A. THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, rules and regulations of departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts have no binding precedents but may be used as judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 amendment) (《中華人民共和國立法法》(2023年修正)) (the "**Legislation Law**"), the National People's Congress (the "**NPC**") and the Standing Committee of the National People's Congress (the "**SCNPC**") of the PRC are empowered to exercise the legislative power of the State in accordance with the Constitution. The NPC has the power to formulate and amend basic laws governing civil and criminal 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 supplement and amend parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may authorise the SCNPC to formulate relevant laws.

The State Council is the highest organ of the PRC administration and has the power to formulate administrative regulations based on the Constitution and laws. The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual requirements of their own 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 respective standing committees may formulate local regulations in terms of urban and rural development and management, ecological civilization construction, historical culture protection and basic governance based on the specific circumstances and actual requirements of such cities, which will become enforceable after being reported to and approved by the standing committees of the people's congresses of the relevant provinces or autonomous regions but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned. Autonomous regulations and separate regulations of autonomous regions shall come into effect upon approval by the SCNPC. Autonomous regulations and separate regulations of autonomous provinces and autonomous counties shall come into effect upon approval by the standing committees of the people's congresses of relevant provinces, autonomous regions and municipalities.

The ministries and commissions of the State Council, People's Bank of China, National Audit Office as well as the other organs endowed with administrative functions directly under the State Council and other bodies prescribed by laws may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules. The people's governments of the provinces, autonomous regions, municipalities, cities divided into districts or autonomous provinces may formulate rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations, 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 local regulations is greater than that of the rules of the local governments at or below the corresponding level. The authority of the rules enacted by the people's governments of the provinces or autonomous regions is greater than that of the rules enacted by the people's governments of the city divided into districts or autonomous provinces within the administrative areas of the provinces and the autonomous regions.

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

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) which came into effect on 10 June 1981, issues related to the specific application of laws and decrees in court trials shall be interpreted by the Supreme People's Court, and issues related to the specific application of laws and decrees in the procuratorial work shall be interpreted by the Supreme People's Procuratorate. If there are differences in principle in the interpretation of the Supreme People's Court and the Supreme People's Procuratorate, they shall be submitted to the SCNPC for interpretation or decision. Saved as mentioned above, other issues related to the specific application of laws and decrees shall be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions also have the right to interpret the administrative regulations and departmental rules promulgated by them. At the local level, the power to interpret local laws is vested in the local legislative and administrative authorities that promulgate relevant laws.

B. THE PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organisation of the People's Courts of the PRC (《中華人民共和國人民法院組織法》) most recently amended by the SCNPC on 26 October 2018 and came into effect on 1 January 2019, the PRC judicial system is made up of the Supreme People's Court, the local people's courts at all levels, the military courts and other special people's courts.

The local people's courts at all levels comprise of basic people's courts, intermediate people's courts and higher people's courts. The basic people's courts may establish civil, criminal, and economic tribunals and several people's tribunals based on locality, population, and cases. The tribunals of the intermediate people's courts are similar to those of the basic people's courts, where other special tribunals may be established when necessary. The aforesaid two levels of people's courts are subject to the supervision of the people's courts at the higher level. The Supreme People's Court is the highest judicial organ in the PRC and supervises the judicial work of local people's courts at all levels and special people's courts. The Supreme People's Procuratorate has the power to supervise the judgements and rulings of the people's courts at all levels that have become legally binding, and the Higher People's Procuratorate has the power to supervise the judgements and rulings of the people's courts at lower levels that have become legally binding.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the "**Civil Procedure Law**") issued on 9 April 1991, most recently amended on 1 September 2023 and came into effect on 1 January 2024, sets forth various standards 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. Parties of a civil action may, by ways of written agreement, choose the defendant's place of domicile, the place where the contract is performed, the place where the contract is signed, the plaintiff's place of domicile, jurisdiction of the people's court at the location of the subject matter, provided that such choice cannot be in conflict with the regulations of grade jurisdictions and exclusive jurisdictions in any case. The judgement and ruling of the people's court of second instance shall be the judgement and ruling of final instance. If the parties concerned are dissatisfied with the first-instance judgement or ruling of the local people's court, they have the right to appeal. The People's Procuratorate may lodge a protest with the people's court at the next higher level in accordance with the procedures prescribed by law. If the parties concerned do not appeal and the People's Procuratorate does not file a protest within the prescribed time limit, the judgement or ruling of the people's court shall be final. The second-instance judgements or rulings of the Intermediate People's Court, the Higher People's Court and the Supreme People's Court, as well as the first-instance judgements or rulings of the Supreme People's Court are final judgements and rulings. However, the Supreme People's Court shall have the power to bring to trial or direct the lower people's courts to retry the judgements, rulings, and conciliations of the local people's courts at all levels that have entered into force, and the higher people's courts shall have the power to bring to trial or direct the lower people's courts to retry the judgements, rulings, and conciliations of the lower people's courts that have entered into force if it discovers that there is an error in the judgement, ruling, or conciliation. If the presiding judge of a people's court at any level finds that there is an error in a judgement, ruling or conciliation that has entered into force and considers that it should be retried, he or she shall submit it to the trial committee of the people's court at the same level for discussion and decision.

Foreigners, stateless persons, foreign enterprises and organisations have the same litigation rights and obligations as Chinese citizens, legal persons and other organisations when filing lawsuits and responding to lawsuits in Chinese courts. Where a foreign court imposes restrictions on the civil litigation rights of a Chinese citizen, legal person or other organisation, the Chinese courts shall apply the principle of reciprocity with respect to the civil litigation rights of that citizen, enterprise or organisation. Foreigners, stateless persons, foreign enterprises and organisations that are suing or responding to lawsuits in Chinese courts and need to appoint lawyers to represent them in litigation must appoint Chinese lawyers. In accordance with international treaties concluded or acceded to by the People's Republic of China, or in accordance with the principle of reciprocity, the people's courts and foreign courts may request each other to serve documents, investigate and collect evidence, and conduct other litigation activities on their behalf. The parties must fulfil any legally effective civil judgement or ruling. If one party to a civil lawsuit refuses to comply with the judgement or ruling made by the people's court or the award made by a Chinese arbitration tribunal, the other party may apply to the people's court for enforcement within two years (it may also apply for postponement of enforcement or revocation). If one party fails to perform the judgement within the prescribed time limit granted by the court for execution approval, the court may enforce the judgement against the other party upon application.

If a party applies for enforcement of a legally effective judgement or ruling made by the people's court, and the opposite party or its property is not within the territory of the PRC, the applicant may directly apply for recognition and enforcement to the foreign court which has jurisdiction. If the PRC concludes or participates in an international treaty stipulating recognition and enforcement with a relevant foreign country, or if the judgement or ruling complies with the court's review based on the principle of reciprocity, the people's court may also recognise and enforce it in accordance with the enforcement procedures of the PRC. Any violation of the basic principles of the PRC laws or national sovereignty, security, or social and public interests will not be recognised or enforced.

C. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

The SCNPC issued the Arbitration Law of the People's Republic of China (the "**Arbitration Law**") on 31 August 1994, which came into effect on 1 September 1995 and was amended on 27 August 2009, 1 September 2017 and 12 September 2025, respectively. The latest version was implemented on 1 March 2026.

The Arbitration Law applies to, among other things, economic disputes involving foreign parties where the parties have entered into a written agreement to submit the matter for arbitration before an arbitration committee constituted in accordance with the Arbitration Law. The Arbitration Law provides that before the promulgation of arbitration rules by the China Arbitration Association, the arbitration committee may formulate provisional regulations for arbitration in accordance with the Arbitration Law and the Civil Procedure Law. If the parties have reached an arbitration agreement and one party sues the people's court, the People's Court shall not accept the case, unless the arbitration agreement is invalid or otherwise required by the laws.

According to the Arbitration Law and the Civil Procedure Law, arbitration is a one-award, one-final system, which is binding on all parties to the arbitration. If one of the parties fails to comply with the arbitration award, the other party to the award may apply to the people's court to enforce the arbitration decision. However, if the people's court forms a collegial panel to review and verify that the arbitration procedure is illegal (including but not limited to the absence of arbitration agreement, where the constitution of the arbitral tribunal or the arbitral proceedings are not in accordance with the statutory procedure, where the matter to be decided is outside the scope of the arbitration agreement or where the arbitral committee is not empowered to arbitrate or the evidence on which the tribunal replied on was fabricated), the people's court may rule not to implement the arbitration decision made by the arbitration committee.

When a party requests the enforcement of a legally binding arbitral award issued within the territory of the PRC, if the person subject to enforcement or his property is not within the territory of the PRC, the party shall apply directly to a foreign court with jurisdiction for recognition and enforcement. Similarly, for a legally binding arbitral award issued outside the territory of the PRC, a party may directly apply to the people's court at the place of domicile of the party subject to enforcement or at the place where the property thereof is located. If the domicile of the person subject to enforcement or the property thereof is not within the territory of the PRC, the party may file an application with the people's court at the place of domicile of the applicant or at the place that has appropriate connections with the dispute involved in the arbitration award. The PRC court shall process the relevant proceedings in accordance with an international treaty concluded or acceded to by the PRC or under the principle of reciprocity.

On 2 December 1986, the SCNPC passed a resolution that the PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("**New York Convention**") adopted on 10 June 1958. The New York Convention stipulates that all arbitral awards made by another state party are recognised and enforced by each state party, but that each state reserves the right to refuse recognition and enforcement in certain circumstances, including where recognition or enforcement would be contrary to the public policy of that state. The SCNPC declared at the time of the PRC's accession to the Convention that: (i) the PRC would apply the Convention only to the recognition and enforcement of arbitral awards made in the territory of another contracting state on the basis of the principle of reciprocity; and (ii) the New York Convention would apply only to disputes arising out of what are considered to be contractual or non-contractual commercial legal relationships under the PRC law.

Agreement has been reached between Hong Kong and the Supreme People's Court of the PRC for the mutual enforcement of arbitral awards. On 18 June 1999, the Supreme People's Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong SAR (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which became effective on 1 February 2000. The arrangement is made in accordance with the spirit of the New York Convention. According to the arrangement, awards made by mainland arbitration institutions in accordance with the Arbitration Law can be enforced in Hong Kong, and awards made by Hong Kong arbitration institutions in accordance with the Hong Kong Special Administrative Region Arbitration Ordinance can also be enforced in mainland China. Enforcement of an award made by a Hong Kong arbitral institution in the PRC may be refused if a PRC court determines that enforcement of the award in the PRC would be contrary to the public interest of the PRC society, or if a Hong Kong Special Administrative Region (HKSAR) court determines that enforcement of the arbitral award in the HKSAR would be contrary to the public policy of the HKSAR. The Supreme People's Court announced the Supplementary Arrangement of the Supreme People's Court on Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) (the "**Supplementary Arrangement**") on 26 November 2020. Under the Supplementary Arrangement, before or after accepting an application for enforcement of an arbitral award, the court concerned may, upon application and in accordance with the law of the place where the arbitral award is to be enforced, take measures of preservation or enforcement.

D. JUDICIAL JUDGEMENT AND ITS ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the mainland China and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on 25 January 2024 and implemented on 29 January 2024, such arrangement is applicable to the mutual recognition and enforcement of valid judgments in civil and commercial matters by the courts of the mainland China and of the Hong Kong Special Administrative Region, as well as the mutual recognition and enforcement of valid judgments in criminal cases relating to civil claims. Application for recognition and enforcement of judgement under this arrangement: (I) in Mainland China, shall apply to the intermediate people's courts in the place where the applicant domiciled or in the place where the respondent is domiciled or where the property is located; (II) in the Hong Kong Special Administrative Region, shall apply to the High Court. The applicant shall apply to one of the people's court that satisfies the first requirement in the aforementioned provisions. If an application is filed with two or more people's courts with jurisdiction, the people's court that first accepts the case shall have jurisdiction.

Therefore, a party may apply to the people's court in the PRC or High Court of the Hong Kong Special Administrative Region for the recognition and enforcement of the final judgement in the PRC or Hong Kong that fulfils certain conditions under the above requirements.

E. SECURITIES LAW AND REGULATIONS OF THE PRC

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

The Interim Provisional Regulations on the Administration of Share Issuance and Trading《(股票發行與交易管理暫行條例》), which is issued on 22 April 1993 and came into effect on the same day, deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On 25 December 1995, the State Council promulgated the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》) which came into effect on the same day. These regulations principally involve the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies with domestic listed foreign shares.

The Securities Law of the People's Republic of China (the "**PRC Securities Law**") was issued on 29 December 1998, implemented on 1 July 1999 and was revised on 28 August 2004, 27 October 2005, 29 June 2013, 31 August 2014 and 28 December 2019, respectively. The most recently amended PRC Securities Law came into effect on 1 March 2020, which is divided into 14 chapters and 226 articles regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council's securities regulatory authorities.

The PRC Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of the PRC Securities Law provides that domestic enterprises must comply with the relevant provisions of the State Council to list its shares overseas. Currently, the issuance and trading of securities issued overseas (including shares) are mainly regulated by regulations and rules promulgated by the State Council and the CSRC.

F. THE COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES

The Company Law of the People's Republic of China (the "**Company Law**") was passed by the Fifth Session of the SCNPC on 29 December 1993 and came into effect on 1 July 1994. It was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023, respectively. The latest amendment to the Company Law was officially implemented on 1 July 2024.

The Trial Administrative Measures of the Overseas Securities Offering 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 "**Overseas Listing Trial Measures**") and relevant five applicable guidelines to the regulatory rules issued by the CSRC on 17 February 2023 that came into effect on 31 March 2023 and are applicable to the offshore issuance and listing of securities of companies located in the PRC.

The Guidelines on Articles of Association of Listed Companies (the "**Guidelines**") issued by the CSRC on 16 December 1997, which was last amended on 28 March 2025 and came into effect on the same day, provide guidance on the articles of association of companies. Therefore, the contents stipulated in the Guidelines have been included in the Company's Articles of Association, the summary of which is set out in the section "Appendix V – Summary of the Articles of Association of the Company" of this Document.

The following is a summary of the principal provisions of the Company Law, Overseas Listing Trial Measures and Guidelines applicable to the Company.

General Provisions

A joint stock limited company refers to an enterprise legal person incorporated in the PRC in accordance with the Company Law with independent legal person properties and entitlements to such legal person properties, its registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them and the company is liable to its creditors for an amount equal to the total value of its assets.

A joint stock limited company shall conduct business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and the liabilities of a joint stock limited company with respect to such invested companies are limited to the amount invested. If it is prescribed by any law that a joint stock limited company shall not become a capital contributor that shall bear the joint and several liability for the debts of the enterprises it invests in, such provisions shall prevail.

Incorporation

A joint stock limited company may be established by promotion or subscription. A joint stock limited company shall have a minimum of one but no more than 200 people as its promoters, and over half of the promoters must be resident within the People's Republic of China. The registered capital of a joint stock limited company is the total share capital of the issued shares as registered with the company's registration authorities.

For companies incorporated by way of promotion, the promoters shall fully subscribe for the shares that shall be issued at the time of the incorporation of the company as provided under the articles of association. For companies incorporated by way of subscription, the promoters shall subscribe for no less than 35% of the total shares that shall be issued at the time of the incorporation of the company as provided under the articles of association; provided that, if laws and administrative regulations provide otherwise, such provisions shall prevail.

Promoters shall make full payment for the shares they have subscribed for prior to the incorporation of the company. If any promoter fails to pay the share capital according to the subscribed shares, or if the actual value of the non-monetary property used as capital contribution is significantly lower than the subscribed shares, other promoters and the promoter shall bear joint and several liability within the scope of insufficient capital contribution.

If the shares required to be issued at the time of the establishment of a company are not fully subscribed, or if, after the full payment for the issued shares, the promoters fail to convene an establishment meeting within 30 days, any subscriber may demand the promoters to refund their subscriptions, plus the interest calculated based on the bank interest rate for the corresponding period. After the promoters and subscribers have paid for their subscribed shares or delivered nonmonetary assets as contributions, they shall not withdraw their capital except in cases where the issued shares are not fully subscribed within the specified period, the promoters fail to convene an establishment meeting within the prescribed period, or the establishment meeting resolves not to establish the company.

The board of directors shall authorise representatives to apply for establishment registration with the company registration authority within 30 days after the conclusion of the company's establishment meeting.

Share Capital

Shareholders may make a capital contribution in currencies, or non-monetary assets such as in kind or intellectual property rights, land use rights, stock rights or creditor's rights which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. If a capital contribution is made in non-monetary assets, a valuation and verification of the assets contributed must be carried out, without any over-valuation or under-valuation. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber.

Under the Overseas Listing Trial Measures, to issue shares or go listing for the first time overseas, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within 3 working days after submission of the application documents for issuance and listing overseas. Domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or RMB.

Increase in Share Capital

Under the Company Law, where a company is issuing new shares, resolutions in respect of the following matters shall be passed at shareholder's meeting: the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders. For issuance of shares with no par value, proceeds from the issuance of new shares shall be included into the registered capital.

After the share issuance has been paid up, an announcement shall be made.

Reduction of Share Capital

When a company has the need to reduce its registered capital, it shall prepare a balance sheet and a property list. The company shall inform its creditors within 10 days from shareholder's meeting, from the date of resolution on reduction in registered capital and publish an announcement in newspapers or on the national enterprise credit information publicity system within 30 days after the resolution approving the reduction of registered capital has been passed. Creditors may, within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide guarantees covering the debts.

Repurchase of Shares

Pursuant to the Company Law, a joint stock limited company may not subscribe its shares other than for one of the following purposes: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for carrying out an employee stock ownership plan or equity incentive plan; (iv) to purchase its shares from shareholders who are against the resolution regarding the merger or division with other companies at a shareholders' meeting; (v) use of shares for conversion of convertible corporate bonds issued by a listed company; and (vi) necessary for a listed company to maintain its company value and protect its shareholders' equity.

The purchase of shares on the grounds set out in (i) and (ii) above shall require approval by way of a resolution passed by the shareholders' meeting. For a company's share buyback under any of the circumstances stipulated in (iii), (v) or (vi) above, a resolution of the company's board of directors shall be made by a two-third majority of directors attending the meeting according to the provisions of the Articles of Association or as authorised by the shareholders' meeting.

Following the purchase of shares in accordance with (i), such shares shall be deregistered within 10 days from the date of purchase. The shares shall be assigned or deregistered within six months if the share buyback is made under the circumstances stipulated in either (ii) or (iv). The shares held in total by a company after a share buyback under any of the circumstances stipulated in (iii), (v) or (vi) shall not exceed 10% of the company's total outstanding shares and shall be assigned or deregistered within three years.

Listed companies making a share buyback shall perform their obligation of information disclosure according to the provisions of the Securities Law. If the share buyback is made under any of the circumstances stipulated in (iii), (v) or (vi) hereof, centralized trading shall be adopted publicly.

A company may not accept its own shares as the subject matter of pledge.

Transfer of Shares

Pursuant to the Company Law, shares held by shareholders may be transferred in accordance with the relevant laws and regulations. Transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. The transfer of registered shares by a shareholder must be conducted by means of an endorsement or by other means stipulated by Chinese laws or by administrative regulations; the name and address of the transferee should be registered in the shareholders' registers upon transfer. The transfer of bearer shares is effective when the shareholder has delivered the stock to the transferee.

No changes caused by the transfer of registered shares may be made to the shareholders' registers within 20 days prior to a shareholders' meeting or 5 days prior to the benchmark date set by the company for the purpose of distribution of dividends. However, if it is otherwise prescribed in relevant provisions of the laws with respect to the registration of change to the register of shareholders of listed companies, then such relevant provisions shall apply.

Pursuant to the Company Law, shares issued by a company prior to the public offer of its shares shall not be transferred within one year from the date of the shares of a joint stock limited company being listed on a stock exchange. Unless reported to the company their equity interest hold in the company and the changes, directors, supervisors and senior management shall not transfer over 25% of the total shares they hold in the company each year during their term of office, and shall not transfer the shares they hold in the company within one year from the date on which the company's shares are listed and commenced trading on a stock exchange, nor within six months after their resignation from their positions with the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Pursuant to the Company Law and the Guidelines, holders of ordinary shares of a joint stock limited company shall enjoy the following rights:

(i) the right to dividends and other distributions in proportion to the number of shares held;

(ii) the right to apply legally for, convene, put forward, preside, attend or appoint shareholders' proxies to attend shareholders' meetings and to exercise the corresponding right to vote;

(iii) the right to supervise, present proposals or raise enquiries in respect of the company's operations;

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

(v) to acquire and duplicate the articles of association, register of shareholders, minutes of shareholders' meetings, resolutions of the meeting of the board of directors, financial and accounting statements and shareholders who comply with the regulations may inspect the company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the company, the right to participate in the distribution of the remaining property of the company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division made by the shareholders' meeting may request the company to purchase their shares;

(viii) such other rights conferred by laws, administrative regulations, department rules, or the articles of association.

The obligations of shareholders include: abide by the articles of association of the company; pay the subscription monies in respect of shares subscribed for; be liable for the debt and liabilities of the company to the extent of the amount of subscription monies agreed to be paid in respect of the shares taken up; no abuse of shareholders' rights to damage the interests of the company or other shareholders of the company; no abuse of the independent status and limited obligations of the company as a legal person to damage the interests of the creditors of the company; and any other obligations specified in the articles of association of the company.

Shareholders' Meetings

The shareholders' meeting is the organ of authority of the company, which exercises powers in accordance with the Company Law. The shareholders' meeting exercises the following powers:

(i) to elect and replace the directors and supervisors and to decide on matters relevant to remuneration of directors and supervisors;

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

(iii) to review and approve reports of the supervisory committee;

(iv) to review and approve proposals for profit distribution and for recovery of losses of the company;

(v) to decide on the increase or reduction of the company's registered capital;

(vi) to decide on the issue of corporate bonds;

(vii) to decide on merger, division, dissolution, liquidation or change the form of the company;

(viii) to amend the articles of association of the company; and

(ix) other functions and powers specified in the articles of association of the company.

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

(i) the number of directors is less than the number provided for in the law or less than two thirds of the number specified in the articles of association of the company;

(ii) the total losses of the company which are not made up reach one third of the total paid-up share capital of the company;

(iii) as requested by a shareholder holding, or shareholders holding in aggregate, 10% or more of the shares of the company;

(iv) when deemed necessary by the board of directors;

(v) as suggested by the supervisory committee; or

(vi) other circumstances required by the articles of association.

Shareholders' meetings shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or does not perform his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his duties, a director nominated by more than half of directors shall preside over the meeting. Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. In case the supervisory committee fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for over 90 days consecutively may unilaterally convene and preside over such meeting.

Pursuant to the Company Law, notice of shareholders' meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. For bearer shares, a notice of meeting stating time and venue of and matters to be considered at the meeting and shall be given 30 days before the meeting. Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the Board in writing 10 days before the shareholders' meeting. The Board shall notify other shareholders within 2 days after receiving the proposal and submit the interim proposal to the shareholders' meeting for consideration. Except for any ad hoc proposal that violates the laws, administrative regulations, or requirements of the articles of association, or is not within the scope of the authority of the shareholders' meeting. For company with public offer shares, it shall give notice for the aforementioned two requirements by way of announcements.

Pursuant to the Company Law, shareholders present at a shareholders' meeting have one vote for each share they hold, except the shareholders of classified shares. Shares held by the company itself are not entitled to any voting rights.

The cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting in accordance with the provisions of the articles of association or the resolutions of the shareholders' meeting. Under the cumulative voting system, each share shall have the same number of voting rights as the number of directors or supervisors to be elected at the shareholders' meeting, and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the Company Law, resolutions of the shareholders' meeting shall be adopted by more than half of the voting rights held by the shareholders present at the meeting. However, for resolution in relation to merger, division, dissolution, increase or decrease of registered capital, change in the form of the company or amendments to the articles of association, it shall be adopted by more than two-thirds of the voting rights held by the shareholders present at the meeting. Where the Company Law and the Articles of Association provide that the transfer or acquisition of significant assets or the provision of external guarantees by the company and the other matters must be approved by way of resolution of the shareholders' meeting, the board of directors shall convene a shareholders' meeting promptly to vote on such matters by shareholders' meeting.

Minutes of shareholders' meeting shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign to endorse such minutes. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of Directors

Pursuant to the Company Law, a joint stock limited company shall have a board of directors. In addition, a joint stock limited company may, as stipulated in its articles of association, establish an audit committee under the board of directors composed of directors to exercise the functions and powers prescribed for the supervisory committee by the Company Law, without establishing a supervisory committee or appointing any supervisor. The audit committee shall consist of at least three members, majority of whom shall not hold any position in the company other than that of director and shall not have any relationship with the company that may affect their independent and objective judgement. Employee representatives who serve as directors may be appointed as members of the audit committee.

The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. Directors may serve consecutive terms if re-elected. A director shall continue to perform his duties in accordance with the laws, administrative regulations and articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his term of office, or if the resignation of directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors mainly exercises the following powers:

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

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

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

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

(v) to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;

(vi) to formulate plans for the merger, division, dissolution and change in the form of the company;

(vii) to decide on the company's internal management structure;

(viii) to appoint or dismiss the company's manager and to decide on the remuneration, and based on the manager's nomination, to appoint or dismiss deputy managers and financial officers of the company and to decide on their remuneration;

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

(x) to exercise other power granted by the articles of association or shareholders' meetings.

Meeting of the board of directors shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days before the meeting. Extraordinary board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory committee. The chairman shall convene the meeting within 10 days of receiving such proposal and preside over the board meeting. The board of directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors. Meeting of the board of directors shall be held only if more than one half of the directors are present. Resolutions of the board of directors shall be passed by more than one half of all directors. Resolutions of the board of directors shall be passed on a one-person-one-vote basis. The directors shall attend a board meeting in person. If a director is unable to attend for any reason, he/she may appoint another director by a written power of attorney specifying the scope of the authorisation to attend the meeting on his/her behalf.

The directors shall be responsible for the resolutions of the board of directors. For a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of shareholders' meeting as a result of which the company suffer serious losses, the directors participating in the resolution are liable to compensate the company. If it can be proven that a director expressly objected to the resolution when the resolution was voted on, and that such objections were recorded in the minutes of the meeting, such director may be relieved of that liability.

Under the Company Law, the following person may not serve as a director of the company: (i) devoid of or with restricted civil conduct ability; (ii) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime, in terms of probation, within two years from such probation period; (iii) within three years after insolvency and liquidation of such company or enterprise where the person acted as a directors, factory manager or business manager and has been held accountable for the insolvency; (iv) within three years after company or enterprise the person acted as legal representative is ordered to shut down or revoked business license for violating law on which the person is held accountable; and (v) liable to large amount of unliquidated mature debts and listed as a dishonest person by the people's court. Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances apply during his/her term of office shall be released of his/her duties by the company.

Pursuant to the Company Law, the board shall appoint a chairman and may appoint a vice chairman.

The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing or is not performing his/her duties, a director nominated by more than half of the directors shall perform his/her duties.

Supervisory Committee

Pursuant to the Company Law, a joint stock limited company may, as stipulated in its articles of association, establish an audit committee under the board of directors composed of directors to exercise the functions and powers of the supervisory committee, without establishing a supervisory committee or appointing any supervisor. In addition, a joint stock limited company shall establish a supervisory committee comprised of not less than three members. The supervisory committee shall consist of representatives of the shareholders and an appropriate proportion of the company's employee representatives. The actual proportion shall be determined in the articles of association. The proportion of employee representatives shall not be less than one-third of the supervisors. The Company's employee representatives at the supervisory committee shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise.

The supervisors serve three-year terms. A supervisor may serve consecutive terms if re-elected upon the expiration of his/her term. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

Directors and senior management shall not act concurrently as supervisors.

The supervisory committee shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the supervisory committee shall be elected by majority of all supervisors. The chairman of the supervisory committee shall convene and preside over supervisory committee meetings. Where the chairman of the supervisory committee is incapable of performing or is not performing his/her duties, the vice chairman of the supervisory committee shall convene and preside over supervisory committee meetings. Where the vice chairman of the supervisory committee is incapable of performing or is not performing his/her duties, a supervisor elected by more than half of the supervisors shall convene and preside over supervisory committee meetings.

The supervisors serve three-year terms and may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with the laws, administrative regulations and the articles of association until a duly re-elected supervisor takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of supervisors results in the number of supervisors being less than the quorum.

The company's supervisory committee shall convene a meeting at least once every six months. Pursuant to the Company Law, resolutions of the supervisory committee shall be passed by majority of all supervisors.

The supervisory committee may exercise its powers:

(i) to review the company's financial position;

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

(iii) when the acts of a director or senior management are detrimental to the company's interests, to require the director and senior management to correct these relevant acts;

(iv) to propose the convening of extraordinary general meetings;

(v) to submit proposals to the shareholders' meetings;

(vi) to bring actions against directors and senior management pursuant to the Company Law; and

(vii) to exercise other authority stipulated in the articles of association.

Supervisors may be present at board meetings and make inquiries or proposals in respect of the resolutions of the board of directors. The supervisory committee may investigate any irregularities identified in the operation of the company and, when necessary, may engage an accounting firm to assist its work at the cost of the company.

Manager and Senior Management

Pursuant to the Company Law, senior management refers to the manager, deputy manager, financial officer, secretary to the board of directors and other personnel as stipulated in the articles of association.

A company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors. The manager shall exercise his/her power in accordance with the articles of association or authorisation from the board of directors. The manager is to attend board meetings.

Obligations of Directors, Supervisors and Senior Management

Pursuant to the Company Law, directors, supervisors and senior management shall assume the obligation of loyalty to the company and take measures to avoid conflict between their own interests and those of the company and may not seek any improper interest by taking advantage of their powers. The directors, supervisors and senior management shall assume the duty of diligence to the company. When performing their duties, they shall, for the best interests of the company, exercise the reasonable concern that shall be generally possessed by a manager.

Directors, supervisors and senior management are prohibited from:

(i) embezzling company properties and misappropriating company funds;

(ii) depositing company funds into accounts under their own names or the names of other individuals;

(iii) giving bribes or accepting any other illegal proceeds by taking advantage of his/her powers;

(iv) accepting commissions paid by a third-party for transactions conducted with the company to oneself;

(v) unauthorised divulgence of confidential information of the company;

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

Where any director, supervisor or senior management directly or indirectly enters into a contract or conducts a transaction with the company, he/she shall report the matters relating to the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association.

No director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

(i) where he/she has reported to the board of directors or the shareholders' meeting and has been approved by a resolution of the board of directors or the shareholders' meeting according to the articles of association;

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

Income generated by directors, supervisors or senior management in violation of the Company Law shall be returned to the company.

Where a director, supervisor or senior management is required to attend a shareholders' meeting, such director, supervisor or senior management shall attend the meeting and answer the inquiries from shareholders.

Where a director, supervisor or senior management contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation. Shareholder(s) of a company holding individually or in aggregate no less than 1% of the company's shares consecutively for at least 180 days may request in writing that the supervisory committee to institute litigation at a people's court on its behalf. Where the supervisor violates the laws or administrative regulations or articles of association in the discharge of its duties of the company resulting in any loss to the company, such shareholder(s) may request in writing that the board of directors institute litigation at a people's court on its behalf. If the supervisory committee or the board of directors refuses to institute litigation after receiving this written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in case of emergency where failure to institute litigation immediately will result in irrecoverable damage to the company's interests, such shareholder(s) shall have the power to institute litigation directly at a people's court in its own name for the company's benefit. For other parties who infringe the lawful interests of the company resulting in loss to the company, such shareholder(s) may institute litigation at a people's court in accordance with the procedure described above. Where a director, supervisor or senior management of a wholly-owned subsidiary of the company contravenes law, administrative regulation or articles of association in the performance of his/her duties resulting in any loss to the company, or other parties who infringe the lawful interests of a wholly-owned subsidiary of the company resulting in loss to its legal rights, shareholder(s) of a company holding individually or in aggregate no less than 1% of the company's shares consecutively for at least 180 days may request in writing that the supervisory committee or board of directors of the wholly-owned subsidiary institute litigation at a people's court on its behalf, or directly institute litigation at the people's court in their own name.

Where any director or senior management violates the provisions of laws, administrative regulations or articles of association, damaging interests of shareholders, the shareholders may institute litigation at the people's court.

Finance and Accounting

Pursuant to the Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the competent financial departments of the State Council. At the end of each financial year, a company shall prepare a financial report which shall be audited by an accounting firm in accordance with the laws. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council.

The company shall make its financial reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual meeting of shareholders. A joint stock limited company that has publicly offered shares must also publish its financial reports.

When distributing a year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund, except where the fund has reached at least 50% of its registered capital.

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions.

After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' meeting, allocate discretionary common reserve fund from after-tax profits.

The remaining after-tax profits after a company has made up for losses and allocated to reserve funds shall be distributed to its shareholders in proportion to their paid share capital, except all shareholders of the limited liability company agree not to distribute profits in proportion to their capital contributions, and distributed to shareholders in proportion to their shareholdings, except otherwise provided otherwise in the articles of association.

Shares held by the Company shall not be entitled to any distribution of profit.

The premium received through issuance of shares at prices above par value, the amount of capital obtained from the issuance of non-par value shares that is not included in the 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. The company's reserve fund shall be applied to make up losses of the company, expand its business operations or be converted to increase the registered capital of the company.

When using a company's reserves fund to cover its losses, any discretionary reserve and statutory reserve balances shall first be used to cover such losses; if there is still a shortfall, the capital reserve may be used in accordance with regulations. Upon the conversion of statutory common reserve fund into an increase in registered capital, the balance of the statutory common reserve fund 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. Its assets shall not be deposited in any accounts opened in the name of any individual.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' meeting or board of directors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting or board of directors of supervisory committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Profit Distribution

Pursuant to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn.

Amendments to the Articles of Association

Pursuant to the Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association requires affirmative votes by two-thirds or more of the votes held by shareholders attending the meeting. Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, its registration with the authority must also be changed.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved under any of the following circumstances: (i) the operation term specified in the articles of association expires or other dissolution events specified in the articles of association occur; (ii) the shareholders' meeting resolves to dissolve the company; (iii) needs to be dissolved due to merger or division; (iv) business license being revoked, being ordered to close down or is cancelled in accordance with the laws; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders. Where a company has the dissolution events as stipulated in the preceding article, it shall announce the dissolution events through the National Enterprise Credit Information Publicity System within 10 days.

Where the Company is under the circumstances as stipulated in preceding paragraphs (i) and (ii) and has not yet distributed property to shareholders, it may continue to exist by amending the articles of association or passing a resolution of the shareholders' meeting. To amend the articles of association or pass a resolution of the shareholders' meeting in accordance with the preceding article, a company shall be approved by shareholders holding more than two-thirds of the voting rights present at the shareholders' meeting.

A company that is dissolved under the circumstances described under (i), (ii), (iv) or (v) above shall be liquidated. The directors shall be the liquidators of the company and shall form a liquidation group within 15 days from the date of the occurrence of the dissolution event to conduct liquidation.

The liquidation group shall be composed of directors, unless otherwise provided in the articles of association or the shareholders' meeting resolves to appoint others. If the liquidators fail to perform their liquidation obligations in a timely manner and cause losses to the company or creditors, they shall bear the liability for compensation. If a company fails to form a liquidation group for liquidation within the time limit or fails to conduct liquidation after the formation of the liquidation group, interested parties may apply to the people's court to appoint relevant persons to form a liquidation group for liquidation. The people's court shall accept the application and timely organize the liquidation group for liquidation.

During the liquidation period, the liquidation group shall exercise the following powers:

(i) to sort out the company's property and prepare a balance sheet and a list of assets respectively;

(ii) to notify and announce to creditors;

(iii) to handle the company's unfinished business related to the liquidation;

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

(v) to clear up claims and debts;

(vi) to distribute the remaining property of the company after the repayment of debts; and

(vii) to represent the company in civil litigation activities.

The liquidation group shall notify creditors within 10 days from the date of its formation and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 60 days. Creditors shall declare their claims to the liquidation group within 30 days from the date of receipt of the notice or, if they do not receive the notice, within 45 days from the date of the first announcement. When declaring their claims, creditors shall state the relevant matters of the claims and provide supporting documents. The liquidation group shall register the claims. During the period of claim declaration, the liquidation group shall not make any repayment to creditors.

After sorting out the company's property and preparing a balance sheet and a list of assets, the liquidation group shall formulate a liquidation plan and submit it to the shareholders' meeting or the people's court for confirmation. The company's property shall be applied to pay the following items in order: liquidation expenses; salaries and social insurance premiums of employees; taxes owed; debts of the company. The remaining property of the company after the payment shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's property shall not be distributed to shareholders before it is paid in accordance with the preceding article.

After sorting out the company's property and preparing a balance sheet and a list of assets, if the liquidation group discovers 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 completion of the company's liquidation, the liquidation group shall prepare a liquidation report, report to the shareholders' meeting or the people's court for confirmation and submit them to the company registration authority for the cancellation of the company's registration.

If a company is declared bankrupt in accordance with the law, bankruptcy liquidation shall be carried out in accordance with the relevant enterprise bankruptcy laws.

Merger and Division

Pursuant to the Company Law, a company may merge through merger by absorption or through the establishment of a newly merged entity. If it merges by absorption, the company which is absorbed shall be dissolved. If it merges by forming a new corporation, parties to the merger shall be dissolved.

In case of a merger, the parties to the merger shall enter into a merger agreement and prepare a balance sheet and a list of properties. Within 10 days of the date on which the resolution on merger is made, the creditors shall be notified by the company and a public announcement shall be in the press or on the National Enterprise Credit Information Publicity System within 30 days. Creditors may require the company to repay its debts or provide guarantees for covering the debts within 30 days of receipt of the notification or within 45 days of the date of the announcement if the creditor has not received any notification; and in case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's properties shall be divided. In case of a division, a balance sheet and a list of properties shall be prepared. Within 10 days of the date on which the resolution on division is made, the creditors shall be notified by the company, and a public announcement shall be made in the press or on the National Enterprise Credit Information Publicity System within 30 days.

Changes in the business registration of the companies as a result of the merger or division shall be registered with the relevant administration authority for industry and commerce.

In accordance with the laws, deregistration of a company shall be registered when a company is dissolved and incorporation of a company shall be registered when a new company is incorporated.

Overseas Listing

According to the Overseas Listing Trial Measures, the domestic enterprise shall report the application documents for issuance and listing to the CSRC for record-filing within 3 working days after submission of the application documents for issuance and listing overseas. The remittance and cross-border flow of funds related to overseas issuance and listing of domestic enterprises shall comply with national regulations on cross-border investment and financing, foreign exchange management and cross-border RMB management.