This Appendix summarizes certain aspects of PRC laws and regulations relevant to the Company's operations and business. The PRC tax laws and regulations are discussed separately in "Appendix V — Taxation and Foreign Exchange" to this document. This Appendix also contains a summary of the legal and regulatory provisions of the Company Law. The primary purpose of this summary is to provide potential [**REDACTED**] with an overview of the principal legal and regulatory provisions that are applicable to the Company. This summary is not intended to contain all of the information that is important to potential [**REDACTED**]. For a discussion of the laws and regulations that are relevant to the business of the Company, please refer to the "Regulatory Overview" in this document.

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 composed of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of departments under the State Council, rules and regulations of local governments, laws of special administrative regions, and international treaties and other regulatory documents signed by the Chinese government. Court decisions do not constitute binding precedents, but can be used as judicial reference and guidance.

According to the Constitution and the *Legislation Law of the People's Republic of China (《中華人民共和國立法法》)* (the "**Legislation Law**"), which was most recently amended by the National People's Congress on 13 March 2023 and effective from 15 March 2023, the National People's Congress and its Standing Committee have the power to exercise state legislative authority. The National People's Congress has the power to enact and amend basic laws pertaining to civil and criminal matters, state organs and other matters. The Standing Committee of the National People's Congress has the authority to enact and amend laws other than those that should be enacted by the National People's Congress, and to supplement and amend in part the laws enacted by the National People's Congress when the National People's Congress is not in session, provided that the supplements and amendments shall not contravene the basic principles of such laws.

The State Council is the highest state administrative authority and has the authority to enact administrative regulations in accordance with the Constitution and laws. The people's congresses and their standing committees of the provinces, autonomous regions and municipalities directly under the Central Government may, in light of the specific conditions and actual needs of their respective administrative areas, enact local regulations, provided that such local regulations shall not contravene the Constitution, the laws or administrative regulations. The people's congresses and their standing committees of the cities divided into districts may, in light of the specific local conditions and actual needs, enact local regulations regarding urban and rural development and management, environmental protection, historical and cultural protection and other matters, provided that such local regulations shall not contravene the Constitution, the laws, administrative regulations, and the local regulations of their respective provinces or autonomous regions. Where there are other legal provisions on the enactment of local regulations by the cities divided into districts, such provisions shall prevail. Local regulations of the cities divided into districts and autonomous prefectures shall be submitted for approval prior to taking effect.

The standing committees of the people's congresses of the provinces or autonomous regions shall examine the legality of the local regulations submitted for approval, and shall approve such regulations within four months if they believe that such regulations do not contravene the Constitution, laws, administrative regulations, and the local regulations of their respective provinces or autonomous regions. The people's congresses of national autonomous areas have the power to enact regulations on the exercise of autonomy and separate regulations in the light of the political, economic and cultural characteristics of the nationality or nationalities in the areas concerned. All ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and public institutions with administrative functions directly under the State Council may, in accordance with laws and administrative regulations, decisions and rulings of the State Council, formulate rules within the scope of their respective functions and powers.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations separate regulations or rules may contravene the Constitution. National laws prevail over administrative regulations, local regulations, and rules; administrative regulations, in turn, prevail over local regulations and rules. Rules enacted by provincial or autonomous region governments prevail over those enacted by the governments of cities with subordinate districts within their jurisdiction.

The National People's Congress has the power to amend or withdraw any inappropriate laws formulated by its Standing Committee, as well as any autonomous regulations or separate regulations which have been approved by its Standing Committee but contravene the provisions of the Constitution or the Legislation Law. The Standing Committee of the National People's Congress has the power to withdraw any administrative regulations which contravene the Constitution or laws, any local regulations which contravene the Constitution, laws or administrative regulations, and any autonomous regulations or separate regulations which have been approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government but contravene the provisions of the Constitution or the Legislation Law. The State Council has the power to amend or withdraw any inappropriate departmental rules or local rules. The people's congress of a province, autonomous region or municipality directly under the Central Government has the power to amend or withdraw any inappropriate local regulations formulated or approved by its standing committee. The standing committee of a local people's congress has the power to withdraw any inappropriate rules formulated by the people's government at the same level. The people's government of a province or autonomous region has the power to amend or withdraw any inappropriate rules formulated by people's governments at the next lower level.

In accordance with the Constitution and the Legislation Law, the power of legal interpretation vests in the Standing Committee of the National People's Congress. According to the *Resolution of the Standing Committee of the National People's Congress on Strengthening Legal Interpretation (《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》)*, promulgated by the NPCSC on and effective from 10 June 1981, any provisions in laws or decrees requiring further clarification of boundaries or supplementary regulations shall be interpreted by the NPCSC or stipulated by decree. Regarding the specific application of laws and regulations in court proceedings, the Supreme People's Court shall provide interpretations. The Supreme People's Procuratorate shall provide interpretations on all issues concerning the specific application of laws and regulations in prosecutorial practice. If there are fundamental disagreements on interpretation between the Supreme People's Court and the Supreme People's Procuratorate, the matter shall be referred to the NPCSC for interpretation or decision. Specific issues concerning the application of laws and regulations unrelated to judicial and prosecutorial work shall be interpreted by the State Council and the competent authorities.

Where local regulations require further clarification or supplementary provisions, the enacting standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government shall provide the interpretation or stipulated rules. The competent departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government shall be responsible for the interpretation of local regulations on the specific application thereof.

THE PRC JUDICIAL SYSTEM

According to the Constitution and the *Organic Law of the People's Courts of the People's Republic of China* (《中華人民共和國人民法院組織法》), most recently amended by the NPCSC on 26 October 2018 and effective from 1 January 2019, the People's Court consists of the Supreme People's Court, the local People's Courts at various levels, and the special People's Courts. The local People's Courts at various levels are divided into three levels, namely, the primary People's Courts, the intermediate People's Courts, and the higher People's Courts. The primary People's Courts may set up several People's Tribunals based on the conditions of the region, population, and cases. The Supreme People's Court is the highest adjudicatory organ. The Supreme People's Court supervises the adjudicatory practice of the local People's Courts at various levels and the special People's Courts; the People's Courts at higher levels supervise the adjudicatory practice of the People's Courts at lower levels.

According to the Constitution and the *Organic Law of the People's Procuratorates of the People's Republic of China* (《中華人民共和國人民檢察院組織法》), most recently amended by the NPCSC on 26 October 2018 and effective from 1 January 2019, the People's Procuratorates are the legal supervisory organs of the State. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate exercises leadership over the work of the local People's Procuratorates at various levels and the special People's Procuratorates; the People's Procuratorates at higher levels exercise leadership over the work of the People's Procuratorates at lower levels.

The People's Court adopts the final after two trials system, and the judgments or rulings of the second instance of the People's Courts are the final judgments or rulings. A party that refuses to accept a judgment or ruling of the first instance of a local People's Court may file an appeal. The People's Procuratorate may lodge a protest with the People's Court at the next higher level in accordance with the procedures prescribed by law. If, within the prescribed period, the parties do not appeal and the People's Procuratorate does not protest, the judgments or rulings of the People's Court shall be the final judgments or rulings. The judgments or rulings of the second instance of the intermediate People's Courts, the higher People's Courts, and the Supreme People's Court, as well as the judgments or rulings of the first instance of the Supreme People's Court, are the final judgments or rulings. However, if the Supreme People's Court or a higher People's Court finds that a legally effective final judgment or ruling of a lower People's Court contains an actual error, or if the president of a People's Court at any level finds that a legally effective final judgment or ruling of his or her court contains an actual error, the case may be retried in accordance with the judicial supervision procedures.

The Civil Procedure Law of the People's Republic of China (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**"), most recently amended by the NPCSC on 1 September 2023 and effective from 1 January 2024, prescribes the requirements 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 the execution of civil judgments or orders. All parties to a civil action conducted in China must comply with the Civil Procedure Law. Civil cases are generally heard by the court at the place where the defendant is domiciled. The court with jurisdiction over a civil action may be chosen by the parties by written agreement, provided that the court must be located in a place with an actual connection to the dispute, such as the place of domicile of the plaintiff or the defendant, the place where the contract is performed or signed, or the place where the object of the action is located. However, under no circumstances shall the parties' choice of the People's Court violate the provisions regarding hierarchical jurisdiction and exclusive jurisdiction.

Foreigners, stateless persons, and foreign enterprises and organizations that sue or are sued in a People's Court shall have the same litigation rights and obligations as Chinese citizens, legal persons, and other organizations. If a foreign court restricts the civil litigation rights of Chinese citizens, legal persons, and other organizations, the People's Courts shall apply the principle of reciprocal treatment to the civil litigation rights of the citizens, enterprises, and organizations of that country. Foreigners, stateless persons, and foreign enterprises and organizations that sue or are sued in a People's Court and need to entrust lawyers to represent them in the litigation must entrust Chinese lawyers. Under international treaties concluded or acceded to by China, or according to the principle of reciprocity, the People's Courts and foreign courts may request each other to serve documents, investigate and collect evidence, and conduct other litigation actions on each other's behalf. If a matter for which a foreign court requests assistance prejudices the sovereignty, security, or social public interests of China, the People's Court shall not execute the request.

All parties must perform legally effective civil judgments and rulings. If any party to a civil action refuses to perform a judgment or ruling made by a People's Court or an award made by an arbitral tribunal, the other party may apply to the People's Court for execution within two years. The suspension or interruption of the time limit for applying for execution shall comply with the provisions of applicable laws regarding the suspension or interruption of the limitation of action.

If a party applies to a People's Court for the execution of a legally effective judgment or ruling made by a People's Court against a party who is not in China or whose property is not in China, it may apply to a foreign court with competent jurisdiction for recognition and execution of such judgment or ruling. If an international treaty concluded or acceded to by China and the relevant foreign country provides for the recognition and execution of foreign judgments or rulings, or if such judgment or ruling meets the conditions upon examination by the court in accordance with the principle of reciprocity, otherwise, subject to other exceptions, the People's Court may also recognize and execute the foreign judgment or ruling in accordance with China's execution procedures, unless the People's Court considers that the recognition or execution of such judgment or ruling would violate the basic principles, sovereignty, or security of China, or for reasons of social public interests, etc.

COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC seeking a listing on the Stock Exchange of Hong Kong is primarily subject to the following PRC laws and regulations:

The *Company Law* (*《公司法》*), most recently amended by the NPCSC on 29 December 2023 and effective from 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 "**Trial Measures**") and its five interpretative guidelines, promulgated by the China Securities Regulatory Commission (CSRC) on 17 February 2023 and effective from 31 March 2023, which apply to the direct or indirect overseas issuance of securities or the listing and trading of securities overseas by Chinese companies.

According to the Trial Measures and its interpretative guidelines, a domestic company directly offering and listing overseas shall formulate its articles of association in accordance with the *Guidelines for Articles of Association of Listed Companies* (*《上市公司章程指引》*) (the "**Guidelines for Articles of Association**"), most recently amended by the CSRC on 28 March 2025 and effective from the same date.

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

General Provisions

A joint stock limited company is a corporate legal person established in accordance with the Company Law, and its registered capital is divided into shares. The shareholders shall bear liability to the extent of the shares they hold, and the company shall bear liability for the debts of the company with its entire assets.

In engaging in business activities, a company shall comply with laws and regulations, observe social morals and business ethics, act in good faith, and accept supervision by the government and the public. A company may invest in other enterprises. Where the law provides that a company shall not become a capital contributor bearing joint and several liability for the debts of the invested company, such provisions shall prevail.

Incorporation

A joint stock limited company may be incorporated by means of promotion or public offering. A joint stock limited company may be incorporated by at least one but no more than 200 promoters, of whom more than half must have a domicile within the territory of China.

In case of incorporation through public offering, the promoters of a joint stock limited company shall convene an inaugural meeting within 30 days after the share capital has been fully paid up, and shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting. The inaugural meeting may only be held if subscribers holding more than half of the voting rights are present. In case of incorporation through promotion, the convening and voting procedures of the inaugural meeting of a joint stock limited company shall be stipulated by the articles of association or the promoters' agreement. The powers exercised by the inaugural meeting include, but are not limited to, adopting the articles of association and electing members of the board of directors of the company. The above matters must be passed by more than half of the voting rights held by the subscribers present at the meeting.

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

Registered Shares

According to the Company Law, shareholders may make capital contributions in cash, or with non-monetary properties that can be valued in monetary terms and transferred according to law, such as physical assets, intellectual property rights, land use rights, equity interests, or creditor's rights.

The Trial Measures provides that a domestic enterprise listing overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

According to the Company Law, a joint stock limited company must keep a register of shareholders, setting out the following details: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed by each shareholder; (iii) the serial numbers of the share certificates (if issued in paper form); and (iv) the date on which each shareholder acquired the shares.

Allotment and Issuance of Shares

All share issuances by a joint stock limited company shall adhere to the principles of fairness and justice, and shares of the same class must carry equal rights. Shares of the same class issued at the same time must be issued under the same conditions and at the same price. A joint stock limited company may issue shares at par value or at a premium, but shall not issue shares below par value.

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

Increase in Share Capital

According to the Company Law, when a joint stock limited company issues new shares, the general meeting shall resolve on the class and number of the new shares, the issue price of the new shares, the commencement and closing dates of the issuance of the new shares, and the class and number of new shares proposed to be issued to the existing shareholders (if any). If no-par value shares are issued, more than one-half of the proceeds from the share issuance shall be included in the registered capital. In addition, when a company publicly offers shares to the public, it shall register with the securities regulatory authority of the State Council and announce the documents.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) preparing a balance sheet and a property inventory; (ii) adopting a resolution to reduce the registered capital at a general meeting; (iii) notifying creditors within 10 days after the resolution to reduce the registered capital is approved by the general meeting, and publishing an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days; (iv) creditors shall have the right to require the company to repay debts or provide corresponding guarantees within 30 days upon receipt of the notice, or, if no notice is received, within 45 days after the announcement; and (v) when the company reduces its registered capital, it shall apply to the company registration authority for modification registration in accordance with the law.

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

Share Repurchase

According to the Company Law, a company shall not acquire its own shares, except in the following circumstances:

(i) reducing the registered capital of the company; (ii) merging with another company holding shares of the company; (iii) using the shares for employee stock ownership plans or equity incentives; (iv) a shareholder who votes against a resolution on the merger or division of the company adopted by the general meeting has the right to require the company to acquire his or her shares; (v) using the shares to convert convertible corporate bonds issued by the company; or (vi) as necessary to maintain the corporate value and shareholders' equity of a listed company.

The acquisition of the company's shares for the reasons set out in items (i) to (ii) above shall be subject to a resolution adopted by the general meeting; the purchase of the company's shares for the reasons set out in items (iii), (v), and (vi) above shall be subject to a resolution adopted by a board of directors' meeting attended by more than two-thirds of the directors, in accordance with the articles of association or the authorization of the general meeting.

After the company acquires its own shares in accordance with the above provisions, if such shares fall under the circumstance in item (i) above, they shall be cancelled within 10 days from the date of acquisition; if they fall under the circumstances in items (ii) and (iv) above, they shall be transferred or cancelled within six months; if they fall under the circumstances in items (iii), (v), and (vi) above, the total number of the company's shares held by the company shall not exceed 10% of the total number of its issued shares, and such shares shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares held by shareholders may be transferred according to law. According to the Company Law, a shareholder of a joint stock limited company transferring his or her shares shall do so at a legally established securities trading venue or in other manners prescribed by the State Council. Registered shares shall be transferred by the shareholder by endorsement or in other manners prescribed by laws and administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. No modification registration of the register of shareholders as stipulated in the preceding paragraph shall be carried out within 20 days prior to the convening of a general meeting or within 5 days prior to the record date for the distribution of dividends by the company. If any laws, administrative regulations, or the securities regulatory authority of the State Council stipulate otherwise regarding the modification registration of the register of shareholders of listed companies, such provisions shall prevail.

According to the Company Law, shares issued prior to the public offering of shares by the company shall not be transferred within 1 year from the date on which the company's shares are listed and traded on a stock exchange. The directors, supervisors, and senior management of the company shall declare to the company the shares they hold and any changes thereto. During their respective terms of office determined upon assumption of office, the shares transferred each year shall not exceed 25% of the total number of shares of the company held by them, and the shares of the company held by them shall not be transferred within 1 year from the date on which the company's shares are listed and traded on a stock exchange. The aforementioned personnel shall not transfer the shares of the company held by them within six months after leaving their respective offices.

If shares are pledged within the period of restricted transfer prescribed by laws and administrative regulations, the pledgee shall not exercise the pledge rights during the period of restricted transfer.

Shareholders

According to the Company Law and the Guidelines for Articles of Association, the rights of the company's shareholders include: (i) receiving dividends and other forms of profit distribution in proportion to the shares they hold; (ii) requesting, convening, presiding over, attending, or appointing a proxy to attend general meetings in accordance with the law, and exercising corresponding voting rights; (iii) supervising the company's business operations, and making suggestions or inquiries; (iv) transferring, gifting, or pledging the company's shares they hold in accordance with laws, administrative regulations, and the articles of association; (v) consulting and copying the articles of association, register of shareholders, minutes of general meetings, resolutions of board of directors' meetings, and financial and accounting reports, and shareholders meeting the prescribed conditions may consult the company's accounting books and accounting vouchers; (vi) participating in the distribution of the company's remaining properties in proportion to the shares they hold upon the termination or liquidation of the company; (vii) requiring the company to acquire their shares for shareholders objecting to resolutions on the merger or division of the company adopted by the general meeting; and (viii) other rights stipulated by laws, administrative regulations, departmental rules, or the articles of association.

The obligations of the company's shareholders include: (i) abiding by laws, administrative regulations, and the articles of association; (ii) paying the share capital in accordance with the shares subscribed and the method of capital contribution; (iii) not withdrawing their share capital, except in circumstances prescribed by laws and regulations; (iv) not abusing their shareholder rights to damage the interests of the company or other shareholders; not abusing the independent status of the corporate legal person and the limited liability of shareholders to damage the interests of the company's creditors; and (v) other obligations to be assumed as stipulated by laws, administrative regulations, and the articles of association.

General Meeting

According to the Company Law, the general meeting of a joint stock limited company is composed of all shareholders. The general meeting is the organ of power of the company and exercises the following functions and powers: (i) electing and replacing directors, and deciding on matters concerning the remuneration of directors; (ii) examining and approving the reports of the board of directors; (iii) examining and approving the profit distribution plans and loss make-up plans of the company; (iv) adopting resolutions on the increase or reduction of the registered capital of the company; (v) adopting resolutions on the issuance of corporate bonds; (vi) adopting resolutions on the merger, division, dissolution, liquidation, or change of corporate form of the company; (vii) amending the articles of association; and (viii) other functions and powers stipulated by the articles of association.

According to the Company Law, an annual general meeting shall be held once a year. An extraordinary general meeting shall be held within two months under any of the following circumstances: (i) the number of directors is less than the number prescribed by the Company Law or less than two-thirds of the number stipulated in the articles of association; (ii) the unrecovered losses of the company reach one-third of the total share capital; (iii) upon request by shareholders individually or jointly holding 10% or more of the company's shares; (iv) when deemed necessary by the board of directors; (v) when proposed by the audit committee; or (vi) other circumstances stipulated by the articles of association.

General meetings shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is unable or fails to perform his or her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform the duty of convening the general meeting, the audit committee shall convene and preside over the meeting in a timely manner; if the audit committee does not convene and preside over the meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 consecutive days or more may convene and preside over the meeting on their own.

Where shareholders individually or jointly holding 10% or more of the company's shares request the convening of an extraordinary general meeting, the board of directors or the audit committee shall, within 10 days after receiving the request, decide whether to convene an extraordinary general meeting and give a written reply to the shareholders.

To convene a general meeting, a notice specifying the time, venue, and matters to be considered shall be given to each shareholder 20 days prior to the meeting. For an extraordinary general meeting, a notice shall be given to each shareholder 15 days prior to the meeting.

Shareholders individually or jointly holding 1% or more of the company's shares may raise interim proposals and submit them in writing to the board of directors 10 days before the general meeting is convened. The board of directors shall notify other shareholders within 2 days after receiving the proposals and submit the interim proposals to the general meeting for consideration.

According to the Company Law, where a shareholder appoints a proxy to attend a general meeting, the matters, scope of authorization, and term of the proxy's representation shall be clearly specified. The proxy shall submit the shareholder's power of attorney to the company and exercise voting rights within the scope of authorization. The Company Law contains no specific provisions regarding the number of shareholders constituting a quorum for a general meeting.

According to the Company Law, each share held by a shareholder attending a general meeting carries one voting right, except for shareholders of class shares. However, shares of the company held by the company itself carry no voting rights.

When the general meeting elects directors, a cumulative voting system may be implemented in accordance with the provisions of the articles of association or a resolution of the general meeting. Under the cumulative voting system, when the general meeting elects directors, each share carries voting rights equal to the number of directors to be elected, and the voting rights held by the shareholders may be centrally used.

According to the Company Law and the Guidelines for Articles of Association, the adoption of any resolution requires affirmative votes representing more than half of the voting rights held by the shareholders attending the general meeting. Matters concerning the merger, division, or dissolution of the company, the increase or reduction of registered capital, the change of corporate form, or the amendment of the articles of association must be passed by more than two-thirds of the voting rights held by the shareholders attending the meeting.

Directors

According to the Company Law, a joint stock limited company shall establish a board of directors comprising three or more members. The term of office of a director shall be stipulated by the articles of association, but each term shall not exceed three years. A director may serve consecutive terms if re-elected.

The board of directors shall meet at least twice a year. A notice of each meeting shall be given to all directors and supervisors 10 days in advance. The board of directors exercises the following functions and powers: (i) convening general meetings and reporting on its work to the general meetings; (ii) executing the resolutions of the general meetings; (iii) deciding on the company's business plans and investment plans; (iv) formulating the company's profit distribution plans and loss make-up plans; (v) formulating plans for the increase or reduction of the company's registered capital and the issuance of corporate bonds; (vi) formulating plans for the merger, division, dissolution, or change of corporate form of the company; (vii) deciding on the establishment of the company's internal management organization; (viii) deciding on the appointment or dismissal of the company's manager and matters concerning his or her remuneration; deciding on the appointment or dismissal of the company's deputy managers and financial officer based on the nomination by the manager, and matters concerning their remuneration; (ix) formulating the company's basic management systems; and (x) other functions and powers stipulated by the articles of association or granted by the general meeting.

A board of directors' meeting may be held only if more than half of the directors are present. If a director is unable to attend for any reason, he or she may appoint another director in writing to attend on his or her behalf, and the power of attorney shall specify the scope of authorization. If a resolution of the board of directors violates laws, administrative regulations, the articles of association, or resolutions of the general meeting, causing the company to suffer serious losses, the directors who participated in the resolution shall be liable for compensation to the company; however, if it is proved that a director expressed his or her opposition during the voting and this was recorded in the minutes of the meeting, such director may be exempted from liability.

According to the Company Law, the following persons shall not serve as a director of a company: (i) a person without civil capacity or with restricted civil capacity; (ii) a person who has been penalized for corruption, bribery, misappropriation of property, embezzlement of property, or disruption of the order of the socialist market economy, or who has been deprived of political rights for a crime, where less than five years have elapsed since the completion of the execution of the penalty, or where a person was granted probation, less than two years have elapsed since the expiration of the probation period; (iii) a person who served as a director, factory director, or manager of a company or enterprise subject to bankruptcy liquidation and was personally responsible for the bankruptcy of such company or enterprise, where less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise; (iv) a person who served as the legal representative of a company or enterprise whose business license was revoked or which was ordered to close down due to a violation of law, and was personally responsible, where less than three years have elapsed since the revocation of the business license or the closure of such company or enterprise; and (v) an individual who has been listed as a dishonest person subject to execution by a People's Court due to a relatively large amount of outstanding personal debt that has matured.

The board of directors shall have one chairman, elected by more than half of the directors. The chairman shall exercise the following functions and powers (including but not limited to): (i) presiding over general meetings, and convening and presiding over board of directors' meetings; (ii) inspecting the implementation of resolutions of the board of directors; and (iii) exercising other powers granted by the board of directors.

Manager and Senior Management

According to the Company Law, a company shall have a manager, who shall be appointed or dismissed by the board of directors. The manager shall be accountable to the board of directors and exercise his or her functions and powers in accordance with the articles of association or the authorization of the board of directors. The manager attends board of directors' meetings without voting rights.

According to the Company Law, senior management refers to the manager, deputy managers, chief financial officer, secretary to the board of directors, and other personnel stipulated by the articles of association.

Duties of Directors and Senior Management

According to the Company Law, directors and senior management of a company shall abide by relevant laws, regulations, and the articles of association, and owe duties of loyalty and diligence to the company. Directors and senior management shall not abuse their powers to accept bribes or other illegal income, and shall not misappropriate company property.

Directors and senior management shall not commit the following acts: (i) misappropriating company property or embezzling company funds; (ii) depositing company funds into accounts opened in their own names or in the names of other individuals; (iii) using their powers to bribe or accept any other illegal income; (iv) accepting commissions from transactions between third parties and the company and appropriating such commissions for themselves; (v) disclosing the company's confidential commercial information without authorization; and (vi) other acts in violation of their duty of loyalty to the company.

Any director or senior management directly or indirectly entering into a contract or conducting a transaction with the company shall report the matters related to the conclusion of the contract or the transaction to the board of directors or the general meeting, and such contract or transaction shall be adopted by a resolution of the board of directors or the general meeting in accordance with the provisions of the articles of association.

The provisions of the preceding paragraph shall apply to any close relative of a director or senior management, any enterprise directly or indirectly controlled by a director or senior management or any of their close relatives, and any affiliated party having any other affiliation with a director or senior management, that enters into a contract or conducts a transaction with the company.

A director or senior management shall not take advantage of his or her position to seek for himself or herself or any other person any commercial opportunity that belongs to the company, except in any of the following circumstances:

(i) reporting to the board of directors or the general meeting, and obtaining approval by a resolution of the board of directors or the general meeting in accordance with the provisions of the articles of association; or (ii) the company is unable to take advantage of such commercial opportunity in accordance with laws, administrative regulations, or the articles of association.

Without reporting to the board of directors or the general meeting and obtaining approval by a resolution of the board of directors or the general meeting in accordance with the provisions of the articles of association, no director or senior management may engage in, for himself or herself or for any other person, any business similar to that of the company in which he or she serves.

If a director or senior management violates any laws, regulations, or the articles of association of the company in performing his or her duties for the company, causing any loss to the company, he or she shall personally bear liability for compensation to the company.

Finance and Accounting

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

The financial and accounting report of a joint stock limited company shall be made available at the company for shareholders' inspection 20 days prior to the convening of the annual general meeting. A joint stock limited company publicly offering its shares shall publish its financial and accounting report.

When distributing its after-tax profits for the current year, a company shall allocate 10% of its profits to the statutory reserve fund of the company. Where the accumulated amount of the statutory reserve fund of the company reaches 50% or more of the registered capital of the company, no further allocation is required. If the statutory reserve fund of the company is insufficient to make up for the losses of previous years, the profits of the current year shall first be used to make up for the losses before allocating to the statutory reserve fund in accordance with the preceding provision. After allocating to the statutory reserve fund from its after-tax profits, the company may, subject to a resolution of the general meeting, also allocate to the discretionary reserve fund from its after-tax profits.

A joint stock limited company shall distribute profits in proportion to the shares held by the shareholders, unless the articles of association of the joint stock limited company stipulate that profits shall not be distributed in proportion to the shareholdings.

The premium obtained by a joint stock limited company from issuing shares at a price exceeding par value, the amount of share proceeds from issuing no-par value shares that is not included in the registered capital, and other income required by the finance department of the State Council to be included in the capital reserve fund shall be recorded as the company's capital reserve fund.

The reserve fund of a company shall be used to make up for the company's losses, expand the company's production and business operations, or increase the company's registered capital. When the reserve fund is used to make up for the company's losses, the discretionary reserve fund and the statutory reserve fund shall be used first; if the losses still cannot be made up, the capital reserve fund may be used in accordance with relevant provisions. When the statutory reserve fund is converted to increase the registered capital, the retained portion of such reserve fund shall not be less than 25% of the registered capital prior to the increase.

A company shall not establish any accounting books other than the statutory accounting books.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of an accounting firm undertaking the auditing business of the company must be decided by the general meeting or the board of directors in accordance with the articles of association. When the general meeting or the board of directors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to present its opinions.

The company shall provide the engaged accounting firm with authentic and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or make false reports regarding them.

The Guidelines for Articles of Association stipulates that the company guarantees to provide the engaged accounting firm with authentic and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials, and shall not refuse to provide, conceal, or make false reports regarding them. The audit fees of the accounting firm shall be decided by the general meeting.

Profit Distribution

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

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for any of the following reasons: (i) the expiry of the business term stipulated in the articles of association or the occurrence of other dissolution events stipulated in the articles of association; (ii) a resolution for dissolution is adopted by the general meeting; (iii) dissolution is necessary due to the merger or division of the company; (iv) the business license is revoked, or the company is ordered to close down or is cancelled according to law; or (v) where the company encounters serious difficulties in its operations and management, and its continued existence will cause significant losses to the interests of shareholders, and the matter cannot be resolved through other channels, shareholders holding 10% or more of the voting rights of all shareholders of the company may petition the court to dissolve the company.

Upon the occurrence of any of the events stipulated in the preceding paragraph, the company shall publish the event through the National Enterprise Credit Information Publicity System within 10 days.

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

If a liquidation committee is not established to carry out liquidation within the time limit, or if liquidation is not carried out after the establishment of the liquidation committee, interested parties may apply to the People's Court to designate relevant personnel to form a liquidation committee to carry out the liquidation. The People's Court shall accept such application and organize a liquidation committee to carry out the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during the liquidation period: (i) liquidating the company's properties, and preparing a balance sheet and a property inventory respectively; (ii) notifying creditors and making public announcements; (iii) handling the outstanding businesses of the company related to the liquidation; (iv) paying off outstanding taxes and taxes arising in the course of liquidation; (v) liquidating claims and debts; (vi) distributing the remaining properties of the company after debt settlement; and (vii) representing the company in civil litigation.

The liquidation committee shall notify the company's creditors within 10 days from the date of its establishment, and make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation committee within 30 days upon receipt of the notice, or, for those who have not received the notice, within 45 days from the date of the announcement.

The remaining properties of the company after the respective payment of liquidation expenses, employees' wages, social insurance premiums, and statutory compensation, and the payment of outstanding taxes and the settlement of the company's debts, shall be distributed by the company in proportion to the shares held by its shareholders. During the liquidation period, the company continues to exist, but shall not engage in any business activities unrelated to the liquidation. The company's properties shall not be distributed to the shareholders before they are used to make settlements in accordance with the provisions of the preceding sentence.

If, after liquidating the company's properties and preparing a balance sheet and a property inventory, the liquidation committee discovers that the company's properties are insufficient to settle its debts, it shall apply to the People's Court for bankruptcy liquidation according to law. After the People's Court accepts the bankruptcy application, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator designated by the People's Court.

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

The members of the liquidation committee owe duties of loyalty and diligence in performing their liquidation duties. If the members of the liquidation committee are negligent in performing their liquidation duties, causing losses to the company, they shall bear liability for compensation; if they cause losses to creditors due to intent or gross negligence, they shall bear liability for compensation.

Where a company whose business license has been revoked, or which has been ordered to close down or cancelled, fails to apply to the company registration authority for cancellation of the company's registration for a full three years, the company registration authority may make an announcement through the National Enterprise Credit Information Publicity System, with an announcement period of not less than 60 days. Upon expiration of the announcement period, if there are no objections, the company registration authority may cancel the company's registration.

Overseas Listing

According to the Trial Measures, an issuer conducting an initial public offering or listing overseas shall file with the CSRC within 3 working days after submitting the application documents for offering and listing overseas. After an issuer has offered and listed overseas, if it issues securities in the same overseas market, it shall file with the CSRC within 3 working days after the completion of the issuance. After an issuer has offered and listed overseas, if it offers and lists in other overseas markets, it shall file in accordance with the provisions of paragraph 1 of Article 16 of the Trial Measures. In addition, if the filing materials are complete and in compliance with the provisions, the CSRC will complete the filing within 20 working days from the date of receipt of the filing materials and publish the filing information via its website. If the filing materials are incomplete or do not comply with the provisions, the CSRC will inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

In the event that registered share certificates are stolen, lost, or destroyed, the shareholder may, in accordance with the public summons procedures prescribed by the Civil Procedure Law, petition a People's Court to declare such share certificates void. After the People's Court declares such share certificates void, the shareholder may apply to the company for the reissuance of share certificates.

Termination of Listing

According to the Trial Measures, where an issuer voluntarily terminates its listing or is subject to a mandatory termination of listing, it shall report the specific circumstances to the CSRC within 3 working days from the date on which the relevant event occurs and is announced.

Securities Laws and Regulations

In October 1992, the State Council established the Securities Commission and the CSRC. The Securities Commission was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, directing, coordinating, and supervising all securities-related institutions in China, and administering the CSRC. The CSRC served as the regulatory arm of the Securities Commission and was responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating the public offering of securities by Chinese companies domestically and overseas, regulating securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. On 29 March 1998, the State Council merged the two aforementioned departments and reorganized the CSRC.

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

The *Provisions of the State Council on Domestically 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 on 25 December 1995 and effective from the same date, mainly stipulate the issuance, subscription, trading, and dividend payment of domestically listed foreign shares, as well as the information disclosure by joint stock limited companies having domestically listed foreign shares.

The Securities Law, most recently amended by the NPCSC on 28 December 2019 and effective from 1 March 2020, includes a series of provisions regulating, among other things, the issuance and trading of securities within the territory of China, the acquisition of listed companies, stock exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority of the State Council, and comprehensively regulates securities market activities within the territory of China. The Securities Law provides that the direct or indirect overseas issuance of securities or the listing and trading of securities overseas by domestic enterprises shall comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares offered overseas are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

According to the *Arbitration Law of the People's Republic of China* (《中華人民共和國仲裁法》) (the "**Arbitration Law**"), most recently amended by the NPCSC on 12 September 2025 and effective from 1 March 2026, the Arbitration Law applies to foreign-related economic disputes where all parties have entered into a written agreement to submit matters to arbitration by an arbitration institution constituted in accordance with the Arbitration Law. Where the parties use arbitration to resolve a dispute and one party institutes an action in a People's Court, the People's Court shall not accept the case.

According to the Arbitration Law, an arbitral award is final and binding on all parties to the arbitration. If one party fails to perform the award, the other party may apply to a People's Court for execution in accordance with the Civil Procedure Law. If there is evidence proving the existence of any of the following circumstances: there is no arbitration agreement; the matters decided in the award fall outside the scope of the arbitration agreement or the arbitration institution has no power to arbitrate; the composition of the arbitral tribunal or the arbitration procedures violate statutory procedures; the evidence on which the award is based is forged; the opposing party has concealed evidence sufficient to affect a fair award; or the arbitrators committed acts of demanding or accepting bribes, engaging in malpractices for personal gain, or perverting the law in rendering the award in the arbitration of the case, the People's Court may rule not to execute the award. Where a legally effective arbitral award rendered outside the territory of China requires the recognition and execution by a People's Court, the party concerned may apply directly to the intermediate People's Court at the place of domicile of the person subject to execution or at the place where his or her property is located. If the place of domicile or the property of the person subject to execution is not within the territory of China, the party concerned may apply to the intermediate People's Court at the place of domicile of the applicant or at a place having an appropriate connection with the dispute over the award. The People's Court shall handle the matter in accordance with international treaties concluded or acceded to by the People's Republic of China or according to the principle of reciprocity.

According to 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》*), promulgated by the Supreme People's Court on 24 January 2000 and effective from 1 February 2000, and the *Supplemental 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》*), promulgated by the Supreme People's Court on 26 November 2020 and effective from 27 November 2020, awards rendered by arbitration institutions within the territory of China may be applied for enforcement in Hong Kong, and Hong Kong arbitral awards may also be applied for enforcement within the territory of the PRC.