This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in "Appendix III — TAXATION AND FOREIGN EXCHANGE OVERVIEW" to this document. This Appendix also contains a summary of laws and regulatory provisions of the *Company Law of the PRC* (《中華人民共和國公司法》). The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

THE PRC LEGAL SYSTEM

The PRC legal system is based on the *PRC Constitution* (《中華人民共和國憲法》), or the Constitution, and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region law and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the *Constitution and the Legislation Law of the PRC* (《中華人民共和國立法法》), or the Legislation Law, which was amended by the NPC on 13 March 2023 and became effective on 15 March 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to make partial amendments and supplements to laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of the autonomous regions shall be submitted for approval before they come into force.

The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, National Audit Office of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

The NPC has the power to alter or annul any inappropriate laws enacted by the SCNPC, and to annul any autonomous regulations and separate regulations which have been approved by the SCNPC but contravene the Constitution and the Legislation Law; the SCNPC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and 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 Constitution and the Legislation Law; the State Council has the power to alter or annul any inappropriate ministerial rules and rules of local governments; the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees; the standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level; the people's governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people's governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the *Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws* (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the SCNPC and effective on 10 June 1981, the Supreme People's Court shall give interpretation on questions involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. Interpretation of questions involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be provided by the State Council and competent authorities.

Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local regulations shall be provided by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

THE PRC JUDICIAL SYSTEM

According to the *Constitution and the Law of the PRC of Organization of the People's Courts* (《中華人民共和國人民法院組織法》) amended by the SCNPC on 26 October 2018 and becoming effective on 1 January 2019, the PRC People's Court is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

According to the *Constitution and the Law of Organization of the People's Procuratorate of the PRC* (《中華人民共和國人民檢察院組織法》) revised by SCNPC on 26 October 2018 and taking effect on 1 January 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels.

The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the next higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The *PRC Civil Procedure Law (2023 Revision)* (《中華人民共和國民事訴訟法(2023年修訂)》), or the PRC Civil Procedure Law, adopted by the SCNPC on 1 September 2023 and effective on 1 January 2024, sets forth 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 enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by express agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff's or the defendant's place of domicile, the place where the contract is performed or signed or the object of the action is located. However, the choice of the court cannot be in conflict with the regulations of court-level jurisdictions and exclusive jurisdictions in any case.

A foreign individual, an individual without nationality, a foreign-invested enterprise or a foreign organization must have the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people's court. If a foreign court limits the litigation rights of PRC citizens and enterprises, the PRC court may apply the same limitations to the citizens and enterprises of such foreign country. A foreign individual, an individual without nationality, a foreign-invested enterprise or a foreign organization must engage a PRC lawyer if such person needs to engage a lawyer in initiating or defending any proceedings at a people's court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the people's court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest, the people's court shall decline the request.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court's examination according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

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

A joint stock limited company established in the PRC seeking a [REDACTED] on The Stock Exchange of Hong Kong Limited is mainly subject to the following laws and regulations of the PRC.

The *PRC Company Law* (《中華人民共和國公司法》), or the Company Law, was adopted by the SCNPC on 29 December 1993 and came into effect on 1 July 1994, and was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023. The latest revised Company Law came into effect on 1 July 2024.

The Overseas Listing Trial Measures and its five interpretative guidelines promulgated by the CSRC on 17 February 2023 came into effect on 31 March 2023 and were applicable to the direct and indirect overseas share issuance and listing of domestic companies.

According to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly offering and listing overseas, it shall formulate its articles of association in line with the *Guidelines for Articles of Association of Listed Companies* (《上市公司章程指引》), or the Guidelines for Articles of Association, in place of the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas which ceased to apply from 31 March 2023. The Guidelines for Articles of Association were promulgated by the CSRC on 16 December 1997 and last amended on 28 March 2025.

Set out below is a summary of the major provisions of the Company Law, the Overseas Listing Trial Measures and the Guidelines for Articles of Association which are applicable to our Company.

General Provisions

"A joint stock limited company" means is a corporate legal person incorporated under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares held by them and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by laws, a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company shall be incorporated by one to two hundred promoters, and a majority of the promoters shall be domiciled within the territory of the PRC.

Promoters for the establishment of a joint stock limited company by stock flotation shall convene a company inaugural meeting within thirty days from the date when the shares required to be issued at the time of establishment are paid for in full. The promoters shall notify each subscriber of the meeting date or announce it publicly at least fifteen days before the establishment meeting. The inaugural meeting shall only be held with the presence of subscribers representing more than 50% of the voting rights.

Within thirty days after the conclusion of the inaugural meeting, the board of directors shall apply to the registration authority for registration of the incorporation of the joint stock limited company. A company is formally established and has the status of a legal person after the business license has been issued by the relevant registration authority. A joint stock limited company established by the subscription method shall obtain the approval for public offering from the securities regulatory authority of the State Council and submit the approval to the company registration authority.

Promoters shall pay in full for their subscribed shares before the establishment of the company. If a promoter fails to pay for their subscribed shares, or if the actual value of non-monetary assets contributed falls significantly below the subscribed shares, the other promoters, shall bear joint and several liability, along with the promoter, within the shortfall in contributions.

Share Capital

The promoters of a company may make a capital contribution in currencies, or on-monetary assets such as in kind, intellectual property rights, land use rights, equity, debt claims, or other non-monetary assets which can be appraised with monetary value and transferred lawfully, except for assets not eligible for capital contribution under any other law or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation and verification of the fair value of the assets contributed must be carried out.

Shares shall be issued in accordance with the principles of fairness and impartiality. The same class of shares shall be entitled to the same rights. For shares issued at the same time and within the same class, the conditions and price per share must be the same. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

A PRC domestic company must file with the CSRC to offer its shares to the overseas public. According to the Overseas Listing Trial Measures, target investors of overseas offering and listing by domestic companies shall be overseas investors, unless prescribed in the Overseas Listing Trial Measures or otherwise stipulated by the state.

Increase in Share Capital

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares to be issued, the issue price, the offering period, and the class and number of the new shares proposed to be issued to existing shareholders. A company conducting a public offering of shares shall register the offering with the securities regulatory authority under the State Council and publish a document. After payment in full for the new shares issued, the company must change its registration with a company registration authority and make an announcement accordingly.

Decrease in Share Capital

A company may decrease its registered capital and shall comply with the procedures stipulated in the Company Law and the articles of association of the company.

Repurchase of Shares

Under the Company Law, a company shall not purchase its own shares, except under any of the following circumstances:

(1) reducing the company's registered capital;

(2) merging with other companies which hold the company's shares;

(3) using the shares for an employee stock ownership plan or equity incentive;

(4) purchasing by the company of its shares at the request of the shareholders voting against the resolutions on the merger or division of the company at a shareholders' meeting;

(5) using of shares for conversion of convertible corporate bonds issued by the company;

(6) necessary for the company to maintain its value and protect the interests of the shareholders.

A resolution shall be passed at the shareholders' meeting for the company to repurchase its own shares under the circumstances specified in items (1) and (2) above. In case of a purchase under the circumstances specified in items (3), (5) and (6) above, it may be subject to a resolution of the company's board passed in a board meeting attended by more than two-thirds of the directors, as stipulated in the articles of association or authorized by the shareholders' meeting.

After the company has purchased its own shares in accordance with the above provisions, the shares so purchased shall be canceled within ten days from the date of purchase (under the circumstance specified in item (1) above), or shall be transferred or canceled within six months (under the circumstances specified in item (2) and (4) above). If the company purchases its shares under the circumstances specified in items (3), (5) and (6) above, the total number of shares held by the company shall not exceed 10% of the total number of shares issued by the company, and such shares shall be transferred or canceled within three years.

When a listed company purchases its own shares, it shall fulfill the information disclosure obligations in accordance with the provisions of the PRC Securities Law. Share repurchases made under the circumstances specified in items (3), (5) or (6) above shall be made through public centralized trading.

Transfer of Shares

Shares held by a shareholder may be transferred in accordance with law.

The directors, supervisors and senior managers of a company shall report to the company the number of the company's shares they hold and the changes thereof. The company's shares transferable by them each year during their terms of office confirmed at the time of taking office shall not exceed 25% of the number of shares held by them. The company's shares held by them shall not be transferred within one year from the date of listing and trading of the company's shares are listed for trading. They shall not transfer the company's shares held by them within half a year after leaving the company.

Any gains obtained by any shareholder, director, supervisor or senior manager of the company holding more than 5% of company's shares from the sale of company's shares or other equity securities within six months of purchase of them, or from the purchase of them again within six months of sale, shall belong to the company, and the board of directors of the company shall be responsible for recovering such gains. However, this provision is not applicable where a securities company which holds more than 5% of the company's shares as a result of its undertaking of the untaken shares in a share offer or under other circumstances prescribed by the CSRC.

Shares or other equity securities held by directors, supervisors, senior managers and individual shareholders as mentioned in the preceding paragraph include shares or other equity securities held by their spouses, parents or children, or held by using other people's accounts.

If the board of directors of the company fails to implement the provisions above, the shareholders are entitled to request the board of directors to so implement it within thirty days. If the board of directors of the company fails to comply within the aforesaid period, the shareholders are entitled to initiate litigation directly in the People's Court in their own names for the interest of the company. And if the board of directors fails to implement the provisions above, the responsible directors shall bear joint and several liability in accordance with law.

Shareholders

A company shall establish a register of shareholders based on evidentiary documents provided by the securities registration agency. The register of shareholders is sufficient evidence to prove that the shareholders hold the company's shares. The original register of shareholders of H shares is kept in Hong Kong and is available for inspection by shareholders, but the company may suspend the shareholder registration procedure in accordance with applicable laws and regulations.

Shareholders shall enjoy rights and assume obligations according to the class of shares they hold. Shareholders holding shares of the same class shall enjoy the same rights and assume the same obligations.

Under the Company Law and Guidelines for Articles of Association, the rights of shareholders are as follows:

(1) to receive distributions of dividends and other forms of benefits according to the number of shares held;

(2) to request, convene, preside over, participate in or appoint proxies to attend the shareholders' meeting in accordance with law and exercise corresponding voting rights;

(3) to supervise operational activities of the company, provide suggestions or make queries;

(4) to transfer, donate and pledge the company's shares held according to the provisions of the laws and administrative regulations;

(5) to review and copy the company's articles of association, the register of the shareholders, minutes of the shareholders' meeting, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports;

(6) to participate in the distribution of remaining assets of the company in proportion to the shares they hold upon termination or liquidation of the company;

(7) to request the company to purchase the shares held by the shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the company;

(8) other rights conferred by laws, administrative regulations and the articles of association.

The obligations of a shareholder of ordinary shares of a company include:

(1) to abide by laws, administrative regulations and the articles of association;

(2) to pay share capital according to the shares subscribed for and the method of payment;

(3) not to return shares unless otherwise prescribed in laws and administrative regulations;

(4) not to abuse shareholder rights to infringe upon the interests of the company or other shareholders; shareholders shall be liable for compensation for any losses caused to the company or to other shareholders due to their abuse of shareholder rights;

(5) to perform other duties prescribed in laws and administrative regulations.

The Shareholder's Meeting

Under the Company Law and the Guidelines for Articles of Association, the shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers:

(1) to elect and remove directors and supervisors who are not employees representatives and to decide on matters relating to the remuneration of directors and supervisors;

(2) to examine and approve reports of the board of directors;

(3) to examine and approve reports of the board of supervisors;

(4) to examine and approve the company's profit distribution plans and loss recovery plans;

(5) to decide on any increase or decrease of the company's registered capital;

(6) to decide on the issue of corporate bonds;

(7) to decide on the merger, division, dissolution, liquidation or change of corporate form of the company;

(8) to amend the articles of association;

(9) to examine other matters which shall be decided by the shareholders' meeting as required by the laws, administrative regulations, departmental rules, or the articles of association.

Under the Company Law and the Guidelines for Articles of Association of [REDACTED] Companies, annual shareholders' meeting shall be held once a year within six months of the end of the previous accounting year.

A company shall convene an extraordinary general meeting within two months from the date of the occurrence of any of the following circumstances:

(1) where the number of directors in office is less than the number provided for in the Company Law or less than two-thirds of the number prescribed in the articles of association;

(2) where the uncovered losses of the company reach one-third of the total paid-in share capital;

(3) where shareholders who individually or jointly hold no less than 10% of the shares of the company request holding of such a meeting;

(4) where the board of directors deems it necessary;

(5) where the board of supervisors proposes such a meeting; and

(6) any other circumstances prescribed by the laws, administrative regulations departmental rules, or the articles of association.

Independent directors may propose to the board of directors to hold an extraordinary general meeting. For the aforesaid proposal, the board of directors shall, in accordance with laws, administrative regulations and the articles of association, give written feedback on whether or not it agrees to hold an extraordinary general meeting within ten days of receipt of the proposal. If the board of directors agrees to hold an extraordinary general meeting, it will issue the notice of meeting within five days after the relevant resolution of the board of directors is made. If the board of directors does not agree to hold an extraordinary general meeting, it shall state reasons and make an announcement.

The board of supervisors may propose to the board of directors to hold an extraordinary general meeting in writing. The board of directors shall, in accordance with laws, administrative regulations and the articles of association, give written feedback on whether or not it agrees to hold an extraordinary general meeting within ten days of receipt of the proposal. If the board of directors agrees to hold an extraordinary general meeting, it shall issue the notice of meeting within five days after the relevant resolution of the board of directors is made, and any change to the original proposal in the notice is subject to the consent of the board of supervisors. If the board of directors does not agree to hold an extraordinary general meeting or fails to give written feedback within 10 days of receipt of the proposal, it shall be deemed that the board of directors is unable or fails to perform its duty to convene a shareholders' meeting, and the board of supervisors may convene and preside over an extraordinary general meeting itself.

The shareholders individually or collectively holding 10% or more of the shares of the company may make a written request to the board of directors for an extraordinary general meeting. The board of directors shall, in accordance with laws, administrative regulations and the articles of association, give written feedback on whether or not it agrees to hold an extraordinary general meeting within 10 days after receipt of the request.

If the board of directors agrees to hold an extraordinary general meeting, it shall issue the notice of meeting within five days after the relevant resolution of the board of directors is made, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders. If the board of directors does not agree to hold an extraordinary general meeting or fails to give feedback in writing within ten days after it receives the request, the shareholders individually or collectively holding 10% or more of the shares of the company may propose to the board of supervisors to hold an extraordinary general meeting in writing.

The board of supervisors shall, in accordance with the laws and administrative regulations, give a written reply on whether or not it agrees to convene an extraordinary general meeting within ten days upon receipt of the proposal. If the board of supervisors agrees to convene an extraordinary general meeting, it shall issue the notice of meeting within five days upon receipt of the request, and any change to the original request in the notice shall be subject to the consent of the relevant shareholders.

If the board of supervisors does not agree to hold an extraordinary general meeting or fails to give feedback in writing within ten days after it receives the request, the shareholders individually or collectively holding 10% or more of the shares of the company for consecutive ninety days or more may convene or preside over the meeting on their own.

The expenses necessary for the shareholders' meeting convened by the Board of Supervisors or Shareholders shall be borne by the company.

Directors

Under the Company Law and the Guidelines for Articles of Association of [REDACTED] Companies, a joint stock limited company shall have a board of directors, which shall consist of three or more members. The term of office of a director shall be stipulated in the Articles of Association, but each term of office shall not exceed three years. Directors may be re-elected upon the expiration of their term. However, independent directors may not serve for more than six consecutive years. Director may be the president or other senior management personnel, provided that the total number of directors who concurrently serve as president or other senior management personnel and directors who are employee's representatives shall not exceed half (1/2) of the total number of directors of the company.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be noticed at least 10 days before the meeting for every meeting. The board of directors shall exercise the following authorities:

(1) to convene shareholders' meetings and report to them;

(2) to carry out resolutions adopted by the shareholders' meetings;

(3) to determine the company's business plans and investment programs;

(4) to formulate the company's profit distribution plans and loss recovery plans;

(5) to formulate the company's plans for increasing or reducing the registered capital of the company, issuing bonds or other securities and going public;

(6) to formulate the company's plans with respect to significant takeovers, purchase of the company's shares, mergers, divisions, dissolution, or change of the form of the company;

(7) to decide on, within the scope authorized by the shareholders' meetings, such matters as the company's external investments, the purchase and sale of assets, asset mortgages, external guarantees, entrusted financial management, related-party transactions and external donations;

(8) to determine the establishment of the company's internal management bodies;

(9) to decide on such matters as appointment or removal of the company's manager, secretary to the board of directors and other senior executives, as well as their remuneration and reward/punishment; and to decide on appointment or removal of the company's deputy managers, finance manager and other senior officers as nominated by the manager and on their remuneration and reward/punishment;

(10) to formulate the company's basic management system;

(11) to exercise other authority conferred by any law, administrative regulation, departmental rules and the articles of association.

Within the scope authorized by the shareholders' meeting, the board of directors shall determine the authority of external investment, purchase and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions and external donations, and establish strict review and decision-making procedures.

If a director has connection with the enterprise or individual involved in the resolution made at a board meeting, the said director shall promptly report the situation in writing to the board of directors. The said director shall not vote on the said resolution for himself/herself or on behalf of another director. The board meeting may be held when more than half of the non-connected directors attend the meeting. The resolution of the board meeting shall be passed by more than half of the non-connected directors. If the number of non-connected directors attending the meetings is less than three, the issue shall be submitted to the shareholders' meetings for consideration.

According to the Company Law and the Guidelines for Articles of Association of Listed Companies, none of the following individuals shall be eligible for appointment as a director, supervisor, or senior officer of a company:

(1) any individual without civil capacity or with limited civil capacity;

(2) any individual who has been subjected to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or who has ever been deprived of political rights due to a criminal conviction, and five years have not elapsed since the term of punishment is completed, or in the case of a suspended sentence, two years have not elapsed since the probation period is complete;

(3) any former director, factory director, or company manager of a company or enterprise which has been declared bankrupt and liquidated who is personally responsible for the bankruptcy of the company or enterprise, and three years have not elapsed since the bankruptcy and liquidation are completed;

(4) any former legal representative of a company or enterprise which has had its business license revoked or been ordered to shut down due to violation of law who is personally responsible for the situation, and three years have not elapsed since the date of revocation of business license or shutdown order;

(5) any individual identified as a subject of enforcement for breach of trust by the people's court for failure to repay a significant amount of overdue debts;

(6) any individual who has been banned from the securities market by the CSRC and the ban has not expired; or

(7) any individual who is banned from doing so in accordance with other laws, administrative regulations and departmental rules.

The board of directors shall appoint a chairman. The chairman and vice chairman shall be elected by more than one half of all directors.

Supervisors

Under the Company Law, a joint stock limited company shall have a board of supervisor, which shall consist of three supervisors. The board of supervisors shall have one chairman, who shall be elected by more than half of all supervisors. The member of the board of supervisors shall include shareholders' representatives and an appropriate proportion of employees' representatives.

Directors or senior management may not act concurrently as supervisors.

The board of supervisor shall exercise the following authorities:

(1) To examine and give written examination opinions on the periodical reports of the Company prepared by the board of directors;

(2) To review the company's financial affairs;

(3) To monitor the acts of directors and senior executives in the performance of their duties, and to propose to remove any director or senior executive who violates any law, administrative regulation, securities regulatory rules of the place where the company's shares are [REDACTED], the articles of association or any resolution of the shareholders' meetings;

(4) To require any director or senior executive whose behavior damages the Company's interests to make corrections;

(5) To propose an extraordinary general meeting and to convene and preside over the shareholders' meeting when the board of directors fails to perform its duty to convene and preside over a general meeting prescribed in the Company Law;

(6) To submit proposals to the shareholders' meetings;

(7) To bring a lawsuit against any director or senior executive in accordance with the Company Law;

(8) If any abnormality in the operation of the company is found, the board of supervisors may conduct an investigation, and if necessary, engage an accounting firm, law firm or any other professional institution to assist in its work at the expense of the Company.

Senior Management

Under the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall exercise functions and powers as specified in the articles of association or as authorized by the board of directors.

According to the Company Law, senior management shall refer to the manager, deputy manager(s), finance manager, secretary to the board of directors and other personnel as stipulated in the articles of association of the company.

Duties of Directors, Supervisors and Senior Management

According to the Company Law and the Guidelines for Articles of Association of [REDACTED] Companies, directors, supervisors and senior management shall abide by laws, administrative regulations and the articles of association, and bear a duty of loyalty towards the company as follows:

(1) they shall not abuse their authority by receiving any bribe or other illegal income, and shall not embezzle any of the company property;

(2) they shall not misappropriate the company's funds;

(3) they shall not deposit company assets into accounts held in their own names or in the name of any other individual;

(4) they shall not, in violation of the articles of association, lend company funds to other people or provide guarantee for other people with company assets without the consent of the shareholders' meeting or the board of directors;

(5) they shall not enter into contracts or conduct transactions with the company either in violation of the articles of association or without the consent of the shareholders' meeting;

(6) they shall not, without the consent of the shareholders' meeting, take advantage of their position to seek business opportunities that should belong to the company for themselves or for any other person, or operate the same type of business as the company for themselves or for any other person;

(7) they shall not take commissions from transactions with the company as their own;

(8) they shall not disclose company secrets without authorization;

(9) they shall not make use of their related-party relationship to damage the company's interests; and

(10) other duty of loyalty prescribed by laws, administrative regulations, departmental rules and the articles of association.

The directors, supervisors and senior management also bear a duty of diligence to the company as follows:

(1) they shall be prudent, serious and diligent in exercising the authority conferred by the company to ensure that the business activities of the company comply with the country's laws, administrative regulations and various economic policy requirements, and that the business activities do not go beyond the scope of business activities specified in the company's business license;

(2) they shall treat all shareholders equally;

(3) they shall keep abreast of the company's business operations and management status;

(4) they shall sign written statements confirming periodic reports of the company, and ensure that the information disclosed by the company is true, accurate, and complete;

(5) they shall provide accurate information and materials to the board of supervisors, and shall not interfere with the performance of duties by the board of supervisors or individual supervisors; and

(6) other duty of diligence prescribed by laws, administrative regulations, departmental rules, and the articles of association.

Financial and Accounting System

Under the Company Law, a company shall establish its financial and accounting systems according to laws, administrative regulations and the provisions stipulated by the relevant authorities of the PRC. The company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from January 1 to December 31.

The financial accounting report of a joint stock limited company shall be prepared at least twenty days before the annual shareholders' meeting and placed within its premises for inspection by shareholders; a joint stock limited company that has publicly offered shares shall publish its financial accounting report.

The company is required to allocate 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the company has reached 50% or more of its registered capital, no further allocation is required.

Where the statutory reserve fund of the company is insufficient to make up the losses of the company for the preceding year, profits of the current year shall be applied to make up the losses before any allocation to the statutory reserve fund in accordance with the provisions in the preceding paragraph.

Subject to a resolution of the shareholders' meetings, after allocation has been made to the company's statutory reserve fund from its after-tax profits, the company may set aside funds for the discretionary reserve fund.

After making up of losses and appropriation to reserve funds, balance of the profit after tax shall be distributed to shareholders in proportion to their shareholdings, unless otherwise stipulated in the articles of association.

In cases where the company distributes profits to any shareholder in violation of the provision above, the shareholder shall return the distributed profits involved in the violation to the company; if losses are caused thereby to the company, the shareholders, as well as any directors, supervisors, and senior managers responsible for the violation, shall be liable for compensation.

Reserve funds of the company are used for recovering losses of the company and expanding scale of operation of the company or conversion into its capital.

Where the reserve of the company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions.

When the statutory reserve funds are converted into capital, the remaining balance of such reserve fund must not be less than 25% of its registered capital before such conversion.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or removal of an accounting firm by a company as its auditor shall be subject to a resolution of the shareholders' meeting, the board of directors, or the board of supervisors as stipulated in the company's articles of association. When the shareholders' meeting, the board of directors, or the board of supervisors vote on removing an accounting firm as its auditor, the accounting firm shall be allowed to state its opinions.

The Company Law and the Guidelines for Articles of Association provide that the company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the employed accounting firm, and shall not refuse, conceal or falsely report. And the audit fee of the accounting firm shall be decided by the general meeting of shareholders.

Amendments to the Articles of Association

Pursuant to Company Law, a company shall amend its articles of association under any of the following circumstances:

(1) Where, after any amendment to the Company Law or any other applicable law or administrative regulation, the provisions of the articles of association conflict with the amended law and/or administrative regulation;

(2) Where the company's circumstances change to such an extent that they are inconsistent with the items recorded in the articles of association; and

(3) Where the shareholders' meeting decides to amend the articles of association.

Any resolution at the shareholders' meeting to amend the articles of association shall be adopted by shareholders representing two-thirds or more of the voting rights present at the meeting.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

(1) the expiration of the business period stipulated in the articles of association or the occurrence of other causes of dissolution stipulated in the articles of association;

(2) dissolution by a resolution of the shareholders' meeting;

(3) dissolution due to merger or division of the company;

(4) suspension of the business license, being ordered to close down or being revoked in accordance with the law; or

(5) request submitted by the shareholders holding 10% or more of the voting rights of the company to the people's court to dissolve the company if the company's operation or management encounters serious difficulties, the company's continuous existence will cause significant losses to the interests of its shareholders, and the situation cannot be solved by any other means.

If any of the situations mentioned in the preceding paragraph arises, the company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company falls under the circumstance of items (1) or (2) above and has not yet distributed the assets to the shareholders, it may continue to exist by modifying the articles of association or upon a resolution of the shareholders' meeting.

Where the company is dissolved according to item (1), (2), (4) or (5) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within fifteen days from the date of occurrence of the cause of dissolution.

The liquidation group shall be composed of the directors, unless it is otherwise elected by the shareholders' meeting.

The liquidation group shall notify the company's creditors within ten days of its formation, and make a public announcement through a newspaper or the National Enterprise Credit Information Publicity System within sixty days of its formation. The creditors shall file their proof of claim with the liquidation group within thirty days from the receipt of the notice or within forty-five days from the issuance of the public announcement in the case of failing to receive such notice.

During the period of liquidation, the company continues to exist, but shall not carry out any business operation unrelated to the liquidation. The assets of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

If, after liquidating the assets of the company and formulating a balance sheet and a schedule of assets, the liquidation group discovers that the company's assets are insufficient to fully cover its debts, it shall file a bankruptcy application with the people's court.

Any company declared bankrupt according to law shall carry out a bankruptcy liquidation in accordance with the provisions concerning bankruptcy liquidation.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, or issues and lists shares in a different overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If the filing materials are complete and meet the requirements, the CSRC shall complete the filing within twenty working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within five working days after receiving the filing materials. The issuer shall supplement the materials within thirty working days.

Loss of Share Certificates

If the share certificates in registered form held by a shareholder are stolen, lost or destroyed, the shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court for a declaration that such share certificates are no longer valid.

After the people's court declared such share certificates invalid, the shareholder may apply to the company for the issue of replacement share certificates.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The *PRC Securities Law (2019 revision)* (《中華人民共和國證券法(2019年修訂)》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with its listing rules.

According to the Overseas Listing Trial Measures, in case of voluntary or compulsory termination of listing, the issuer shall report it to the CSRC within three working days from the date of occurrence and announcement of the termination of listing.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The *Arbitration Law of the PRC* (《中華人民共和國仲裁法》), or the Arbitration Law, was enacted by the SCNPC on August 31, 1994, last amended on September 1, 2017 and became effective on January 1, 2018. It is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the Arbitration Law. The Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court, unless the arbitration agreement is invalid.

Under the Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a peoples' court for its enforcement. The people's court can issue a ruling prohibiting the enforcement of an arbitral award made by an arbitration committee after verification by collegial bench formed by the people's court if there is any procedural irregularity, including but not limited to irregularity in the composition of the arbitration tribunal or arbitration proceedings, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement.

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who or whose property is not located within the PRC shall apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to the *Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region* (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), or the Arrangement, promulgated by the Supreme People's Court on January 25, 2024 and implemented as of January 29, 2024, the Arrangement applies to the reciprocal recognition and enforcement of legally effective judgments in civil and commercial matters between the courts of Hong Kong and the PRC. In respect of judgments for the award of property, reciprocal recognition and enforcement of judgments includes both monetary and non-monetary rulings. In respect of judgments for the award of property, the scope of recognition and enforcement by the courts of the Mainland and of the Hong Kong shall include the property awarded, the corresponding interest, costs, payment for late compliance, or interest for late compliance awarded in the judgment, but shall not include taxes and penalties.