This Appendix summarizes certain aspects of PRC laws and regulations which are relevant to our Company's operations and business. The laws and regulations governing taxation within China are discussed separately in "Appendix III — Overview of Taxation and Foreign Exchange" in this document. This Appendix also contains a summary of laws and regulatory provisions of the Company Law of the People's Republic of China. The principal objective of this summary is to provide potential investors with an overview of the principal laws and regulatory provisions applicable to our Company. This summary is not intended to include all the information which is important to potential investors. For a discussion of laws and regulations which are relevant to our Company's business, see "Regulatory Overview" in this document.

## THE PRC LEGAL SYSTEM

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

According to the Constitution and the Legislation Law of the People's Republic of China (《中華人民共和國立法法》) (the "Legislation Law"), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to partly amend and supplement the laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws. The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection and historical and cultural protection based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into districts, such stipulations shall prevail. The local regulations of an autonomous region shall take effect upon approval by the standing committee of the people's congress of the relevant province or autonomous region. The standing committees of the people's congresses of provinces or autonomous regions shall examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. The ministries, commissions, PBOC, the National Audit Office and institutions with administrative functions directly under the State Council may formulate rules and regulations within the terms of reference of their respective departments based on the laws and the administrative regulations, decisions and orders of the State Council.

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

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

According to the Constitution and the Legislation Law, the power to interpret the laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加强法律解釋工作的決議》) passed by the SCNPC on 10 June 1981 and came effective on the same date, issues involving the specific application of laws and decrees in the judicial work of the court shall be interpreted by the Supreme People's Court. Issues involving the specific application of laws and decrees in the procuratorial work of the procuratorate shall be interpreted by the Supreme People's Procuratorate. Issues that do not involve the specific application of laws and decrees in judicial and procuratorial work shall be interpreted by the State Council and the competent departments. If the provisions of local regulations need to be further defined or supplementary provisions need to be made, the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government which have enacted these regulations shall provide the interpretations or make the stipulations. Issues involving the specific application of local regulations shall be interpreted by the competent departments of the people's governments of provinces, autonomous regions and municipalities.

## PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organization of the People's Courts of the PRC (《中華人民共和國人民法院組織法》), the people's court is made up of the Supreme People's Court, the local people's courts, and special people's courts. The local people's courts are divided into 3 levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up certain people's tribunals based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ. The Supreme People's Court shall supervise the judicial administration of the local people's courts at all levels and of the special people's courts; the people's courts at higher levels shall supervise the judicial administration of the people's courts at lower levels.

According to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》), the people's procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ. The Supreme People's Procuratorate shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates; the people's procuratorates at higher levels shall direct the work of those at lower levels. The people's courts employ a two-tier appellate system, and judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to the people's courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people's procuratorate within the stipulated period, the judgments or rulings of the people's courts are final. Judgments or rulings of the second instance of the intermediate people's courts, the higher people's courts and the Supreme People's Court and those of the first instance of the Supreme People's Court are final. However, if the Supreme People's Court or the people's courts at the higher level finds any definite errors in a legally effective final judgment or ruling of the people's court at a lower level, or if the chief judge of a people's court at any level finds any definite errors in a legally effective final judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

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

A foreign individual, a person without nationality, a foreign enterprise and organization is given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people's court. Should a foreign court limit the civil litigation rights of citizens and enterprises of the PRC, the PRC court may apply the same limitations to the civil litigation rights of citizens and enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at the people's court. In accordance with the international treaties to which the PRC is a signatory or participant or according to the principle of reciprocity, a people's court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people's court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or social and public interests of the PRC.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within 2 years, or apply to postpone enforcement or to abrogate the judgment. If, within the prescribed time limit, the party fails to comply with the judgment for which the court has issued an enforcement order, the court may, upon application by the other party, enforce the judgment against that party.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling, or a people's court may request a foreign court to recognize and enforce such judgment or ruling in accordance with the provisions of international treaties to which China is a party or has acceded, or in accordance with the principle of reciprocity. Similarly, should an effective foreign judgment or ruling be recognized and enforced by the people's court in China, the party concerned may apply directly to an intermediate people's court with proper jurisdiction in China for recognition and enforcement of the judgment or ruling, or a foreign court request the people's court to recognize and enforce such judgment or ruling in accordance with the provisions of international treaties concluded or acceded to by that country and China, or according to the principle of reciprocity, unless among other exceptions, the people's court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic principles of the PRC laws, its sovereignty or security, or social and public interests.

## THE COMPANY LAW OF THE PEOPLE'S REPUBLIC OF CHINA, TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "Company Law"), was adopted 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. The latest revision of the Company Law took effect on July 1, 2024.

The Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Overseas Listing Trial Measures") and its five interpretative guidelines promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, were applicable to the direct and indirect overseas offering and listing of domestic companies' shares.

According to the Overseas Listing Trial Measures and its interpretative guidelines, a domestic company directly offering and listing overseas shall formulate its Articles of Association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "Guidelines for Articles of Association") which was promulgated and last amended by the CSRC on March 28, 2025.

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

### General Provisions

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

Companies engaged in business activities must obey the laws and regulations, observe social and business ethics, act in good faith, and accept the supervision of the government and the public. A company may invest in other companies. Where the laws stipulate that a company shall not be a contributor that is jointly and severally liable for the debts of the investee, such stipulation shall be prevail.

**Incorporation**

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of 1 but not more than 200 promoters, and more than half of the promoters shall have residence within the PRC.

The promoters of a joint stock company established by subscription shall convene an inaugural meeting of the company within 30 days after the share capital has been paid-up since its incorporation and shall notified each subscribers the date of the meeting or make an announcement in this regard within 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting shares. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the Articles of Association or the agreement of the promoters.

Within 30 days after the conclusion of the inaugural meeting, the Board of Directors shall appoint a representative to apply to the registration authority for registration of the incorporation of the joint stock limited company.

The business license of a company formally established shall be issued by the relevant registration authority, with the date being the date of its establishment.

**Share Capital**

The issuance of shares shall be conducted in accordance with the principles of fairness and impartiality, and each share of the same class shall carry equal rights. For shares of the same class issued in the same offering, the offering terms and price of each share shall be the same; subscribers shall pay the same price per share for the shares they subscribe to.

Shareholders may contribute capital in the form of currency, or in the form of non-monetary assets such as tangible property, intellectual property rights, land use rights, equity interests, and claims that can be valued in monetary terms and transferred in accordance with the law; provided, however, that this does not include property that is prohibited from being used as capital contributions under laws or administrative regulations. Non-monetary assets contributed as capital shall be appraised, valued, and verified; such assets shall not be overvalued or undervalued. Where laws or administrative regulations contain provisions regarding appraisal and valuation, such provisions shall prevail.

Under the Company Law, a joint stock limited company is required to maintain a register of shareholders, detailing the following information: (i) the name and domicile of each shareholder; (ii) the class and number of shares subscribed for by each shareholder; (iii) the serial number of shares if issued in paper form; and (iv) the date on which each shareholder acquired the shares.

**Increase in Share Capital**

Under the Company Law, in the case of a joint stock limited company issuing new shares, resolutions shall be passed at the shareholders' meeting in respect of the class and number of new shares, the issue price of the new shares, the commencement and end dates for the issuance of new shares and the class and number of the new shares proposed to be issued to existing shareholders, if any. If no par value stock is issued, more than half of the proceeds from the issuance of the shares shall be included into the registered capital. Furthermore, if a company intends to make public offering of shares, it is required to complete the registration with the securities regulatory authority of the State Council and announce the documents.

Domestic companies offering and listing its securities overseas shall file with the CSRC in accordance with the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic company seeks to offer and list securities overseas directly, the issuer shall file with the CSRC. If a domestic company is indirectly listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

**Reduction of Share Capital**

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (i) to prepare a balance sheet and a property list; (ii) the company makes a resolution at shareholders' meeting to reduce its registered capital; (iii) the company shall inform its creditors within 10 days and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the approval of resolution of reducing registered capital by the shareholders' meeting; (iv) the creditors shall have the right to require the company to repay its debts or provide corresponding guarantees within 30 days after receiving the notice or within 45 days after the announcement if the creditors have not received the notice; (v) when the company reduces its registered capital, it shall register the change with a company registration authority in accordance with the law.

When a company reduces its registered capital, it must reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless otherwise prescribed by any law, or agreed upon by all the shareholders of a limited liability company, or as specified in the Articles of Association of a joint stock limited company.

**Share Buy-Back**

Under the Company Law, a company shall not purchase its own shares, except for under any of the following circumstances: (i) reducing the registered capital of the company; (ii) merging with other company that holds the shares of the company; (iii) using the shares for employee stocks plan or equity incentives; (iv) with respect to shareholders voting against any resolution adopted at the shareholders' meeting on the merger or division of the company, the right to demand the company to acquire the shares held by them; (v) using the shares for the conversion of convertible corporate bonds issued by the company; (vi) as required for maintenance of the corporate value and shareholders' rights and interests of the listed company.

The purchase of shares of a company by itself for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the shareholders' meeting; the purchase of shares of a company by itself for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the Articles of Association or the authorization from the shareholders' meeting. Following the purchase of the company's shares by itself in accordance with the above provisions, such shares shall be canceled within 10 days from the date of purchase in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; and the total numbers of share held by the company shall not exceed 10% of the total issued shares of such company, and shall be transferred or canceled within 3 years in the case of items (iii), (v) and (vi) above.

**Transfer of Shares**

Shares held by a shareholder may be transferred according to the law. A shareholder should affect a transfer of his shares on securities exchange established according to the law or by any other means as required by the State Council. Shares may be transferred by endorsement of shareholders or by other means stipulated by the laws or administrative regulations; after the transfer, a company shall record the name and address of the transferee in the register of shareholders. No changes of registration in the share register shall be affected during a period of 20 days prior to the convening of shareholder's meeting or 5 days prior to the benchmark date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Under the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within 1 year from the date on which the shares of the company are listed and traded on a securities exchange. The directors and senior management of the company should declare to the company the number of shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares of the company transferred each year should not exceed 25% of the shares they hold, and the shares of the company held by them shall not be transferred within 1 year from the date of the listing and trade of the company's share, nor within six months after their resignation from their positions with the company. If the shares are pledged within the time limit for restricted transfer as provided for by the laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted period.

**Shareholders**

Under the Company Law and Guidelines for Articles of Association, a shareholder enjoy following rights: (i) to receive distribution of dividends and other forms of benefits according to the number of shares held; (ii) to legally require, convene, preside over, participate in or appoint proxies to attend the shareholders' meeting and exercise corresponding voting rights; (iii) to supervise operational activities of the company, provide suggestions or submit queries; (iv) to transfer, grant and pledge the company's shares held by him/her according to the provisions of the laws and administrative regulations; (v) to inspect and copy the Articles of Association, the register of shareholders, minutes of shareholders' meetings, resolutions of meetings of the Board of Directors and financial and accounting reports, eligible shareholders may inspect the accounting books and vouchers of the company; (vi) to participate in the distribution of the remaining assets of the company according to the proportion of shares held by him/her upon its termination or liquidation; (vii) to require the company to acquire the shares from shareholders voting against any resolutions adopted at the shareholders' meeting concerning the merger and division of the company; (viii) other rights conferred by the laws, administrative regulations, departmental rules or the Articles of Association.

The obligations of a shareholder include: (i) to abide by the laws, administrative regulations and the Articles of Association; (ii) to provide share capital according to the shares subscribed for and share participation methods; (iii) not to return shares unless prescribed otherwise in laws and regulations; (iv) not to abuse shareholders' rights to infringe upon the interests of the company or other shareholders; not to abuse the company's status as an independent legal entity or the limited liability of shareholders to damage the interests of the company's creditors; (v) to perform other duties prescribed in laws, administrative regulations and the Articles of Association.

**Shareholder's Meetings**

Under the Company Law and the Guidelines for Articles of Association, the shareholders' meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and to decide on matters relating to the remuneration of directors; (ii) to examine and approve reports of the Board of Directors; (iii) to examine and approve the company's profit distribution plans and loss recovery plans; (iv) to resolve on the increase or reduction of the company's registered capital; (v) to resolve on the issuance of corporate bonds; (vi) to resolve on the merger, division, dissolution, liquidation or change of corporate form of the company; (vii) to amend the company's Articles of Association; (viii) to resolve on the appointment or dismissal of the accounting firm which is engaged to audit the company's accounts; (ix) to review and approve the guarantee matters specified in Article 47 of the Articles of Association; (x) to review matters concerning the listing company's purchase or sale of significant assets within 1 year, with the amount of which exceeds 30% of the latest audited total assets of the company; (xi) to review and approve changes in the use of raised funds; (xii) to review equity incentive plans and employee stock ownership plans; (xiii) to review other matters that should be decided by the shareholders' meeting as prescribed by the laws, administrative regulations, departmental rules and the Articles of Association.

Under the Company Law and Guidelines for Articles of Association, shareholders' meetings include annual shareholders' meetings and extraordinary shareholders' meetings. Annual shareholders' meetings are required to be held once every year and must be held within six months after the end of the preceding fiscal year.

An extraordinary shareholders' meeting is required to be held by the company within 2 months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in the Articles of Association; (ii) when the unrecovered losses of a company amount to one-third of the total share capital; (iii) when shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the Board of Directors; (v) the Audit Committee proposes to convene the meeting; (vi) other circumstances as stipulated in the laws, administrative regulations, departmental rules and the Articles of Association.

Shareholders' meetings shall be convened by the Board of Directors within the required time. With the consent of a majority of all independent directors, the independent directors have the right to propose to the Board of Directors that an extraordinary shareholders' meeting shall be convened. Upon a proposal from independent directors to convene an extraordinary shareholders' meeting, the Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within 10 days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted; if the Board of Directors disagrees to convene an extraordinary shareholders' meeting, it shall state the reasons and make an announcement.

A proposal by the Audit Committee to the Board of Directors to convene an extraordinary shareholders' meeting of shareholders must be submitted to the Board in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within ten days of receipt of such proposal, stating whether it agrees or disagrees with the convening of the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted, and any changes to the original proposal in the notice shall be subject to the consent of the Audit Committee. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten days of receiving the proposal, it shall be deemed that the Board of Directors is unable or fails to perform its duty to convene the shareholders' meeting, and the Audit Committee may unilaterally convene and preside over such meeting.

A proposal by the shareholders individually or collectively holding more than 10% of the company's shares (including preferred stock with restored voting rights, etc.) to request the Board of Directors to convene an extraordinary shareholders' meeting must be submitted to the Board of Directors in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations, and the Articles of Association, provide a written feedback within ten days of receiving such request, stating whether it agrees or disagrees to convene the extraordinary shareholders' meeting. If the Board of Directors agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days after the Board resolution is adopted, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Board of Directors disagrees to convene an extraordinary shareholders' meeting, or fails to provide feedback within ten days of receiving the request, the request from the shareholders individually or collectively holding 10% or more of the company's shares (including preferred stock with restored voting rights, etc.) to propose to the Audit Committee for convening an extraordinary shareholders' meeting must be made to the Audit Committee in writing. If the Audit Committee agrees to convene an extraordinary shareholders' meeting, it shall issue a notice of the shareholders' meeting within five days of receiving such request, and any changes to the original request in the notice shall be subject to the consent of the relevant shareholders. If the Audit Committee fails to issue a notice of a shareholders' meeting within the prescribed time limit, it shall be deemed that the Audit Committee fails to convene or preside over the shareholders' meeting, and shareholders who, individually or collectively, have held 10% or more of the company's shares (including preferred stock with restored voting rights, etc.) for a continuous period of 90 days or more may unilaterally convene and preside over such meeting.

**Directors**

Pursuant to the Company Law and the Guidelines for Articles of Association, a joint stock limited company should have a Board of Directors, which consists of more than 3 members, and its members may include employee representatives from the company. Companies with 300 or more employees shall include employee representatives among the members of their board of directors. Employee representatives on the Board of Directors shall be democratically elected by the company's employees through a congress of the staff, a general membership meeting, or other means.

The term of office of a director shall be stipulated in the articles of association, but each term of office shall not exceed 3 years. Directors may serve consecutive terms if re-elected.

Directors may concurrently hold senior management positions, provided that the total number of Directors serving as senior management and Directors serving as employee representatives shall not exceed one-half of the total number of the Company's Directors.

Meetings of the Board of Directors shall be convened by the Chairman at least twice a year, and all directors shall be noticed 10 days before the meeting being convened in writing.

The Board of Directors exercises the following functions and powers: (i) to convene shareholder's meetings and report its work to the shareholder's meetings; (ii) to implement the resolutions of the shareholder's meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate plans for increasing or decreasing the company's registered capital, issuing bonds or other securities, and listing of shares; (vi) to formulate plans for major acquisitions, the repurchase of the company's own shares, or mergers, demergers, dissolution, or changes in legal form of the company; (vii) to decide on matters such as the Company's external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, connected transactions, and external donations, within the scope of authority granted by the shareholders' meeting; (viii) to decide on the establishment of the company's internal management bodies; (ix) to decide on the appointment or dismissal of the company's manager, board secretary, and other senior executives, and determine their remuneration and disciplinary matters; based on the nomination of the manager, to decide on the appointment or dismissal of senior management such as the company's deputy managers and the chief financial officer, and determine their remuneration and disciplinary matters; (x) to formulate a company's basic management system; (xi) to formulate proposals for amending the Articles of Association; (xii) to manage the Company's information disclosure matters; (xiii) to propose to the shareholders' meeting the appointment or replacement of the accounting firm serving as the Company's auditor; (xiv) to listen to the work reports of the company's manager and review the company's manager's performance; (xv) other duties stipulated by the laws, administrative regulations, departmental rules, the Articles of Association, or as authorized by the shareholders' meeting.

The Board of Directors shall define the authority regarding external investments, acquisitions and disposals of assets, asset pledges, external guarantees, entrusted asset management, connected transactions, and external donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and submitted to the shareholders' meeting for approval.

If a director has a related relationship with an enterprise involved in a matter under consideration at a Board of Directors meeting, he/she shall promptly report the matter to the Board of Directors in writing. A director with a related-party relationship shall not exercise voting rights on that resolution nor act as a proxy for another director to exercise voting rights. Such a Board of Directors meeting can be held if a majority of the unrelated directors are present, and resolutions adopted at such meeting must be approved by a majority of the unrelated directors. If the number of unrelated directors present at a Board of Directors meeting is less than 3, the matter shall be submitted to the shareholders' meeting for consideration.

Pursuant to the Company Law and the Guidelines for Articles of Association, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity for civil conduct; (ii) a person who was sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or was deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence, or if he/she is pronounced for suspension of sentence, a 2-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory manager or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than 3 years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was the legal representative of a company or enterprise which had its business license revoked or had been ordered to close down due to violation of the law, and who was personally liable, where less than 3 years have elapsed since the date of the revocation of the business license or the order for closure of the company or enterprise; (v) a person who was listed by a people's court as a "discredited judgment debtor" due to failure to repay a relatively substantial debt upon maturity; (vi) a person who was subject to a securities market ban by the CSRC, and the term of the ban has not yet expired; (vii) a person who was publicly determined by a securities exchange to be unsuitable to serve as a director or senior executive of a listed company, and the period of such determination has not yet expired; (viii) other matters prescribed by the laws, administrative regulations, or departmental rules.

The Board of Directors shall have a chairman and may have a vice chairman, both of whom shall be elected by more than half of the directors.

Pursuant to the Company Law, a joint stock limited company may, in accordance with its Articles of Association, establish an audit committee composed of directors within the Board of Directors to exercise the powers of the supervisory board as prescribed by this Law, and may choose not to establish a supervisory board or appoint supervisors.

The Audit Committee shall consist of three or more members who are directors but do not serve as senior management of the company, a majority of whom shall be independent directors. Employee representatives on the Board of Directors may serve as members of the audit committee.

The Audit Committee is responsible for reviewing the company's financial information and its disclosure, as well as supervising and evaluating internal and external audit work and internal controls. The following matters shall be submitted to the Board of Directors for consideration only after obtaining the approval of a majority of all members of the Audit Committee: (i) the disclosure of financial information in financial accounting reports and periodic reports, as well as internal control evaluation reports; (ii) the engagement or dismissal of the accounting firm responsible for auditing the listed company; (iii) the appointment or dismissal of the listed company's chief financial officer; (iv) changes to accounting policies or accounting estimates, or corrections of material accounting errors, for reasons other than changes in accounting standards; (v) other matters prescribed by the laws, administrative regulations, CSRC regulations, and the Articles of Association.

The Audit Committee shall convene a meeting at least once every quarter. An extraordinary meeting may be convened upon the proposal of two or more members, or when the convener deems it necessary.

A meeting of the Audit Committee may be held only if attended by more than two-thirds of its members. Resolutions of the Audit Committee shall be adopted by a majority vote of its members.

**Senior Management**

Pursuant to the Company Law, a company should have a manager who is appointed or removed by the Board of Directors. A company should have a deputy manager who is appointed or removed by the Board of Directors. The manager is responsible to the Board of Directors and exercises following functions and powers: (i) to be in charge of the company's production and operational management, organize the implementation of the resolutions of the Board of Directors, and report his/her work to the Board of Directors; (ii) to organize and implement the company's annual business plans and investment programmes; (iii) to draft plans for the establishment of the company's internal management organization; (iv) to draft the company's basic management system; (v) to formulate the specific rules and regulations of the company; (vi) to submit proposals to the Board of Directors for the appointment or removal of the deputy manager and the chief financial officer; (vii) to decide on the appointment or removal of management personnel other than those required to be appointed or dismissed by the Board of Directors; (viii) other functions and powers granted by the Articles of Association or the Board of Directors. The manager shall attend the meetings of the Board of Directors.

Under the Company Law, senior management refers to the company's manager, deputy manager, chief financial officer, board secretary, and other individuals specified in the Articles of Association.

**Duties of Directors and Senior Management**

Pursuant to the Company Law and the Guidelines for Articles of Association, directors and senior management should comply with the laws, regulations and the Articles of Association, and have following duties of fiduciary to the company: (i) not be allowed to embezzle the company's property or misappropriating of the company's capital; (ii) not be allowed to deposit the company's capital into accounts under his/her own name or the name of other individuals; (iii) not be allowed to give bribes or accept any other illegal proceeds by taking advantage of his/her powers; (iv) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval through a resolution of the Board of Directors or the shareholders' meeting in accordance with the Articles of Association, not be allowed to directly or indirectly enter into contracts or conduct transactions with the company; (v) not be allowed to secure business opportunities belonging to the company for himself/herself or others by taking advantage of his/her position, except where such actions have been reported to the Board of Directors or the shareholders' meeting and approved by a resolution of the shareholders' meeting, or where the company is prohibited from utilizing such business opportunities pursuant to the laws, administrative regulations, or the Articles of Association; (vi) without reporting to the Board of Directors or the shareholders' meeting and obtaining approval by a resolution of the shareholders' meeting, not be allowed to engage in, or operate on behalf of others, businesses similar to those of the company; (vii) not be allowed to accept commissions from transactions between others and the company for his/her personal gain; (viii) not be allowed to arbitrarily divulge the company's secrets; (vi) not be allowed to use their affiliated relationships to harm the company's interests; (x) other duties of fiduciary prescribed by the laws, administrative regulations, departmental rules, and the Articles of Association.

The duties of care owed by directors and senior management to the company include the following: (i) to exercise the rights granted by the company with prudence, diligence, and care to ensure that the company's business conducts comply with national laws, administrative regulations, and economic policies, and that its business activities do not exceed the scope of business specified in its business license; (ii) to treat all shareholders fairly; (iii) to keep abreast of the company's business operations and management in a timely manner; (iv) to sign written confirmation statements for the company's periodic reports to ensure that the information disclosed by the company is true, accurate, and complete; (v) to provide relevant information and materials to the Audit Committee truthfully and not to obstruct the Audit Committee from exercising its powers; (vi) other duties of care prescribed by the laws, administrative regulations, departmental rules, and the Articles of Association.

**Finance and Accounting Systems**

Pursuant to the Company Law, a company shall establish its financial and accounting systems according to the laws, administrative regulations and the regulations of relevant competent departments in PRC.

The company shall submit and disclose its annual report to the local offices of the CSRC and the stock exchange within four months of the end of each fiscal year, and shall submit and disclose its interim report to the local offices of the CSRC and the stock exchange within two months of the end of the first half of each fiscal year. The aforementioned annual and interim reports shall be prepared in accordance with relevant laws, administrative regulations, and the provisions of the CSRC and the stock exchange.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company can no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital.

If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for such losses before making allocations to the statutory reserve fund in accordance with the preceding paragraph.

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

The company may distribute after-tax profits remaining after making up losses and making an allocation to the statutory reserve fund, in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with the provisions of the Articles of Association.

If a shareholders' meeting distributes profits to shareholders in violation of the Company Law, the shareholders shall return the profits distributed in violation of the law to the company; if such actions cause losses to the company, the shareholders and the directors and senior management members who are responsible shall be liable for compensation.

The reserve fund of the company shall be used to make up losses of the company, expand the production and operation of the company or be converted to increase the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used; if losses still cannot be made up, the capital reserve can be used according to the relevant provisions. When the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve shall not be less than 25% of the registered capital of the company before such conversion.

**Appointment and Dismissal of Accounting Firms**

The company engages an accounting firm that meets the requirements of the Securities Law of the People's Republic of China to perform audits of financial statements, verification of net assets, and other related consulting services. The engagement term is one year and may be renewed.

The engagement or dismissal of an accounting firm shall be determined by a shareholders' meeting. The accounting firm should be allowed to make representations when the shareholders' meeting or the Board of Directors conduct a vote on the dismissal of the accounting firm.

The Company Law and the Guidelines for Articles of Association provides that, the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm, and shall not refuse, conceal or falsely report.

The audit fee of the accounting firm shall be decided by the shareholders' meeting.

**Dissolution and Liquidation**

A company shall be dissolved for the following reasons: (i) the term of business operation expires as specified by the Articles of Association or other matters leading to dissolution occur as specified by the Articles of Association; (ii) the shareholders' meeting resolves to dissolve the company; (iii) dissolution is necessary as a result of the merger or division of the company; (iv) the company's business license is revoked or it is ordered to close down or it is deregistered according to laws; (v) serious difficulties arise in the operation and management of the company and its continued existence would cause material loss to the interests of the shareholders and such difficulties cannot be resolved through other means, in which case shareholders holding more than 10% of voting rights of the company may petition a people's court to dissolve the company.

If the company is dissolved due to the grounds specified in items (i) or (ii) in the preceding paragraph, and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or by resolution of the shareholders' meeting.

If the company is dissolved due to the grounds specified items (i), (ii), (iv), or (v) in the preceding paragraph, liquidation shall be carried out, with the directors being liquidation obligors who shall establish a liquidation group to conduct the liquidation within 15 days from the date the grounds for dissolution arise. The liquidation group shall consist of directors, unless otherwise provided in the Articles of Association or the shareholders' meeting resolves to appoint other persons. If the liquidation obligors fail to fulfill their liquidation obligations in a timely manner and thereby cause losses to the company or its creditors, they shall bear liability for compensation.

The liquidation group shall notify the creditors within ten days after its formation, and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days after the receipt of the notice or within 45 days after the issuance of the public announcement in the case of failing to receive such notice. When filing a claim, a creditor shall provide details regarding the claim and submit supporting documentation. The liquidation committee shall register the claim. During the claim filing period, the liquidation group shall not make any payments to creditors.

After the company's assets have been used to pay liquidation expenses, employees' wages, social insurance contributions, and statutory compensation, all taxes owed and the company's debts, any remaining assets shall be distributed as follows: in a limited liability company, such assets shall be distributed in proportion to the shareholders' capital contributions; in a joint stock limited company, such assets shall be distributed in proportion to the shares held by the shareholders. During the liquidation period, the company shall continue to exist but may not engage in business activities unrelated to the liquidation. The company's assets may not be distributed to shareholders before the obligations specified in the preceding paragraph have been fulfilled.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared a balance sheet and an inventory of properties, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to a people's court for bankruptcy liquidation.

If a company is legally declared bankrupt, it shall undergo bankruptcy liquidation in accordance with the relevant laws on corporate bankruptcy.

**Overseas Listing**

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, or issue and list shares on other overseas markets following an overseas issuance and listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement such materials within 30 working days.

**Loss of Stock Certificates**

If a shareholder's registered stock certificates are stolen, lost, or destroyed, the shareholder may apply to a people's court with jurisdiction to declare such stock certificates invalid in accordance with the public notice procedure prescribed by the Civil Procedure Law. After the people's court declares such stock certificates invalid, the shareholder may apply to the company for the issuance of replacement stock certificates.

**Termination of Listing**

Pursuant to the Overseas Listing Trial Measures, in case of active or compulsory termination of listing, the issuer shall report to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

**ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS**

The Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the "Arbitration Law") was promulgated by the Standing Committee of the National People's Congress on August 31, 1994, last amended on September 12, 2025 and came into effect on March 1, 2026. The Arbitration Law is applicable to (including, but not limited to) foreign-related economic disputes, in which all parties have entered into a written agreement to submit the matters for arbitration to an arbitration body (such as an arbitration commission) constituted in accordance with the Arbitration Law. An arbitration body may formulate interim arbitration rules in accordance with the relevant regulations of the Arbitration Law and the Civil Procedure Law, with reference to the model arbitration regulations promulgated by the PRC Arbitration Association. Where the parties have agreed to settle disputes by means of arbitration, the people's court will not handle the lawsuit filed by a party in the people's court, except where the arbitration agreement is invalid or otherwise provided by law.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award is final and binding on the parties. If a party fails to comply with an arbitral award, the other party may apply to the people's court for enforcement according. If there are procedural irregularities (including, but not limited to, the composition of the arbitral tribunal or the arbitration procedures are not in compliance with the arbitration rules, lack of jurisdiction on the part of the arbitral tribunal, or an award was rendered on matters beyond the scope of the arbitration agreement), a people's court may, after verification by a collegial panel, rule not to enforce the arbitral award rendered by the arbitral tribunal. If either party needs to enforce an award rendered by a PRC foreign affairs arbitration agency outside of China, it shall apply to a competent foreign court for recognition and enforcement of the award. A people's court can recognize and enforce the arbitration awards rendered by foreign arbitral tribunals, pursuant to the principle of reciprocity, or in accordance with international treaties concluded or acceded to by the People's Republic of China.

**Judicial Decisions and 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 (《最高人民法院關於內地與香港特別行政區相互認可和執行民商事案件判決的安排》), which was promulgated by the Supreme People's Court on January 25, 2024 and came into effect on January 29, 2024, applies to the mutual recognition and enforcement of final and binding judgments in civil and commercial matters by the courts of Hong Kong and the Mainland. With regard to judgments ordering the transfer of property interests, the scope of mutual recognition and enforcement includes both monetary and non-monetary judgments. The scope of property interests transferred subject to mutual recognition and enforcement by the courts of the Mainland and the Hong Kong Special Administrative Region includes transfer of property interests specified in the judgment, as well as corresponding interest, litigation costs, penalties for delay, and interest on delayed performance, but does not include taxes or fines.