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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix summarises certain aspects of the laws and regulations of Mainland China which are relevant to our Company’s operations and business. Laws and regulations relating to taxation in Mainland China are discussed separately in Appendix IV to this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to the potential investors. For a discussion of laws and regulations which are relevant to our Company’s business, please refer to the section headed “Regulatory Overview” in this document.

THE PRC LAWS AND REGULATIONS

The PRC Legal System

The PRC legal system is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》) (the “**Constitution**”), and is made up of laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents. However, prior guiding cases that the Supreme People’s Court released are of reference and exemplary value.

According to the Constitution and the Legislation Law of the People’s Republic of China (Revised 2023) (《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 National People’s Congress (the “**SCNPC**”) are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments shall not be in conflict with the basic principles of such laws. The NPC may authorise the SCNPC to enact relevant laws.

The State Council of the People’s Republic of China (the “**State Council**”), the central people’s government, is the executive organ of the supreme organ of state power and the highest organ of administration in PRC. The State Council 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 needs of their respective administrative regions, provided that such local regulations do not contravene the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection, historical and cultural protection, grassroots governance, etc. based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene the Constitution, laws and administrative regulations and the relevant local regulations of their respective provinces or autonomous regions. The formulation of local regulations of cities divided into districts shall be submitted to the standing committees of the people’s congresses of provinces or autonomous regions for approval before implementation.

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People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, PBOC, the National Audit Office, institutions with administrative functions directly under the State Council and the institutions stipulated by the law may formulate rules within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The people's governments of the provinces, autonomous regions, municipalities and cities or autonomous prefectures divided into districts may formulate rules based on the laws, administrative regulations and local regulations of such provinces, autonomous regions and municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts or autonomous prefectures within such administrative areas. Departmental rules, departmental rules and local government rules shall have the same effect and shall be implemented within the scope of their respective powers.

Where adaptations of relevant laws, administrative regulations and local regulations are made in autonomous regulations or separate regulations in accordance with the law, those provisions in the autonomous regulations or separate regulations shall prevail in the autonomous areas concerned. Where adaptations of relevant laws, administrative regulations, or local regulations are made in special economic zone regulations on the basis of an authorization, those provisions of the special economic zone regulations shall prevail in the special economic zones concerned.

The NPC has the power to alter or abrogate any inappropriate laws enacted by its committee, and to abrogate any autonomous regulations and separate regulations as approved by its committee which contravene the Constitution or the Legislation Law. The SCNPC has the power to abrogate any administrative regulations that contravene the Constitution or laws, to abrogate any local regulations that contravene the Constitution, laws or administrative regulations, and to abrogate any autonomous regulations and separate regulations which have been approved by the SCNPC of the relevant provinces, autonomous regions or municipalities directly under the central government, but contravene the Constitution or the Legislation Law. The State Council has the power to alter or abrogate any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions or municipalities directly under the central government have the power to alter or abrogate any inappropriate local regulations enacted or approved by their respective standing committees. The standing committees of the local people's congresses have the power to abrogate inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to alter or abrogate any inappropriate rules enacted by the people's governments at a lower level. The authorising authorities have the power to abrogate any regulations enacted by the authorised authorities that transcends the authorised powers or contravenes the purpose of such authorisation, and may revoke such authorization when necessary.

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The power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of 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》) issued by the SCNPC on 10 June 1981 and becoming effective on the same date, issues related to the further clarification or supplement of laws and decrees shall be interpreted or provided by the SCNPC through decrees, issues related to the specific application of laws and decrees in a court trial shall be interpreted by the Supreme People's Court of the People's Republic of China (the "**Supreme People's Court**"), and issues related to the specific application of laws and decrees in the procuratorial work shall be interpreted by the Supreme People's Procuratorate of the People's Republic of China (the "**Supreme People's Procuratorate**"). If there are differences in principle in the interpretation of the Supreme People's court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision, and issues related to the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be interpreted by the State Council and the competent authorities. Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the central government which have enacted these regulations shall provide the interpretations or make the stipulations. Issues related to the specific application of local regulations shall be interpreted by the competent departments of the people's governments of provinces, autonomous regions and municipalities directly under the central government.

The PRC Judicial System

Under the Constitution and the PRC Law on the Organisation of the People's Courts (Revised in 2018) (《中華人民共和國人民法院組織法》(2018年修訂)), the People's Courts is made up of the Supreme People's Court, the local people's courts at all levels, and the special people's courts.

The Supreme People's Court shall be the highest judicial organ. The local people's courts at all levels are divided into the higher people's courts, the intermediate people's courts and the basic people's courts. Special people's courts include military courts, maritime courts, intellectual property courts and financial courts. The Supreme People's Court supervises the trial of the local people's courts at all levels and the special people's courts. People's courts of higher level supervise the trial of people's courts of lower level.

According to the Civil Procedure Law of the PRC (Revised in 2023) (《中華人民共和國民事訴訟法(2023修正)》) (the "**PRC Civil Procedure Law**"), each party to a civil action conducted within the PRC must comply with the relevant provisions of the PRC Civil Procedure Law. Jurisdiction over civil cases shall be exercised by the people's courts. In dealing with the civil actions arising from disputes on property and personal relations between citizens, legal persons or other organisations and among citizens, legal persons and other organisations, the people's courts shall apply the provisions of the PRC Civil Procedure Law.

A foreign individual, a person without nationality, a foreign enterprise and a foreign organisation shall have the same litigation rights and obligations as a PRC citizen, legal person and other organisations when initiating or defending any proceedings at a people's court. If the courts of a foreign country impose restrictions on the civil litigation rights of the PRC citizens, legal persons and other organisations, the people's courts of the PRC shall follow the principle of reciprocity regarding the civil litigation rights of the citizens, enterprises and organisations of that foreign country.

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If any party to a civil action refuses to comply with civil judgments, rulings, mediation statements and other legal documents that have taken legal effect and should be enforced by the people's courts, as well as awards made by arbitration institutions established in accordance with the law, the other party may apply to the people's court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement.

A party seeking to enforce a legally effective judgment or ruling made by a people's court against another party who is not or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of such judgment or ruling. Alternatively, the people's court may, pursuant to the provisions of an international treaty concluded or acceded to by the PRC or in accordance with the principle of reciprocity, request the foreign court to recognise and enforce the judgment or ruling.

If a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by the people's court, the party concerned may directly apply for recognition and enforcement to the intermediate people's court with jurisdiction. Alternatively, the foreign court may, pursuant to the provisions of an international treaty concluded between or acceded to by the foreign state and the PRC or in accordance with the principle of reciprocity, request the people's court to recognise and enforce the judgment or ruling.

The Company Law, Overseas Listing Trial Measures and Guidelines for Articles of Association

A joint stock limited company which was incorporated in the PRC and seeking a listing on the Stock Exchange is mainly subject to the following laws and regulations:

- The Company Law of the People's Republic of China (2023 Revision) (《中華人民共和國公司法(2023修正)》) (the "**Company Law**") which was revised by the SCNPC on 29 December 2023 and the latest revision of which was implemented on 1 July 2024.
- The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") which was issued on 17 February 2023 and implemented on 31 March 2023 by the CSRC; and
- The Guidelines for the Articles of association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of association**") which was latest amended and implemented by the CSRC on 28 March 2025.

General

A joint stock limited company refers to an enterprise legal person incorporated under the Company Law with independent legal person property and enjoying the right to legal person property. A joint stock limited company shall be liable for the debts of the company with all its property. Shareholders of a joint stock limited company shall be liable to the company to the extent of the shares they have subscribed for.

The establishment of a joint stock limited company shall be subject to the formulation of Articles of association in accordance with the law. These Articles of association shall be binding on the company, its shareholders, directors, supervisors and senior management members.

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A joint stock limited company shall have its own name, which shall comply with the relevant provisions of the State. A joint stock limited company established under the Company Law shall include in its name the words "Joint Stock Limited Company" or "Joint Stock Company".

In conducting its business activities, a joint stock limited company shall comply with laws and regulations, observe social ethics and commercial morality, act in good faith and accept supervision by the government and the general public.

Incorporation

A joint stock limited company may be incorporated by way of promotion or share offering.

A joint stock limited company shall be incorporated by a minimum of two promoters while the maximum number thereof shall be 200, and at least half of the promoters must have residences within the PRC. To establish a joint stock limited company, the promoters shall jointly formulate the articles of association.

For a joint stock limited company incorporated by way of promotion, the promoters shall subscribe for the full amount of shares to be issued upon the establishment of the company as provided for in the articles of association. Where a joint stock limited company is incorporated by share offering, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued when the company is established as stipulated in its articles of association, unless otherwise provided by laws or administrative regulations. The promoters shall pay the subscription monies in full for the shares they have subscribed for before the company is incorporated.

The promoters of a joint stock limited company incorporated by way of share offering must convene an inaugural meeting within 30 days after the issued shares to be issued when the company is established have been fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting shall be held only when the 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 way of promotion shall be stipulated in the company's articles of association or the agreement among the promoters.

Within 30 days after the conclusion of the inaugural meeting, the board of directors shall authorise a representative to apply to the registration authority for registration of the establishment of the company.

Registered Capital

Shareholders of a joint stock limited company may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights, land use rights, equity rights or creditors' rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by laws or administrative regulations.

Non-monetary assets contributed as capital shall be valued and verified, and shall not be over-valued or under-valued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

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Shareholder of a joint stock limited company who fails to make any full payment for the shares on time shall be liable to compensate any loss incurred to the company in addition to payment for the shares in full amount.

Issuance of Shares

The capital of a joint stock limited company shall be divided into shares. All shares issued by the company shall be either par value or no-par value shares as specified in the company's articles of association. For shares with par value, each share has an equal amount. Shares shall be issued on a fair and equitable basis and each share of the same class shall carry the same rights. Shares of the same class issued at the same time shall be issued on the same terms and at the same price per share, and subscribers shall pay the same price for each share they subscribe.

Shares of a joint stock limited company shall be in the form of share certificates. Share certificates are certificates issued by the company evidencing the shares held by the shareholders. Share certificates issued by the company are registered share certificates. The issuance price of par value shares may be based on the par value or may exceed the par value, but shall not be less than the par value.

The share certificates shall be in paper form or in other forms prescribed by the securities regulatory authority of the State Council. The share certificates issued in paper form shall contain the following major particulars: (1) the name of the company; (2) the date of incorporation of the company or issuance date of the share certificates; and (3) the class of share certificates, par value and number of shares represented. For shares issued with no par value, the number of shares represented by the share certificates. If share certificates are in paper form, the certificate number shall also be specified, and they shall be signed by the legal representative and affixed with the seal of the company. The share certificates of the promoters in paper form shall be marked with the words "promoters' shares". After the incorporation of the joint stock limited company, share certificates shall be formally delivered to shareholders. Share certificates shall not be delivered to shareholders prior to the company's incorporation.

Where a joint stock limited company intends to issue new shares, its general meeting shall make a resolution about the following matters: (1) the class and amount of the new shares; (2) the issuing price of the new shares; (3) the beginning and ending dates for the issuance of the new shares; (4) the class and amount of the new shares to be issued to the original shareholders; and (5) if any no par value stock is issued, the proceeds from the issuance of the new shares shall be included into the registered capital. Where a company intends to issue new shares, it may make a pricing plan according to its business operations and financial condition.

Where a joint stock limited company intends to make public offering of shares, it shall go through the registration with the securities regulatory authority of the State Council and announce this document. this document shall be accompanied by the articles of association and shall contain the following matters: (1) the total number of shares to issue; (2) the nominal value and issue price of shares with par value or the issue price of shares with no par value; (3) the use of proceeds; (4) rights and obligations of the subscribers; (5) class of shares and their rights and obligations; and (6) commencement and end dates of the offering and the explanation that the subscribers may withdraw their subscribed shares if the shares are not fully subscribed within the time limit. Where a company issues shares at the time of its establishment, the number of shares subscribed by the promoters shall also be specified.

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Where a joint stock limited company intends to make public offering of shares, such offer shall be underwritten by security companies established under PRC law, and underwriting agreements shall be entered into. A company offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and is obliged to furnish evidence of receipt of those subscription monies to relevant authorities. An announcement shall be made after the company has raised the full amount of the subscription monies for the shares to be issued.

Increase in Registered Capital

When a joint stock limited company issues new shares for the purpose of increasing its registered capital, the shareholders shall not be entitled to pre-emptive rights, unless otherwise provided by the articles of association or resolved by a resolution of the general meeting that the shareholders shall be entitled to pre-emptive rights.

When a joint stock limited company issues new shares for the purpose of increasing its registered capital, the subscription of new shares by shareholders shall be governed by the relevant provisions on the payment of stock capital for the establishment of a joint stock limited company.

Reduction of Registered Capital

When a joint stock limited company needs to reduce its registered capital, it shall prepare a balance sheet and an inventory of property. The company shall inform its creditors within 10 days from the date of resolution of the general meeting on reduction in registered capital, and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within 30 days. The creditors have the right to demand the company to settle the debts or provide corresponding guarantees within 30 days from the date of receipt of the notice, or within 45 days from the date of the announcement if the notice has not been received. When a company reduces its registered capital, it shall reduce its capital contribution or shares in proportion to the capital contributions or shares held by shareholders, except as otherwise provided by laws or agreed upon by all the shareholders of a limited company or the articles of association of a joint stock limited company.

Repurchase of Shares

A joint stock limited company may not repurchase its own shares other than for the following purposes: (1) reducing its registered capital; (2) merging with other companies which hold its shares; (3) carrying out an employee stock ownership plan or equity incentive plan; (4) acquiring its shares at the request of its shareholders who vote in a general meeting against a resolution regarding a merger and division; (5) utilising the shares for conversion of corporate bonds which are convertible into shares; and (6) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders. The acquisition by a company of its own shares on the grounds set out in item (1) to (2) above shall be approved by way of a resolution of a general meeting; the acquisition by a company of its own shares in circumstances as set out in items (3), (5) and (6) above may be approved by way of a resolution at a board meeting with two-third or more of the directors present in accordance with the provisions of the company's articles of association or the authorization of the general meeting. Following the acquisition by a company of its own shares in accordance with these requirements, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (1); such shares shall be transferred or canceled within six months under the circumstances in items (2) or (4); the total shares held by the company shall not exceed 10% of the total amount of shares issued

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by the company and such shares shall be transferred or canceled within three years under the circumstances in items (3), (5) or (6). A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law of People's Republic of China (《中華人民共和國證券法》) (the "**Securities Law**") when acquiring its own shares. The acquisition by a listed company of its own shares in circumstances as set out in items (3), (5) and (6) aforesaid shall be conducted through open centralised trading.

The company shall not accept the equity rights of the company as the subject of pledge.

Transfer of Shares

The shares of a joint stock limited company held by its shareholders may be transferred to other shareholders or to persons other than its shareholders. Where there are restrictions on the transfer of the shares under the articles of association of the company, such transfer shall comply with the relevant provisions. A shareholder should effect a transfer of his/her shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Shares may be transferred after the shareholders endorse the back of the share certificates or in any other manner specified by the laws or administrative regulations. Following the transfer, the company shall enter the names and domiciles of the transferees into its share register. No changes of registration in the share register described above shall be effected during a period of 20 days prior to convening a general meeting or five days prior to the record date for the purpose of determining entitlements to dividend distributions, unless otherwise stipulated by laws, administrative regulation or the securities regulatory authority of the State Council on the changes in the share register of listed companies.

Shares which have been in issue before a joint stock limited company's public offering shall not be transferred within one year from the date of such joint stock limited company's listing on a stock exchange. If any laws, administrative regulations or the securities regulatory authority under the State Council provide otherwise for the shareholders or de facto controllers of listed companies to transfer their shares of the company held, such provisions shall prevail. Directors, supervisors and senior management of the company shall declare to the company their holdings of the company's shares and the changes therein, and shall not transfer more than 25% of the total number of shares of the company held by them in each year of the period of service determined at the time of their assumption of their office; and the shares held by them shall not be transferred within one year from the date of listing and trading of the company's shares. The shares of the company held by the aforesaid persons may not be transferred within six months after their departure from office. The articles of association may set other restrictive requirements on the transfer of the company's shares held by its directors, supervisors and senior management. Where the shares were pledged within the lock-up period as prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge rights during such lock-up period.

The General Meeting

The general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company and shall exercise its functions and powers in accordance with the Company Law.

The general meeting of a joint stock limited company exercises the following functions and powers:

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

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- (2) to examine and approve reports of the board of directors;
- (3) to examine and approve reports of the supervisory committee;
- (4) to examine and approve a company's profit distribution plans and loss recovery plans;
- (5) to resolve on the increase or reduction of a company's registered capital;
- (6) to resolve on the issuance of corporate bonds;
- (7) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company;
- (8) to amend the articles of association; and
- (9) other functions and powers specified in the provisions of the articles of association.

The general meetings of a joint stock limited company are required to be held every year. An extraordinary general meeting is required to be held within two months after the occurrence of any of the following circumstances:

- (1) the number of directors is less than the number stipulated herein or less than two-thirds of the number specified in the articles of association;
- (2) when the unrecovered losses amount to one-third of the total paid-up share capital;
- (3) shareholders individually or jointly holding 10% or more of the company's shares request;
- (4) when deemed necessary by the board of directors;
- (5) the supervisory committee proposes to convene the meeting; and
- (6) other circumstances as stipulated in the articles of association.

The general meeting of a joint stock limited company shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman of the board of directors is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the board of directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory committee should convene and preside over the general meeting in a timely manner. If the supervisory committee fails to convene and preside over the general meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting.

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If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the board of directors and the supervisory committee should, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

Notice of general meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the general meeting. The interim proposals shall have clear subject and specific matters for resolution. The board of directors shall notify other shareholders within two days after receiving the proposal, and submit the interim proposal to the general meeting for consideration, except where the interim proposal is in violation of laws, administrative regulations or the provisions of the articles of association, or does not fall into the terms of reference of the general meeting. The company shall not increase the shareholding ratio requirements on shareholders proposing interim proposals. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The general meeting shall not make resolutions on matters not specified in the notice.

Shareholders of a joint stock limited company present at general meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds. The passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the meeting, except in cases of proposed amendments to a articles of association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting of a joint stock limited company pursuant to the articles of association of the company or a resolution of the general meeting. Under the aforementioned accumulative voting system, when the general meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Minutes shall be prepared in respect of matters considered at the general meeting of a joint stock limited company and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

A joint stock limited company shall have a board of directors. A joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the board of directors and have one director to exercise the functions and powers of the board of directors as prescribed by the Company Law.

The board of directors of a joint stock limited company may exercise the following powers:

- (1) to convene general meeting and report on its work to the general meeting;

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- (2) to implement the resolutions passed by the shareholders at the general meeting;
- (3) to decide on the company's operational plans and investment proposals;
- (4) to formulate the company's proposals for profit distribution and for recovery of losses;
- (5) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- (6) to formulate proposals for the merger, division, dissolution of the company or change in the form of the company;
- (7) to decide on the setup of the company's internal management organs;
- (8) to decide on appointment or dismissal the manager of the company and his/her remuneration matters, and as nominated by the manager, to decide on appointment or dismissal the company's deputy manager and financial officer and his/her remuneration matters;
- (9) to formulate the company's basic management system; and
- (10) other authority stipulated in the articles of association or granted by the general meeting.

The board of directors of a joint stock limited company shall comprise no less than three members, among whom may be representatives of the company's employees. In the case of a joint stock limited company with 300 or more employees, except when a supervisory committee has been established including a number of employee representatives among its members as required by law, the company's board of directors shall include employee representatives among its members. An employee representative on the board of directors shall be elected by the company's employees through the employee representative assembly, employee assembly, or other forms of democratic elections.

The term of a director shall be stipulated in the articles of association, provided that no term of office shall exceed three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations and the articles of association until a re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of directors results in the number of directors being less than the quorum. If a director resigns, he/she shall notify the company in writing. The resignation shall take effect on the date the company receives the notice. However, if the circumstances as prescribed above exist, the director shall continue to perform his/her duties.

The general meeting may remove any director through resolutions, effective as of the date when the resolutions take effect. Where a director is removed before expiration of his/her term of office without justifiable reasons, the director may demand indemnification from the company.

Meetings of the Board of Directors

Meetings of the board of directors shall be convened at least twice a year. Notices of such meetings shall be given to all directors and supervisors 10 days before the meetings are convened. Interim board meetings may be proposed to be convened by shareholders representing more than 10% of the voting rights, more than one-third of the directors or the

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supervisory committee. The chairman of the board of directors shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for convening an interim board meeting.

Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board of directors. The board of directors shall prepare minutes of the meetings of the board of directors and such minutes shall be signed by the directors present at the meeting.

Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization. The directors shall be responsible for resolutions adopted by the board of directors. The directors adopting a resolution that contravenes laws, administrative regulations, the articles of association or resolutions of the general meeting and results in severe losses to the company shall be liable to the company for compensation. However, a director may be exempt from such liability with the proof that he/she has expressed a disagreement which has been recorded in the minutes of the meeting.

The Chairman of the Board of Directors

The board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over meetings of the board of directors and review the implementation of resolutions of the board of directors. The vice chairman shall assist the chairman to perform his/her duties. In the event that the chairman cannot or does not perform his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman cannot or does not perform his/her duties, a director nominated by half or more of the directors shall preside over the meeting.

Manager and Senior Management

A joint stock limited company shall have a manager, who shall be appointed or dismissed by the board of directors. The manager is accountable to the board of directors and exercises his or her powers in accordance with the provisions of the articles of association or the authorization of the board of directors. The manager attended the board meeting as an observer.

Senior management personnel shall refer to the company's manager, deputy manager, financial officer, the secretary of the board of directors of listed companies, and other personnel as stipulated in the articles of association.

Qualifications and Obligations of Directors, Supervisors and Senior Management

None of the following persons may serve as directors, supervisors or other senior management of the company:

- (1) persons without capacity or with limited capacity for civil acts;
- (2) persons who were sentenced to criminal punishment due to corruption, bribery, embezzlement of property, misappropriation of property or disrupting the socialist market economic order, or who have been deprived of political rights due to any

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criminal offenses, where less than five years have lapsed since the expiration of the execution period, those who were ordered for a probational period, less than two years since the lapse of the probational period;

- (3) persons who served as directors, or factory directors or managers, who bear personal liability for the bankruptcy liquidation of their companies or enterprises, where not more than three years have elapsed since the date of completion of the bankruptcy liquidation of their companies or enterprises;
- (4) persons who served as the legal representative of a company or an enterprise of which the business licence was revoked and was ordered to close down due to violation of laws and who was personally liable for such revocation and order, where less than three years have lapsed since the date of the revocation of the business licence or being ordered to be closed down; and
- (5) persons who have a substantial amount of personal debts due and unsettled and declared by the People's Court as a judgement defaulter.

Any election, appointment or engagement of a director, supervisor, general manager, deputy general manager or any other senior management in violation of the preceding paragraph shall be invalid. The company shall dismiss any director, supervisor, senior management who fall within any of the circumstances during his term of office.

Director, supervisor, senior management shall observe laws, administrative regulations and the Articles of association.

Director, supervisor, senior management shall fulfill the obligations of loyalty to the company, take measures to avoid conflicts between their own interests and the interests of the company, and not pursue for improper benefits by taking use of their positions. Director, supervisor, senior management owe towards the company obligations of diligence, and exercise reasonable care to maximise the gain of the company when performing their duties. Where a controlling shareholder or de facto controller of the company does not act as a director of the company but actually carries out the affairs of the company, the foregoing provisions shall apply.

Directors, supervisors, senior management shall fulfill the following obligations of loyalty to the company:

- (1) misappropriating the company's properties and not to divert the assets of the company;
- (2) depositing any capital of the company in any amounts into accounts under their own name or the name of other individuals;
- (3) abusing their powers to take bribes or other unlawful income;
- (4) accepting, and keeping in their possession, commissions for the transactions between others and the company;
- (5) disclosing the company's secrets without authorization; and
- (6) committing other acts in violation of their obligation of loyalty to the company.

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Directors, supervisors, senior management enters into a contract or transaction with the company, whether directly or indirectly, such person shall report to the board of directors or the general meeting on matters related to the contract or transaction, and obtain approval through are solution passed by the board of directors or the general meeting in accordance with the Company's Articles of association.

No directors, supervisors, senior management may exploit their position to seize corporate opportunities for themselves or others. However, this prohibition shall not apply in any of the following circumstances: (1) having reported to the board of directors or the general meeting and obtained approval through a resolution passed in accordance with the Company's Articles of association; and (2) the company is unable to utilise such corporate opportunity under applicable laws, administrative regulations or the provisions of its Articles of association.

If a director, supervisor, senior management violates the provisions of laws, administrative regulations, or departmental regulations while performing his duties and causes losses to the company; he shall bear the liability for compensation.

Audit Committee and Other Special Committees

A joint stock limited company may, as stipulated in its articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisor or supervisor. The audit committee shall be composed of at least three members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the board of directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided under the Company Law. A company may set up other committees in the board of directors under the articles of association.

Finance and Accounting

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

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if its statutory reserve fund has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before

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making allocations to the statutory reserve in accordance with the preceding paragraph. After the company has made an allocation to the statutory reserve fund from its after-tax profits, it may also make an allocation to the discretionary reserve fund from its after-tax profits upon a resolution of the general meeting. The remaining after-tax profits after making up losses and allocation of reserve fund shall be distributed in proportion to the number of shares held by the shareholders, unless otherwise stipulated in the articles of association. Shares held by the company shall not be entitled to any distribution of profits.

The premium over the nominal value of the shares of the company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company. The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or increase the capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve fund and statutory reserve fund shall be firstly used. If losses still cannot be made up, the capital reserve fund can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve fund shall not be less than 25% of the registered capital before such conversion.

The company shall not keep accounting books other than those provided by law. Its funds shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

The appointment and dismissal of accounting firm responsible for the auditing of the company shall be determined by the general meeting, the board of directors or the supervisory committee. The accounting firm shall be allowed to state its views when the general meeting, the board of directors or the supervisory committee of the company conducts a vote on the dismissal of the accounting firm.

The company shall provide the true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information to the engaged accounting firm, and it shall not refuse or withhold any such information nor shall it provide any false information.

Merger and Division

Company mergers may take the form of merger by absorption or merger by consolidation. Where one company absorbs other companies, this constitutes merger by absorption, and the absorbed companies shall be dissolved. Where two or more companies merge to establish a new company, this constitutes merger by consolidation, and all merging parties shall be dissolved.

Dissolution and Liquidation

The company shall be dissolved for the following reasons:

- (1) expiry of the business term stipulated in the articles of association or occurrence of other dissolution events stipulated in the articles of association;
- (2) resolution by the general meeting to dissolve;
- (3) dissolution required due to company merger or division;

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- (4) revocation of business licence, order to close down or cancellation in accordance with law; and
- (5) where the company is dissolved by the People's Court in accordance with Article 231 of the rules.

Where the company falls under the grounds for dissolution specified in the preceding paragraph, it shall disclose such grounds through the National Enterprise Credit Information Publicity System within 10 days.

In the event of paragraphs (1) and (2) above, the company may carry on its existence by amending its articles of association if no property has been distributed to any shareholder. The amendments to the articles of association in accordance with the provisions described above or resolutions passed by the general meeting shall require the approval of more than two-thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved under the circumstances set out in items (1), (2), (4) and (5) above, the company shall be liquidated. The directors are the liquidation obligor of the company, and shall establish a liquidation committee to carry out liquidation within 15 days from the date when the cause of dissolution occurred. The liquidation committee shall be composed of directors, unless otherwise provided in the articles of association or unless others are elected by a resolution of the general meeting. If the liquidation obligor fails to perform its liquidation obligation in a timely manner and causes losses to the company or creditors, they shall be liable for compensation.

Where the company is dissolved under the circumstances set out in items (1), (2), (4) and (5) above, the company shall be liquidated. If a liquidation committee is not established within the prescribed period or the liquidation fails to effect after the establishment of a liquidation committee, the interested party may file an application with a people's court, requesting that the court appoint relevant personnel to form a liquidation committee to administer the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

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

- (1) to sort out the company's assets and prepare a balance sheet and an inventory of assets respectively;
- (2) to send notices to creditors or notify them by public notice;
- (3) to dispose of and liquidate any relevant unfinished business matters of the company;
- (4) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (5) to settle claims and debts;
- (6) to distribute the assets remaining after the company's debts have been repaid; and
- (7) to represent the company in any civil litigation proceedings.

The liquidation group shall notify the creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their claims to the liquidation group

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within 30 days of the date on which the notice is received or 45 days of the date of announcement if no notice is received. Creditors who file claims shall state matters relating to their claims with supporting evidence. The liquidation group shall register the creditor's claims.

The liquidation group shall not pay off any debts to any creditors during the period of filing of creditor's claims. After sorting out the company's assets and the preparation of the balance sheet and an inventory of assets, the liquidation group shall formulate a liquidation plan and present it to a general meeting or to the People's Court for confirmation. The assets of the company remaining after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to the Shareholders according to the proportion of their shareholdings. During the liquidation period, the company shall subsist but shall not engage in business activities unrelated to liquidation. The company's assets shall not be distributed to shareholders prior to making repayment pursuant to the provisions of the preceding paragraph.

If after sorting out the company's assets and preparing a balance sheet and an inventory of assets, the liquidation group discovers that the company's assets are insufficient to repay the company's debts in full, the liquidation group shall immediately apply to the People's Court for a declaration of insolvency liquidation. After the insolvency application is accepted by the People's Court, the liquidation group shall turn over liquidation matters to the bankruptcy administrator appointed by the People's Court.

The members of the liquidation group shall fulfill their liquidation duties and bear the duties of loyalty and diligence. Any member of the liquidation group who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation; and any member of the liquidation group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Following the completion of liquidation, the liquidation group shall prepare a report on liquidation which shall be submitted to the general meeting or the People's Court for confirmation and submit to the company registration authority and apply for cancellation of registration of the company.

Overseas Listing

According to the Overseas Listing Trial Measures, a direct overseas issuance and listing by a domestic enterprise refers to the overseas issuance and listing of a joint-stock limited company established and registered within China. The CSRC supervises and administers the overseas issuance and listing activities of domestic enterprises in accordance with the law. If an issuer conducts an initial public offering or listing overseas, it must file a record with the CSRC within three working days after submitting the application documents for issuance and listing overseas. If the filing materials are complete and comply with the regulations, the CSRC will complete the filing within 20 working days from the date of receiving the materials and publicise the filing information on its website. If the filing materials are incomplete or non-compliant, the CSRC will notify the issuer of the required supplementary materials within five working days of receiving the filing materials. The issuer must supplement the materials within 30 working days.

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Lost Stock Certificates

According to the Company Law, if a stock certificate is stolen, lost, or destroyed, the shareholder may, in accordance with the public notice procedure for vindication of claims under the Civil Procedure Law, request the people's court to declare the stock certificate invalid. After the people's court declares the stock certificate invalid, the shareholder may apply to the company for a replacement stock certificate.

Delisting

According to the Securities Law, if a listed security falls under the circumstances for delisting as prescribed by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with its business rules. If a stock exchange decides to terminate the listing and trading of a security, it shall promptly make an announcement and report to the securities regulatory authority under the State Council for the record.

According to the Overseas Listing Trial Measures, if an issuer voluntarily delists or is forced to delist after its overseas issuance and listing, the issuer shall report the specific circumstances to the CSRC within three working days from the occurrence and announcement of the relevant event.

Securities Laws and Regulations

The Securities Law of the People's Republic of China was most recently amended by the Standing Committee of the National People's Congress on 28 December 2019, with the amendments taking effect on 1 March 2020. The Securities Law comprises 14 chapters with a total of 226 articles, covering provisions on securities issuance, securities trading, acquisitions of listed companies, information disclosure, investor protection, securities trading venues, securities companies, securities registration and clearing institutions, securities service providers, the securities industry association, securities regulatory authorities, and legal liabilities.

Arbitration and Enforcement of Arbitral Awards

According to the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) ("Arbitration Law"), revised by the Standing Committee of the National People's Congress on 12 September 2025, and effective as of 1 March 2026, contractual disputes and other disputes over property rights between citizens, legal persons, and other organisations of equal status may be submitted to arbitration. The use of arbitration to resolve disputes requires mutual voluntary agreement between the parties, resulting in an arbitration agreement. If there is no arbitration agreement and one party applies for arbitration, the arbitration commission shall not accept the case. If the parties have an arbitration agreement and one party initiates litigation in a people's court, the court shall not accept the case, unless the arbitration agreement is invalid.

Arbitration follows a system of finality of awards. After an arbitral award is rendered, if a party applies for arbitration again or initiates litigation in a people's court regarding the same dispute, the arbitration commission or the people's court shall not accept the case. If the award is set aside or enforcement is refused by a people's court in accordance with the law, the parties may, based on a new arbitration agreement reached between them, apply for arbitration again or initiate litigation in a people's court.

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A party may apply to the intermediate people's court in the place where the arbitration commission is located to set aside an award if they provide evidence proving any of the following circumstances: (1) there is no arbitration agreement; (2) the matters addressed in the award fall outside the scope of the arbitration agreement or are beyond the authority of the arbitration commission; (3) the composition of the arbitral tribunal or the arbitration procedure violated legal procedures; (4) the evidence on which the award is based was forged; (5) the opposing party concealed evidence sufficient to affect the impartiality of the award; and (6) an arbitrator engaged in misconduct, such as soliciting or accepting bribes, engaging in malpractice for personal gain, or perverting the law in rendering the award. If a collegial panel formed by the people's court, after review and verification, finds that any of the circumstances listed in the preceding paragraph exists, it shall rule to set aside the award. If the people's court determines that the award violates public interest, it shall also rule to set aside the award.

Both parties shall comply with an award. If a party fails to comply with an award, the other party to the award may apply to the people's court for enforcement according to the Civil Procedure Law.

A party seeking to enforce an arbitral award of PRC arbitration panel against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognised and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "**New York Convention**") adopted on 10 June 1958 pursuant to a resolution of the Standing Committee of the NPC passed on 2 December 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognised and enforced by all other parties to the New York Convention, subject to their right to refuse enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state to which the application for enforcement is made. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (1) the PRC will only recognise and enforce foreign arbitral awards on the principle of reciprocity and (2) the PRC will only apply the New York Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An arrangement was reached between Hong Kong and the Supreme People's Court for the mutual enforcement of arbitral awards. The Arrangement 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》) was promulgated by the Supreme People's Court on 24 January 2000 and effective on 1 February 2000, and the Supplementary Arrangement 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補充安排》) was promulgated by the Supreme People's Court on 27 November 2020 and effective on 26 November 2020. According to such arrangement, awards made by arbitral authorities in mainland China can be applied for enforcement in Hong Kong, and Hong Kong arbitration awards can also be applied for enforcement in the mainland China.

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Judicial Judgment and its Enforcement

Pursuant to the Supreme People’s Court’s 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 (《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 “**Arrangement**”) issued by the Supreme People’s Court on 25 January 2024 and taking effect on 29 January 2024, the mutual recognition and enforcement of effective judgments in civil and commercial cases between the courts of the Mainland and the Hong Kong Special Administrative Region, as well as of effective judgments on civil compensation in criminal cases, shall be governed by the Arrangement. The time limit, procedure and method for applying for the recognition and enforcement of a judgment shall be subject to the provisions of the law of the requested place.