This appendix contains a summary of the key laws, regulations, and policies of the PRC relevant to the Company's daily business operations currently carried out in the PRC. The laws and regulations regarding the PRC taxation are discussed separately in the appendix "Taxation and Foreign Exchange" of this document. The primary purpose of this summary is to provide potential [**REDACTED**] with an overview of the key laws and regulatory provisions applicable to the Company. This summary is not intended to include all data important to potential [**REDACTED**]. For a discussion of the laws and regulations related to the Company's business, please refer to the section headed "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People's Republic of China (中華人民共和國憲法) (the "Constitution"), which was amended and came into effect on March 11, 2018. It consists of statutes, administrative regulations, local regulations, autonomous regulations, separate regulations, departmental rules of the State Council, local government rules, laws of special administrative regions, international treaties signed by the PRC government, and other normative documents. Court judgments do not constitute legally binding precedents but can be used as judicial references and guidelines.

In accordance with the Constitution and the Legislation Law of the People's Republic of China (中華人民共和國立法法) (the "Legislation Law"), which was last amended on March 13, 2023, and came into effect on March 15, 2023, the National People's Congress ("NPC") and the SCNPC have the power to exercise the state's legislative power. The NPC has the power to enact and amend basic laws governing state institutions, civil, criminal, and other matters. The SCNPC has the power to enact and amend laws other than those that should be formulated by the NPC. During the adjournment of the NPC, partial supplements and amendments may be made to laws enacted by the NPC, provided that such supplements and amendments shall not contravene the basic principles of such laws.

The State Council, as the highest state administrative organ, 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 according to the specific conditions and actual needs of their respective administrative regions, provided that such regulations do not contravene the Constitution, laws, and administrative regulations. The people's congresses and their standing committees of cities divided into districts may, according to the specific conditions and actual needs of their respective cities, formulate local regulations on matters such as urban and rural construction and management, ecological civilization construction, historical and cultural protection, and grass-roots governance, provided that such regulations do not contravene the Constitution, laws, administrative regulations, and local regulations of their respective provinces or autonomous regions. Where the laws provide otherwise for the matters on which cities divided into districts may formulate local regulations, such provisions shall prevail. The relevant local regulations shall be submitted to the standing committees of the people's congresses of the relevant provinces or autonomous regions for approval before implementation.

The standing committees of the people's congresses of provinces or autonomous regions shall review the legality of the local regulations submitted for approval. If the local regulations do not contravene the Constitution, laws, administrative regulations, and local regulations of the relevant provinces or autonomous regions, they shall be approved within four months. The people's congresses of ethnic autonomous regions have the power to formulate 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, directly-affiliated institutions with administrative management functions, and institutions as provided by laws may formulate departmental rules within the scope of their respective functions and powers in accordance with laws, and administrative regulations, decisions and orders of the State Council.

The NPC has the power to alter or annul any inappropriate laws formulated by the SCNPC and to annul any autonomous regulations or separate regulations approved by the SCNPC that 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 approved by the standing committees of the people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government that contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul inappropriate departmental rules and local government rules. The people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government have the power to alter or annul inappropriate local regulations formulated or approved by their respective standing committees. The standing committees of local people's congress have the power to annul inappropriate rules formulated by the people's governments at the same level, and the people's governments of provinces and autonomous regions have the power to alter or annul inappropriate rules formulated by the people's governments at the next lower level.

In accordance with the Resolution of the Standing Committee of the National People's Congress on Strengthening the 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), which was approved on June 10, 1981, where further clarification or supplementary provisions are required for the provisions of laws and decrees themselves, the SCNPC shall provide interpretations or make provisions by decree. For issues regarding the specific application of laws in the trial work of the courts, the Supreme People's Court shall provide interpretations. For issues regarding the specific application of laws in the procuratorial work of the procuratorates, the Supreme People's Procuratorate shall provide interpretations. For issues regarding the specific application of relevant laws that are not related to the trial work of the courts and the procuratorial work of the procuratorates, the State Council and the relevant competent departments shall provide interpretations. At the local level, the power to interpret local regulations shall be vested in the local legislative and administrative authorities that promulgated such regulations.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People's Courts of the People's Republic of China (中華人民共和國人民法院組織法) amended by the SCNPC on October 26, 2018 and became effective on January 1, 2019, the people's courts of the PRC are divided into the Supreme People's Court, local people's courts at various levels and special people's courts. Local people's courts at various levels are divided into three levels: primary people's courts, intermediate people's courts and higher people's courts. Primary people's courts may establish specialized civil tribunals based on the region, population and case situation. The Supreme People's Court is the highest judicial authority of the PRC. The Supreme People's Court supervises the judicial work of local people's courts at various levels and special people's courts, and higher people's courts supervise the judicial work of lower people's courts.

The people's courts have a two-tier system of final adjudication, which means that the judgments or rulings of the second instance of the people's courts are final. Parties may appeal against the first-instance judgments or rulings of local people's courts. The people's procuratorates may file protests with the people's courts at the next higher level in accordance with the procedures prescribed by laws. If parties do not file an appeal and the people's procuratorates do not file a protest within the prescribed time limit, the judgments or rulings of the people's courts shall be final. The second-instance judgments or rulings of intermediate people's courts, higher people's courts and the Supreme People's Court, as well as the first-instance judgments or rulings of the Supreme People's Court are final. However, if the Supreme People's Court finds that there are indeed errors in the final judgments or rulings that have become legally effective of people's courts at various levels, or a higher people's court finds that there are indeed errors in the final judgments or rulings that have become legally effective of a lower people's court, or the president of a people's court at any level finds that there are indeed errors in the final judgments or rulings that have become legally effective of his or her court, such court or president has the power to remand the case for retrial in accordance with the judicial supervision procedures.

According to the provisions of the Civil Procedure Law of the People's Republic of China (中華人民共和國民事訴訟法) ("Civil Procedure Law") which was last amended on September 1, 2023 and came into effect on January 1, 2024, all parties initiating civil litigation within the territory of the PRC must abide by the Civil Procedure Law of the People's Republic of China. Civil cases are generally heard by the court where the defendant is located. Parties to a contract dispute or other disputes over property rights and interests may, through a written agreement, choose the people's court in the place where the defendant has domicile, where the contract is performed, where the contract is signed, where the plaintiff has domicile, where the subject matter is located, or in a place that has an actual connection with the dispute to exercise jurisdiction, provided that the provisions of the Civil Procedure Law on hierarchical jurisdiction and exclusive jurisdiction are not violated.

Foreigners, stateless persons, foreign enterprises or foreign organizations that bring lawsuits or respond to lawsuits in the people's courts shall enjoy the same litigation rights and obligations as Chinese citizens, legal persons or other organizations. If a foreign court restricts the litigation rights of Chinese citizens or enterprises, the people's courts of China shall apply the principle of reciprocity to the civil litigation rights of citizens and enterprises of such country. When foreigners, stateless persons, foreign enterprises or foreign organizations bring lawsuits or respond to lawsuits in the people's courts of China and need to entrust lawyers to act as agents in the litigation, they must entrust Chinese lawyers. In accordance with international treaties concluded or acceded to by China or in accordance with the principle of reciprocity, people's courts and foreign courts may request each other to serve legal documents, take evidence and carry out other litigation actions. If a request from a foreign court impairs China's sovereignty, security or public interests, the people's court shall not accept such request.

Parties must implement the civil litigation judgments and rulings that have become legally effective. If either party of a civil dispute refuses to comply with the judgments or rulings made by the people's court or the awards made by arbitration tribunals in the PRC, the other party may, within two years, apply to the people's court for the enforcement of the relevant judgments or rulings, or may also apply for the extension of enforcement or revocation. The laws on the suspension or interruption of the limitation of action shall apply to the suspension or interruption of the limitation of action for applying for enforcement. If, within the prescribed time limit, the aforementioned party still fails to implement the judgment or ruling within the prescribed time limit approved by the court for enforcement, the court may, upon the application of the other party, enforce the judgment or ruling against such party.

If one party requests the enforcement of a legally effective judgment or ruling made by a people's court against the other party, and the other party or its assets are located outside the People's Republic of China, the requesting party may apply to a foreign court with jurisdiction over the case for the recognition and enforcement of the judgment or ruling. Alternatively, the people's court may, in accordance with international treaties concluded or acceded to by China or in accordance with the principle of reciprocity, request a foreign court to recognize and enforce such judgment or ruling. Similarly, for a legally effective judgment or ruling made by a foreign court that needs to be recognized and enforced by a people's court of China, the party concerned may directly apply to an intermediate people's court of China with jurisdiction for recognition and enforcement, the foreign court may also, in accordance with the provisions of international treaties concluded or acceded to by the country where it is located and China, or in accordance with the principle of reciprocity, request the people's court to recognize and enforce the judgment or ruling. However, if the judgment or ruling violates the basic principles of PRC laws or China's sovereignty, security or public interests, it shall not be recognized and enforced.

The Company Law, the Trial Measures and the Guidelines for Articles of Association

Joint stock limited companies established in China and seeking to be listed on the Hong Kong Stock Exchange shall mainly comply with the following PRC laws and regulations.

The Company Law of the People's Republic of China (中華人民共和國公司法) (the "Company Law") was approved at the 5th Meeting of the Standing Committee of the 8th National People's Congress on December 29, 1993, and was amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023 respectively. The last amended Company Law came into effect on July 1, 2024.

The Trial Measures for the Administration of Overseas Issuance of Securities and Listing by Domestic Enterprises (境內企業境外發行證券和上市管理試行辦法) (the "Trial Measures") were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, and are applicable to the direct or indirect subscription of overseas shares and the listing of domestic companies. The Trial Measures also stipulate the filing administration measures and regulatory requirements for the overseas issuance of securities and listing by domestic companies.

The CSRC published the latest amendments to Guidelines for Articles of Association of Listed Companies (上市公司章程指引) (the "Guidelines for Articles of Association") on March 28, 2025 with immediate effect. According to the provisions of the Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules - No. 1 for the Category of Overseas Issuance and Listing (監管規則適用指引－境外發行上市類第1號), when domestic companies directly issue and list their securities overseas, they are required to formulate their articles of association with reference to relevant requirements of the CSRC on corporate governance such as the Guidelines for Articles of Association to standardize corporate governance.

The main provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company are summarized as follows.

General Provisions

"Joint stock limited company" refers to an enterprise legal person incorporated in China in accordance with the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the shares subscribed for, and the company is liable for its debts with all of its property.

A company must comply with laws, regulations, social ethics and business ethics in its business activities. A company may invest in other companies with limited liability. The company's liability for such invested companies is limited to the amount of its investment. Unless otherwise provided by law, a company shall not become an investor jointly and severally liable for the debts of the investee.

Incorporation

A joint stock limited company may be established by means of promotion or public offer. To establish a joint stock limited company, there shall be not less than 1 and not more than 200 promoters, more than half of whom must have domiciles within China.

When a joint stock limited company is established by means of promotion, the promoters shall fully subscribe for the shares to be issued upon the establishment of the company as stipulated in the articles of association. When a joint stock limited company is established by means of public offer, the shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued upon the establishment of the company as stipulated in the articles of association; if otherwise provided by laws or administrative regulations, such provisions shall prevail.

Within 30 days after the conclusion of the establishment meeting, the board of directors shall apply to the registration authority for the registration of the incorporation of the joint stock limited company. After the relevant registration authority issues the business license, the company is officially established and has legal person status.

Registered Stocks and Issuance of Shares

According to the Company Law, shareholders may contribute capital in currency, or in kind, intellectual property rights, land use rights, stock rights, creditor's rights or other non-monetary properties that can be valued in currency and transferred according to laws, except for other properties that are prohibited from being used as capital contributions by any laws or administrative regulations.

A joint stock limited company shall register the register of shareholders and keep it in the company. The register of shareholders shall state the following items:

(i) the name and domicile of each shareholder;

(ii) the classes and numbers of shares subscribed for by each shareholder;

(iii) the share certificate numbers, where shares are issued in paper form; and

(iv) the dates on which each shareholder acquired the shares.

The share issuance of a joint stock limited company shall follow the principles of fairness and justice. Each share of the same class shall enjoy equal rights. For shares of the same class issued in the same offering, the issuance conditions and prices per share shall be the same. Subscribers shall pay the same amount for each share subscribed for. The issuance price of par value shares may be at par value or above, but shall not be below par value.

The Trial Measures stipulate that companies issuing and listing securities in overseas markets may raise funds and distribute dividends in foreign currencies or RMB. In certain circumstances, such as equity incentives and asset acquisitions through securities issuance, domestic companies directly issuing and listing securities overseas may issue securities to specific domestic subjects. Domestic companies directly issuing and listing securities overseas may issue securities to specific domestic subjects meeting the requirements stipulated by the China Securities Regulatory Commission when implementing equity incentives or acquiring assets through securities issuance.

According to the Trial Measures, when a domestic company directly issues and lists securities overseas, shareholders holding unlisted domestic shares who apply to convert their unlisted domestic shares into overseas listed shares and list them for trading on overseas exchanges shall comply with the relevant regulations of the CSRC and entrust a domestic company to file with the CSRC. The aforementioned "unlisted domestic shares" refer to the shares issued by a domestic enterprise but not listed or traded on any domestic exchange. Unlisted domestic shares shall be registered and deposited with domestic securities registration and clearing institutions on a collective basis. The registration and clearing arrangements for overseas listed shares shall be subject to the regulations of the overseas listing place.

Domestic enterprises issuing and listing securities overseas shall file with the CSRC in accordance with the provisions of the Trial Measures, submit relevant materials such as filing report and legal opinion, and truthfully, accurately and completely explain status such as shareholders information. For domestic companies directly issuing and listing securities overseas, the issuer shall file with the CSRC. For domestic companies indirectly issuing and listing securities overseas, the issuer shall designate a major domestic operating entity as the domestic responsible entity to file with the CSRC.

Increase in share capital

According to the relevant provisions of the Company Law, when a joint stock limited company intends to issue new shares, the shareholders' meeting shall make resolutions on the following matters:

(i) the classes and numbers of new shares;

(ii) the issue price of new shares;

(iii) the commencement and closing dates of the new share issuance;

(iv) the classes and numbers of new shares to be issued to existing shareholders; and

(v) in the case of issuing shares without par value, the amount of the proceeds from the new share issuance to be included in the registered capital.

If a company intends to issue shares to the public, it shall register with the securities regulatory authority under the State Council and announce the prospectus document.

Reduction of share capital

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

(i) the company shall prepare a balance sheet and an inventory of the assets;

(ii) the reduction of the registered capital must be approved by a resolution of the shareholders' meeting;

(iii) the company shall notify the creditors within ten days from the date of the resolution of the shareholders' meeting to reduce the registered capital, and publish an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 30 days;

(iv) creditors have the right to require the company to repay the debts or provide corresponding guarantees within 30 days from the date of receiving the notice, and within 45 days from the date of the announcement if they have not received the notice; and

(v) the company shall apply to the company registration authority for a change of registration.

When a company reduces its registered capital, it shall correspondingly reduce the amount of capital contribution or shares in proportion to the shareholders' capital contributions or the shares they hold, unless otherwise provided by laws, otherwise agreed by all shareholders of a limited liability company, or otherwise stipulated in the articles of association of a joint stock limited company.

Repurchase of Shares

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

(i) to reduce the registered capital of the company;

(ii) to merge with other companies that hold shares of the company;

(iii) to use the shares for employee stock ownership plans or as equity incentives;

(iv) to purchase its own shares at the request made by shareholders who have dissenting views on any resolutions adopted at the shareholders' meeting concerning the merger or division of the Company;

(v) to use shares for conversion of corporate bonds issued by the company which are convertible into shares; or

(vi) it is necessary for a listed company to maintain its corporate value and safeguard shareholders' interests.

If a company purchases its own shares under the circumstances stipulated in (i) or (ii) above, it shall be subject to a resolution of the shareholders' meeting. If a company purchases its own shares under the circumstances stipulated in (iii), (v) or (vi) of the preceding paragraph, it may, in accordance with the articles of association or under the authorization of the shareholders' meeting, be subject to a resolution at the board meeting attended by more than two-thirds of the directors.

After the company purchases its own shares in accordance with the above provisions, if it falls under the circumstances described in (i), it shall cancel the relevant shares within ten days from the date of purchase; if it falls under the circumstances described in (ii) or (iv), it shall transfer or cancel the relevant shares within six months; if it falls under the circumstances described in (iii), (v) or (vi), the total number of shares of the company held by itself shall not exceed 10% of its total shares in issue, and the relevant shares shall be transferred or cancelled within three years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the laws. According to the Company Law, transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways as stipulated by the State Council. The transfer of stocks shall be carried out by shareholders by means of endorsement or other means stipulated by laws and administrative regulations; after the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. No changes of registration in the register of shareholders shall be effected within 20 days prior to the convening of a shareholders' meeting or 5 days prior to the base date for determination of dividend distributions. If laws, administrative regulations or the securities regulatory authority under the State Council have other provisions on the change of the register of shareholders of a listed company, such provisions shall prevail.

According to the Company Law, shares of the company issued prior to the public issue of shares shall not be transferred within one year from the date when the company's shares are listed and traded on the stock exchange. If laws, administrative regulations or the securities regulatory authority under the State Council have other provisions on the transfer of the shares of the listed company held by its shareholders and actual controllers, such provisions shall prevail.

Directors, supervisors (if any) and senior management of a company shall report to the company the shares of the Company they hold and the changes therein. During their terms of office, the shares they transfer each year shall not exceed 25% of the total number of shares they hold in the Company; the shares they hold in the Company shall not be transferred within one year from the date when the company's stocks are listed and traded on the stock exchange. The above-mentioned personnel shall not transfer the shares they hold in the Company within six months after leaving office. The articles of association may make other restrictive provisions on the transfer of the shares of the Company held by its directors, supervisors (if any) and senior management.

If shares are pledged during the restricted transfer period stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right during the restricted transfer period.

Shareholders

According to the Company Law and the Guidelines for Articles of Association, shareholders' rights include:

(i) to receive dividends and other forms of profit distribution in accordance with the proportion of shares they hold;

(ii) to legally request to convene, call, preside over, attend or appoint a proxy to attend the shareholders' meeting and to exercise corresponding voting rights;

(iii) to supervise the company's operations, make proposals or inquiries;

(iv) to transfer, donate or pledge the shares they hold 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' meetings, resolutions of board meetings and financial and accounting reports. Shareholders' meeting the requirements may inspect the company's accounting books and vouchers;

(vi) to participate in the distribution of the company's remaining property in accordance with the proportion of shares they hold when the company is terminated or liquidated;

(vii) shareholders who disagree with the resolutions for merger or division of the company made by the shareholders' meeting may demand the company to purchase their shares;

(viii) other rights as stipulated by laws, administrative regulations, departmental rules or the articles of association.

Shareholders' obligations include:

(i) to comply with laws, administrative regulations and the articles of association;

(ii) to pay the subscription monies based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to withdraw their capital contributions except as otherwise provided by laws and regulations;

(iv) not to abuse shareholders' rights to damage the interests of the company or other shareholders; not to abuse the company's legal person independent status and the shareholder limited liability to damage the interests of the company's creditors;

(v) to assume other obligations as stipulated by laws, administrative regulations, and the articles of association.

Shareholders' Meeting

According to the Company Law, the shareholders' meeting of a joint stock limited company is composed of all shareholders. The shareholders' meeting is the organ of authority of the company and exercises the following functions and powers:

(i) to elect and remove directors and supervisors (if any) and decide on the matters concerning the remuneration of directors and supervisors (if any);

(ii) to review and approve the reports of the board of directors and the board of supervisors (if any);

(iii) to review and approve the company's profit distribution plans and loss recovery plans;

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

(v) to resolve on the issue of corporate bonds;

(vi) to resolve on the merger, division, dissolution, liquidation of the company, or change of the company's form;

(vii) to amend the articles of association; and

(viii) other functions and powers as stipulated in the articles of association.

According to the Company Law, the shareholders' meeting shall be held once a year. An extraordinary shareholders' meeting shall be held within two months after the occurrence of any of the following:

(i) the number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number stipulated in the articles of association;

(ii) the accumulated losses of the company which are not recovered reach one-third of its total share capital;

(iii) at the request of shareholders individually or in aggregate holding more than 10% of the company's shares;

(iv) the board of directors deems necessary;

(v) the board of supervisors (if any) proposes to convene; or

(vi) other circumstances as stipulated in the articles of association.

The shareholders' meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman of the board of directors is unable to perform or fails to perform his duties, the vice chairman (if any) shall preside over it. If the vice chairman (if any) is unable to perform or fails to perform his duties, a director jointly nominated by more than half of the directors shall preside over it.

If the board of directors is unable to perform or fails to perform its duties of convening the shareholders' meeting, the board of supervisors (if any) shall promptly convene and preside over it. If the board of supervisors (if any) fails to convene and preside over it, shareholders individually or in aggregate holding more than 10% of the company's shares for more than 90 consecutive days may convene and preside over it on their own. If the aforementioned shareholders request the convening of an extraordinary shareholders' meeting, the board of directors and the board of supervisors (if any) shall decide whether to convene the extraordinary shareholders' meeting within 10 days from the date of receiving the request and reply to the shareholders in writing.

When convening a shareholders' meeting, a notice stating the date and venue of the meeting and matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting. A notice of extraordinary shareholders' meeting shall be given to all shareholders 15 days before the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may submit an interim proposal in writing to the board of directors ten days before the shareholders' meeting. The interim proposal shall have clear topics and specific resolution matters. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the interim proposal to the shareholders' meeting for deliberation, except when the interim proposal violates laws, administrative regulations or the articles of association, or is not fall within the scope of powers of the shareholders' meeting. The company shall not increase the shareholding proportion of shareholders who submit interim proposals.

According to the Company Law, when a shareholder entrusts a proxy to attend the shareholders' meeting, the matters, powers and duration of the proxy's representation shall be clearly specified. The proxy shall submit a power of attorney from the shareholder to the company and exercise the right to vote within the scope of the authorization.

According to the Company Law, each share held by a shareholder at the shareholders' meeting entitles the shareholder to one vote, except for shareholders of class shares. Shares held by the company are not entitled to any voting rights.

According to the Company Law and the Guidelines for Articles of Association, resolutions of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. Resolutions of the shareholders' meeting on amending the articles of association, increasing or reducing the registered capital, as well as resolutions on the company's merger, division, dissolution or change of the company's form shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the accumulative voting system may be adopted for the election of directors and supervisors (if any) at the shareholders' meeting. Under the accumulative voting system, when election of directors and supervisors (if any) at the shareholders' meeting, each share shall be entitled to vote equivalent to the number of directors or supervisors (if any) to be elected and the voting rights held by shareholders can be used in a concentrated manner.

Board of Directors

According to the Company Law, a joint stock limited company shall establish a board of directors, which shall consist of more than three members. The term of office of directors shall be stipulated in the articles of association, and each term shall not exceed three years. Directors may serve consecutive terms if re-elected.

The board of directors shall have a chairman and may have vice chairmen. The chairman shall be elected by the board of directors with more than half of all directors. The chairman shall convene and preside over board meetings and supervise the implementation of board resolutions. The vice chairman (if any) shall assist the chairman in his work. If the chairman is unable to perform or fails to perform his duties, the vice chairman (if any) shall perform his duties. If the vice chairman (if any) is unable to perform or fails to perform his duties, a director jointly nominated by more than half of the directors shall perform his duties.

A person shall not serve as a director of the company under any of the following circumstances:

(i) being unable or has limited ability to undertake any civil capacity;

(ii) having been sentenced to criminal punishment for corruption, bribery, embezzlement or misappropriation of property, or disruption of the economic order of the socialist market, or having been deprived of political rights due to a criminal conviction, where less than five years have elapsed since the term of punishment was completed, or in the case of a suspended sentence, 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 an enterprise in bankruptcy liquidation and being personally responsible for the bankruptcy of the company or enterprise, where less than three years have elapsed since the completion of the bankruptcy liquidation of the company or enterprise;

(iv) having served as the legal representative of a company or an enterprise whose business license has been revoked or that has been ordered to close down due to any violation of the laws, and being personally liable, where less than three years have elapsed since the date on which the business license of the company or enterprise was revoked or it was ordered to close down; or

(v) having been listed as a judgment defaulter subject to enforcement by the people's court due to the failure to settle a relatively large amount of debts that are overdue.

The board of directors shall hold at least two meetings every year. All directors shall be notified 10 days before each meeting. The board of directors shall exercise the following functions and powers:

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

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

(iii) to decide on the company's operational plans and investment proposals;

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

(v) to formulate plans for increase or decrease of registered capital and issue of corporate bonds of the company;

(vi) to formulate plans for the merger, division, dissolution of the company, or change of the company's form;

(vii) to decide on the setup of the company's internal management bodies;

(viii) to decide on the appointment or dismissal of the company's managers and matters concerning their remuneration, and decide on the appointment or dismissal of the company's deputy managers (if any), person-in-charge of finance based on the manager's nomination, and matters concerning their remuneration;

(ix) to formulate the company's basic management systems; and

(x) other functions and powers as prescribed by the articles of association or conferred by the shareholders' meeting.

A board meeting shall be held only when more than half of the directors are present. Resolutions of the board of directors shall be adopted by a majority vote of all directors. Each director shall have one vote in the voting on board resolutions. The board of directors shall keep minutes of the resolutions on the matters discussed at the meeting, and the directors present at the meeting shall sign the minutes.

A director shall attend board meetings in person. If a director is unable to attend a meeting for any reason, he may entrust another director in writing to attend the meeting on his behalf, and the power of attorney shall specify the scope of authorization. Directors shall be responsible for the resolutions of the board of directors. If a board resolution violates laws, administrative regulations, the articles of association or the resolutions of the shareholders' meeting and causes serious losses to the company, the directors participating in the resolution shall be liable for compensation to the company; if it is proven that a director expressed his objection when the resolution was voted on and such objection was recorded in the minutes of the meeting, such director may be released from liability.

Audit Committee of the Board of Directors

According to the Company Law, a joint stock limited company may, in accordance with the provisions of the articles of association, establish an audit committee consisted of directors in the board of directors to exercise the powers of the board of supervisors instead of establishing a board of supervisors.

Manager and Senior Management

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

According to the Company Law, senior management shall refer to the manager, deputy manager (if any), person-in-charge of finance of the company, the secretary of the board of directors of a listed company and other senior management personnel prescribed by the articles of association.

Duties of Directors and Senior Management

The Company Law requires that the company's directors and senior management shall abide by relevant laws, regulations and the articles of association and shall have the duty of loyalty and the duty of diligence to the company. Directors and senior management have the duty of loyalty to the company, and shall take measures to avoid conflicts between their own interests and the company's interests, and shall not use their powers to seek improper benefits.

Directors and senior management have the duty of diligence to the company, and shall exercise the reasonable care that a manager usually should have for the best interests of the company when performing their duties.

Directors and senior management are prohibited from:

(i) embezzling the company's property or misappropriating the company's funds;

(ii) depositing the company's funds into an account under their own names or the names of other individuals;

(iii) taking advantage of power to accept bribes or other illegal income;

(iv) accepting and possessing commissions paid by a third party for transactions conducted with the company;

(v) disclosing the company's confidential business information without authorization; or

(vi) other acts in violation of their duty of loyalty to the company.

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

Where the close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or any of their close relatives, or any related parties who have any other connection with directors and senior management enter into contracts or conduct transactions with the company, the provisions of the preceding paragraph shall apply.

Directors and senior management shall not take advantage of their positions to seek business opportunities that belong to the company for themselves or others except under any of the following circumstances:

(i) report to the board of directors or the shareholders' meeting and obtain approval by a resolution of the board of directors or the shareholders' meeting in accordance with the articles of association; or

(ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

Directors and senior management who fail to report to the board of directors or the shareholders' meeting and obtain approval by a resolution of the board of directors or the shareholders' meeting in accordance with the articles of association shall not operate businesses of the same kind as that of the company they serve on their own or for others.

Directors and senior management who violate laws, administrative regulations, or the articles of association during the performance of their duties and cause losses to the company shall be liable for compensation.

Finance and Accounting

According to the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations, and the requirements of the financial department of the State Council. A company shall prepare its financial and accounting reports at the end of each financial year and have them audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations, and the requirements of the financial 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 the shareholders 20 days before the convening of an annual shareholders' meeting. A joint stock limited company that makes public offering of shares shall publish its financial and accounting reports.

The premium received through issuance of shares at prices above par value, proceeds from issuance of no par value shares which have not been included in registered capital, and other items required by the financial department of the State Council to be allocated to the capital reserve fund shall be allocated to the company's capital reserve fund.

A company's reserve funds shall be applied to make up for the company's losses, expand the company's production and business operations, or increase the company's registered capital. When the company's losses are made up with reserve funds, the discretionary reserve funds and the statutory reserve funds shall first be used; if insufficient, the capital reserve funds may be used according to the provisions. Upon the conversion of statutory reserve funds into increase of registered capital, the balance of the statutory reserve funds shall not be less than 25% of the registered capital of the company before such conversion.

The company shall have no other accounting books except the statutory accounting books. The company's funds shall not be deposited in any accounts opened in the name of any individual.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment and dismissal of an accounting firm that undertakes the company's auditing business shall be determined by the shareholders' meeting, the board of directors, or the board of supervisors (if any) in accordance with the articles of association. When the aforementioned entities vote on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions. A company shall provide the appointed accounting firm with true and complete accounting vouchers, accounting books, financial and accounting reports, and other accounting materials without any refusal, withholding and misrepresentation.

The Guidelines for Articles of Association stipulate that the appointment of any accounting firm by a company shall be subject to the approval of the shareholders' meeting, and the board of directors shall not appoint an accounting firm before the decision of the shareholders' meeting. The audit fees of the accounting firm shall be decided by the shareholders' meeting.

Distribution of Profits

When a company distributes its after-tax profits for the current year, it shall allocate 10% of the profits to the company's statutory reserve funds. If the cumulative amount of the company's statutory reserve funds reaches 50% or more of the company's registered capital, no further allocation is required. If the company's statutory reserve funds are insufficient to make up for the losses of previous years, the current year's profits shall be used to make up for the losses before allocating the statutory reserve funds as stipulated in the previous paragraph. After a company allocates the statutory reserve funds from its after-tax profits, it may, upon resolution of the shareholders' meeting, also allocate discretionary reserve funds from the after-tax profits. After a company makes up for its losses and allocates reserve funds, the remaining after-tax profits of a joint stock limited company shall be distributed among shareholders in proportion to the shares they hold, unless otherwise provided in the articles of association. The own shares held by the company shall not be entitled to any profit distribution.

If a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the regulations to the company; where losses are caused to the company, the shareholders and the responsible directors and senior management shall be liable for compensation.

If the shareholders' meeting makes a resolution on profit distribution, the board of directors shall make the distribution within six months from the date when the resolution of the shareholders' meeting is made.

Dissolution and Liquidation

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

(i) the term of business of the company has expired or other events of dissolution occur under the articles of association;

(ii) the shareholders' meeting resolves to dissolve the company;

(iii) the company needs to be dissolved due to merger or division;

(iv) the business license is revoked, or the company is ordered to close or be deregistered according to laws; or

(v) the people's court dissolves the company in accordance with the provisions of Article 231 of the Company Law.

The company shall, within 10 days of the occurrence of the reasons for dissolution stipulated in the preceding paragraph, make an announcement of the reasons for dissolution through the National Enterprise Credit Information Publicity System.

If a company is dissolved due to the provisions of (i) and (ii) above and has not distributed its property to shareholders, it may subsist by amending the articles of association or through a resolution of the shareholders' meeting. The amendment of the articles of association or the resolution of the shareholders' meeting shall be subject to the approval of more than two-thirds of voting rights held by the shareholders present at the shareholders' meeting. If a company is dissolved due to the provisions of (i), (ii), (iv) or (v) above, it shall be liquidated. The directors are the liquidation obligors of the company and shall form a liquidation team to carry out liquidation within 15 days after the occurrence of an event of dissolution. The liquidation team shall be composed of directors, unless it is otherwise provided for in articles of association or elected by the shareholders' meeting. If the liquidation obligors fail to perform their liquidation obligations in a timely manner and cause losses to the company or creditors, they shall be liable for compensation.

In the event that the liquidation team is not established to conduct liquidation or the liquidation is not conducted after establishment of the liquidation team within the stipulated period, an interested party may request the people's court to appoint relevant personnel to establish the liquidation team to conduct liquidation. The people's court shall accept the application and promptly organize a liquidation team for liquidation.

During the liquidation period, the liquidation team may exercise the following powers:

(i) to handle the company's properties and to prepare a balance sheet and an inventory of assets;

(ii) to notify creditors through notice or public announcement;

(iii) to deal with the company's outstanding businesses related to the liquidation;

(iv) to pay off the taxes owed by the company and the taxes incurred during the liquidation process;

(v) to claim credits and pay off debts;

(vi) to distribute the company's remaining property after its debts have been paid off; and

(vii) to represent the company in civil lawsuits.

The liquidation team shall notify the company's creditors within ten days from the date of its establishment and make an announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation team within 30 days of the date on which the notice is received or 45 days of the date of announcement if the notice is not received. Creditors who declare claims shall state relevant matters related to the claims and provide proofs. The liquidation team shall register the claims. During the period for declaration of claims, the liquidation team shall not make any repayment to the creditors.

Upon liquidation of property and the preparation of the balance sheet and inventory of assets, the liquidation team shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation.

After the company's property has been used to pay the liquidation expenses, employees' salaries, social insurance premiums, and legal compensation, and to pay off the taxes owed and the company's debts, the remaining property of a limited liability company shall be distributed among the shareholders in proportion to their capital contributions, and that of a joint stock limited company shall be distributed among the shareholders in proportion to the shares they hold.

During the liquidation, the company shall continue to subsist, but shall not carry out any business activities irrelevant to the liquidation. The company's property shall not be distributed to the shareholders before repayments are made in accordance with the aforementioned provisions.

Upon liquidation of the company's property and the preparation of the balance sheet and inventory of assets, if the liquidation team finds that the company's property is insufficient to pay off its debts, it shall apply to the people's court for bankruptcy liquidation in accordance with the laws. After the people's court accepts the bankruptcy application, if the liquidation team finds the liquidation team shall hand over all matters relating to the liquidation to the bankruptcy administrator designated by the people's court.

The members of a liquidation team shall perform the duty of liquidation and have duty of fiduciary and diligence. A member of the liquidation team shall be liable for compensation for losses caused to the company, if any, by his negligence in performing the duty of liquidation; or to creditors, if any, with intent or by gross negligence.

Upon completion of the liquidation of the company, the liquidation team shall prepare a liquidation report and submit it to the shareholders' meeting or the people's court for verification. Thereafter, the report shall be submitted to the company registration authority to cancel the company's registration.

If a company whose business license has been revoked, has been ordered to close down, or has been deregistered fails to apply to the company registration authority for cancellation of its registration within three years, the company registration authority may make an announcement through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. After the expiration of the announcement period, if there are no objections, the company registration authority may deregister the company.

Overseas listing

According to the Trial Measures, if an issuer makes an initial public offering or listing overseas, it shall file with the CSRC within 3 working days after submitting the application documents for issuance and listing overseas. Subsequent securities issuance of an issuer in the same overseas market where it has previously issued and listed securities shall be filed with the CSRC within 3 working days after the issuance is completed. Subsequent securities issuance and listing of an issuer in other overseas markets than where it has issued and listed shall be filed pursuant to the above-mentioned provisions. 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 5 working days after receiving the filing materials, and the issuer shall supplement the materials within 30 working days.

Loss of Share Certificate

If a share certificate is stolen, lost, or destroyed, the shareholder may, in accordance with the public notice for summons procedure stipulated in the Civil Procedure Law, request the people's court to declare the share certificate invalid. After the people's court declares the share certificate invalid, the shareholder may apply to the company for re-issuance of the share certificate.

Suspension and Termination of Listing

The provisions on suspension and termination of listing have been removed from the Company Law. The provisions on suspension of listing have also been removed from the Securities Law of the People's Republic of China (2019 Amendments) (中華人民共和國證券法) (the "**Securities Law**"). If a listed security falls into the delisting situation stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, if an issuer voluntarily or compulsorily terminates its listing after issuing and listing securities in an overseas market, the issuer shall submit a report to the CSRC within 3 working days after such event occurs and is publicly disclosed.

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 institutions in China, and managing the CSRC. The CSRC, as the regulatory body of the Securities Commission, was responsible for drafting regulatory regulation for the securities market, supervising securities companies, regulating the public offering of securities by Chinese companies at home and abroad, standardizing securities trading, compiling securities related statistic data, and conducting relevant research and analysis. In 1998, the State Council abolished the Securities Commission, and its functions were assumed by the CSRC.

The Provisional Regulations on the Administration of Stock Issuance and Trading (股票發行與交易管理暫行條例), promulgated by the State Council and effective on April 22, 1993, stipulate the application and approval procedures for public stock issuance, stock trading, acquisition of listed companies, custody, clearing and transfer of listed stocks, information disclosure of listed companies, investigations and penalties, and arbitration of disputes.

Provisions of the State Council on Domestic Listing of Foreign Shares by Companies Limited by Shares (國務院關於股份有限公司境內上市外資股的規定), promulgated by the State Council and came into effect on December 25, 1995, stipulate the issuance, subscription, trading, and dividend payment of foreign shares listed domestically, as well as the information disclosure of joint stock limited companies that hold such shares.

The Securities Law, last amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, stipulates a series of provisions on the issuance and trading of securities, acquisition of listed companies, duties and responsibilities of securities exchanges, securities companies in China, and securities regulatory authority under the State Council, and supervise the overall activities of the securities market in China. Besides, domestic enterprises that directly or indirectly issue securities overseas or list their securities for trading overseas shall comply with the relevant regulations of the State Council. Currently, the issuance and trading of overseas shares are mainly regulated by the rules and regulations promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

According to the Arbitration Law of the People's Republic of China (中華人民共和國仲裁法) (the "Arbitration Law"), amended by the SCNPC on September 1, 2017 and came into effect on January 1, 2018, the Arbitration Law applies to foreign-related economic disputes where the parties have entered into a written agreement to submit the matter to arbitration by an arbitration commission established in accordance with the Arbitration Law. Before the China Arbitration Association (中國仲裁協會) formulates arbitration rules, arbitration commissions may formulate provisional arbitration rules in accordance with the relevant provisions of the Arbitration Law and the Civil Procedure Law. If the parties have reached an arbitration agreement and a party files a lawsuit with a people's court, the people's court shall not accept the case, unless the arbitration agreement is invalid or otherwise provided by law.

According to the Arbitration Law, arbitration adopts the system of one and final award, which is binding on all parties to the arbitration. If one party fails to comply with the award, the other party may apply to a people's court for enforcement of the arbitral award in accordance with the Civil Procedure Law. If the arbitration procedure violates the laws, the people's court may rule not to enforce the arbitral award made by the arbitration commission. For an arbitral award that has become legally effective and is made according to laws within the People's Republic of China, if a party requests enforcement and the person against whom enforcement is sought or his property is not within the People's Republic of China, the party may directly apply to a foreign court with jurisdiction for recognition and enforcement. Similarly, the people's court may recognize and enforce an arbitral award made by a foreign arbitration institution in accordance with the principle of reciprocity or any international treaties that China has concluded or acceded to.

The Arbitration Law, which was last amended on September 12, 2025 and shall be effective on March 1, 2026, does not modify the aforementioned provisions.

According to the Arrangement of the Supreme People's Court Concerning 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 became effective on February 1, 2000, and the Supplementary Arrangement of the Supreme People's Court Concerning 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 became effective on the next day, arbitration awards made by arbitration authorities in Mainland China may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in Mainland China.

Judicial Judgments and their Enforcement

The Arrangement of the Supreme People's Court on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (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), issued by the Supreme People's Court on January 25, 2024 and became effective on January 29, 2024, stipulates that for effective judgments in civil and commercial matters by the courts of the Mainland China and the Hong Kong Special Administrative Region, and effective judgments in relation to civil damages awarded in criminal cases, the parties may apply to the courts in Mainland China or the Hong Kong courts for recognition and enforcement in accordance with this arrangement.