The PRC Legal System

The PRC legal system is based on the Constitution of the People's Republic of China (the "**Constitution**") and is composed of laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, international treaties to which the PRC is a party, and other normative documents. Court judgments and rulings do not constitute binding precedents, but serve as judicial references and guidance.

According to the Constitution and the Legislation Law of the People's Republic of China (the "**Legislation Law**"), the National People's Congress and its Standing Committee are empowered to exercise the legislative power of the State. The National People's Congress has the power to enact and amend basic laws governing civil, criminal, and state organ matters, and other matters. The Standing Committee of the National People's Congress has the power to enact and amend laws other than the basic laws enacted by the National People's Congress, and to make partial supplements and amendments to laws enacted by the National People's Congress when the National People's Congress is not in session, provided that such supplements and amendments do not contravene the basic principles of the relevant laws.

The State Council is the highest administrative organ and has the power to formulate administrative regulations in accordance with the Constitution and laws.

The people's congresses and their standing committees of provinces, autonomous regions, and municipalities directly under the Central Government may formulate local regulations based on the specific circumstances and actual needs of their respective administrative regions, provided that such local regulations do not conflict with any provisions of the Constitution, laws, or administrative regulations.

The various ministries and commissions of the State Council, the People's Bank of China, the National Audit Office, and other institutions directly under the State Council with administrative functions may, in accordance with laws and the administrative regulations, decisions, and orders of the State Council, formulate rules within the scope of their respective authority.

The people's congresses and their standing committees of cities divided into districts may, in light of the specific circumstances and actual needs of such cities, formulate local regulations in areas such as urban and rural construction and management, environmental protection, and historical and cultural preservation, which shall be implemented after being reported to and approved by the standing committees of the people's congresses of the provinces or autonomous regions, provided that such local regulations comply with the provisions of the Constitution, laws, administrative regulations, and relevant local regulations of the respective province or autonomous region. The people's congresses of ethnic autonomous areas have the power to enact autonomy regulations and separate regulations in accordance with the political, economic, and cultural characteristics of the local ethnicities.

The people's governments of provinces, autonomous regions, municipalities directly under the Central Government, and cities divided into districts and autonomous prefectures may formulate rules in accordance with laws, administrative regulations, and local regulations of their respective provinces, autonomous regions, and municipalities directly under the Central Government.

The Constitution has the highest legal effect, and no laws, administrative regulations, local regulations, autonomous regulations, or separate regulations shall contravene the Constitution. Laws have higher legal effect than administrative regulations, local regulations, and rules. Administrative regulations have higher legal effect than local regulations and rules. Local regulations have higher legal effect than the rules of local governments at the same level and at lower levels. Rules formulated by the people's governments of provinces and autonomous regions have higher authority than rules formulated by the people's governments of cities divided into districts and autonomous prefectures within their respective administrative areas.

The National People's Congress has the power to alter or revoke any inappropriate laws enacted by its Standing Committee, and has the power to annul any autonomous regulations or separate regulations approved by its Standing Committee that contravene the provisions of the Constitution or the Legislation Law. The Standing Committee of the National People's Congress has the power to revoke any administrative regulations that contravene the Constitution and laws; has the power to revoke any local regulations that contravene the Constitution, laws, or administrative regulations; and has the power to revoke any autonomous regulations or local regulations approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions, or municipalities directly under the Central Government that violate the provisions of the Constitution and the Legislation Law. The State Council has the power to alter or revoke any inappropriate departmental rules and local government rules. The people's congresses of provinces, autonomous regions, or municipalities directly under the Central Government have the power to alter or revoke any inappropriate local regulations formulated or approved by their respective standing committees. The people's governments of provinces and autonomous regions have the power to alter or revoke any inappropriate rules formulated by any lower-level people's government.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the Standing Committee of the National People's Congress. According to the Resolution of the Standing Committee of the National People's Congress on Strengthening the Work of Interpretation of Laws promulgated on June 10, 1981, the Supreme People's Court of the People's Republic of China (the "**Supreme People's Court**") has the power to formulate judicial interpretations on issues concerning the specific application of laws and decrees in the trial work of the courts. The State Council and its various ministries and commissions also have the power to interpret the administrative regulations and departmental rules they have promulgated. At the local level, the power to interpret local laws, regulations, and administrative rules is vested in the local legislative and administrative authorities that promulgated the relevant laws, regulations, and rules.

The Judicial System of Chinese Mainland

Pursuant to the Constitution and the Organic Law of the People's Courts of the People's Republic of China, as most recently amended by the Standing Committee of the National People's Congress on October 26, 2018 and effective on January 1, 2019, the People's Courts are composed of the Supreme People's Court, local People's Courts at various levels, and other specialised People's Courts. Local people's courts at various levels are composed of basic people's courts, intermediate people's courts, and higher people's courts. The Supreme People's Court is the highest judicial organ of China and supervises the trial work of the people's courts at all levels and the special people's courts. The higher people's courts supervise the basic people's courts and the intermediate people's courts.

According to the Constitution and the Organic Law of the People's Procuratorates of the People's Republic of China, as most recently amended by the Standing Committee of the National People's Congress on October 26, 2018 and effective from January 1, 2019, the People's Procuratorates are the legal supervisory organs of the State. The Supreme People's Procuratorate is the highest prosecutorial organ. The Supreme People's Procuratorate leads the work of the local people's procuratorates at various levels and the specialised people's procuratorates, and people's procuratorates at higher levels lead the work of people's procuratorates at lower levels.

The People's Courts adopt a system where the second instance is the final instance. A party may appeal against a judgment or ruling of first instance of a local people's court to the people's court at the next higher level. The judgment or ruling of second instance made by the court at the next higher level shall be the final judgment or ruling. A judgment or ruling of first instance by the Supreme People's Court shall also be the final judgment or ruling. However, if the presidents of the people's courts at various levels find any definite error in a judgment, ruling, or mediation document of their own court that has already become legally effective and consider a retrial necessary, they shall submit the matter to the judicial committee for discussion and decision. If the Supreme People's Court finds that a judgment, ruling, or mediation document of a local people's court at any level that has already taken legal effect contains a definite error, or if a higher people's court finds the same regarding a judgment, ruling, or mediation document of a lower people's court that has already taken legal effect, it shall have the power to bring the case up for trial or instruct a lower people's court to conduct a retrial.

According to the Civil Procedure Law of the People's Republic of China (the "**Civil Procedure Law**"), as most recently amended by the Standing Committee of the National People's Congress on September 1, 2023 and effective on January 1, 2024, which stipulates various standards for the filing of civil lawsuits, the jurisdiction of the People's Courts, the procedures to be followed in conducting civil litigation, and the enforcement procedures for civil judgments or rulings. All parties to civil litigation within the territory of the PRC must comply with the Civil Procedure Law.

Generally, a civil case is first heard by a local court in the province or municipality where the defendant resides. The parties to a contract may also, by agreement, choose the court in which a civil action is to be brought, provided that the place of such court shall be the place of residence of the plaintiff or the defendant, the place where the contract is signed or performed, or the place where the subject matter is located, and shall not violate the provisions concerning hierarchical jurisdiction and exclusive jurisdiction under the Civil Procedure Law.

Foreign citizens or enterprises generally have the same litigation rights and obligations as Chinese citizens or legal persons. If a foreign judicial system restricts the litigation rights of Chinese citizens and enterprises, the Chinese courts may apply reciprocal restrictions to the citizens and enterprises of such country in China.

If a party to a civil litigation refuses to comply with a judgment or ruling made by a People's Court or an award made by an arbitral tribunal in China, the other party may apply to the People's Court for the enforcement of such judgment, ruling, or award. The time limit for applying for enforcement is two years. If a party fails to perform a court judgment within the prescribed period, the court may, upon the application of either party, enforce such judgment in accordance with the law.

Where a party requests enforcement of a judgment or ruling made by a People's Court against a party who is not within the territory of China or whose property is not within the territory of China, that party may apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling. If China has concluded or acceded to an international treaty providing for the recognition and enforcement of relevant foreign judgments or rulings, or if such judgment or ruling satisfies a review by the people's court based on the principle of reciprocity, the people's court may also recognise and enforce the foreign judgment or ruling in accordance with the enforcement procedures of China, unless the people's court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles, sovereignty, or security of China or would be contrary to the public interest.

Company Law and Relevant Administrative Measures

Joint stock limited companies incorporated in the PRC and seeking a **[REDACTED]** on the Stock Exchange of Hong Kong are primarily subject to the following PRC laws and regulations:

- our Company Law of the People's Republic of China (the "**Company Law**"), which was promulgated by the Standing Committee of the National People's Congress on December 29, 1993 and became effective 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 respectively, with the latest amended version having come into effect on July 1, 2024;

- the Trial Administrative Measures for Overseas Securities Offering and Listing by Domestic Companies (the "**Overseas Listing Trial Measures**") and the supporting guidelines issued by the CSRC from time to time; the Overseas Listing Trial Measures were promulgated by the CSRC on February 17, 2023 and became effective on March 31, 2023;

- the Guidelines for the Articles of Association of Listed Companies (the "**Guidelines for Articles of Association**"), which were most recently amended by the China Securities Regulatory Commission and became effective on March 28, 2025.

A summary of the principal provisions of our Company Law and the Trial Measures applicable to our Company is set out below.

General Matters

A joint stock limited company refers to a corporate legal person established in accordance with our Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the number of shares held by them, and the company is liable for its debts to the extent of all its assets.

A joint stock limited company must comply with laws and administrative regulations when engaging in business activities. A company may invest in other limited liability companies and joint stock limited companies, and its liability to the companies in which it invests is limited to the amount of its investment.

Incorporation

A joint stock limited company may be established by way of promotion or by way of **[REDACTED]**.

To establish a joint stock limited company, there shall be not less than one and not more than 200 promoters, of whom more than half shall have their domicile within the territory of the People's Republic of China.

The promoters of a joint stock limited company established by way of **[REDACTED]** shall convene an inaugural meeting of the company within 30 days from the date on which the subscription monies for the shares to be issued upon the establishment of the company have been paid in full. The promoters shall notify each subscriber of the date of the inaugural meeting or make an announcement thereof 15 days before the meeting is held. The inaugural meeting may only be held if subscribers representing more than half of the total voting rights are present. The procedures for convening and voting at the inaugural meeting for the establishment of a joint stock limited company by way of promotion shall be stipulated by the articles of association of the company or the promoters' agreement.

The board of directors shall authorise a representative to apply for registration of establishment with the company registration authority within 30 days after the conclusion of the inaugural meeting.

Registered Shares

According to our Company Law, shareholders may make capital contributions in cash, or in non-monetary property such as contributions in kind, intellectual property rights, and land use rights that can be valued in monetary terms and transferred in accordance with the law.

In accordance with the Overseas Listing Trial Measures, where a domestic enterprise **[REDACTED]** and **[REDACTED]** securities overseas, it may raise funds and distribute dividends in foreign currencies or Renminbi.

Allotment and Issue of Shares

All issuances of shares by a joint stock limited company shall be conducted in accordance with the principles of fairness and justice. Shares of the same class shall enjoy equal rights. Shares of the same class issued in the same tranche shall be issued under the same conditions and at the same price. Our Company may issue shares at par or at a premium, provided that the issue price of the shares shall not be lower than the par value.

Where a domestic enterprise issues shares overseas, it shall file with the China Securities Regulatory Commission in accordance with the provisions of the Overseas Listing Trial Measures.

Increase in Share Capital

According to our Company Law, if a joint stock limited company issues new shares, the shareholders' general meeting shall pass resolutions on matters such as the classes and number of the new shares, the issue price of the new shares, the commencement and closing dates of the new share issuance, and the classes and number of the new shares proposed to be issued to existing shareholders. Where a company proposes to **[REDACTED]** to the public, it shall be registered with the securities regulatory authority under the State Council.

Reduction of Share Capital

Our Company may reduce its registered capital in accordance with the procedures prescribed by our Company Law as follows:

- to prepare the balance sheet and the inventory of assets;
- A reduction of registered capital shall be subject to a resolution of the shareholders' general meeting;
- The company shall notify its creditors of the reduction of capital within 10 days from the date on which the resolution to reduce the registered capital is passed, and shall publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days;
- A creditor shall have the right to request the company to repay its debt or provide a corresponding guarantee within 30 days of receiving the notice, or, if no notice is received, within 45 days of the publication of the announcement;
- The company shall handle the registration of changes with the relevant registration authority.

Repurchase of Shares

According to our Company Law, a joint stock limited company shall not repurchase its own shares, except for any of the following purposes: (i) reducing the company's registered capital; (ii) merging with another company that holds shares in the company; (iii) using the shares for an employee share ownership plan or equity incentive; (iv) acquiring the shares at the request of a shareholder due to their objection to a resolution on the merger or division of the company made by the shareholders' general meeting; (v) using the shares for conversion of convertible corporate bonds issued by the company; and (vi) the share repurchase being necessary for a **[REDACTED]** company to maintain its value and protect shareholders' rights and interests.

The acquisition of shares for the reasons set out in items (i) and (ii) above shall be subject to a resolution of the shareholders' general meeting. If the company conducts a share repurchase under the circumstances set out in items (iii), (v) or (vi) above, it may do so, in accordance with the articles of association or the authorisation of the shareholders' general meeting, by a resolution of a meeting of the board of directors attended by more than two-thirds of the directors.

After the acquisition of shares pursuant to item (i), the relevant shares shall be canceled within 10 days from the date of acquisition; in the event of a share repurchase conducted pursuant to item (ii) or (iv), the shares shall be transferred or canceled within six months. The total number of shares held by the company after a share repurchase conducted under the circumstances of item (iii), (v) or (vi) shall not exceed 10% of the total number of issued shares of the company, and such shares shall be transferred or canceled within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Pursuant to our Company Law, the transfer of shares by a shareholder shall be conducted at a stock exchange established in accordance with the law or by other means as prescribed by the State Council. Within 20 days prior to the convening of a shareholders' general meeting or within five days prior to the record date set by the company for the distribution of dividends, no change in the register of shareholders resulting from the transfer of registered shares shall be made. However, where the law provides otherwise with respect to the registration of changes to the register of shareholders of **[REDACTED]** companies, such provisions shall apply.

According to our Company Law, shares issued by a company prior to its **[REDACTED]** of shares shall not be transferred within one year from the date on which the company's shares are **[REDACTED]** on a stock exchange. Where laws, administrative regulations, or the securities regulatory authority under the State Council provide otherwise in respect of the transfer of shares held by the shareholders or actual controllers of a **[REDACTED]** company, such provisions shall prevail. Directors, supervisors, and senior management shall report to the company their holdings of the company's equity and any changes thereto, and shall not, in any given year during their term of office, transfer more than 25% of the total number of shares of the company held by them; the shares of the company held by them shall not be transferred within one year from the date on which the company's shares are **[REDACTED]** and **[REDACTED]**. The aforesaid persons shall not transfer their shares in the company within six months after leaving their offices.

Shareholders

According to our Company Law, the rights of the shareholders of a company include:

- the right to attend or appoint a proxy to attend shareholders' general meetings and to exercise voting rights;

- the right to transfer shares in accordance with laws, administrative regulations, and the articles of association;

- the right to inspect and copy the articles of association, the register of shareholders, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors, and financial and accounting reports, and to make suggestions or raise queries regarding the operation of the company. Shareholders who individually or collectively hold 3% or more of the shares of the company for 180 consecutive days or more shall have the right to inspect the accounting books and accounting vouchers of the company;

- the right to receive dividends and other forms of profit distribution in proportion to the number of shares held;

- in the event of termination or liquidation of the company, the right to participate in the distribution of the remaining assets of the company in proportion to their shareholdings; and

- other rights provided for by laws, administrative regulations, other normative documents and the Articles of Association.

The obligations of shareholders include complying with the company's articles of association, paying for the shares subscribed for by the method of capital contribution, bearing the debts and liabilities of the company to the extent of the number of shares subscribed for, and any other shareholder obligations as stipulated in the company's articles of association.

Shareholders' General Meeting

The shareholders' general meeting is the organ of authority of the company and shall exercise its functions and powers in accordance with our Company Law.

According to our Company Law, the shareholders' general meeting shall exercise the following major powers:

- to elect and replace directors and supervisors, and to decide on matters relating to their remuneration;

- 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 plans for making up losses;

- to resolve on the increase or reduction of the company's registered capital;

- to resolve on the issuance of bonds by the company;

- to resolve on matters such as the merger, division, dissolution, or liquidation of the company;

- to amend the company's articles of association; and

- other functions and powers specified in the articles of association.

The general meeting of shareholders shall convene an annual general meeting once every year. An extraordinary general meeting shall be convened within two months of the occurrence of any of the following events:

- the number of directors is less than the number required by law or less than two-thirds of the number required by the company's articles of association;

- the company's total unrecovered losses reach one-third of its total share capital;
- at the request of shareholders holding 10% or more of the company's shares, either individually or collectively;
- when the board of directors deems it necessary;
- when the board of supervisors requests that a meeting be convened; or
- other circumstances as provided for in the company's articles of association.

According to our Company Law, a shareholders' general meeting shall be convened by the board of directors and presided over by the chairman; if the chairman is unable to or fails to perform his duties, the vice-chairman shall preside; if the vice-chairman is unable to or fails to perform his duties, a director jointly nominated by more than half of the directors shall preside.

Where the board of directors is unable to perform or fails to perform its duty to convene a shareholders' general meeting, the board of supervisors shall promptly convene and preside over the shareholders' general meeting; where the board of supervisors fails to convene and preside over such meeting, shareholders who individually or collectively hold 10% or more of the company's shares for 90 consecutive days or more may convene and preside over the shareholders' general meeting on their own.

According to our Company Law, for the convening of a shareholders' general meeting, the time and place of the meeting and the matters to be considered shall be notified to each shareholder 20 days prior to the meeting; for an extraordinary general meeting, notice shall be given to each shareholder 15 days prior to the meeting.

Our Company Law contains no specific provisions on the number of shareholders required to constitute a quorum for a shareholders' general meeting. According to our Company Law, a shareholder attending a shareholders' general meeting shall have one vote for each share held, with the exception of holders of class shares. Shares held by the company carry no voting rights.

When electing directors or supervisors at a shareholders' general meeting, a cumulative voting system may be adopted in accordance with the provisions of the company's articles of association or a resolution of the shareholders' general meeting. Under the cumulative voting system, when electing a director or supervisor at a shareholders' general meeting, each share shall carry the same number of voting rights as the number of directors or supervisors to be elected, and the voting rights held by shareholders may be used cumulatively.

Pursuant to our Company Law, resolutions of the shareholders' general meeting must be passed by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' general meeting on the following matters must be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amending the company's articles of association; (ii) increasing or reducing the registered capital; (iii) the merger, division, dissolution, liquidation, or change of corporate form of the company; and (iv) other matters that require a special resolution, as determined by an ordinary resolution of the shareholders' general meeting to have a material impact on the company.

Pursuant to our Company Law, the shareholders' general meeting shall keep minutes of the decisions on the matters discussed, and the person presiding over the meeting and the directors attending the meeting shall sign the minutes. The minutes of the meeting shall be kept together with the register of signatures of the shareholders attending the meeting and the instruments of proxy for those attending by proxy.

Board of Directors

According to our Company Law, a joint stock limited company shall establish a board of directors, which shall consist of three or more members. The term of office of directors shall be provided for in the articles of association, but each term of office shall not exceed three years. Upon expiry of their term, directors are eligible for re-election.

According to our Company Law, the board of directors primarily exercises the following functions and powers:

- to convene shareholders' general meetings and report on its work to such meetings;
- to implement resolutions passed by the shareholders' general meeting;
- to decide on the company's business plans and investment plans;
- to formulate the company's annual financial budget plans and final accounts plans;
- to formulate the company's profit distribution plans and plans for making up losses;
- to formulate plans for increasing or reducing the company's registered capital and for issuing corporate bonds;
- to formulate plans for the merger, division, dissolution, or change in the 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 their remuneration, and, based on the manager's nomination, to decide on the appointment or dismissal of the company's deputy managers and chief financial officer and their remuneration;
- to formulate the company's basic management systems; and
- to exercise any other functions and powers as stipulated in the articles of association or authorised by the shareholders' general meeting.

Board Meetings

According to our Company Law, the board of directors shall convene at least two meetings each year, and notice of each meeting shall be given to all directors and supervisors 10 days before the meeting is convened. Shareholders representing 10% or more of the voting rights, one-third or more of the directors, or the board of supervisors may propose to convene an extraordinary board meeting. The chairman shall convene and preside over a board meeting within 10 days after receiving the proposal. A board meeting may be held only if more than half of the directors are present. A resolution of the board of directors must be passed by more than half of all the directors. Voting on board resolutions shall be on a one vote per person basis. Directors shall attend board meetings in person. If a director is unable to attend a board meeting for any reason, he or she may authorise another director in writing to attend the board meeting on his or her behalf, and the scope of authorisation shall be specified in the instrument of proxy.

The board of directors shall keep minutes of the decisions on the matters discussed, and the directors attending the meeting shall sign the minutes.

Chairman

According to our Company Law, the board of directors shall have one chairman, who shall be elected by a majority of all directors. The chairman shall exercise powers including but not limited to the following: (i) presiding over shareholders' general meetings and convening and presiding over board meetings; (ii) inspecting the implementation of resolutions of the board of directors; and (iii) exercising other powers granted by the board of directors.

Qualifications of Directors

Our Company Law provides that no person in any of the following circumstances may serve as a director:

- a person without or with limited capacity for civil acts;

- a person who was sentenced to criminal punishment for corruption, bribery, embezzlement of property, misappropriation of property, or disrupting the socialist market economic order, or who has been deprived of political rights for a criminal offense, where less than five years have elapsed since the expiration of the execution period; or in the case of a person sentenced to probation, where less than two years have elapsed since the expiration of the probation period;

- a person who served as a director, factory director, or manager of a company or enterprise that was declared bankrupt and liquidated, and was personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of completion of the bankruptcy and liquidation of the company or enterprise;

- a person who served as the legal representative of a company or an enterprise whose business license was revoked and which was ordered to close down due to violation of laws, and who was personally liable therefor, where less than three years have elapsed since the date of the revocation of the business license or the order to close down;

- a person who has been listed by a People's Court as a judgment debtor subject to enforcement for failing to repay a large amount of personal debt that has fallen due.

Supervisors

A joint stock limited company shall establish a board of supervisors; however, a joint stock limited company may also, in accordance with the provisions of its articles of association, establish an audit committee composed of directors within its board of directors to exercise the functions and powers of the board of supervisors as prescribed by laws and regulations, in which case no board of supervisors or supervisors shall be established.

According to the provisions of our Company Law, the board of supervisors shall exercise the following functions and powers:

- to examine the company's finances;

- to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association, or resolutions of the shareholders' general meetings;

- to demand rectification from a director or senior management when the acts of such persons have damaged the interests of the company;

- to propose the convening of extraordinary shareholders' general meetings and to convene and preside over shareholders' general meetings when the board of directors fails to perform its duties of convening and presiding over such meetings as required by laws and regulations;

- to submit proposals to shareholders' general meetings;

- to bring an action against directors and senior management officers in accordance with the provisions of this Company Law;

- other functions and powers specified in the articles of association.

Manager and Senior Management

In accordance with our Company Law, a company shall have a manager, who shall be appointed or dismissed by a resolution of the board of directors. The manager shall be accountable to the board of directors and shall exercise his or her powers and functions in accordance with the provisions of the articles of association or as authorised by the board of directors. The manager shall attend board meetings as a non-voting member.

According to our Company Law, senior management refers to the company's manager, deputy managers, chief financial officer, secretary to the board of directors, and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Our Company Law requires that the directors, supervisors, and senior management of a company shall comply with relevant laws, regulations, and the articles of association, and owe a duty of loyalty and a duty of diligence to the company. Directors, supervisors, and senior management shall not use their powers to accept bribes or other illegal income, and shall not misappropriate the property of the company.

Directors, supervisors, and senior management shall not engage in the following acts:

- misappropriating company property or diverting company funds;
- depositing company funds in an account opened in their own name or in the name of any other individual;
- using their official position to solicit or accept bribes or other illegal income;
- accepting commissions from transactions between others and the company and appropriating them for their own use;
- disclosing company secrets without authorisation;
- committing other acts in violation of their duty of loyalty to the company.

Directors, supervisors, and senior management who directly or indirectly enter into contracts or conduct transactions with the company shall report matters related to such contracts or transactions to the board of directors or the shareholders' general meeting, and such matters shall be approved by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the company's articles of association. Close relatives of directors, supervisors, and senior management; enterprises directly or indirectly controlled by directors, supervisors, senior management, or their close relatives; and other related persons who have other connected relationships with directors, supervisors, and senior management shall also comply with the aforementioned requirements when entering into contracts or transactions with the company.

Directors, supervisors, and senior management shall not use their positions to seek for themselves or others business opportunities that belong to the company. However, the following circumstances are excepted: (i) where the matter is reported to the board of directors or the shareholders' general meeting and is approved by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the articles of association; (ii) where the company is unable to utilise such business opportunity pursuant to the provisions of laws, administrative regulations, or the articles of association.

Directors, supervisors, and senior management shall not, without reporting to the board of directors or the shareholders' general meeting and obtaining approval by a resolution of the board of directors or the shareholders' general meeting in accordance with the provisions of the articles of association, engage on their own account or for others in any business of the same type as that of the company in which they hold office.

Finance and Accounting

According to our Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations, and the provisions of the finance department of the State Council. Our Company shall prepare a financial accounting report at the end of each financial year, which shall be audited by an accounting firm in accordance with the law. Financial accounting reports shall be prepared in accordance with laws, administrative regulations, and the requirements of the finance department of the State Council.

The financial and accounting reports of a joint stock limited company shall be made available at the company for inspection by shareholders 20 days before the convening of the annual shareholders' general meeting; a joint stock limited company that issues shares to the public must announce its financial and accounting reports.

The appointment and dismissal of an accounting firm to undertake the company's audit business shall, in accordance with the provisions of the articles of association, be decided by the shareholders' general meeting, the board of directors, or the board of supervisors.

Profit Distribution

When distributing its after-tax profit for the year, a company shall set aside 10% of the profit to be allocated to its statutory common reserve. When the accumulated amount of the statutory common reserve reaches 50% of its registered capital, the company may cease to make such allocation.

If a company's statutory common reserve is insufficient to make up for losses from previous years, the company shall use its profits from the current year to make up for such losses before making an allocation to its statutory common reserve in accordance with the preceding paragraph.

After a company has made an allocation to the statutory reserve fund from its after-tax profits, it may, upon a resolution of the shareholders' general meeting, also make an allocation to a discretionary reserve fund from its after-tax profits.

After a company has made up its losses and made allocations to its reserve funds, the remaining after-tax profits shall, in the case of a limited liability company, be distributed in proportion to the actual capital contributions made by the shareholders, unless all shareholders have agreed that profits shall not be distributed in proportion to their capital contributions; and in the case of a joint stock limited company, be distributed in proportion to the shares held by the shareholders, unless otherwise provided in the articles of association.

No profit shall be distributed in respect of the company's shares held by the company.

Where the shareholders' general meeting has passed a resolution on the distribution of profits, the board of directors shall carry out the distribution within six months from the date of the resolution.

Dissolution and Liquidation

According to our Company Law, a company shall be dissolved for any of the following reasons: (i) the term of operation prescribed in the articles of association expires or other grounds for dissolution prescribed in the articles of association arise; (ii) the shareholders' general meeting resolves to dissolve the company; (iii) dissolution is necessary due to a merger or division of the company; (iv) its business license is revoked, or it is ordered to close down or is canceled in accordance with the law; (v) a People's Court orders dissolution in accordance with the provisions of Article 231 of our Company Law.

If a company is to be dissolved for any of the reasons set out in the preceding paragraph, it shall publicise the grounds for dissolution through the National Enterprise Credit Information Publicity System within 10 days.

Where a company falls under the circumstances described in items (i) and (ii) above and has not yet distributed its property to its shareholders, it may continue to exist by amending its articles of association or by a resolution of the shareholders' general meeting.

Any amendment to the articles of association or resolution of a shareholders' general meeting pursuant to the preceding paragraph shall, in the case of a joint stock limited company, be passed by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting.

Where a company is dissolved pursuant to the provisions of item (i), item (ii), item (iv), or item (v) above, a liquidation shall be carried out. The directors are the persons responsible for the liquidation of the company and shall form a liquidation committee to commence liquidation within 15 days from the date on which the grounds for dissolution arise. The liquidation committee shall be composed of the directors, unless otherwise provided for in the articles of association or other persons are elected by a resolution of the shareholders' general meeting. The persons responsible for liquidation shall be liable for compensation if they fail to perform their liquidation obligations in a timely manner and cause losses to the company or its creditors. Where a company is required to be liquidated in accordance with the preceding provisions, and if it fails to establish a liquidation committee to conduct liquidation within the time limit or fails to conduct liquidation after a liquidation committee is established, an interested party may petition a People's Court to designate relevant persons to form a liquidation committee and conduct the liquidation. The People's Court shall accept the application and promptly organise a liquidation committee to carry out the liquidation.

Where a company is dissolved pursuant to the provisions of item (iv) above, the department that made the decision to revoke the business license, order closure, or cancel the registration, or the company registration authority, may apply to the People's Court to designate relevant personnel to form a liquidation committee to carry out the liquidation.

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

After taking inventory of the company's property and preparing a balance sheet and a list of property, the liquidation committee shall formulate a liquidation plan and submit it to the shareholders' general meeting or the People's Court for confirmation.

The company's property remaining after payment of the liquidation expenses, the wages, social insurance premiums, and statutory compensation of employees, the taxes owed, and all the company's debts shall, in the case of a joint stock limited company, be distributed to the shareholders in proportion to the shares they hold.

Following the completion of the liquidation, the liquidation committee shall prepare a liquidation report, which shall be submitted to the shareholders' general meeting or the People's Court for confirmation, and filed with the company registration authority to apply for cancelation of the company's registration.

Where a company has not incurred any debts during its existence, or has settled all of its debts, it may, upon the undertaking of all shareholders, cancel its company registration through a simplified procedure in accordance with the regulations. To cancel a company's registration through a simplified procedure, an announcement shall be made through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. Upon the expiry of the announcement period, if no objection has been raised, the company may, within 20 days, apply to the company registration authority for the cancelation of its company registration.

Where a company's business license has been revoked, or the company has been ordered to close down or been canceled, and it has failed to apply to the company registration authority for cancelation of its company registration for a full three years, the company registration authority may issue an announcement through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. Upon the expiry of the announcement period, if no objection has been raised, the company registration authority may cancel the company registration.

Overseas [REDACTED]

Pursuant to the Overseas Listing Trial Measures, a domestic enterprise shall, within three working days after submitting its application documents for an overseas **[REDACTED]** and **[REDACTED]**, file such application documents with the CSRC for record-filing.

Suspension and Termination of [REDACTED]

Our Company Law has removed the provisions regarding the suspension and termination of **[REDACTED]**. The Securities Law has also removed the provisions regarding the suspension of **[REDACTED]**. If **[REDACTED]** securities fall under the circumstances for **[REDACTED]** as prescribed by a stock exchange, the stock exchange shall terminate their **[REDACTED]** and **[REDACTED]** in accordance with its business rules.

Where a stock exchange makes a decision on the **[REDACTED]** of securities, it shall promptly announce the same and file it with the securities regulatory authority under the State Council for the record.

Securities Laws and Regulations

In October 1992, the State Council established the Securities Commission and the CSRC. The Securities Commission was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating, and supervising all securities-related authorities in Chinese Mainland, and administering the CSRC. The CSRC was the regulatory department of the Securities Commission, responsible for drafting regulatory provisions for the securities market, supervising securities companies, regulating the **[REDACTED]** of securities by Mainland Chinese or overseas companies, regulating securities trading, compiling securities-related statistical data, and conducting relevant research and analysis. On 29 March 1998, the State Council merged the two aforementioned departments.

According to the Provisional Regulations on the Administration of Share Issuance and Trading, promulgated by the State Council on April 22, 1993 and effective on the same date, which set out the application and approval procedures for the public issuance of shares, the trading of shares, the acquisition of **[REDACTED]** companies, the custody, clearing, and transfer of shares, information disclosure by **[REDACTED]** companies, investigation and penalties, and the arbitration of disputes.

According to the Provisions of the State Council on Domestic-Listed Foreign Investment Shares in Joint Stock Limited Companies, promulgated by the State Council on December 25, 1995 and effective on the same date, which primarily provide for the issuance, subscription, trading, and dividend payment of domestic-listed foreign investment shares, as well as information disclosure by joint stock limited companies with such shares.

According to the Securities Law, as most recently amended by the Standing Committee of the National People's Congress on December 28, 2019 and effective on March 1, 2020, which stipulates a series of provisions regulating the issuance and trading of securities in Chinese Mainland, the acquisition of **[REDACTED]** companies, stock exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority under the State Council, and comprehensively supervises securities market activities in Chinese Mainland.

The Securities Law stipulates that domestic enterprises that directly or indirectly issue securities outside the territory of China or have their securities **[REDACTED]** and **[REDACTED]** outside the territory of China shall comply with the relevant regulations of the State Council. Currently, the issuance and trading of shares issued overseas are primarily regulated by rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Standing Committee of the National People's Congress most recently amended the Arbitration Law of the People's Republic of China (the "Arbitration Law") on September 12, 2025, and such law came into effect on March 1, 2026. According to the Arbitration Law, where parties choose to resolve disputes through arbitration, they shall follow the principle of voluntariness and reach an arbitration agreement. In the absence of an arbitration agreement, if a party applies for arbitration, the arbitration institution shall not accept the application. Furthermore, where the parties have entered into an arbitration agreement and one party institutes legal proceedings in a People's Court, the People's Court shall not accept the case, unless the arbitration agreement is invalid or as otherwise provided by law.

Under the Arbitration Law, the system of final and binding arbitration is practiced. After an award has been made, if a party again applies for arbitration or initiates litigation in a People's Court in respect of the same dispute, the arbitration institution or the People's Court shall not accept the case. Where an award is set aside or its enforcement is refused by a People's Court in accordance with the law, the parties may, in respect of the dispute, apply for arbitration pursuant to a new arbitration agreement reached between them, or initiate legal proceedings in a People's Court.

Pursuant to the Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, promulgated by the Supreme People's Court on January 24, 2000 and effective on February 1, 2000, and the Supplemental Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region, promulgated by the Supreme People's Court on November 26, 2020 and effective on November 27, 2020, awards made by Mainland Chinese arbitration institutions may be enforced in Hong Kong upon application, and Hong Kong arbitral awards may also be enforced in Chinese Mainland upon application.

Judicial Judgments and Their Enforcement

According to the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region, promulgated by the Supreme People's Court on January 25, 2024 and implemented from January 29, 2024, except for judgments in civil and commercial matters that are temporarily not applicable under Article 3 of the Arrangement, the judgments that may be recognised and enforced in both places are judgments made by the courts of the Mainland and of the Hong Kong Special Administrative Region on or after January 29, 2024. The judgments to be mutually recognised and enforced include monetary judgments and non-monetary judgments.