This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. Laws and regulations related to taxation in the PRC are discussed separately in "Appendix III — Taxation and Foreign Exchange" of this document. This Appendix also contains a summary of laws and regulatory provisions of the PRC Company Law (《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 Constitution of the PRC (《中華人民共和國憲法》), or the "Constitution", and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations of autonomous regions, rules and regulations of departments of the State Council, rules and regulations of local governments, 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.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》), or the "Legislation Law", as last amended by the National People's Congress (the "NPC") on March 13, 2023, and effective from March 15, 2023, the NPC and the Standing Committee of the National People's Congress (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 enact administrative regulations in accordance with the Constitution and laws. The people's congresses of provinces, autonomous regions, and municipalities, along with their standing committees, may enact local regulations based on the specific circumstances and practical needs of their respective administrative regions, provided that such regulations do not conflict with the provisions of the Constitution, laws, or administrative regulations. The people's congresses and their standing committees of cities divided into districts may, based on the specific conditions and actual needs of their respective cities, enact local regulations concerning urban and rural construction and management, ecological conservation, historical and cultural preservation, and grassroots governance, provided that such regulations do not contravene any provisions of the Constitution, laws, administrative regulations, or local regulations of the relevant province or autonomous region. Where the law provides otherwise for the enactment of local regulations by a city divided into districts, such provisions shall prevail. Local regulations of cities divided into districts shall be submitted to the Standing Committee of the People's Congress of the province or autonomous region for approval before they take effect.

The Standing Committee of the People's Congress of a province or autonomous region shall examine the legality of local regulations submitted for approval and such approval should be granted within four months if they do not conflict with the Constitution, laws, administrative regulations, or local regulations of the province or autonomous region. The people's congresses of ethnic autonomous areas have the authority to enact autonomous regulations and separate regulations in accordance with the political, economic, and cultural characteristics of the local ethnic groups. Ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and directly subordinate agencies with administrative functions, as well as institutions stipulated by law, may, in accordance with the law, administrative regulations, decisions, and orders of the State Council, formulate regulations within the scope of their respective authorities.

The Constitution has supreme legal authority, and no law, administrative regulation, local regulation, autonomous regulation, or separate regulation shall contravene the Constitution. Laws take precedence over administrative regulations, local regulations, and rules. Administrative regulations take precedence over local regulations and rules. Local regulations take precedence over local government rules at the same and lower levels. Rules enacted by the provincial and autonomous region governments shall take precedence over those enacted by the people's governments of the cities divided into districts and autonomous prefecture 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 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 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 June 10, 1981, the Supreme People's Court shall interpret all matters concerning the specific application of laws and decrees in court trial proceedings. The Supreme People's Procuratorate shall interpret all matters concerning the specific application of laws and decrees in procuratorial work. Questions regarding the specific application of other laws and decrees not related to judicial or prosecutorial work shall be interpreted by the State Council and the competent authorities.

Where the provisions of local regulations require further definition or supplementary provisions, the Standing Committee of the People's Congress of the province, autonomous region, or municipality which have enacted these regulations shall interpret or make the stipulations. Any issues regarding the specific application of local regulations shall be interpreted by the competent departments of the 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》), which was latest revised by the SCNPC on October 26, 2018, and took effect on January 1, 2019, the People's Courts of China consist of the Supreme People's Court, local people's courts at all levels, and special people's courts. Local people's courts at all levels are divided into higher people's courts, intermediate people's courts, and basic people's courts. Basic people's courts may establish several people's tribunals based on the region, population, and case circumstances. The Supreme People's Court is the highest judicial authority. The Supreme People's Court supervises the judicial work of local people's courts at all levels and special people's courts. Higher people's courts supervise the judicial work of lower people's courts.

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》), which was latest revised by the SCNPC on October 26, 2018, and took effect on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate is the highest prosecutorial organ. The Supreme People's Procuratorate shall direct the work of local people's procuratorates at all levels and special people's procuratorates, while higher people's procuratorates supervise the work of lower people's procuratorates.

The People's Courts implement a two-tier trial system with final adjudication, and the judgment or ruling of the People's Court in the second instance is the final judgment or ruling. If the parties disagree with the first-instance judgment or ruling of the local people's court, they have the right to file an appeal. The People's Procuratorate may, in accordance with procedures prescribed by law, file a protest with the People's Court. If the parties do not file an appeal and the People's Procuratorate does not contest it within the prescribed period, the judgment or ruling of the People's Court shall be final. The judgments or rulings of the Intermediate People's Courts, the Higher People's Courts, and the Supreme People's Court in the second instance, as well as the judgments or rulings of the Supreme People's Court in the first instance, are final and binding. However, if the Supreme People's Court or a higher people's court finds that a legally binding final judgment or ruling of a lower people's court contains an error, or if the president of a people's court at any level finds that a legally binding final judgment or ruling of their own court contains an error, the court may conduct a retrial in accordance with the trial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "Civil Procedure Law"), last amended by the SCNPC on September 1, 2023 and effective from January 1, 2024, stipulates the conditions for filing civil lawsuits, the jurisdiction of the People's Courts, the procedures to be followed in civil litigation, and the enforcement procedures for civil judgments or rulings. All parties involved in civil litigation within China must comply with the Civil Procedure Law. Civil cases are generally heard in the court where the defendant resides. The parties to a contract or other property rights dispute may agree in writing to select the jurisdiction for civil litigation, provided that the court is located in a place with a substantial connection to the dispute, such as the domicile of the plaintiff or defendant, the place of contract performance or execution, or the location of the subject matter. However, in no case may the choice of court conflict with the provisions regarding hierarchical and exclusive jurisdiction.

Foreigners, stateless persons, foreign enterprises, or organizations shall have equal litigation rights and obligations as Chinese citizens, legal persons, and other organizations when filing or responding to lawsuits in the People's Courts. If a foreign court imposes restrictions on the civil litigation rights of Chinese citizens, legal persons, or other organizations, Chinese courts shall apply the principle of reciprocity regarding the civil litigation rights of that country's citizens, enterprises, and organizations. If a foreigner, stateless person, foreign enterprise, or organization files or responds to a lawsuit in a people's court and requires legal representation, they must appoint a Chinese lawyer. In accordance with international treaties to which China is a party or has participated, or based on the principle of reciprocity, the People's Courts and foreign courts may, upon mutual request, assist each other in serving documents, conducting investigations and collecting evidence, as well as performing other litigation-related actions. The people's courts shall not comply with a request for assistance from a foreign court if it undermines China's sovereignty, security, or public interests.

The parties must comply with legally binding civil judgments and rulings. If either party to a civil lawsuit refuses to comply with a judgment or ruling issued by a people's court or an award rendered by an arbitration institution, the other party may apply to a people's court for enforcement within two years. The suspension or interruption of the statute of limitations for enforcement applications shall be governed by the legal provisions on the suspension or interruption of the statute of limitations for litigation.

If a legally effective judgment or ruling made by a people's court is to be executed against a party or property located outside the territory of China, the parties may directly apply to a competent foreign court for recognition and enforcement. Alternatively, the people's court may request the foreign court to recognize and enforce the judgment or ruling in accordance with the provisions of international treaties to which China is a party or has participated or based on the principle of reciprocity. Where a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people's court, the party concerned may directly apply to an intermediate people's court with jurisdiction for such recognition and enforcement. Alternatively, the foreign court may, in accordance with the provisions of an international treaty concluded or acceded to by that country and China, or based on the principle of reciprocity, request the people's court to recognize and enforce the judgment or ruling. However, this shall not apply if the people's court determines that such recognition and enforcement would violate the fundamental legal principles of the PRC or compromise national sovereignty, security, or public interests.

THE PRC COMPANY LAW, TRIAL MEASURES FOR THE ADMINISTRATION ON OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES, AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company established in China seeking a listing 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》) (the "Company Law") was adopted by the SCNPC on December 29, 1993, came into effect on July 1, 1994, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The latest revised Company Law came into effect on July 1, 2024.

The Trial Measures for the Administration of Overseas Offering and Listing of Securities by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "Overseas Listing Trial Measures") promulgated by the CSRC on February 17, 2023, along with its five supporting guidelines, took effect on March 31, 2023. These measures apply to PRC domestic enterprises issuing securities overseas either directly or indirectly, or listing and trading their securities outside the PRC.

Pursuant to the Overseas Listing Trial Measures and its supporting guidelines, domestic companies directly listing overseas shall formulate their articles of association by referring to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidelines for Articles of Association") and other relevant corporate governance regulations issued by the China Securities Regulatory Commission. The Mandatory Provisions for Articles of Association of Companies to be Listed Overseas will cease to apply effective March 31, 2023. The Guidelines for Articles of Association were issued by the CSRC on December 16, 1997 and last amended and came into effect on March 28, 2025.

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

General Provisions

A joint stock limited company refers to a corporate legal person registered under the Company Law, which possesses independent corporate assets and enjoys corporate property rights. The company is liable for its debts to the extent of all its assets, and shareholders are liable to the company to the extent of their subscribed shares.

The company must comply with laws, social morality, and business ethics, act with honesty and integrity, and accept supervision from the government and the public in conducting its business activities. The company may invest in other businesses. If the law stipulates that a company shall not be the capital contributor who has the joint liabilities associated with the debts of the invested enterprise, such stipulation shall prevail.

Incorporation

A joint stock limited company may be established through promotion or fundraising. A joint stock limited company shall be incorporated by one to two hundred promoters, with more than half of them required to have a domicile within China.

The promoters of a joint stock limited company established through subscription shall convene an inaugural meeting within thirty days from the date when the payment for the shares to be issued upon incorporation is fully paid up. The promoters shall notify all subscribers of the meeting date or issue a public announcement at least fifteen days before the inaugural meeting is held. The inaugural meeting shall be held only if warrant holders holding a majority of the voting rights are present.

Within thirty days after the conclusion of the inaugural meeting, the board of directors shall authorize a representative to apply to the company registration authority for establishment registration. After the relevant registration authority issues the business license, the company is officially established and acquires legal person status.

Share Capital

The promoters of a company may make capital contributions in monetary form, or in kind, intellectual property rights, land use rights, equity, debt claims, and other non-monetary assets that can be valued in monetary terms and legally transferred, except for assets prohibited by laws or administrative regulations from being used as capital contributions.

The Overseas Listing Trial Measures stipulates that domestic companies may raise capital and distribute dividends in foreign currency or RMB for overseas offering and listing.

Under the Company Law, a joint stock limited company must prepare and maintain a register of shareholders at the company, containing the following details:

(i) The name(s) and address(es) of the shareholder(s);

(ii) The class and number of shares subscribed by each shareholder;

(iii) The serial number of stock certificates issued in paper form;

(iv) The date on which each shareholder acquired the shares.

Allocation and Issuance of Shares

Shares shall be issued in accordance with the principles of fairness and impartiality. Each share in the same class shall have equal rights. For shares of the same class issued in the same offering, the issuance terms and price per share must be identical. Shares with a par value may be issued at a price equal to or exceeding the par value, but not below the par value.

Domestic enterprises offering and listing overseas shall file with the CSRC in accordance with the Overseas Listing Trial Measures, submitting filing reports, legal opinions, and other relevant materials, and providing true, accurate, and complete information on shareholders. For domestic enterprises directly offering and listing overseas, the issuer must file with the CSRC.

Increase in Share Capital

According to the Company Law, the issuance of new shares by a joint stock limited company shall be resolved by the shareholders' meeting regarding the class and number of new shares to be issued, the issue price, the commencement and termination dates of the issuance, and the class and number of new shares to be issued to existing shareholders. In the case of no-par value shares, more than half of the proceeds from the issuance of new shares shall be credited to the registered capital. When a company offers shares to the public, it must register with the Securities Regulatory Authority of the State Council and publish a document. After the company issues new shares and raises the full amount of capital, it must update its registration details with the company registration authority and issue a corresponding public announcement.

Decrease in Share Capital

A company may decrease its registered capital in accordance with the following procedures stipulated in the Company Law:

(i) Prepare balance sheets and checklists of properties;

(ii) The company passed a resolution at the shareholders' meeting to decrease the registered capital;

(iii) The company shall notify creditors within ten days from the date the shareholders' meeting passes the resolution to decrease the registered capital and shall publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within thirty days;

(iv) Creditors shall, within 30 days of receiving a notice or within 45 days since the day of the announcement for those who have not received a notice, be entitled to require the company to repay debts or provide corresponding guarantees;

(v) When a company decreases its registered capital, it must file for a change of registration with the company registration authority in accordance with the law.

When a company decreases its registered capital, it shall proportionally reduce the capital contributions or shares based on the shareholders' respective contributions or shareholdings, unless otherwise stipulated by law, unanimously agreed upon by all shareholders of the limited liability company, or specified differently in the joint stock limited company's Articles of Association.

Share Repurchase

According to the Company Law, a company may not purchase its own shares except under the following circumstances:

(i) in order to reduce the registered capital of the Company;

(ii) merger with other companies holding shares in the Company;

(iii) the shares are used for employee stock ownership plans or equity incentives;

(iv) a shareholder requests the Company to purchase the shares held by him/her since he/she objects to a resolution of the Shareholders' meeting on the combination or division of the Company;

(v) the shares are used for converting convertible corporate bonds issued by the Company;

(vi) when it is necessary for the listed company to preserve its value and Shareholders' rights and interests;

The Company's purchase of its own shares due to the circumstances specified in items (i) and (ii) of the preceding paragraph shall be approved by a resolution of the shareholders' meeting; If the company purchases its own shares due to the circumstances specified in items (iii), (v) and (vi) of the preceding paragraph, it may, in accordance with the Company's Articles of Association or the authorization of the shareholders' meeting, subject to the resolution of the Board meeting attended by more than two-thirds of the Directors.

After the Company purchases its own shares in accordance with the provisions of the preceding paragraph, if it falls under the circumstances mentioned in item (i) above, the shares shall be canceled within ten days from the date of purchase; if it falls under the circumstances specified in items (ii) and (iv) above, the shares shall be transferred or canceled within six months; if it falls under the circumstances specified in items (iii), (v) and (vi) above, the total number of shares held by the Company shall not exceed 10% of the total number of issued shares of the Company, and 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. A listed company acquiring its own shares under the circumstances specified in items (i), (iii), (v) or (vi) above shall be made through public centralized trading.

Share Transfer

Shares held by shareholders may be transferred in accordance with the law. Under the Company Law, the share transfer by the shareholders of a joint stock company shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council. The stocks shall be transferred by a shareholder in the form of endorsement or by any other means prescribed by the relevant laws or administrative regulations. After the transfer, the Company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within 20 days before any general meeting is held, or within 5 days prior to the benchmark date decided by the Company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.

Under the Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. The Directors and senior management member of the Company shall declare to the Company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year shall not exceed 25% of the total shares they hold of the Company; the shares of the Company held by them shall not be transferred within 1 year as of the day when the stocks of the Company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the Company held within six months after he/she leaves office. Any other restrictions on the transfer of Company's shares held by Directors or senior management members may be specified in the Articles of Association.

Shareholders, Directors, or senior management members holding more than five percent of the Company's shares, if selling the shares of the Company held or other equity securities held by them within six months after acquisition or buying back the shares within six months after selling, the profits from these transactions shall belong to the Company, and the Board of Directors shall reclaim the profits. However, this does not apply to securities companies holding over five percent of the shares due to the purchase of remaining stocks after underwriting and as well as other circumstances specified by the CSRC.

Shares or other securities of an equity nature held by Directors, senior management members and natural person shareholders as mentioned in the preceding paragraph, including shares or other securities of an equity nature held by their spouses, parents, children, as well as shares held through others' accounts.

If the Company's Board of Directors fails to comply with the provisions of the preceding paragraph, shareholders are entitled to request the Board of Directors to comply within thirty days. If the Company's Board of Directors fails to comply within the aforementioned period, shareholders are entitled to file a lawsuit directly in their own name for the Company's interests in the People's Court. If the Board of Directors fails to implement the provisions of the preceding paragraph, the responsible directors shall bear joint and several liability according to the law.

Shareholders

The Company shall keep a register of shareholders according to the certificates issued by the securities registration and settlement authority. 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 and provisions of the securities regulatory rules of the place where the Company's shares are listed. 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:

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

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

(iii) to supervise operational activities of the Company, provide suggestions or make queries;

(iv) to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations and the Articles of Association;

(v) to inspect and copy the Articles of Association, register of shareholders, minutes of shareholders' meeting, resolutions of Board meetings, and financial accounting reports, and shareholders in compliance with the regulations may inspect the accounting books and documents of the Company;

(vi) to participate in the distribution of the residual properties of the Company in proportion to the number of Shares they hold in the event of the termination or liquidation of the Company;

(vii) to require the Company to acquire the Shares they hold if they disagree with the merger and separation resolution made by the shareholders' meeting;

(viii) other rights stipulated by laws, administrative regulations, departmental regulations or the Articles of Association.

The obligations of a shareholder of ordinary shares of the Company include:

(i) to abide by laws, administrative regulations and the Articles of Association;

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

(iii) not to withdraw their share capital unless required by the laws and regulations;

(iv) not to abuse the shareholders' rights to harm the benefits of the Company or other shareholders; not to abuse the independent status of the Company as a legal person and the limited liabilities of shareholders to harm the benefits of the Company's creditors;

(v) other obligations that shall be undertaken as stipulated by the laws, administrative regulations and the Articles of Association.

Shareholders' Meeting

Under the Company Law and Guidelines for Articles of Association, the shareholders' meeting exercises the following functions and powers:

(i) to elect and replace Directors and to decide on matters relating to emolument of Directors;

(ii) to consider and approve reports of the Board of Directors;

(iii) to consider and approve the Company's profit distribution proposals and proposals for making up losses;

(iv) to resolve on the increase or reduction of the Company's registered capital;

(v) to resolve on the issuance of debentures by the Company;

(vi) to resolve on matters such as merger, division, dissolution and liquidation or change of corporate form of the Company;

(vii) to amend the Articles of Association;

(viii) to resolve on the Company's appointment and dismissal of the accounting firm undertaking the Company's audit business;

(ix) to consider and approve the guarantee matters stipulated in the Articles of Association;

(x) to consider the purchase or disposal of material assets within one year with an amount exceeding 30% of the latest audited total assets of the Company;

(xi) to consider and approve the change of use of proceeds;

(xii) to consider and approve the share incentive scheme and employee stock ownership scheme;

(xiii) to consider other matters that should be decided by the shareholders' meeting as stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

According to the Company Law and the Guidelines of the Articles of Association, the annual general meeting shall be convened once a year, and shall be held within six months after the prior fiscal year ends.

An extraordinary general meeting shall be convened within two months of the occurrence of any of the following circumstances:

(i) the number of Directors is less than the number specified in the Company Law or two-thirds of the number required by the Articles of Association;

(ii) the uncovered loss of the Company reaches one-third of the total share capital of the Company;

(iii) at the request of shareholders individually or in aggregate holding at least 10% of the Company's shares (including preference shares with restored voting rights, etc.);

(iv) the Board considers it necessary;

(v) the Audit Committee proposes such a meeting be held;

(vi) any other circumstances stipulated by laws, administrative regulations, departmental rules or the Articles of Association.

Upon approval by a majority of all independent directors, the independent directors have the right to propose that the board of directors convene an extraordinary shareholders' meeting. For the above-mentioned proposals, the Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the proposal. If the Board of Directors agrees to convene the extraordinary general meeting, a notice convening such a meeting shall be issued within five days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary general meeting, it shall give an explanation and make an announcement.

The Audit Committee is authorized to propose in writing to the Board of Directors the convening of an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the proposal. In case the Board agrees to convene an extraordinary general meeting, the Board of Directors shall issue a notice calling for an extraordinary general meeting within five days since the relevant Board resolution. In case changes are made to the original proposal, agreement on the changes shall be sought from the Audit Committee. In case the Board of Directors disagrees with the Audit Committee on convening an extraordinary general meeting, or it does not give any feedback within ten days after receiving the proposal, the action shall be deemed as incapable of performing or not performing its duty to convene a general meeting. Under these circumstances, the Audit Committee may convene and chair the extraordinary general meeting at its discretion.

Shareholders who individually or collectively hold more than 10% of the Company's shares (including preferred shares with restored voting rights, etc.) have the right to request in writing to the Board of Directors to convene an extraordinary general meeting. The Board of Directors shall, in accordance with the laws, administrative regulations and the Articles of Association, make a written response as to whether or not it agrees to convene an extraordinary general meeting within ten days of receiving the request. In case the Board agrees to convene an extraordinary general meeting, the Board of Directors shall issue a notice calling for a general meeting within five days since the relevant Board resolution. In case changes are made to the original request, agreement on the changes shall be sought from the relevant shareholders. In case the Board does not agree to convene an extraordinary general meeting, or fails to provide feedback within ten days after receiving such request, shareholders who individually or collectively hold 10% or more of the Company's shares (including preferred shares with restored voting rights, etc.) may submit a written proposal to the Audit Committee to convene an extraordinary general meeting. If the Audit Committee agrees to convene an extraordinary general meeting, it shall issue a notice of convening the extraordinary general meeting within five days of receiving such request. In case changes are made to the original request, agreement on the changes shall be sought from the relevant shareholders. If the Audit Committee fails to issue a notice of convening a shareholders' meeting by the prescribed deadline, it shall be deemed to have failed to convene and preside over a shareholders' general meeting, and shareholders individually or jointly holding no less than 10% of the shares (including preferred shares with restored voting rights, etc.) of the Company for at least 90 days in succession may convene and preside over such meeting at their discretion.

The expenses necessary for the shareholders' general meeting convened by the Audit Committee or the shareholders themselves shall be borne by the Company.

Directors

According to the Company Law and the Guidelines of the Articles of Association, 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 senior management personnel, provided that the total number of directors who concurrently serve as senior management personnel and directors who are employee representatives shall not exceed half of the total number of Directors of the Company. A company with more than three hundred employees shall include employee representatives in its board of directors. The employee representative(s) on the Board of Directors shall be democratically elected by the Company's employees through staff representative assemblies, general staff meetings or other appropriate means, and such appointment shall not require approval by the general meeting.

The Board of Directors meets at least twice a year, and each meeting shall be notified in writing to all Directors ten days before the meeting. The Board exercises the following powers:

(i) to convene the shareholders' meeting and report on its work to the shareholders;

(ii) to implement the resolutions of the shareholders' meeting;

(iii) to determine the Company's business plans and investment proposals;

(iv) to formulate the Company's profit distribution proposals and proposals for making up losses;

(v) to prepare proposals for increasing or reducing the registered capital of the Company and proposals for the issue of debenture or other securities and listing of the Company;

(vi) to formulate plans for material acquisitions, purchase of shares of the Company, or merger, division and dissolution of the Company as well as change of corporate form;

(vii) to decide on, within the authority granted by the Shareholders' general meeting, such matters as external investment, acquisition and disposal of assets, asset mortgage, external guarantee, entrusted financial management, connected transactions and external donations;

(viii) to decide on the establishment of internal management organizations of the Company;

(ix) to decide on the appointment or dismissal of the general manager and secretary to the Board and other senior management officers of the Company, and to determine their remuneration, rewards and punishments; to decide on the appointment or dismissal of the deputy manager, financial controller and other senior management officers based on the nominations by the general manager, and to determine their remuneration, rewards and punishments;

(x) to set up the basic management system of the Company;

(xi) to formulate proposals for any amendment to the Articles of Association;

(xii) to manage information disclosure matters of the Company;

(xiii) to propose to the Shareholders' general meeting the appointment or replacement of accounting firms which provide audit services to the Company;

(xiv) to listen to the work reports of general manager of the Company and review their work; and

(xv) other functions and powers conferred by laws, administrative regulations, departmental rules, Articles of Association or Shareholders' meeting.

Within the scope of authorization by the Shareholders' general meeting, the Board of Directors shall define the authority for matters such as external investments, acquisition or disposal of assets, asset mortgages, external guarantees, entrusted wealth 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 meeting of the Board of Directors, 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 meeting of the Board of Directors may be held when more than half of the non-connected Directors attend the meeting. The resolution of the meeting of the Board of Directors 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' general meeting for consideration.

According to the Company Law and the Guidelines of the Articles of Association, under any of the following circumstances, no person may serve as a Director or senior management personnel of the Company:

(i) having no capacity for civil conduct or having limited capacity for civil conduct;

(ii) having been sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disruption of the socialist market economic order, or having been deprived of political rights due to a crime, and less than five years have elapsed since the completion of the sentence, or in case of a probation, less than two years have elapsed since the expiration of the probation period;

(iii) having served as a director, factory director, or manager of a company or enterprise that underwent bankruptcy liquidation, and bearing personal responsibility for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise;

(iv) having served as the authorized representative of a company or enterprise that had its business license revoked or was ordered to close down due to illegal activities, and bearing personal responsibility therefor, and less than three years have elapsed since the revocation of the business license of or the order to close down for such company or enterprise;

(v) having been listed by the people's court as a judgment defaulter due to failure to repay a significant amount of due debts;

(vi) having been subjected to a securities market entry ban by the CSRC, and the ban period has not yet expired;

(vii) the person is publicly deemed by a stock exchange as unsuitable to serve as a director and senior management of a listed company and the term of prohibition has not expired;

(viii) other circumstances stipulated by laws, administrative regulations or departmental rules.

The Board of Directors shall have one chairman. The chairman and vice-chairman shall be elected by more than half of all directors.

Audit Committee

In accordance with the Company Law and the Guidelines on Articles of Association, the Company's Board of Directors has established an Audit Committee to exercise the authority of the Supervisory Committee as stipulated in the Company Law. The Audit Committee shall consist of three or more members who are directors not serving as senior management of the Company, with a majority being independent directors. The committee shall be convened by an accounting professional from among the independent directors. Employee representatives on the Board of Directors may serve as members of the Audit Committee.

The Audit Committee meets at least quarterly. An interim meeting may be convened upon the proposal of two or more members or when the convener deems it necessary. Meetings of the Audit Committee shall be held only when at least two-thirds of the members are present. Resolutions of the Audit Committee shall be adopted by a majority vote of its members. Voting on resolutions by the Audit Committee shall be conducted on a one-person-one-vote basis. The manner of conducting business and voting procedures of the Audit Committee shall be governed by the Articles of Association, unless otherwise stipulated in the Company Law.

The Audit Committee is responsible for reviewing the Company's financial information and its disclosures, overseeing and evaluating internal and external audits and internal controls. The following matters shall be submitted to the Board of Directors for deliberation after approval by a majority of all Audit Committee members:

(i) Disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(ii) Hire or terminate an accounting firm responsible for auditing listed companies;

(iii) Appoint or dismiss the financial controller of a listed company;

(iv) Changes in accounting policies, changes in accounting estimates, or corrections of significant accounting errors are made for reasons other than changes in accounting standards;

(v) Other matters as stipulated by laws, administrative regulations, CSRC regulations, and the Articles of Association.

Senior Management

In accordance with the Company Law and the Guidelines on Articles of Association, the Company shall have one manager, who shall be appointed or dismissed by the Board of Directors. The manager is accountable to the Board of Directors and shall exercise authority in accordance with the Articles of Association or as authorized by the Board. The manager attends Board meetings.

According to the Company Law, senior management refers to the manager, deputy manager, financial officer, board secretary of a listed company, and other personnel as stipulated in the Articles of Association.

Duties of Directors and Senior Management

According to the Company Law and the Guidelines on Articles of Association, directors and senior management shall comply with laws, administrative regulations, and the Articles of Association, and owe a duty of loyalty to the Company. They shall take measures to avoid conflicts between their personal interests and the Company's interests, and shall not exploit their positions to obtain improper benefits. Directors and senior management owe the following fiduciary duties to the Company:

(i) Do not misappropriate the Company's property or funds;

(ii) Company funds shall not be deposited in an account under a personal name or in the name of any other individual;

(iii) Do not use official position to offer bribes or accept other illegal income;

(iv) No contract or transaction shall be entered into directly or indirectly with the Company without first being reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the Board of Directors or the shareholders' meeting in accordance with the provisions of the Articles of Association;

(v) Shall not use the convenience of his/her position to seek for himself/herself or others any business opportunities belonging to the Company, unless such business opportunities are reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or unless the Company is prohibited from utilizing such business opportunities under applicable laws, administrative regulations, or the provisions of the Articles of Association;

(vi) Without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a shareholders' meeting resolution, no one shall operate on their own behalf or on behalf of others a business that is of the same type as the Company's business;

(vii) Shall not accept commissions from transactions with the Company for personal gain;

(viii) Shall not disclose the secrets of the Company without consent;

(ix) Shall not use their affiliation to harm the Company's interests;

(x) Other loyalty obligations as stipulated by the laws, administrative regulations, departmental rules and the Articles of Association.

Any income obtained by a director in violation of the above provisions shall be returned to the Company; if such violation causes losses to the Company, the director shall be liable for compensation.

Directors and senior management shall comply with the provisions of laws, administrative regulations, and the Articles of Association. They owe a duty of diligence to the Company and shall perform their duties with the reasonable care typically expected of managers, acting in the Company's best interests. The diligence obligations of directors and senior management to the Company are as follows:

(i) To exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities are in compliance with the laws, administrative regulations and the requirements of economic policies of China and that its commercial activities are within the scope stipulated in the business license;

(ii) To treat all shareholders fairly;

(iii) To understand the operation and management of the Company in a timely manner;

(iv) To approve regular reports of the Company in written form and to ensure the integrity, accuracy and completeness of the information disclosed by the Company;

(v) To provide all relevant information and materials required by the Audit Committee and shall not intervene the performance of duties of the Audit Committee;

(vi) Other duties of diligence as stipulated by laws, administrative regulations, departmental rules, and the Articles of Association.

Financial Accounting System

In accordance with the Company Law, the Company establishes its financial accounting system in compliance with laws, administrative regulations, and the regulations of relevant state departments.

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

When the Company distributes its after-tax profits for the year, it must allocate 10% of the profits to the Company's statutory reserve fund. If the accumulated amount of the Company's statutory reserve reaches 50% or more of the Company's registered capital, no further withdrawals are required.

If the Company's statutory reserve is insufficient to cover the losses from previous years, the Company must first use the current year's profits to offset the losses before allocating funds to the statutory reserve as stipulated in the preceding paragraph.

After the Company has withdrawn the statutory reserve fund from its after-tax profits, it may also withdraw a discretionary reserve fund from its after-tax profits upon resolution by the shareholders' meeting.

After-tax profits remaining after covering losses and allocating reserves shall be distributed in proportion to the shares held by shareholders, unless otherwise stipulated in the Articles of Association.

If a Company violates the above regulations by distributing profits to its shareholders, the shareholders must return the unlawfully distributed profits to the Company. If this causes losses to the Company, the shareholders, along with the responsible directors and senior management, shall be liable for compensation.

The Company's reserve fund is used to cover the Company's losses, expand its production operations, or increase its capital.

Where the reserve fund of a 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 provisions.

When statutory reserve is converted to increase registered capital, the retained portion of such reserve shall not be less than twenty-five percent of the Company's registered capital prior to the conversion.

Appointment and Termination of Accounting Firms

In accordance with the Company Law and the Guidelines on Articles of Association, the Company engages an accounting firm that complies with the Securities Law to conduct financial statement audits, net asset verification, and other related consulting services, with a one-year engagement term that may be renewed. The appointment and dismissal of the accounting firm by the Company shall be determined by the shareholders' meeting. The Board shall not appoint an accounting firm prior to the decision of the shareholders' meeting.

When the shareholders' meeting of the Company votes on the dismissal of the accounting firm, the accounting firm shall be allowed to present its opinion.

The Company guarantees to provide the retained accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or misrepresent them.

The audit fees of the accounting firm are determined by the shareholders' meeting.

Amendment to the Articles of Association

According to the Company Law and the Guidelines on Articles of Association, the Company shall amend the Articles of Association under any of the following circumstances:

(i) After the amendment of the Company Law or relevant laws and administrative regulations, the provisions in the Articles of Association conflict with the amended laws and administrative regulations;

(ii) If there is a change in the Company's situation that is inconsistent with the matters recorded in the Articles of Association;

(iii) The shareholders' meeting resolved to amend the Articles of Association.

Resolutions to amend the Articles of Association at a shareholders' meeting shall be passed by at least two-thirds of the voting rights held by shareholders present at the meeting.

Dissolution and Liquidation

Under the Companies Law, a company may be dissolved for the following reasons:

(i) The expiration of the business term specified in the Articles of Association or the occurrence of other dissolution events as stipulated in the Articles of Association;

(ii) The shareholders' meeting resolved to dissolve the company;

(iii) Dissolution is necessary due to the merger or division;

(iv) The business license has been revoked, ordered to close, or withdrawn in accordance with the law;

(v) If a company experiences serious operational and management difficulties, and its continued existence would cause significant losses to shareholders' interests that cannot be resolved through other means, shareholders holding 10% or more of the total voting rights of the company may petition the People's Court to dissolve the company.

In the event of occurrence of any event leading to the dissolution of the Company as stipulated in the preceding paragraph, such dissolution event shall be published on the National Enterprise Credit Information Publicity System within ten days upon its occurrence.

If the Company has any of the above circumstances (i) or (ii) and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or through a resolution of the shareholders' meeting. Amendments to the Articles of Association or resolutions of the shareholders' meeting made in accordance with the foregoing provisions shall be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

If the Company is dissolved under the provisions of items (i), (ii), (iv), or (v) above, it shall be liquidated. The directors shall serve as the Company's liquidation obligors and shall establish a liquidation group to conduct the liquidation within fifteen days from the date the cause for dissolution arises.

The liquidation committee shall comprise the directors, unless the Articles of Association stipulate otherwise or the shareholders' meeting resolves to elect other person(s).

If a liquidation obligor fails to timely fulfill its liquidation obligations and causes losses to the Company or creditors, it shall be liable for compensation.

The liquidation committee shall exercise the following powers during the period of liquidation:

(i) Liquidate the Company's assets and prepare separate balance sheets and inventory lists;

(ii) Notify and announce to creditors;

(iii) Handling the Company's outstanding business related to liquidation;

(iv) Payment of outstanding taxes and taxes incurred during the liquidation process;

(v) Settlement of debts and liabilities;

(vi) Distribute the Company's remaining assets after settling its debts;

(vii) Represent the Company in civil litigation proceedings.

The liquidation committee shall notify the Company's creditors within ten days from the date of its establishment and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within sixty days. Creditors shall declare their claims to the liquidation committee within thirty days from the date of receiving the notice, or within forty-five days from the date of the announcement if no notice has been received.

When a creditor files a claim, they should specify the relevant details of the claim and provide supporting documentation. The liquidation committee shall register the claims.

During the period for filing claims, the liquidation committee must not make any payments to creditors.

After liquidating the Company's assets and preparing a balance sheet and inventory list, the liquidation committee shall develop a liquidation plan and submit it to the shareholders' meeting or the People's Court for approval.

The remaining assets of the Company, after separately paying liquidation expenses, employee wages, social insurance contributions, and statutory compensation, settling outstanding taxes, and repaying the Company's debts, shall be distributed by the Company in proportion to the shares held by the shareholders.

During the liquidation period, the Company remains in existence but may not engage in business activities unrelated to the liquidation.

The Company's assets will not be distributed to shareholders until they are settled in accordance with the preceding provisions above.

If the liquidation committee finds that the Company's assets are insufficient to settle its debts after liquidating the Company's property and preparing a balance sheet and an inventory list, it shall apply to the People's Court for bankruptcy liquidation in accordance with the law.

After the People's Court accepts the bankruptcy application, the liquidation committee shall transfer the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the Company's 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 to apply for cancelation of the Company's registration.

Overseas Listing

According to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, or an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file with the China Securities Regulatory Commission 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 30 working days.

Suspension and Termination of Listing

The provisions regarding suspension and termination of listing have been removed from the Companies Law. The Securities Law of the PRC (《中華人民共和國證券法》), last amended by the SCNPC on December 28, 2019 and effective on March 1, 2020, has also removed the provisions regarding suspension of listing. If a listed security falls under the delisting circumstances specified 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 active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within three working days from the date of occurrence and announcement of the relevant matters.

Arbitration and Enforcement of Arbitral Awards

Under the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "Arbitration Law"), promulgated by the SCNPC on August 31, 1994, and last amended on September 12, 2025 and effective on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties where all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. The Arbitration Law stipulates that, an arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulates interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have reached an arbitration agreement, the people's court will refuse to take legal action brought by a party in the people's court, unless the arbitration agreement is invalid.

According to the Arbitration Law and the Civil Procedure Law, arbitration follows a final and binding award system, which is legally binding on all parties involved in the arbitration. If one party fails to comply with the arbitration award, the other party may apply to the People's Court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. If there is evidence proving that an arbitral award falls under any of the following circumstances, the People's Court shall form a collegial panel to review and verify the case, and rule that the award shall not be enforced: the parties did not include an arbitration clause in the contract or subsequently failed to reach a written arbitration agreement; the matters decided in the award fall outside the scope of the arbitration agreement or exceed the authority of the arbitration institution; the composition of the arbitral tribunal or the arbitration procedures violate legal requirements; the evidence on which the award was based was fabricated; the opposing party concealed evidence from the arbitration institution that could have materially affected the impartiality of the award; or the arbitrator engaged in corrupt practices such as bribery, favoritism, or misconduct during the arbitration of the case, resulting in an unjust ruling. If the People's Court determines that enforcing the ruling violates public interests, it shall rule not to enforce the ruling.

Where an arbitral award with legal effect rendered outside the territory of China requires recognition and enforcement by a People's Court, the concerned party may directly apply to the intermediate people's court in the domicile of the person against whom the award is enforced or where such person's property is located. If the domicile or property of the person subject to enforcement is not within the territory of China, the parties may apply to an intermediate people's court at the domicile of the applicant or at a location with appropriate connection to the dispute under adjudication. The People's Courts shall act in accordance with international treaties to which China is a party or participates in, or in accordance with the principle of reciprocity.

According to the Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) promulgated by the Supreme People's Court on November 26, 2020 and taking effect on November 27, 2020 and May 19, 2021 respectively, awards made by PRC arbitral authorities may be applied for enforcement in Hong Kong, and Hong Kong arbitration awards may also be applied for enforcement in the PRC.

Judicial Decisions and Their Enforcement

Pursuant 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》) ("Arrangement") promulgated by the Supreme People's Court on January 25, 2024, which took effect on January 29, 2024, the Arrangement applies to the reciprocal recognition and enforcement of effective judgments in civil and commercial matters by the courts of the Mainland and the Hong Kong Special Administrative Region. Apart from judgments in civil and commercial cases to which Article 3 of the Arrangement does not apply for the time being, the judgments to be mutually recognized and enforced include both monetary and non-monetary judgments. If the judgment includes punitive damages, the punitive damages portion shall not be recognized or enforced, except as provided in Article 17 of the Arrangement.