This Appendix outlines briefly certain aspects of the laws and regulations in China that are relevant to the operation and business of the Company. Laws and regulations regarding taxation in China are discussed elsewhere in this document (Exhibit III – Taxes and Foreign Exchange). 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 a potential investor with an overview of the principal legal and regulatory provisions that are applicable to the Company. It is not intended to cover all the material that is important to a potential investor. 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.

LEGAL SYSTEM IN CHINA

The legal system within China is based on the Constitution of the People's Republic of China (the "Constitution"), and is composed of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments under the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, 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 PRC Legislative Law (the "Legislative Law"), which was last amended on March 13, 2023 and entered into force on March 15, 2023, the National People's Congress and its Standing Committee have the authority to exercise State legislative authority. The National People's Congress has the authority to enact and amend basic laws that relate to criminal and civil matters, State institutions 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. However, the basic principles of such laws are not contravened. The National People's Congress may authorize the Standing Committee of the National People's Congress to enact relevant 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 regulations do not contravene the Constitution, the laws and 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 of their respective cities, enact local regulations regarding urban and rural development and management, ecological civilization construction, historical and cultural protection, and grassroots governance, provided that such local regulations do 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 shall be submitted to the standing committees of the people's congresses of the provinces or autonomous regions for approval before implementation. 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. If, in the course of reviewing the local regulations of cities with districts submitted for approval, the standing committee of the people's congress of the province or autonomous region finds that the said regulations are in conflict with the rules of the people's government of the province or autonomous region where such city is located, it shall decide how to handle such situation. 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. The regulations on the exercise of autonomy and separate regulations of autonomous regions shall be submitted to the Standing Committee of the National People's Congress for approval before they go into effect. An autonomous regulation or special regulation of an autonomous prefecture or county shall go into effect only after it is approved by the standing committee of the people's congress of the relevant province, autonomous region, or municipality directly under the Central Government.

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 is of the highest legal force, and no law, administrative regulation, local regulation, autonomous regulation and special regulation and rules may contravene the Constitution. A law is of higher legal force than an administrative regulation, local regulation and rules. An administrative regulation is of higher legal force than a local regulations and rules. A local regulation is of higher legal force than a rule of the local government at or below the corresponding level. The rules formulated by the people's government of a province or autonomous region are of higher legal force than the rules formulated by the people's government of a city or autonomous prefecture divided into districts within the administrative area of the province or autonomous region.

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 which 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 which 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. The authorising organ has the power to withdraw any regulations that have been formulated by the authorised organ acting beyond its ambit of authority or in contradiction with the objective of the authorisation, and where necessary, the authorisation may be revoked if necessary.

In accordance with the Constitution and the Legislation Law, the power of legal interpretation belongs to 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 the Interpretation of Laws, adopted by the Standing Committee of the National People's Congress on June 10, 1981 and effective on the same day, any provisions of laws and decrees requiring further clarification or supplementary provisions shall be interpreted by the Standing Committee of the National People's Congress or stipulated in decrees or decrees. Interpretation of all questions of specific application of laws and decrees in court judicial work shall be given by the Supreme People's Court.

Interpretation of all questions of specific application of laws and decrees in procuratorial work shall be given by the Supreme People's Procuratorate. If there is any difference in principle in the interpretation between the Supreme People's Court and the Supreme People's Procuratorate, the matter shall be reported to the Standing Committee of the National People's Congress for interpretation or decision. Interpretation of other laws and decrees that do not apply to judicial or procuratorial work shall be given by the State Council and the competent departments. Any provisions of local regulations that need further definition or supplementary provisions shall be interpreted or stipulated by the standing committees of the people's congresses of the provinces, autonomous regions and centrally-administered municipalities that have formulated such regulations. The competent departments of the people's governments of provinces, autonomous regions and centrally-administered municipalities shall be responsible for the interpretation of local regulations on the specific application thereof.

JUDICIAL SYSTEM WITHIN CHINESE TERRITORY

According to the Constitution and the Organic Law of People's Courts of the People's Republic of China last revised by the Standing Committee of the National People's Congress on October 26, 2018 and effective January 1, 2019, people's courts are composed of the Supreme People's Court, local people's courts at various levels and special people's courts. Local people's courts at various levels are divided into three levels, that is, primary people's courts, intermediate people's courts and higher people's courts. A primary people's court may set up a number of people's tribunals according to the conditions of the locality, population and cases. The Supreme People's Court is the highest judicial organ. The Supreme People's Court supervises the administration of justice by local people's courts at various levels and by the special people's courts. People's courts at higher levels supervise the administration of justice by those at lower levels.

According to the Constitution and the Organic Law of People's Procuratorates of the People's Republic of China last revised by the Standing Committee of the National People's Congress on October 26, 2018 and effective January 1, 2019, people's procuratorates are state organs for legal supervision. The Supreme People's Procuratorate is the highest procuratorial organ. The Supreme People's Procuratorate directs the work of people's procuratorates at various local levels and of the special people's procuratorates. People's procuratorates at higher levels direct the work of those at lower levels.

According to the Civil Procedure Law of the People's Republic of China (the "Civil Procedure Law") last revised by the Standing Committee of the National People's Congress on September 1, 2023 and effective January 1, 2024, people's courts shall, in hearing civil cases, implement the system whereby the second instance is final according to the law. The judgments and rulings of people's courts of second instance shall be final. If a party refuses to accept a judgment of first instance of a local people's court, the party shall have the right to file an appeal with the people's court at the next higher level within 15 days of the service of the written judgment. If a party refuses to accept a ruling of first instance of a local people's court, the party shall have the right to file an appeal with the people's court at the next higher level within 10 days of the service of the written ruling. If the president of a people's court at any level finds any definite error in a legally effective judgment, ruling or mediation statement made by his court, or if the Supreme People's Court finds any definite error in a legally effective judgment, ruling or mediation statement made by a local people's court at any level, or if a higher-level people's court finds any definite error in a legally effective judgment, ruling or mediation statement made by a lower-level people's court, a retrial procedure may be initiated. If a local people's procuratorate at any level considers that there is definite error in a judgment or ruling of first instance made by a people's court at the same level, it shall present a protest to the people's court at the next higher level. If the Supreme People's Procuratorate finds that a legally effective judgment or ruling made by a local people's court at any level involves any of the circumstances specified in Article 211 of the Civil Procedure Law, or finds that the mediation statement harms national or social public interests, or if a higher-level people's procuratorate finds that a legally effective judgment or ruling made by a lower-level people's court involves any of the circumstances specified in Article 211 of the Civil Procedure Law or finds that the mediation statement harms national or social public interests, a protest procedure shall be initiated.

The Civil Procedure Law stipulates the requirements for initiating civil proceedings, the jurisdiction of people's courts, the procedures for civil litigation and the enforcement procedures for civil judgments. All parties to civil proceedings within the territory of China must abide by the Civil Procedure Law. Civil cases shall generally be heard by the court at the domicile of the defendant. The parties to a contract dispute or other property rights dispute may agree in writing on selection of the People's Court at the domicile of the defendant, the place of performance of contract, the place of execution of contract, the domicile of the plaintiff, the location of the subject matter, etc or a venue which has actual connection with the dispute to be the court which has jurisdiction, but shall not violate the provisions of the Civil Procedure Law on grade jurisdiction and exclusive jurisdiction.

Foreigners, stateless persons, foreign enterprises and organisations filing a lawsuit or responding a lawsuit in a people's court shall have equal litigation rights and obligations as Chinese citizens, legal persons and other organisations. Where a court of a foreign country imposes restrictions on the civil litigation rights of Chinese citizens, legal persons and other organisations, people's courts shall adopt the principle of reciprocity for civil litigation rights of citizens, enterprises and organisations of that country. Foreigners, stateless persons, foreign enterprises and organisations filing a lawsuit or responding a lawsuit with a people's court that are required to entrust a lawyer to participate in proceedings shall entrust a lawyer in China. Pursuant to the international treaties concluded or participated by China or in accordance with the principle of reciprocity, a people's court and a foreign court may request each other to carry out service of documents on behalf, investigation and collection of evidence and any other litigation acts. Where a request by a foreign court for assistance is prejudicial to the sovereignty, security or social public interest of China, the people's court shall refuse to enforce.

The parties concerned must perform the civil judgment or ruling which has come into legal effect. Where one party refuses to perform, the counterparty may apply to the people's court for enforcement, the other party may apply to the people's court for enforcement within two years. The provisions of applicable laws on suspension and termination of the limitation period for litigation shall apply to the suspension and termination of the limitation period for applications for enforcement. Where a party applies for enforcement of a legally effective judgment or ruling made by a people's court, and the opposite party or its property is not within the territory of China, the applicant may directly apply for recognition and enforcement to the foreign court which has jurisdiction, or the people's court may, pursuant to the provisions of the international treaties concluded or participated by China or in accordance with the principle of reciprocity, request the foreign court to recognize and enforce the judgment or ruling. Where a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people's court, the applicant may directly apply for recognition and enforcement to the intermediate people's court which has jurisdiction, or the foreign court may, pursuant to the provisions of the international treaties concluded or participated by the foreign country and China or in accordance with the principle of reciprocity, request the people's court to recognize and enforce the judgment or ruling. In the case of an application or request for recognition and enforcement of a legally effective judgment or ruling of a foreign court, a people's court shall review the judgment or ruling pursuant to the international treaties concluded or participated by China or in accordance with the principle of reciprocity; where the people's court concludes that the application or request neither violates the basic principles of Chinese law nor harms State sovereignty, security and social public interest, it shall rule to recognize the validity of the judgment or ruling; where enforcement is necessary, it shall issue an order of enforcement and implement the same pursuant to the relevant provisions of the Civil Procedure Law.

ARBITRATION AND ENFORCEMENT OF ARBITRATION AWARDS

According to the Arbitration Law of the People's Republic of China (the "Arbitration Law") last revised by the Standing Committee of the National People's Congress on September 1, 2017 and entered into force on January 1, 2018, contractual disputes and other property right disputes among citizens, legal persons and other organizations of equal status may be arbitrated. Where the parties settle disputes through arbitration, both parties shall do so voluntarily and shall reach an arbitration agreement. An arbitration commission shall not accept an application for arbitration submitted by only one party without an arbitration agreement. Where the parties have reached an arbitration agreement and one party initiates legal proceedings in a people's court, the people's court shall not accept it, except in case the arbitration agreement is invalid.

According to the Arbitration Law, the system of final and binding arbitral awards shall be implemented in arbitration. Where a party reapplies for arbitration or initiates legal proceedings in a people's court upon the same dispute after an arbitration award is rendered, the arbitration commission or people's court shall not accept it. Where a people's court renders an arbitration award cancelled or it is not enforced, the parties may, having reached a new mutual arbitration agreement, apply for arbitration, or initiate legal proceedings in a people's court. The parties shall implement the arbitration award. Where one party fails to do so, the other party may apply for enforcement to a people's court in accordance with the relevant provisions of the Civil Procedure Law. The people's court applied to shall enforce the arbitration award.

According to the Civil Procedure Law, after an arbitration award has been rendered by a Chinese foreign-related arbitration institution, the parties shall not initiate legal proceedings in a people's court. Where one party fails to implement the arbitration award, the other party may apply for enforcement to an intermediate people's court of the place where the respondent resides or where the property of the respondent is located.

The people's court may, after examination and verification, rule not to enforce the arbitration award rendered by a Chinese foreign-related arbitration institution if the respondent provides evidence proving that the arbitration award involves any of the following circumstances: the parties have not had an arbitration clause in the contract or have not subsequently reached a written arbitration agreement; the respondent was not given notice for the appointment of an arbitrator or for the arbitration proceedings, or the respondent was unable to state his case due to reasons for which he is not responsible; the composition of the arbitration tribunal or the arbitration proceedings were not in conformity with the rules of arbitration; the matters dealt with by the arbitration award are not within the scope of the arbitration agreement or the jurisdiction of the arbitration institution.

Where a party applies for enforcement of a legally effective arbitral award made within the territory of China according to law, and the party subject to enforcement or its property is not within the territory of the PRC, the applicant may directly apply for recognition and enforcement to the foreign court which has jurisdiction. Similarly, where a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people's court, the party may directly apply for recognition and enforcement to an intermediate people's court which has jurisdiction. The foreign court may also, pursuant to the provisions of an international treaty concluded between or acceded to by the foreign state and China or in accordance with the principle of reciprocity, request the people's court to recognize and enforce the judgment or ruling.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special Administrative Region promulgated by the Supreme People's Court on January 24, 2000 and came into force on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitration Awards between the Mainland and the Hong Kong Special

Administrative Region promulgated by the Supreme People's Court on November 26, 2020 and coming into force on November 27, 2020 and May 19, 2021, an arbitral award rendered by a PRC domestic arbitration institution may be applied for enforcement in Hong Kong, and a Hong Kong arbitral award may also be applied for enforcement in China.

COMPANY LAW, TRIAL MEASURES FOR ADMINISTRATION OF OVERSEAS ISSUANCE AND LISTING OF SECURITIES BY DOMESTIC ENTERPRISES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A company limited by shares registered and established in China that intends to be listed on the Stock Exchange of Hong Kong shall mainly abide by the following laws and regulations in China.

The latest amendment to the Company Law is made on December 29, 2023 and entered into force on July 1, 2024.

The Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the related explanatory guidelines promulgated by the China Securities Regulatory Commission on February 17, 2023 and coming into force on March 31, 2023 apply to direct or indirect overseas issuance of securities by Chinese domestic companies or the overseas listing and trading of their securities.

Pursuant to the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the explanatory guidelines, where a domestic company directly issues securities and is listed overseas, it shall formulate its articles of association in accordance with the Guidelines for Articles of Association of Listed Companies promulgated by the CSRC and revised from time to time, and the Essential Clauses of Articles of Association of Companies Listed Overseas cease to apply from March 31, 2023.

The following is a summary of the main clauses of the Company Law, the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the Guidance on Articles of Association that are applicable to the Company.

General Provisions

A company limited by shares is a corporate legal person established in accordance with the Company Law, and its registered capital is divided into shares of equal par value. Shareholders shall assume liability to the extent of their shareholding, while a company shall be liable for its debts to the extent of all its assets.

When engaging in business activities, a company shall comply with laws and regulations, observe social morality and business ethics, act in good faith and accept supervision of the government and the public.

A company may invest in other enterprises. Where the law provides that a company shall not become a capital contributory which bears joint and several liability for the debts of an investee enterprise, such provisions shall prevail.

Registration and Establishment

A company limited by shares may be established by way of promotion or share float. To establish a company limited by shares, there shall be not less than one but not more than 200 promoters, and half or more of the promoters shall have a domicile within the territory of China. Where a company limited by shares is established by way of promotion, the promoters shall subscribe for the shares to be issued at the time of establishment as stipulated by the articles of association of the company. Where a company limited by shares is established by way of share float, the shares subscribed for by the promoters shall not be less than 35% of the total shares to be issued at the time of establishment as stipulated by the articles of association of the company; where the laws and administrative regulations provide otherwise, such provisions shall prevail.

Where a company limited by shares is established by way of share float, the promoters shall convene an incorporation meeting within 30 days from the date on which the shares to be issued at the time of establishment of the company are fully paid up. The promoters shall give notice to all subscribers 15 days in advance of the date of the incorporation meeting or make an announcement of the date of such meeting. The quorum of the incorporation meeting shall be subscribers holding more than half of the voting rights. Where a company limited by shares is established by way of promotion, the convening and voting procedures of the incorporation meeting shall be stipulated by the articles of association of the company or the promoters' agreement. The incorporation meeting may deliberate the report of the promoters on the preparatory status of the company, adopt the articles of association of the company, elect directors, examine the establishment expenses etc.

The board of directors shall authorise a representative to apply to the company registration authorities for incorporation and registration within 30 days from conclusion of the incorporation meeting. A company incorporated pursuant to the law shall be issued a company business licence by the company registration authorities. The date of issue of a company business licence shall be the date of incorporation of the company.

Registered Shares

Pursuant to the Company Law, shareholders may make capital contributions in the form of currency, in kind, intellectual property rights, land use rights, equities, creditor's rights and other non-currency properties that can be valuated in currency and transferred pursuant to the law, with the exception of properties prohibited by laws and administrative regulations to be used as capital contributions.

Pursuant to the provisions of the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, overseas issuance and listing of securities by domestic enterprises may raise funds in foreign currency or Renminbi and make bonus and dividend distribution.

Pursuant to the Company Law, a company limited by shares shall prepare a register of shareholders and keep it in the company. The register of shareholders shall include the following items: (i) the name and address of the shareholders; (ii) the type and number of shares subscribed for by each shareholder; (iii) where paper share certificates are issued, the serial numbers of the share certificates; (iv) the date on which each shareholder acquired his shares.

Allotment and Issuance of Shares

The issuance of shares shall comply with the principle of fairness and impartiality. Shares of the same class shall have the same rights and benefits. Shares of the same class issued at the same time shall be issued on the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for. Shares of par value may be issued at or above the par value, but not below the par value.

Domestic enterprises intending to issue and list shares overseas shall file with the CSRC pursuant to the provisions of the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, submit filing reports, legal opinions and other relevant materials, and provide truthful, accurate and complete information pertaining to shareholders, etc. Where domestic enterprises directly issue and list shares overseas, the issuers shall file with the CSRC for record.

Increase of Share Capital

Pursuant to the Company Law, when a company limited by shares issues new shares, a shareholders' meeting shall decide on the type and amount of the new shares, the issue price of the new shares, the commencement and cessation dates of the new share issue and the type and amount of new shares (if any) proposed to be issued to existing shareholders. Where shares without par value are to be issued, a decision shall be made on the amount of proceeds from the new share issue to be included in the registered capital. In addition, when a company intends to offer shares to the public, it shall register with the securities regulatory authorities of the State Council and publish its prospectus.

Reduction of Share Capital

According to the Company Law, the Company may reduce its registered capital by the following procedures: (i) to prepare a balance sheet and a list of assets; (ii) to resolve to reduce the registered capital at the shareholders' meeting of the Company; (iii) within ten days of such resolution of reducing registered capital being adopted at a shareholders' meeting, the Company shall notify its creditors, and shall make an announcement on a newspaper or the National Enterprise Credit Information Publicity System within 30 days of such resolution being adopted; (iv) the creditors, within 30 days of receipt of the relevant notice, or within 45 days of the announcement for those who have not received the relevant notice, shall have the right to require the Company to repay its debts in full or to provide corresponding security for such debts; (v) when the Company reduces its registered capital, the changes shall be registered with the company registration authorities in accordance with the law.

Unless otherwise provided by the law, agreed upon by all the shareholders of a limited liability company, or the articles of association of a company limited by shares, the Company shall reduce the capital contribution or shares accordingly in proportion to the shareholders' capital contribution or shares held by them.

Repurchase of Shares

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

(i) Reduction of the Company's registered capital; (ii) Merger of the Company with another company holding shares of the Company; (iii) Use of shares for employee stock ownership plans or equity incentives; (iv) Shareholders who vote against the merger or division of the Company as adopted by the shareholders' meeting shall have the right to require the Company to purchase the shares held by them; (v) Use of shares to convert convertible corporate bonds issued by a listed company; (vi) It is necessary to maintain the value of the Company and its shareholders' equity.

Any purchase of the Company's shares pursuant to the reasons set forth in items (i) to (ii) above shall be approved by the shareholders' meeting. Any purchase of the Company's shares pursuant to the reasons set forth in item (iii), (v) or (vi) above shall be approved by the board meeting with the attendance by no less than two thirds of directors, according to the authorization set forth in the articles of association of the Company or the shareholders' meeting.

If the Company acquires the Company's shares in accordance with the above provisions, those shares shall be cancelled within ten days of the date of acquisition under the circumstance set forth in item (i) above. If the Company acquires the Company's shares in accordance with the above provisions under the circumstances set forth in item (ii) or (vi) above, the shares shall be transferred or cancelled within six months. If the Company acquires the Company's shares in accordance with the above provisions under any of the circumstances set forth in item (iii), (v) or (vi) above, the shares held by the Company in total shall not exceed 10% of the total issued shares of the Company, and such shares shall be transferred or cancelled within three years.

Transfer of Shares

According to the Company Law, shareholders may transfer their shares in accordance with the laws. Transfer of shares by shareholders of a joint stock limited company shall be carried out at a lawfully established stock exchange or by any other means as prescribed by the State Council. The transfer of shares shall be carried out by means of endorsement by shareholders or by any other means as prescribed by laws or administrative regulations. The Company shall record the name and domicile of the transferee in the register of shareholders after the transfer. The register of shareholders shall not be modified within 20 days prior to the convening of a shareholders' meeting or within 5 days prior to the reference date as determined by the Company for the distribution of dividends. Where laws, administrative regulations or the provisions of the securities regulatory authority under the State Council provide otherwise for modification of the register of shareholders of listed companies, such provisions shall prevail.

Pursuant to the Company Law, shares issued by a company before the public offering shall not be transferred within one year of the date on which the company's shares are listed and traded on a stock exchange. The directors, supervisors and senior managers of a Company shall declare to the Company the shares they hold in this Company and any changes therein. The shares transferred each year during the term of office determined when they take up their posts shall not exceed 25% of the total shares they hold in this Company. The shares held in this Company shall not be transferred within one year of the date on which the company's shares are listed and traded on a stock exchange. The aforesaid persons shall not transfer the shares they hold in this Company within half a year after they leave their posts. The Articles of Association of the Company may have other restrictive provisions on the transfer of shares of the Company held by the directors, supervisors and senior managers.

Where the shares are pledged within the transfer restriction period stipulated by laws or administrative regulations, the pledgee shall not exercise the pledge rights within the transfer restriction period.

Shareholders

According to the Company Law and the Guidelines for Articles of Association of Listed Companies, the rights of the shareholders of the Company include: (i) to receive dividends and other forms of interest distribution according to the number of shares they held; (ii) to lawfully request to convene, convene and hold shareholders' meetings, attend or appoint proxies to attend shareholders' meetings, and to exercise the corresponding voting rights; (iii) to supervise the operation of the Company and to make suggestions or inquiries; (iv) to transfer, donate or pledge the shares held by them in accordance with laws, administrative regulations and the Articles of Association; (v) to review and reproduce the Articles of Association, register of shareholders, minutes of shareholders' meetings, resolutions of board of directors, and financial accounting reports; shareholders complying with the relevant provisions may review the accounting books and accounting vouchers of the Company; (vi) to participate in the distribution of the remaining assets of the Company according to the number of shares they held in the Company upon termination or liquidation of the Company; (vii) to request the Company to repurchase the shares held by any shareholder who raises objection to the merger or division of the Company resolved by the shareholders' meeting; (viii) other rights stipulated by laws, administrative regulations, departmental regulations, and the Articles of Association.

Obligations of shareholders of the Company include: (i) to abide by laws, administrative regulations, and the Articles of Association; (ii) to pay the subscription money according to the number of shares subscribed for and the method of subscription; (iii) not to withdraw the share capital except as provided under laws and regulations; (iv) not to abuse the shareholder's rights to damage the interests of the Company or other shareholders; not to abuse the independent legal person status of the Company and the limited liabilities of the shareholders to damage the interests of the creditors of the Company; and (v) other obligations stipulated by laws, administrative regulations, and the Articles of Association.

Shareholders' Meeting

According to the Company Law, shareholders' meeting of a company limited by shares consists of all shareholders. The shareholders' meeting is the organ of authority of the Company and shall exercise the following functions: (i) to elect and replace directors and supervisors, and to decide on matters concerning the remuneration of the directors and supervisors; (ii) to review and approve reports of the board of directors; (iii) to review and approve reports of the supervisory board; (iv) to review and approve profit distribution plans and plans for making up losses of the Company; (v) to decide on any increase or decrease of the registered capital of the Company; (vi) to decide on the issuance of corporate bonds; (vii) to decide on matters such as the merger, division, dissolution, liquidation, or change of the corporate form of the Company; (viii) to amend the Articles of Association of the Company; and (viii) other functions as stipulated by the Articles of Association.

According to the Company Law, an annual shareholders' meeting shall be convened annually. An interim shareholders' meeting shall be convened within 2 months if any of the following situations occurs: (i) The number of directors is less than two- thirds of the quorum as prescribed in this Law or specified in the Articles of Association; (ii) The Company's losses that have not been made up account for one-third of the total share capital; (iii) Upon request by shareholders who individually or together hold 10% or more of the Company's shares; (iv) The board of directors deems necessary to convene the meeting; (v) The supervisory board proposes to convene the meeting; or (vi) Other situations as specified in the Articles of Association.

The shareholders' meeting shall be convened by the Board and presided over by the Chairman. If the chairman of the board of directors is unable or fails to carry out his duties, the vice-chairman shall preside over the shareholders' meeting. If the vice-chairman of the board of directors is unable or fails to carry out his duties, more than half of the directors shall nominate a director to preside over the shareholders' meeting.

If the board of directors is unable or fails to perform its duty to convene the shareholders' meeting, the supervisory board shall convene and preside over the meeting in a timely manner. If the supervisory board does not convene and preside over the meeting, the shareholders who individually or together hold more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting by themselves.

If the shareholders who individually or together hold more than 10% of the shares of the Company request to convene an interim shareholders' meeting, the board of directors and supervisory board shall decide whether to convene an interim shareholders' meeting within 10 days as of the receipt of such request, and reply to the shareholders in writing.

When a shareholders' meeting is to be convened, the date and place of the meeting as well as the matters to be discussed shall be notified to every shareholder 20 days in advance. For an interim shareholders' meeting, the shareholders shall be notified 15 days in advance.

Shareholders who individually or together hold more than 10% of the shares of the Company may submit interim resolutions to the board of directors in writing 10 days before the holding of the shareholders' meeting. Interim resolutions shall have a clear topic and specific resolution items. The board of directors shall inform the other shareholders within 2 days of receipt of such resolutions, and submit the interim resolutions to the shareholders' meeting for consideration, except where the interim resolutions violate the provisions of laws, administrative regulations, or the Articles of Association, or where the interim resolutions do not fall within the scope of authority of the shareholders' meeting. The Company cannot increase the shareholding ratio of the shareholder who makes the interim resolutions.

According to the Company Law, a shareholder appointing a proxy to attend a shareholders' meeting should clearly specify the matters, authority, and period of agency of that proxy. The proxy shall submit to the Company the power of attorney issued by the shareholder, and shall exercise his voting rights within the scope of authorization.

According to the Company Law, each share held by shareholders attending a shareholders' meeting shall carry one voting right, except shareholders holding other classes of shares. The Company's own shares held by the Company have no voting rights.

A shareholders' meeting can adopt, in accordance with the provisions of the Articles of Association or resolutions of shareholders' meetings, a cumulative voting system in the election of directors and supervisors. Cumulative voting system refers to when a shareholders' meeting elects directors or supervisors, each share shall carry the voting rights equivalent to the number of candidates for directors or supervisors, and the shareholder can cumulatively use his voting rights.

According to the Company Law and the Guidelines for Articles of Association of Listed Companies, when a shareholders' meeting makes a resolution, it shall be adopted by more than half of the voting rights held by the shareholders attending the meeting.

When a shareholders' meeting makes a resolution to amend the Articles of Association, to increase or decrease the registered capital, as well as to merge, divide, wind up or change the form of the Company, such a resolution shall be adopted by shareholders attending the meeting, representing more than two thirds of the voting rights.

Directors

According to the Company Law, a company limited by shares should set up a board of directors, which should consist of more than 3 members. The term of office of the directors is stipulated by the Articles of Association, but each term of offices shall not exceed 3 years. When a director's term of office expires, he can be reelected.

The board of directors will convene at least twice a year. Every meeting should be notified to all directors and supervisors 10 days in advance. Shareholders representing more than 1/10 of the voting rights, or more than 1/3 of the directors, or the supervisory board can propose to convene an interim board meeting. The chairman of the board of directors shall, within 10 days of receipt of such proposal, convene and hold a board of directors' meeting. The board of directors may separately decide the method and time limit of notification for convening an interim board meeting.

The board of directors is entitled to: (i) convene shareholders' meeting and report to the shareholders' meeting; (ii) implement resolutions passed by the shareholders' meeting; (iii) decide on the business plan and investment plan of the Company; (iv) formulate profit distribution plan and plan to cover losses of the Company; (v) formulate plans on the increase or decrease of the registered capital and issuance of corporate bonds; (vi) formulate plans on the merger, division, dissolution or change of the form of the Company; (vii) decide on the establishment of the

Company's internal management; (viii) decide on the appointment or dismissal of the manager of the Company and his remuneration, and, according to the recommendation of the manager, decide on the appointment or dismissal of deputy manager (s) and financial officer of the Company and their remuneration; (ix) formulate the basic management system of the Company; and (x) other powers stipulated by the Articles of Association or authorized by the shareholders' meeting.

A board meeting shall be held only if more than half of the directors are present. Resolutions made by the board of directors shall be passed by more than half of the total number of directors. Directors shall attend meetings of the board of directors in person. If a director is unable to attend a meeting for any reason, he can entrust another director in writing to attend the meeting on his behalf, and the power of attorney shall state the scope of authorization. Directors shall be responsible for resolutions made by the board of directors. If a resolution of the board of directors is in violation of laws, administrative regulations, the Articles of Association or resolutions of the shareholders' meeting, and causes any material loss to the Company, the directors who participated in the adoption of such resolution shall be liable to compensate the Company. If a director can prove that he or she raised an objection to such resolution, and that such objection was recorded in the minutes of the meeting, the director may be exempted from such liability.

In accordance with the Company Law, none of the following persons may serve as a director of the Company: (i) a person without civil capacity or with restricted civil capacity; (ii) a person who was sentenced to criminal penalties due to corruption, bribery, infringement of property, misappropriation of property or disrupting the economic order of the socialist market, or a person who has been deprived of his or her political rights due to a criminal offence, and not more than five years have elapsed since the completion of the execution of the penalty period, or a suspension of sentence has been granted for such offence, and not more than two years have elapsed since the completion date of the suspension period; (iii) a person who served as a director, factory director, or manager of a company or enterprise which has been bankrupt or liquidated, and who was personally responsible for the bankruptcy of such company or enterprise, and not more than three years have elapsed since the completion date of the bankruptcy or liquidation of such company or enterprise; (iv) a person who served as the legal representative of a company or enterprise which had its business license revoked due to the violation of the law and had been closed down by order, and who was personally responsible for the revocation, and not more than three years have elapsed since the date of the revocation of the business license or the order; and (v) a person was listed as a dishonest person by the people's court due to his failure to pay off a relatively large amount of due and unpaid personal debt.

The board of directors shall have one chairman and may have a vice-chairman. The chairman and vice-chairman shall be elected by the directors with affirmative votes of more than half of all the directors. The chairman shall exercise the following functions and powers (including but not limited to): (i) to preside over shareholders' meetings and to convene and preside over meetings of the board of directors; (ii) to supervise, urge and monitor the implementation of resolutions of the board of directors; and (iii) to exercise other functions and powers granted by the board of directors.

Audit Committee

A joint stock limited company may, in accordance with the articles of association of the company, establish an audit committee composed of directors within the board of directors. Such audit committee shall exercise the functions and powers of the board of supervisors as provided herein. It shall not have a board of supervisors or supervisors.

The audit committee shall have at least three members, and the majority of the members shall not hold any position in the company other than as directors and shall not have any relationship with the company that could affect their independent and objective judgment. Employees' representatives among the members of the board of directors may become members of the audit committee. Resolutions made by the audit committee shall be adopted by more than half of the members of the audit committee. When voting on resolutions of the audit committee, each member shall have one vote.

The rules of procedure and voting procedures of the audit committee shall be provided for in the articles of association of the company, unless otherwise provided for in the Company Law.

Managers and Senior Management

In accordance with the Company Law, a joint stock limited company shall have a manager, who shall be appointed or dismissed by the board of directors. The manager shall be responsible to the board of directors and shall exercise his functions and powers in accordance with the articles of association of the company or the authorization of the board of directors. The manager shall attend meetings of the board of directors as a non-voting member.

In accordance with the Company Law, senior management personnel shall refer to the manager, deputy manager and chief financial officer of a company, and in the case of a listed company, the secretary of the board of directors and any other personnel specified in the articles of association of the company.

Obligations of Directors and Senior Management Personnel

In accordance with the Company Law, directors and senior management personnel owe a duty of loyalty to the company. They shall take measures to avoid conflicts of interests between themselves and the company, and shall not seek improper interests by taking advantage of their powers. Directors and senior management personnel shall fulfill a duty of due diligence to the company. They shall, for the best interests of the company, exercise reasonable care as a manager shall exercise.

Directors and senior management personnel shall not conduct any of the following acts: (i) embezzle company assets or misappropriate company funds; (ii) deposit company funds in an account opened in their own name or in the name of any other individual; (iii) take bribery or other illegal income by taking advantage of their powers; (iv) accept commissions on transactions between the company and any other person and pocket the same; (v) disclose confidential information of the company without authorization; or (vi) act contrary to their duty of loyalty to the company.

Directors and senior management personnel, in directly or indirectly entering into contracts or transactions with the company, shall report to the board of directors or shareholders' meeting on matters relating to the contracts or transactions, and such matters shall be resolved by the board of directors or shareholders' meeting in accordance with the articles of association of the company.

Where a close relative of a director or senior officer, an enterprise directly or indirectly controlled by a director or senior officer or any of his close relatives, or an affiliated party having any other connected relationship with a director or senior officer, concludes a contract or engages in a transaction with the company, the provisions of the preceding paragraph shall apply.

Directors and senior management personnel shall not take advantage of their powers to seek business opportunities that belong to the company for themselves or any other persons. However, such business opportunities shall be excluded in either of the following circumstances: (i) The report is made to the board of directors or shareholders' meeting and such business opportunities are approved by the board of directors or shareholders' meeting in accordance with the articles of association of the company; (ii) The company is unable to make use of such business opportunities in accordance with the provisions of laws, administrative regulations or the articles of association of the company.

Directors and senior management personnel shall not engage in similar business for themselves or for any other person as that of the company without making a report to the board of directors or shareholders' meeting and obtaining approval by a resolution of the board of directors or shareholders' meeting in accordance with the articles of association of the company.

Directors and senior management personnel shall be liable for compensation if they violate laws, administrative regulations or the articles of association of the company in performing their powers and duties, thereby causing losses to the company.

Financial Affairs and Accounting

According to the Company Law, the company shall, in accordance with the provisions of laws, administrative regulations and rules of the Ministry of Finance under the State Council, establish their financial and accounting systems. The company shall, at the end of each fiscal year, prepare a financial and accounting report, which shall be audited by an accounting firm according to law. The financial and accounting report shall be prepared in accordance with the provisions of laws, administrative regulations and rules of the Ministry of Finance under the State Council.

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

When a company distributes its after-tax profits of the current year, it shall allocate 10% of its profits as its statutory reserve fund. No further allocation may be made if the aggregate amount of the statutory reserve fund exceeds 50% of the registered capital of the company. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous year, the current year profits shall be used to make up for the losses before any allocation is made to the statutory reserve fund in accordance with the aforesaid provisions.

After a company has allocated the statutory reserve fund from its after-tax profits, it may, upon a resolution made by the shareholders' meeting, allocate a discretionary reserve fund from its after-tax profits.

The premium income from issuing shares of a joint stock limited company at a price above the par value of the shares, the income from issuing shares without par value which has not been included in the registered capital, and other items which are required to be allocated to the capital reserve fund by the Ministry of Finance under the State Council shall be allocated to the capital reserve fund of the company.

The statutory reserve fund of the company shall be used to make up for the losses of the company, expand the business and production of the company or increase the registered capital of the company by means of conversion. When the statutory reserve fund is used to make up for the losses of the company, the discretionary reserve fund and statutory reserve fund shall be used first; where the said losses cannot be made up, the capital reserve fund may be used according to the relevant provisions. Where the statutory reserve fund is converted to increase the registered capital of the company, the remainder of the statutory reserve fund shall not be less than 25% of the registered capital of the company before the conversion is conducted.

The company shall not establish separate accounting books other than the statutory ones. No account may be opened in the name of any individual for the deposit of the company's funds.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms undertaking audit of a company shall be decided by the shareholders' meeting, the board of directors or the board of supervisors according to the articles of association of the company. When the shareholders' meeting, the board of directors or the board of supervisors conducts voting on the dismissal of the accounting firms, the accounting firms shall be allowed to express their opinions. The company shall provide to the accounting firm appointed truthful and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse to provide, hide or falsely report such materials.

According to the Guidelines for Articles of Association of Listed Companies, the company guarantees to provide to the accounting firm appointed true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials, and shall not refuse to provide, hide or falsely report such materials. The audit fee of the accounting firm shall be decided by the shareholders' meeting.

Profit Distribution

According to the Company Law, a joint stock limited company shall distribute its profits in proportion to the number of shares held by the shareholders, unless its articles of association provide that distribution of profits is not in proportion to the number of shares held by the shareholders. No profit may be distributed for the shares held by that company.

According to the Company Law, if a company distributes profits to its shareholders in violation of the Company Law, the shareholders concerned shall return such distributed profits to the company. If any loss is caused to the company, the shareholders and the responsible directors, supervisors and senior management shall undertake liability for compensation.

Dissolution and Liquidation

According to the Company Law, a company may be dissolved if: (i) the business term as specified in the articles of association expires or any dissolution event occurs as specified in the articles of association; (ii) the shareholders' meeting resolves to dissolve the company; (iii) the company is required to be dissolved due to merger or division of the company; (iv) the business license of the company is revoked, or the company is ordered to be closed or cancelled in accordance with law; or (v) there is a serious difficulty in the operation and management of the company, the interest of the shareholders will suffer heavy loss as a result of its continuation, which cannot be resolved by any other means, shareholders holding ten percent or more of the voting rights of all the shareholders may petition a people's court to dissolve the company.

If any of the aforementioned events of dissolution occurs, the Company shall announce such event to the public within ten days through the National Enterprise Credit Information Publicity System.

A company dissolved pursuant to item (i) or (ii) above that has not distributed any assets to shareholders may continue to exist by amending its articles of association, or by adopting a resolution at a shareholders' meeting, which shall require the affirmative votes of no less than two-thirds of the voting rights held by the shareholders present at the meeting.

A company dissolved pursuant to item (i), (ii), (iv) or (v) above shall undergo liquidation. The directors shall be the liquidation obligors of the Company, and shall form a liquidation group to liquidate the Company within 15 days of occurrence of any event leading to dissolution. The liquidation group shall be composed of the directors, except as otherwise provided in the articles of association or as otherwise elected by the resolution of the shareholders' meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, thereby causing losses to the Company or the creditors, they shall be liable for compensation.

Where the liquidation group fails to be established within the time limit or fails to conduct liquidation after its establishment, interested parties may apply to the people's court for appointing relevant personnel to form a liquidation group and conduct liquidation. The people's court shall accept such application, and form a liquidation group in a timely manner to conduct liquidation.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) liquidate the Company's assets, and prepare a balance sheet and a list of assets, respectively; (ii) notify creditors by notice or announcement; (iii) handle and liquidate relevant unfinished business of the Company; (iv) pay all outstanding taxes in full as well as taxes arising during the liquidation period; (v) clear the claims and debts; (vi) distribute the Company's remaining assets after paying off all debts; and (vii) participate in civil litigation activities on behalf of the Company.

The liquidation group shall, within ten days of its establishment, notify the Company's creditors, and make an announcement on the newspapers or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall, within thirty days of receipt of the notice, or within forty-five days of the announcement if the creditors have not received such notice, declare their claims to the liquidation group.

After paying off the liquidation expenses, employees' wages, social insurance premiums, statutory compensation, outstanding taxes and company debts, the remaining assets of the Company shall be distributed in proportion to the shareholdings of the shareholders. During the liquidation period, the Company shall continue to exist, but shall not carry out any business activities unrelated to the liquidation. The Company's assets shall not be distributed to shareholders unless and until the aforesaid assets have been repaid.

Upon the liquidation of the Company's assets and preparation of the balance sheet and a list of assets, if the liquidation group discovers that the Company's assets are insufficient to repay its debts, it shall apply to the people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator appointed by the people's court.

Upon the completion of the liquidation, the liquidation group shall prepare a liquidation report, and submit it to the shareholders' meeting or the people's court for ratification, and submit it to the company registration authority for de-registration.

The liquidation group members shall perform their duties faithfully and diligently. If any member of the liquidation group fails to perform his duties, he shall be liable for compensation for losses suffered by the Company as a result thereof, or shall be liable for compensation for losses suffered by creditors intentionally or through gross negligence.

Overseas Listing

According to the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, an issuer who intends to launch an overseas initial public offering or listing shall file with the CSRC within three working days upon the submission of overseas issuance and listing application documents. If an issuer issues securities in the same overseas market after its overseas issuance and listing, it shall file with the CSRC within three working days upon completion of the issuance. If an issuer issues and lists securities in other overseas markets after its overseas issuance and listing, it shall be filed in accordance with the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises. In addition, if the filing materials are complete and compliant, the CSRC shall, within 20 working days upon receipt of the materials, complete the filing process and publicize the filing information on its website. If the filing materials are incomplete or non-compliant, the CSRC shall, within five working days upon receipt of the materials, notify the issuer of the supplementary materials to be submitted. The issuer shall, within thirty working days, submit the supplementary materials.

Loss of Share Certificates

According to the Company Law, if the share certificate is stolen, lost or destroyed, the shareholder may request the people's court to declare the share certificate invalid in accordance with the public notice procedure as stipulated in the Civil Procedure Law. After the people's court has declared the share certificate invalid, the shareholder may apply for a replacement of the share certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions regarding suspension and termination of listing. And the Securities Law of the People's Republic of China has deleted provisions regarding suspension of listing. If the listed securities are subject to the delisting circumstance as stipulated by the stock exchange, the stock exchange shall terminate the listing and trading of such securities in accordance with the relevant business rules. The Company shall comply with the provisions on suspension and termination of listing of A shares in the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange.

According to the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, if an issuer terminates its listing voluntarily or compulsorily, it shall report the detailed information to the CSRC within three working days upon the occurrence and the public announcement of the relevant event.

SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Commission and the CSRC. The Securities Commission shall be responsible for the coordination and drafting of securities regulations, formulation of securities related policies, planning of the development of the securities market, direction, coordination and supervision of all securities related institutions in China, and administration of the CSRC. The CSRC is the regulatory executive organ of the Securities Commission, and shall be responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating the public issuance of securities by Chinese domestic companies both at home and abroad, regulating securities trading, compiling securities related statistical information, and conducting related research and analysis. The State Council merged the above two authorities and reorganized the CSRC on March 29, 1998.

The Provisional Regulations on the Administration of Issuing and Trading of Stocks, promulgated by the State Council on April 22, 1993 and effective on the same day, regulate the application and examination and approval procedures for public issuance of stocks, the trading of stocks, the acquisition of listed companies, the custody, liquidation and transfer of listed stocks, the information disclosure, investigation and punishment of listed companies and arbitration of disputes.

The Provisions of the State Council on Domestically-listed Foreign Capital Stock of Joint Stock Limited Companies, promulgated by the State Council on December 25, 1995 and effective on the same day, mainly regulate the issuance, subscription, trading and dividend payment of domestically listed foreign capital stock, as well as the information disclosure of domestically listed foreign capital stock by joint stock limited companies.

The Securities Law of the People's Republic of China, last revised by the Standing Committee of the National People's Congress on December 28, 2019 and effective as of March 1, 2020, contains provisions on the issuance and trading of securities within the territory of China, acquisition of listed companies, and the duties and responsibilities of stock exchanges, securities companies and the securities regulatory authority of the State Council, and comprehensively regulates the securities market activities within the territory of China.

According to the Securities Law of the People's Republic of China, any domestic enterprise that directly or indirectly issues securities overseas or lists its securities for trading overseas shall comply with the relevant provisions of the State Council. Currently, the overseas issuance and trading of securities are mainly regulated by the rules and regulations promulgated by the State Council and the CSRC.