights held by shareholders present at the meeting. According to the Guidelines for the Articles of Association, if the

amendments to the articles of association approved by the resolution of the shareholders' meeting are subject to examination and approval by the competent authority, they must be submitted to the competent authority for approval. In the case of company registration matters, the registration of change shall be processed in accordance with the law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, they shall be announced in accordance with regulations.

Directors and Board of Directors

Under the Company Law, a joint stock limited company shall establish a board of directors composed of three or more members, and the members of the board of directors may include employee representatives of the company. The term of office of a director shall be stipulated in the articles of association, with each term of office not exceeding three years, and directors may be re-elected upon expiry of their terms of office. The board of directors shall have one chairman and may have one or more vice chairmen, who shall be elected by more than half of all directors by the board of directors.

The board of directors shall hold at least two meetings each year, and each meeting shall be notified to all directors ten days prior to the meeting. Board meetings shall only be held if more than half of the directors are present, and resolutions of the board of directors shall be passed by more than half of all directors, with one vote per person for voting. Where a resolution of the board of directors violates laws, administrative regulations, the articles of association, or 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, in which case, a director may be exempted from liability if it is proven that such director expressed dissent during voting and it was recorded in the minutes of the meeting. The board of directors mainly exercises powers such as convening shareholders' meetings and reporting on work, implementing resolutions of shareholders' meetings, deciding on the company's business plans and investment plans, formulating profit distribution and loss recovery plans, formulating plans for increasing or reducing registered capital and issuing corporate bonds, formulating plans for merger, division, dissolution or change of corporate form, deciding on the establishment of internal management organs, deciding on the appointment or dismissal of managers and their remuneration matters, and formulating basic management systems.

A person may not serve as a director of the company under any of the following circumstances: (i) having no capacity for civil conduct or having limited capacity for civil conduct; (ii) having been sentenced to criminal penalties for corruption, bribery, embezzlement of property, misappropriation of property or sabotaging the socialist market economic order, or having been deprived of political rights for crime, where less than five years have elapsed since the expiration of the execution period, or having been granted a reprieve, where less than two years have elapsed since the expiration of the probation period; (iii) having served as a director, factory manager or manager of a company or enterprise that was bankrupt and liquidated, and being personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of bankruptcy liquidation of such company or enterprise; (iv) having served as the legal representative of a company or enterprise whose business licence was revoked or ordered to be closed down for violation of law, and being personally liable, where less than three years have elapsed since the date of revocation of business licence or closing down of such company or enterprise; or (v) being listed by the people's court as a dishonest person subject to enforcement due to failure to repay a relatively large amount of overdue debts. Other circumstances where any person is disqualified from acting as a director are set out in the Guidelines for the Articles of Association.

Audit Committee

Under the Company Law, if a joint stock limited company does not have a board of supervisors, the audit committee shall consist of at least 3 members, and more than half of the members shall not hold positions in the company other than directors, and shall not have any relationship with the company that may affect their independent and objective judgement.

Among the members of the board of directors of a company, employee representatives may become members of the audit committee. Resolutions made by the audit committee shall be passed by more than half of its members. In voting on resolutions of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be stipulated in the articles of association, unless otherwise provided by the Company Law. The company may establish other committees under the board of directors in accordance with the articles of association.

Managers and Senior Management

Under the Company Law, a joint stock limited company shall have a manager, who shall be appointed or dismissed by the board of directors. The manager shall be responsible to the board of directors, exercise functions and powers in accordance with the provisions of the articles of association or the authorization of the board of directors, and attend board meetings as a non-voting attendee. Under the Company Law, senior management refers to the general manager, deputy general manager(s), person in charge of finance, board secretary of a listed company and other personnel stipulated in the articles of association.

Duties of Directors, General Managers and Senior Management

The Company Law requires that directors and senior management of a company shall comply with relevant laws, regulations and the articles of association, and bear duties of loyalty and diligence towards the company. Those who bear the duty of loyalty shall take measures to avoid conflicts between their own interests and those of the company, and shall not use their powers to seek improper benefits; those who bear the duty of diligence shall exercise the reasonable care normally expected of a manager for the best interests of the company in performing their duties. Where a controlling shareholder or actual controller of a company does not serve as a director of the company but actually executes company affairs, the provisions concerning the duties of loyalty and diligence shall apply.

Directors and senior management shall not: (i) misappropriate the company's property or embezzle the company's funds; (ii) deposit the company's funds into accounts opened in their personal names or in the names of other individuals; (iii) abuse their authority to offer bribes or accept other illegal income; (iv) accept commissions paid by others for transactions conducted with the company as their own; (v) disclose company secrets without authorization; or (vi) engage in other acts in breach of their duty of loyalty to the company.

Directors and senior management shall not engage in the business of the same kind as that of the company either for themselves or on behalf of others without reporting to the board of directors or the shareholders' meeting and obtaining approval through resolutions by the board of directors or the shareholders' meeting in accordance with the provisions of the articles of association.

A director or senior management who violates laws, administrative regulations or the provisions of the articles of association in performing his/her duties, causing losses to the company, shall be liable for compensation.

Finance, Accounting and Profit Distribution

Pursuant to the Company Law, a company shall establish its own financial and accounting systems in accordance with laws, administrative regulations and the provisions of the competent financial department of the State Council, and at the end of each financial year, prepare financial and accounting reports which shall be audited by an accounting firm in accordance with the law. The financial and accounting reports of a joint stock limited company shall be made available at the company for shareholders' inspection twenty days prior to the convening of the annual shareholders' meeting; a joint stock limited company that made public stock offerings shall announce its financial and accounting reports.

When distributing after-tax profits for the year, a company shall set aside 10% of its profits to be allocated to the statutory reserve. If the cumulative amount of the statutory reserve reaches 50% or more of the company's registered capital, no further allocation is required. If the statutory reserve is insufficient to make up for losses of previous years, the profits for the current year shall first be used to make up for the losses before allocations are set aside for the statutory reserve. After setting aside for the statutory reserve from the after-tax profits, the company may also set aside a discretionary reserve from after-tax profits upon a resolution of the shareholders' meeting. The remaining after-tax profits after making up for losses and making allocations to the reserve funds shall be distributed to shareholders of a joint stock limited company in proportion to their shareholdings, unless otherwise provided in the articles of association; no profit shall be distributed in respect of the company's own shares held by the company. If the shareholders' meeting passes a resolution to distribute profits, the board of directors shall make such distribution within six months from the date of the resolution of the shareholders' meeting. Any premium received by a company from issuing shares at an issue price exceeding the par value of the shares and other items prescribed by the competent financial department of the State Council as to be included in the capital reserve, shall be credited to the company's capital reserve.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment and dismissal of an accounting firm undertaking the company's audit business shall be decided by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the articles of association; when voting on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions. The company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting materials to the engaged accounting firm, and shall not refuse, conceal or make false reports. The Guidelines for the Articles of Association stipulate that the appointment of an accounting firm by a company must be decided by the shareholders' meeting, the board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting, and the audit fee of the accounting firm shall be decided by the shareholders' meeting.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for any of the following reasons: (i) the term of its operation stipulated in the articles of association has expired or other

events of dissolution stipulated in the articles of association have occurred; (ii) a resolution on dissolution is passed by the shareholders' meeting; (iii) dissolution is required due to merger or division of the company; (iv) the business licence is revoked, or it is ordered to close down or dissolved in accordance with the law; or (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company and such request is supported by the judgement, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other means, rendering ongoing existence of the company a cause for significant losses to the shareholders' interests. Where any of the aforementioned grounds for dissolution arise, the company shall publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System within ten days. Where dissolution occurs under the circumstances of item (i) or (ii), the company may continue to exist by amending the articles of association or by resolution of the shareholders' meeting (which must be passed by more than two-thirds of the voting rights held by shareholders attending the shareholders' meeting).

Where a company is dissolved under items (i), (ii), (iv) or (v) above, it shall be liquidated. Directors shall be the liquidation obligors of the company and shall form a liquidation team to conduct liquidation within fifteen days from the date of the occurrence of the grounds for dissolution. The liquidation team shall be composed of directors, unless otherwise provided by the articles of association or unless the shareholders' meeting resolves to appoint other persons. During the liquidation period, the liquidation team may exercise the following powers: to realise the company's assets; to prepare balances sheet and property lists; to notify and publish notices to creditors; to settle outstanding business matters relating to the liquidation; to pay taxes in full; to settle claims and liabilities; to distribute any residual assets; and to represent the company in civil litigation. The liquidation team shall notify the company's creditors within ten days from its establishment, and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within sixty days. The remaining assets of the company after the payment of liquidation expenses, employees' wages, social insurance contributions and statutory compensation, the settlement of outstanding tax liabilities and the discharge of the company's debts shall be distributed to shareholders of a joint stock limited company in proportion to their shareholdings. If the liquidation team finds that the company's assets are insufficient to discharge its debts after liquidating the company's assets, it shall apply to the people's court for bankruptcy liquidation in accordance with the law.

Overseas Listing

According to the Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. Where an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicise the filing information through its website; if the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within five working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

The Trial Measures also provide that an overseas offering and listing shall not be conducted under any of the following circumstances: (i) where listing and financing is expressly prohibited by laws, administrative regulations or relevant provisions of the State; (ii) where the offering

and listing may endanger national security as reviewed and determined by the competent authorities under the State Council in accordance with the law; (iii) where the domestic company or its controlling shareholder or actual controller has committed criminal offences of corruption, bribery, embezzlement of property, misappropriation of property or disruption of the order of the socialist market economy in the most recent three years; (iv) where the domestic company is under investigation in accordance with the law for suspected criminal offences or major violations of laws and regulations and no conclusion has been reached; or (v) where there are material ownership disputes over the equity held by the controlling shareholder or over the equity held by shareholders controlled by the controlling shareholder or the actual controller.

If any of the following material events occur after a domestic enterprise's overseas offering and listing, including change in control, investigation, penalties or other measures taken by overseas securities regulatory authorities or relevant competent authorities, the conversion of listing status or the transfer of listing board, and voluntary or compulsory termination of listing, it shall report the details to the CSRC within three working days from the date of the occurrence and announcement of the relevant event.

Confidentiality and Archives Administration in Overseas Listing

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration in Connection with Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) jointly promulgated by the CSRC, the Ministry of Finance, the National Administration of State Secrets Protection and the National Archives Administration of China on 24 February 2023 and effective on 31 March 2023, where a domestic enterprise provides or publicly discloses, or provides or publicly discloses through its overseas listing entity, documents or materials involving state secrets or work secrets of state organs to relevant securities companies, securities service institutions, overseas regulators or other entities or individuals, it shall first obtain approval from the competent authorities in accordance with the law and make a filing with the secrecy administrative department at the same level. Where a domestic enterprise provides accounting archives or copies of accounting archives to relevant securities companies, securities service institutions, overseas regulators or other entities or individuals, it shall fulfil the corresponding procedures in accordance with the relevant provisions of the State.

Lost Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his share certificate(s) is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court has declared such certificate(s) invalid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing, and the PRC Securities Law (2019 Revision) (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under delisting circumstances specified 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 delists or is compulsorily delisted after issuing securities and listing on an

overseas market, the issuer shall submit a report to the CSRC within three working days after the event occurs and is publicly disclosed.

Merger and Division

The merger of a company may take the form of absorption merger or merger by new establishment. In the case of absorption of other companies, the absorbed company is dissolved; in the case of merger by establishing a new company, all parties to the merger are dissolved. When companies are merged, the claims and debts of all parties to the merger shall be succeeded to by the surviving company or the newly established company after the merger.

PRC Securities Laws, Regulations and Regulatory Regime

The PRC has promulgated a number of regulations governing regarding the issuance and trading of shares and information disclosure. In October 1992, the State Council established the Securities Committee of the State Council and the CSRC. The CSRC is responsible for drafting regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by PRC companies domestically and overseas, regulating securities trading, compiling securities-related statistics, and conducting relevant research and analysis. In March 1998, the State Council consolidated the aforementioned two departments and reorganised the CSRC.

The Interim 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 22 April 1993 provide for the application and approval procedures for public offerings of shares, trading in shares, acquisitions of listed companies, deposit, settlement and transfer of listed shares, information disclosure by listed companies, investigation and penalties, and dispute resolution. 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 25 December 1995 mainly regulate the issuance, subscription, trading, dividend payment of domestically listed foreign shares, and information disclosure of joint stock limited companies with domestically listed foreign shares.

The Securities Law of the People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**"), which was lastly amended by the SCNPC on 28 December 2019 and came into effect on 1 March 2020, is the first national securities law in the PRC and provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, stock exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing its securities in an overseas stock exchange. Currently, the issue and trading of overseas listed shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (2025 Revision) (《中華人民共和國仲裁法(2025修訂)》) (the "**Arbitration Law**") was adopted by the SCNPC on 31 August 1994, came into effect on 1 September 1995, and was amended on 27 August 2009, 1 September 2017 and 12 September 2025. Under the Arbitration Law, before the PRC Arbitration Association formulates arbitration

rules, arbitration commissions may formulate interim arbitration rules in accordance with the relevant provisions of the Arbitration Law and the Civil Procedure Law. Where the parties have entered into an arbitration agreement to resolve disputes and one party brings proceedings before a people's court, the people's court will not accept it, unless the arbitration agreement is invalid.

According to the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on both parties. If one party fails to perform, the other party may apply to the people's court for enforcement. The people's court may refuse enforcement of an arbitral award made by an arbitration commission if the arbitration procedure or the composition of the arbitral tribunal violates statutory procedures, or the matters decided in the award fall outside the scope of the arbitration agreement or the arbitration commission lacks jurisdiction to arbitrate.

Where a party requests enforcement of a legally effective arbitral award made within the territory of the PRC, and if the party subject to execution or his property is not located within the territory of the PRC, the party may directly apply to a foreign court with jurisdiction for recognition and enforcement. Similarly, a people's court may recognise and enforce arbitral awards made by foreign arbitral institutions in accordance with the principle of reciprocity or any relevant international treaty to which the PRC is a party. Pursuant to a resolution adopted by the SCNPC on 2 December 1986, the PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the "**New York Convention**") adopted on 10 June 1958. Upon acceding to the Convention, the PRC made the following declarations: (i) the PRC will apply the convention to arbitral awards made in the territory of another contracting state only on the basis of the principle of reciprocity; and (ii) the PRC will apply the New York Convention only to disputes arising from contractual and non-contractual commercial legal relationships as determined under PRC laws.

An arrangement was reached between Hong Kong and the Supreme People's Court on mutual enforcement of arbitral awards. On 18 June 1999, the Supreme People's Court adopted the Arrangements of the Supreme People's Court on 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), which came into effect on 1 February 2000, and was amended by the Supplementary Arrangements of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (2021) (《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(2021)》). Under this arrangement, awards made by PRC arbitral authorities under the Arbitration Law can be enforced in Hong Kong, and Hong Kong arbitral awards can also enforceable in the PRC.

Judicial Judgements 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 HKSAR 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 3 July 2008 and effective on 1 August 2008 (now repealed), in the case of a final judgement, defined with payment amount and enforcement power, made by a court of Chinese mainland or a court of Hong Kong in a civil and commercial case with a choice of court agreement in written, any party concerned may apply to the people's court of Chinese mainland or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. "Choice of court agreement in written" refers to a written agreement defining the exclusive jurisdiction of either a court of

Chinese mainland or a court of Hong Kong to resolve disputes with particular legal relations occurred or likely to occur by the parties concerned.

On 25 January 2024, the Supreme People's Court promulgated 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 HKSAR (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the "**New Arrangement**"), which came into effect on 29 January 2024. The New Arrangement establishes a mechanism with greater clarity and certainty for reciprocal recognition and enforcement of a wider range of civil and commercial judgements between the Hong Kong Special Administrative Region and Chinese mainland, and replaces the aforementioned expired arrangement after coming into effect.