This Appendix provides a summary of the laws and regulations pertaining to companies and securities in the place of incorporation of the Company. The principal objective of this summary is to provide **[REDACTED]** with an overview of the principal laws and regulatory provisions applicable to the Company. This summary is not intended to contain all information that may be important to all **[REDACTED]**. For discussion of laws and regulations which are relevant to business of the Company, please refer to "Regulatory Overview" in this document. Laws and regulations relating to taxation in the PRC are set out in "Appendix IV — Taxation and Foreign Exchange" to this document.

PRC Legal System

The PRC legal system is based on the PRC Constitution (中華人民共和國憲法) (the "Constitution") and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is the signatory and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "Legislation Law", effective from March 15, 2023), the National People's Congress (the "NPC") of the People's Republic of China and the Standing Committee of the NPC (the "NPCSC") are empowered to exercise the legislative power of the State. The NPC formulates and amends basic laws governing criminal, civil, State organs and other matters. The NPCSC formulates and amends laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may authorize the NPCSC to formulate relevant laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people's congresses of the 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 regulations do not contravene any provision of the Constitution, laws and administrative regulations. The people's congress and its standing committee of a city divided into districts may, according to the city's specific circumstances and actual needs, develop local regulations on urban and rural construction and management, ecological civilization development, historical culture protection, and grassroots governance, among others, provided that they do not contravene the Constitution, laws, administrative regulations, and the local regulations of the province or autonomous region where the city is located. If the law provides otherwise on the formulation of local regulations by a city divided into districts, those provisions shall prevail. Local regulations of cities divided into districts will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions. The people's congress of an ethnic autonomous area shall have the power to develop autonomous regulations and separate regulations based on the political, economic, and cultural characteristics of the local ethnicities. The autonomous regulations and separate regulations of autonomous regions shall come into force after being submitted to the NPCSC for approval. The autonomous regulations and separate regulations of autonomous prefectures or autonomous counties shall come into force after being submitted to the standing committee of the people's congresses of provinces, autonomous regions and municipalities for approval. Adaptations of provisions of laws and administrative regulations may be introduced to the autonomous regulations and separate regulations according to the characteristics of the local ethnicities so long as they do not contravene the basic principles of the laws or administrative regulations, and no adaptations shall be made to the specific provisions on national autonomous areas in the Constitution, national region autonomy law and other relevant laws and administrative regulations.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, the subordinate institutions with administrative functions directly under the State Council, and the organizations prescribed by laws may formulate rules and regulations within the power of their respective departments based on the laws and the administrative regulations, decisions and orders of the State Council. The people's governments of provinces, autonomous regions, municipalities and cities divided into districts, and autonomous prefectures may formulate rules and regulations in accordance with laws, administrative regulations and local regulations of the relevant provinces, autonomous regions and municipalities.

The Constitution has the highest legal effect, and any laws, administrative regulations, local laws and regulations, autonomous regulations as well as separate regulations and rules shall not contravene the Constitution. Laws have higher legal authority than administrative regulations, local laws and regulations. Administrative regulations have higher legal authority than local regulations and rules. The significance of local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts and autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The Legislation Law also stipulates the authority to amend or repeal laws, administrative regulations, local regulations, autonomous regulations, separate regulations, and rules.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the NPCSC. Pursuant to the Resolution of the Standing Committee of the NPC Providing an Improved Interpretation of the Law (《全國人民代表大會常務委員會關于加强法律解釋工作的决議》) effective from June 10, 1981, in cases where the limits of articles of laws and decrees need to be further defined or additional stipulations need to be made, the NPCSC should provide interpretations or make stipulations by means of decrees. Interpretation of questions involving the specific application of laws and decrees in court trials shall be provided by the Supreme People's Court. Interpretation of questions involving the specific application of laws and decrees in the procuratorial work of the procuratorates shall be provided by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations and Supreme People's Procuratorate's interpretations, such issues shall be reported to the NPCSC for interpretation or decision.

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 the competent departments. In cases where the limits of locally enacted rules and regulations need to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of the provinces, autonomous regions, and municipalities which have formulated these rules and regulations shall provide the interpretations or make the stipulations. Interpretation of questions involving the specific application of local rules and regulations shall be provided by the competent departments under the people's governments of the provinces, autonomous regions and municipalities.

PRC Judicial System

According to the Constitution and the Organic Law of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) (effective from January 1, 2019), the people's courts are comprised of the Supreme People's Court, the local people's courts at all levels, the military courts and other special people's courts. The local people's courts at all levels are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts. The primary 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 is the highest judicial organ in the PRC and shall supervise the judicial work of the local people's courts at all levels and special people's courts, and people's courts at higher levels shall supervise the judicial work of people's courts at lower levels.

According to the Constitution and the Organic Law of the People's Procuratorates of the PRC (《中華人民共和國人民法院組織法》), the people's procuratorates are the state organs for legal supervision and are comprised of the Supreme People's Procuratorate, the people's procuratorates at various local levels, military procuratorates and other special people's procuratorates. The Supreme People's Procuratorate is the highest procuratorial organ and shall direct the work of the local people's procuratorates at all levels and special people's procuratorates, and people's procuratorates at higher levels shall direct the work of people's procuratorates at lower levels.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "Civil Procedure Law"), which took effect on January 1, 2024, sets forth the criteria for instituting a civil action, the jurisdiction of the people's courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or ruling.

In trying civil cases, the people's courts shall, according to the provisions of the law, follow the systems of panel hearing, withdrawal, public trial and the court of second instance being that of last instance. The judgments or rulings of the second instance at a people's court are final. A party dissatisfied with the judgment or ruling of a local people's court in the first instance has the right to appeal. Judgments and rulings of the Supreme People's Court, as well as those that may not be appealed against according to the law or that have not been appealed against within the prescribed time limit, shall be legally effective.

The people's procuratorate may, in accordance with the provisions of the Civil Procedure Law, file a protest against legally effective judgments and rulings of the people's court. For judgments, rulings, and mediation agreements that have legally taken effect, the people's court may, in accordance with the provisions of the Civil Procedure Law, initiate review or retrial; parties may apply for a retrial in accordance with the provisions of the Civil Procedure Law.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people's court. Should a foreign court limit the civil litigation rights of PRC citizens, the legal persons and other organizations, the PRC court may apply the same limitations to the citizens, enterprises and organizations of such foreign country.

Enforcement of Judicial Judgments

All parties to a civil action shall perform the legally effective judgments and rulings. If one party refuses to perform such judgments or rulings, the other party may apply to the people's court for enforcement, or the judge may transfer the case to the enforcement officer for execution.

Where a party applies for enforcement of a legally effective judgement or ruling made by a people's court, and the opposite party or his property is not within the territory of the PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgement or ruling, or the people's court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court.

A party seeking to enforce a legally effective arbitral award made within the territory of the PRC against a party who, or whose property, is not within the territory of the PRC, may directly apply to a foreign court with jurisdiction for recognition and enforcement of the arbitral award.

Where a legally effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people's court of the PRC, the parties involved may directly apply to an intermediate people's court of the PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and the PRC or according to the principle of reciprocity, request the people's court to recognize and enforce it.

For a legally effective judgment or ruling made by a foreign court for which an application or request for recognition and enforcement is made, the people's court shall, after having examined it in accordance with the international treaties entered into or acceded to by the PRC or according to the principle of reciprocity and having arrived at the conclusion that it does not contravene the basic principles of the laws of the PRC nor violate its sovereignty, security or public interests, recognize the validity of such judgment or ruling; if an enforcement is required, a writ of enforcement shall be issued to facilitate the enforcement of such judgment or ruling in accordance with the relevant provisions of this law.

According to the Arrangement of the Supreme People's Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the 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》) (effective from January 29, 2024), courts in Hong Kong and Chinese mainland will reciprocally recognize and enforce legally effective judgments in civil and commercial cases. Reciprocal recognition and enforcement of judgments includes both monetary and non-monetary rulings. Specifically, in respect of judgments for the award of property, the scope of recognition and enforcement 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.

Arbitration and Enforcement of Arbitral Awards

According to the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law", amended in 2017 and effective January 1, 2018), contractual disputes and other disputes over rights and interests in property between citizens, legal persons and other organizations that are equal subjects may be arbitrated, including arbitration of disputes arising in foreign economic and trade, transportation, and maritime matters. Where the parties have reached the arbitration agreement, the 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.

An arbitral award shall be final and conclusive. The arbitration commission shall not accept any application for arbitration, nor shall a people's court accept any action submitted by the party in respect of the same dispute after an arbitral award has already been given in relation to that matter.

If one party fails to implement the award made by an arbitration institution established according to law, the other party may apply to the people's court having jurisdiction for enforcement. The people's court receiving the application shall enforce the award.

If, with respect to a ruling made by a Chinese foreign-related arbitral institution, the respondent presents evidence proving that the arbitral award involves specific circumstances, the people's court shall, after review and verification by a collegial panel formed by the court, rule to refuse enforcement. If an arbitral award is ruled unenforceable by the people's court, the parties may, based on a written arbitration agreement reached between them, apply for arbitration again or file a lawsuit with the people's court.

If a party applies for enforcement of a legally effective arbitration award made by a Chinese foreign-related arbitration commission and if the party against whom the enforcement is sought or such party's property is not within the territory of the PRC, the said party shall directly apply to a competent foreign court for recognition and enforcement of the award. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "New York Convention") adopted on June 10, 1958 pursuant to a resolution of the Standing Committee of the NPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties to the New York Convention, subject to their rights to refuse recognition and enforcement under certain circumstances, including where the enforcement of the arbitral award is against the public policy of the state. It was declared by the Standing Committee of the NPC simultaneously with the accession of the PRC that (i) the PRC will apply the Convention to the recognition and enforcement of arbitral awards made in the territory of another contracting state only on the basis of reciprocity; and (ii) the PRC will only apply the Convention in disputes considered under PRC laws to arise from contractual and non-contractual mercantile legal relations.

An agreement has been reached between HKSAR Government and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on February 1, 2000. Under the arrangement, the awards made by PRC arbitral bodies pursuant to the Arbitration Law can be enforced in Hong Kong and the Hong Kong arbitral awards made pursuant to the Arbitration Ordinance of Hong Kong Special Administrative Region can also be enforced in the Mainland. If evidence proves the existence of specific circumstances, the relevant court may, after review and verification, rule to refuse enforcement. If the relevant court determines that the dispute cannot be resolved through arbitration under the law of the place of enforcement, it may refuse enforcement of the award. If the Mainland court finds that the enforcement of an award in the Mainland will be against public interests of the Mainland, or the HKSAR court decides that the enforcement of an arbitral award in HKSAR will be against public policies of HKSAR, the award may not be enforced. The Supreme People's Court of the PRC promulgated the Supplemental Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020. Pursuant to the Supplemental Arrangements, the relevant court may, upon application and in accordance with the law of the place of enforcement, grant conservatory or compulsory measures either before or after accepting an application to enforce an arbitral award.

The Standing Committee of the National People's Congress enacted the amended Arbitration Law on September 12, 2025, which will come into effect on March 1, 2026. The revised Arbitration Law introduces the system of "seat of arbitration", explicitly stipulating that unless the parties have otherwise agreed upon the law applicable to the arbitral proceedings, the seat of arbitration shall serve as the basis for determining both the law governing the arbitration procedure and the competent court. At the same time, it clarifies the rules for determining the seat of arbitration, stipulating that if the parties have not agreed on the seat of arbitration or the agreement is unclear, the arbitration venue shall be determined according to the arbitration rules agreed upon by the parties; if the arbitration rules do not provide for it, the arbitral tribunal shall determine the seat of arbitration based on the circumstances of the case, following the principle of facilitating dispute resolution.

The revised Arbitration Law clarifies that arbitration institutions and arbitration tribunals may handle international investment arbitration cases in accordance with the provisions of relevant international investment treaties or agreements regarding the submission of investment disputes to arbitration, and according to the arbitration rules agreed upon by the disputing parties.

Regarding arbitration related to foreign economic trade, transportation, maritime disputes, and other foreign-related disputes ("foreign-related arbitration"), the revised "Arbitration Law" stipulates that if a people's court determines that the enforcement of a foreign-related arbitral award would be contrary to public interest, it should rule not to enforce it. Arbitration awards that have legal effect made outside the territory of the PRC need to be recognized and enforced by the people's court. The parties may directly apply to the Intermediate People's Court where the person subject to enforcement resides or where their property is located. If the residence of the party against whom the enforcement is sought or such party's property is not within the territory of the PRC, the parties may apply to the Intermediate People's Court located at the applicant's residence or at a place that has a proper connection to the dispute of the arbitration. The people's court shall handle the case in accordance with international treaties that the PRC has concluded or participated in, or based on the principle of reciprocity. If a foreign arbitration body imposes restrictions on or discriminates against the legitimate rights and interests of the PRC citizens, legal persons and other organizations, the relevant authorities of the PRC may apply the principle of reciprocity to the citizens, enterprises, and other organizations of such foreign country.

Company Law of the People's Republic of China (《中華人民共和國公司法》), the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》)

PRC-incorporated companies listed on domestic stock exchanges are principally governed by the following PRC laws and regulations:

- The Company Law, enacted by the Standing Committee of the NPC on December 29, 1993 and effective from July 1, 1994, subsequently amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The current version has been effective since July 1, 2024.

- The Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises (《境外上市試行辦法》) together with five accompanying regulatory guidance notes, promulgated by the CSRC on February 17, 2023 under the Securities Law and effective from March 31, 2023, applying to any direct or indirect overseas share offering or listing by domestic enterprises; and

- The Guidelines for Articles of Association of Listed Companies, most recently revised by the CSRC on March 28, 2025 and effective on the same date. Domestic listed companies must formulate their articles of association by reference to these Guidelines.

General

A "joint stock limited company" refers to a corporate legal person incorporated in the PRC under the Company Law with independent legal person properties and entitlements to such legal person properties. The shareholders of a joint stock limited company shall bear liability for the company to the extent of the shares they subscribe for, and the company shall bear liability for its debts with all its assets.

The company may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Where it is specified by laws that a company cannot be the capital contributor who has the joint and several liabilities associated with the debts of the invested enterprise, such laws shall prevail.

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company shall have a minimum of one but no more than 200 people as its promoters, and over half of the promoters must be resident within the PRC. The promoters shall convene an inauguration meeting within 30 days from the date on which the full subscription price for the shares to be issued upon formation has been paid. The procedures for convening and voting at the inaugural meeting of a joint-stock company established by promotion shall be governed by the company's articles of association or the promoters' agreement.

Within 30 days of the conclusion of the inauguration meeting, the board of directors shall apply to the company registration authority for registration of the establishment 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.

Share Capital

The capital of the company is divided into shares. All of the company's shares shall, as stipulated in the articles of association, be either par-value shares or no-par-value shares. If par-value shares are adopted, each share shall have the same par value. The company may, pursuant to its articles of association, convert all issued par-value shares into no-par-value shares or vice versa. Where no-par-value shares are adopted, at least one-half of the proceeds received from the issue of such shares must be included in the registered capital.

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

If a capital contribution is made in non-monetary assets, a valuation on the value of the assets should be carried out; the assets should be verified and converted into shares; and the value shall not be overestimated or underestimated.

Under the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, a domestic enterprise that offers and lists securities overseas may raise proceeds and pay dividends or distributions in either foreign currency or Renminbi.

Registered Shares

The shares of a company shall take the form of stock. A share certificate is the document issued by the company evidencing the shares held by a shareholder. All shares issued by the company shall be registered shares. Under the Company Law, a joint stock limited company shall prepare and maintain a register of shareholders at its domicile. The register of shareholders must record the following particulars:

- the name and domicile of each shareholder;
- the class and number of shares subscribed by each shareholder;
- the serial number of any share certificate issued in paper form; and
- the date on which each shareholder acquired the shares.

Increase in Share Capital

The issuance of shares of joint stock limited company shall be conducted in accordance with the principles of fairness and justice so that each of the shares of the same class shall carry 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 offering price of par-value shares may be equal to or greater than the nominal value of the share, but may not be less than the nominal value.

According to the Company Law, when a joint stock limited company issues new shares, resolutions shall be passed by a shareholders' meeting, approving the class and number of the new shares, the offering price of the new shares, the commencement and end of the new share issuance and the class and number of new shares to be issued to existing shareholders.

Where a company offers shares to the public, it must register the offering with the State Council's securities regulatory authority and publish a document. After the full subscription price for the shares has been paid, the company shall make a public announcement to that effect.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- it shall prepare a balance sheet and a property list;
- the reduction of registered capital must be approved by shareholders' meeting;
- it shall inform its creditors of the reduction in capital within 10 days and publish an announcement of the reduction in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction has been passed;
- creditors may within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of shares

According to the Company Law, a joint stock limited company shall not repurchase its own shares, except for share repurchases made for one of the following purposes: (i) reducing the registered capital of the company; or (ii) merging with another company holding shares of this company; or (iii) implementing the employee share ownership plans or share incentives; or (iv) purchasing the company's own shares upon request of its shareholders who vote against the resolution of shareholders' meeting regarding the merger or division of the company; (v) applying the shares for the conversion of the corporate bonds issued by the company and convertible into shares; (vi) maintaining the corporate value and protecting the shareholders' interests of a listed company as necessary.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share repurchase under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-thirds majority of directors attending the meeting according to the provisions of the company's articles of association or as authorized by the shareholders' meeting. After acquiring shares under item (i), the relevant shares shall be cancelled within 10 days from the date of acquisition. If shares are repurchased under item (ii) or item (iv), the shares shall be transferred or cancelled within six months. The shares held in total by a company after a share repurchase under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or deregistered within three years. Listed companies making a share repurchase shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share repurchase is made by a listed company under any of the circumstances stipulated in (iii), (v) or (vi), centralized trading shall be adopted publicly.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council.

Shareholders

According to the Guidelines for Articles of Association of Listed Companies, the rights of shareholders of a joint stock company are:

- to obtain dividends and any other form of profit distribution based on the number of shares held by them;

- to require, convene, chair, attend or appoint a proxy to attend a shareholders' meeting pursuant to the laws and exercise the corresponding voting rights;
- to supervise the Company's business operations, propose recommendations or raise questions;
- to transfer, bestow or pledge shares held by them in accordance with the laws, administrative regulations and the articles of association;
- to inspect and copy the articles of association, register of shareholders, minutes of shareholders' meetings, board resolutions, financial and accounting reports; shareholders who meet the specified requirements may also inspect the company's accounting books and accounting vouchers;
- to participate in the distribution of the company's remaining assets in proportion to their respective shareholdings at the time of termination or liquidation of the company;
- to require the company to acquire their shares if the shareholders object to resolutions adopted by the shareholders' meeting regarding merger or division of the company;
- other rights stipulated by laws, administrative regulations, departmental rules, or the articles of association.

According to the Guidelines for Articles of Association of Listed Companies, the obligations of shareholders of a joint stock company are as follows:

- to comply with laws, administrative regulations, and the articles of association;
- to pay capital contributions in accordance with the shares they have subscribed for and the method of investment;
- not to withdraw their capital contributions except for circumstances specified by laws and regulations;
- not to abuse shareholder rights to harm the interests of the company or other shareholders; not to abuse the company's independent status as a legal person and shareholders' limited liability to harm the interests of the company's creditors;
- other obligations stipulated by laws, administrative regulations, and the articles of association.

Shareholders' Meeting

The shareholders' meeting shall be the organ of power of the company and shall exercise its functions and powers in accordance with the Company Law. According to the Company Law, the shareholders' meeting shall exercise the following primary functions and powers:

- to elect and replace directors and supervisors and to decide on matters concerning the remuneration of directors and supervisors;
- to consider and approve reports of the board of directors;
- to consider and approve reports of the board of supervisors;
- to consider and approve the company's profit distribution plans and loss recovery plans;
- to resolve on the increase or decrease of the company's registered capital;
- to resolve on the issuance of corporate bonds;
- to resolve on the merger, division, dissolution, liquidation, or change of corporate form of the company;

- to amend the company's articles of association; and
- other functions and powers stipulated in the articles of association.

The annual shareholders' meeting shall be held once a year. Pursuant to the Company Law, the company shall hold an extraordinary shareholders' meeting within two months from the occurrence of any of the following events:

- the number of directors is less than the number stipulated in the Company Law or two-thirds of the number specified in the articles of association;
- the unrecovered losses of the company amount to one-third of its total share capital;
- shareholders holding individually or collectively 10% or more of the company's shares request for the convening of an extraordinary shareholders' meeting;
- the board of directors deems it as necessary;
- the board of supervisors proposes to convene an extraordinary shareholders' meeting; or
- other circumstances stipulated by the articles of association.

Pursuant to the Company Law, the shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the vice chairman; if the vice chairman is unable or fails to perform his/her duties, one director shall be elected by more than half of the directors to preside over the meeting.

According to the Guidelines for Articles of Association of Listed Companies, if the board of directors is unable or fails to convene a shareholders' meeting, the audit committee and shareholders holding individually or collectively 10% or more of the company's shares for 90 consecutive days may, after complying with the necessary procedures, convene and preside over the shareholders' meeting on their own.

Pursuant to the Company Law, the notice of a shareholders' meeting shall specify the time and venue of the meeting as well as the matters to be considered, and shall be announced 20 days prior to the convening of the meeting. The notice of an extraordinary shareholders' meeting shall be announced 15 days prior to the convening of the meeting. According to the Guidelines for Articles of Association of Listed Companies, after the notice of the shareholders' meeting has been issued, the meeting shall not be postponed or canceled without justified reasons, and the proposals listed in the notice shall not be canceled. In case of postponement or cancellation, the convener shall make an announcement and state the reasons at least two working days prior to the original date of holding the meeting.

The Company Law does not specify the number of shareholders required for constituting a quorum at a shareholders' meeting. According to the Guidelines for Articles of Association of Listed Companies, the board of directors and the secretary of the board shall provide support for the shareholders' meetings convened by the audit committee or by the shareholders themselves. The board of directors shall provide the register of shareholders as of the record date of shareholding. If directors and senior management are required to be present at a shareholders' meeting, they shall be present and respond to shareholders' questions.

Pursuant to the Company Law, shareholders holding individually or collectively 1% or more of the company's shares may submit a temporary proposal in writing to the convener 10 days prior to the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within 2 days after receiving the proposal and announce the content of the temporary proposal.

Pursuant to the Company Law, each share held by a shareholder attending a shareholders' meeting shall carry one voting right, except for class shareholders. Shares held by the company itself shall not carry voting rights. Regarding the election of directors at the shareholders' meeting, the cumulative voting system may be implemented in accordance with the articles of association or the resolutions of the shareholders' meeting. Under the cumulative voting system, when directors are to be elected at the shareholders' meeting, each share shall have a number of voting rights equal to the number of directors to be elected, and the voting rights held by a shareholder may be exercised in a centralized manner.

Pursuant to the Company Law and the Guidelines for Articles of Association of Listed Companies, resolutions made at a shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders attending the meeting. However, resolutions made at a shareholders' meeting regarding the following matters shall be passed by more than two-thirds of the voting rights held by the shareholders attending the meeting: (i) amendments to the articles of association; (ii) the increase or decrease of the registered capital; (iii) equity incentive plans; (iv) purchase and sale of material assets or amount of any guarantee provided by the company to others in excess of 30% of the company's latest audited total assets within one year; (v) the merger, division, spin-off, dissolution, liquidation, or change of corporate form of the Company; (vi) other matters stipulated by laws, administrative regulations, or the articles of association, as well as matters that the shareholders' meeting deems to have a significant impact on the company through an ordinary resolution and require a special resolution.

Pursuant to the Company Law, minutes shall be prepared for the resolutions on matters discussed at a shareholders' meeting. The presider of the meeting and the directors attending the meeting shall sign the minutes. The meeting minutes shall be kept together with the attendance register of shareholders present and power of attorney for those attending by proxy.

Board of Directors

Pursuant to the Company Law and the Guidelines for Articles of Association of Listed Companies, a listed company shall establish a board of directors. For a joint stock limited company with more than 300 employees, the board of directors shall include employee representatives, unless the company has established a board of supervisors in accordance with the law that already includes employee representatives of the company. Employee representatives on the board of directors shall be democratically elected by the company's employees through employee representative assembly, employees' meeting, or other forms. The term of office of directors shall be stipulated in the articles of association, but each term shall not exceed three years. Upon expiry of their term, directors may be re-elected. If the term of office of directors expires without timely re-election, or if the resignation of a director during his/her term causes the number of board members to fall below the statutory quorum, the original director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations, and the articles of association until the officially re-elected director of the company takes office.

According to the Company Law, the board of directors shall primarily exercise the following functions and powers:

- to convene shareholders' meetings and report to the shareholders' meetings on its work;
- to implement the resolutions of the shareholders' meetings;
- to decide on the company's business plans and investment proposals;
- to formulate the company's profit distribution plans and loss recovery plans;
- to formulate plans for increase or decrease of the company's registered capital and issuance of corporate bonds;
- to formulate plans for the merger, division, dissolution, or change of corporate form of the company;
- to decide on the establishment of the company's internal management structure;
- to decide on the appointment or dismissal of the company's manager and remuneration thereof, and based on the manager's nomination, decide on the appointment or dismissal of the company's deputy managers, chief financial officer, and their remuneration;
- to establish the company's basic management system;
- other functions and powers stipulated by the articles of association or granted by the shareholders' meeting.

In accordance with the Company Law and the Guidelines for Articles of Association of Listed Companies, the board of directors of a joint stock limited company shall convene at least two meetings annually. The board of directors shall issue a notice of the meeting to all directors 10 days prior to the convening of the meeting. Shareholders representing more than 10% of the voting rights, or one-third or more of the directors, or the audit committee may propose to convene an extraordinary board meeting. The chairman of the board shall convene and preside over the board meeting within 10 days upon receipt of the proposal. A board meeting may only be held if attended by more than half of the directors. Resolutions of the board of directors shall be passed by more than half of all the directors. Voting on resolutions of the board of directors follows a one-person, one-vote principle. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he/she may authorize another director in writing to attend the meeting on his/her behalf. The power of attorney shall specify the scope of authority granted to the representative attending the meeting on his/her behalf.

According to the Company Law, the board of directors shall have one chairman, and may have a vice chairman. The chairman and vice chairman shall be elected by a majority of all directors. The chairman of the board of directors shall convene and preside over board meetings and oversee the implementation of the resolutions of the board of directors. The vice chairman shall assist the chairman in his/her work. If the chairman is unable or fails to perform his/her duties, the vice chairman shall perform the duties on his/her behalf. If the vice chairman is unable or fails to perform his/her duties, more than half of the directors shall jointly nominate a director to perform such duties.

Directors shall be liable for the resolutions of the board of directors. Where a resolution of the board of directors violates laws, administrative regulations, or the articles of association or resolutions of the shareholders' meeting, and causes serious losses to the company, the directors who participated in such resolution shall be liable to compensate the company. However, a director may be exempted from the liability if it can be proven that the director expressed an objection during the vote and such objection was recorded in the meeting minutes.

Board of Supervisors

In accordance with the Transitional Arrangements for the Implementation of the Supporting System Rules of the New Company Law issued by the CSRC, domestic listed companies shall, before January 1, 2026 and in accordance with the Company Law and other relevant regulations, stipulate in their articles of association that an audit committee shall be established within the board of directors to exercise the functions and powers of the board of supervisors as stipulated by the Company Law, and the company shall not establish a board of supervisors or appoint supervisors.

Audit Committee

In accordance with the Guidelines for Articles of Association of Listed Companies, the board of directors of a listed company shall establish an audit committee, which shall exercise the functions and powers of the board of supervisors as stipulated by the Company Law.

The audit committee shall be composed of at least three members, with independent directors constituting more than half of the total members. The audit committee shall hold at least one meeting per quarter. An extraordinary meeting may be convened upon proposal by two or more members, or when the convener deems it necessary. A meeting of the audit committee shall not be held unless at least two-thirds of its members are present. Resolutions of the audit committee shall be passed by a majority of its members.

The audit committee shall be responsible for reviewing the company's financial information and its disclosure, as well as supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the board of directors for deliberation after approval by more than half of all members of the audit committee:

- disclosure of financial information in financial accounting reports and periodic reports, and the internal control evaluation report;
- appointment or dismissal of the accounting firm undertaking the audit business of the listed company;
- appointment or dismissal of the chief financial officer of the listed company;

- changes to accounting policies or accounting estimates, or correction of significant accounting errors for reasons other than changes in accounting standards;

- other matters stipulated by laws, administrative regulations, regulations of the CSRC, and the articles of association.

Manager and Senior Management

According to the Company Law, a company shall appoint one manager, who shall be appointed or dismissed by the board of directors. The manager shall exercise his/her functions and powers in accordance with the articles of association or the authorization of the board of directors. The manager shall attend the board meetings as a non-voting delegate. According to the Company Law, senior management refers to the company's manager, deputy manager(s), chief financial officer, secretary of the board (if it is a listed company), and other personnel stipulated in the articles of association.

Qualifications of Directors and Senior Management Members

According to the Company Law, the following persons may not serve as directors:

- persons without or with restricted civil capacity;

- persons who have been sentenced for the crimes of bribery, embezzlement, misappropriation of property, misappropriation of funds, or crimes that disrupt the socialist market economic order, or persons who have been deprived of political rights due to criminal offenses, where less than five years have elapsed since the completion of the sentence; or persons who have been given a suspended sentence, where less than two years have elapsed since the expiration of the probation period;

- persons who served as directors, factory directors, or managers of a company or enterprise that went bankrupt and was liquidated, and who were personally responsible for such bankruptcy, where less than three years have elapsed since the completion of the liquidation of the company or enterprise;

- persons who served as legal representatives of a company or enterprise whose business license was revoked due to violations of law or which was ordered to close down by law, and who were personally responsible, where less than three years have elapsed since the date of revocation of the business license or closure of such company or enterprise; or

- persons who have been listed by the people's court as judgment defaulters due to failure to repay significant debts when due.

Duties of Directors and Senior Management Members

Pursuant to the Company Law, directors and senior management members of a company shall comply with applicable laws, regulations, and the articles of association. Directors and senior management members owe a duty of loyalty to the company, must take measures to avoid conflicts between their own interests and those of the company, and must not use their positions to obtain improper benefits. Directors and senior management members also owe a duty of diligence to the company, and in performing their duties must exercise the reasonable care that a prudent manager would normally exercise for the best interests of the company.

Directors and senior management members shall not:

- embezzle the property or misappropriate the funds of the company;

- deposit the funds of the company into an account opened in his/her own name or in the name of any other individual;

- give bribes or accept any other illegal proceeds by taking advantage of his/her power;

- take commissions from the transactions between the company and any other person into his/her own pocket;
- unlawfully disclose the confidential information of the company; or
- other acts in violation of the obligation of loyalty to the company.

Where directors or senior management members enter into contracts or conduct transactions, directly or indirectly, with the company, they shall report the relevant matters to the board of directors or the shareholders' meeting and such matters shall be approved by resolution of the board of directors or the shareholders' meeting in accordance with the articles of association.

Directors and senior management members shall not use their positions to appropriate for themselves or others commercial opportunities that belong to the company, except in the following circumstances: i) after reporting to the board of directors or the shareholders' meeting, the board of directors or the shareholders' meeting has approved the matter by resolution in accordance with the articles of association; or ii) in accordance with laws, administrative regulations, or the articles of association, the company is unable to take up such commercial opportunities.

Where directors or senior management members, in the performance of their duties, violate laws, regulations, or the articles of association and cause losses to the company, they shall bear liability for compensation.

Finance and Accounting

According to the Company Law, companies must establish financial and accounting systems in accordance with laws, administrative regulations, and the rules of the financial departments under the State Council. At the end of each fiscal year, companies must prepare financial and accounting reports, which must be audited by an accounting firm in accordance with the law. Such financial and accounting reports must be prepared in compliance with laws, administrative regulations, and the rules of the financial departments under the State Council.

According to the Company Law, joint stock limited companies must prepare their financial and accounting reports at least 20 days prior to the convening of the annual shareholders' meeting and must make such reports available at the company for inspection by shareholders; joint stock limited companies that publicly issue shares must also publish their financial and accounting reports.

Apart from statutory accounting books, companies may not establish any other accounting books. Company funds may not be deposited in accounts opened in the name of any individual.

Engagement and Dismissal of Accounting Firms

According to the Guidelines for Articles of Association of Listed Companies, the engagement and dismissal of accounting firms, as well as the determination of audit fees, shall be decided by the shareholders' meeting. The board of directors may not appoint an accounting firm before such a decision is made by the shareholders' meeting. When the shareholders' meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions. The company shall provide the engaged accounting firm with truthful and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or make false reports.

Profit Distribution

When distributing annual after-tax profits, the company shall allocate 10% of its after-tax profits to the statutory reserve fund. However, if the accumulated amount of the statutory reserve fund reaches 50% of the company's registered capital, no further allocations are required. If the company's statutory reserve fund is insufficient to make up for losses from the previous year, such losses shall first be made up from the profits of the current year before any allocations are made to the statutory reserve fund in accordance with the foregoing provisions. After allocations to the statutory reserve fund, and upon resolution of the shareholders' meeting, the company may also allocate discretionary reserve funds from its after-tax profits. After making up for losses and allocating reserve funds, the remaining after-tax profits shall be distributed to shareholders in proportion to the number of shares held, unless otherwise provided in the Articles of Association. No profit shall be distributed in respect of shares held by the company.

The company may not distribute profits before making up for losses and allocating statutory reserve funds.

The premium arising from the issuance of shares above par value and other income required by the financial departments under the State Council to be included in the capital reserve fund shall be recorded as the company's capital reserve fund.

The company's reserve funds may be used to cover the company's losses, to expand the company's business operations, or to be converted into an increase in the registered capital of the company.

Where the company's reserve funds are used to cover losses, discretionary reserve funds and statutory reserve funds shall be used first. If such amounts are still insufficient to cover the losses, the capital reserve fund may be used in accordance with relevant regulations. When statutory reserve funds are converted into registered capital, the remaining balance of such reserve funds shall not be less than 25% of the company's registered capital prior to the conversion.

Merger and Division

According to the Company Law, a company may merge by way of absorption or by way of a new establishment. Where a company merges by way of absorption, the absorbed company shall be dissolved; where a company merges by way of a new establishment, both of the merging companies shall be dissolved.

In a merger, the merging parties shall enter into a merger agreement and prepare a balance sheet and an inventory of assets. The company shall, within 10 days from the date of the merger resolution, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors may, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice is received, request the company to settle debts or provide corresponding guarantees. Upon merger, the debts and claims of the merging parties shall be assumed by the surviving company or the newly established company.

In a division, the company's assets shall be appropriately split. In the case of a division, the company shall prepare a balance sheet and an inventory of assets. The company shall, within 10 days from the date of the division resolution, notify its creditors, and shall, within 30 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Debts of the company prior to division shall be jointly and severally assumed by the companies after the division, unless otherwise agreed in writing between the company and its creditors prior to the division regarding debt settlement.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved under any of the following circumstances: (i) the term of business prescribed in the articles of association has expired or other dissolution events stipulated in the articles of association have occurred; (ii) a resolution to dissolve the company has been adopted at the shareholders' meeting; (iii) dissolution is necessary due to a merger or division; (iv) the company's business license has been lawfully revoked, or the company has been ordered to close down or to be dissolved; or (v) the company has encountered serious difficulties in its business management that cannot be resolved by other means, and the continued existence of the company would cause significant losses to shareholders' interests, in which case shareholders holding 10% or more of all voting rights of the company may petition the people's court for dissolution, and the people's court shall order dissolution as appropriate. Where any of the above circumstances occur, the company shall, within 10 days, make a public announcement through the National Enterprise Credit Information Publicity System.

If the circumstances set forth in items (i) or (ii) above occur, the company may continue to exist by amending the articles of association or, provided that no assets have yet been distributed to shareholders, by resolution of the shareholders' meeting. Such amendment to the articles of association or resolution of the shareholders' meeting must be adopted by shareholders representing two-thirds or more of the voting rights present at the shareholders' meeting. Where the company is dissolved under the circumstances set forth in items (i), (ii), (iv), or (v) above, a liquidation committee shall be established. Directors shall serve as the liquidation obligors of the company, and shall establish a liquidation committee within 15 days after the occurrence of the dissolution event to carry out liquidation.

The liquidation committee shall, within 10 days from its establishment, notify the creditors of the company, and shall, within 60 days, make a public announcement in a newspaper or on the National Enterprise Credit Information Publicity System. Creditors shall, within 30 days from the date of receiving the notice, or within 45 days from the date of the announcement if no notice is received, declare their claims to the liquidation committee. Creditors must state all matters relating to the claims they declare and provide supporting evidence. The liquidation committee shall register such claims. During the period for declaring claims, the liquidation committee may not settle any debts owed to creditors.

After liquidating the company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After the payment of liquidation expenses, wages, social insurance expenses, and statutory compensation, the settlement of outstanding taxes, and the repayment of company debts, the remaining assets of the company shall be distributed to shareholders in proportion to the number of shares held. During the liquidation period, the company shall continue to exist, but may not engage in any business activities unrelated to liquidation. The company's assets may not be distributed to shareholders before the settlement of debts in accordance with the foregoing provisions.

Where, after liquidating the company's assets and preparing a balance sheet and an inventory of assets, the liquidation committee discovers that the company's assets are insufficient to settle its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the law. Where the company is lawfully declared bankrupt, bankruptcy liquidation shall be carried out in accordance with relevant laws on enterprise bankruptcy.

Upon completion of liquidation, the liquidation committee shall prepare a liquidation report, submit it to the shareholders' meeting or the people's court for confirmation, and file it with the company registration authority for deregistration of the company.

Overseas Listing

According to the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, where an issuer, after an overseas offering and listing, offers securities again in the same overseas market, it shall file with the CSRC within three working days after the completion of such offering. Where an issuer, after an overseas offering and listing, offers and lists securities in another overseas market, it shall also file with the CSRC in accordance with the first paragraph of this Article. In addition, where the filing materials are complete and in compliance with the prescribed requirements, the CSRC shall complete the filing within 20 working days from the date of receipt of the filing materials and shall publish the filing information on its website. Where the filing materials are incomplete or non-compliant, the CSRC shall, within five working days of receipt of the filing materials, notify the issuer of the supplementary materials required. The issuer shall provide the supplementary materials within 30 working days. In the event of a voluntary delisting or a compulsory delisting, the issuer shall, within three working days from the date of the occurrence and announcement of the relevant matter, report the specific circumstances to the CSRC.

PRC Securities Laws and Regulations

The Securities Law comprehensively regulates activities in the securities market of the PRC. It was implemented on July 1, 1999 and was subsequently amended on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019. The Securities Law provides for matters including securities issuance, securities trading, acquisitions of listed companies, information disclosure, securities exchanges, securities companies, securities registration and clearing institutions, securities service institutions, securities associations, and the securities regulatory authorities of the State Council. The CSRC has also promulgated numerous rules and regulatory documents relating to the issuance of shares, securities trading, and information disclosure. Article 224 of the Securities Law stipulates that domestic enterprises must comply with the relevant provisions of the State Council in order to list their shares overseas. At present, the issuance and trading of shares offered overseas are primarily regulated by the rules and regulations promulgated by the State Council and the CSRC.