This Appendix outlines certain aspects of the laws and regulations of Chinese Mainland relating to the operation and business of our Company. The primary purpose of this summary is to highlight to potential **[REDACTED]** the principal laws and regulatory provisions applicable to our Company. This summary is not intended to encompass all material information that may be relevant to potential **[REDACTED]**. For a discussion of the laws and regulations relating to our Company's business, please refer to the "Regulatory Overview" in this document.

PRC LEGAL SYSTEM

The PRC legal system is founded upon the Constitution of the People's Republic of China (《中華人民共和國憲法》) (the "**Constitution**") and comprises written laws, administrative regulations, local regulations, separate regulations, departmental rules of the State Council, local government rules, autonomous regulations, specific regulations of autonomous regions, laws of the Special Administrative Regions, and international treaties signed by the government of the People's Republic of China, as well as other regulatory documents. Court verdicts do not constitute binding precedents but may be utilized for judicial reference and guidance.

Pursuant 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**"), as revised by the National People's Congress (the "**NPC**") on March 13, 2023, and effective on March 15, 2023, the NPC and its Standing Committee of the NPC are vested with the power to exercise national legislative authority. The NPC is empowered to enact and amend fundamental laws governing criminal, civil, state institutions and other matters. The SCNPC is authorized to formulate and amend laws other than those that should be enacted by the NPC. During the NPC's recess, the SCNPC may partially supplement and amend laws enacted by the NPC, provided that such amendments do not contravene the fundamental principles of these laws.

The State Council, as the highest administrative body of the state, formulates administrative regulations in accordance with the Constitution and laws. The people's congresses and their standing committees at the provincial level, autonomous regions, and municipalities directly under the Central Government may enact local regulations based on the specific circumstances and practical needs of their respective administrative regions, provided that these local regulations do not contravene any provisions of the Constitution, laws, or administrative regulations. The people's congresses and their standing committees of cities divided into districts may formulate local regulations on urban and rural construction and management, environmental protection, and historical and cultural preservation, in accordance with the specific conditions and practical needs of their respective cities, but these regulations must not conflict with any provisions of the Constitution, laws, administrative regulations, and local regulations of provinces and autonomous regions. Where laws provide otherwise for the formulation of local regulations by cities divided into districts, such provisions shall prevail. Local regulations of cities in autonomous regions shall be implemented after being submitted for approval.

The standing committees of the people's congresses of provinces and autonomous regions shall conduct legality reviews of local regulations submitted for approval. Those that do not contravene the Constitution, laws, administrative regulations, and local regulations of the province or autonomous region shall be approved within 4 months. The people's congresses of ethnic autonomous areas have the right to formulate autonomous regulations and specific regulations based on the political, economic, and cultural characteristics of the various ethnic groups in the area. The ministries and commissions of the State Council, the People's Bank of China, National Audit Office of the People's Republic of China, and institutions directly under the State Council with administrative management functions may formulate rules within their respective jurisdictions based on laws, administrative regulations, decisions, and rulings of the State Council.

The Constitution holds the supreme legal authority, and all laws, administrative regulations, local regulations, autonomous regulations, and specific regulations or rules must not contravene the Constitution. Laws take precedence over administrative regulations, local regulations, and rules. Administrative regulations take precedence over local regulations and rules. Regulations formulated by the people's governments of provinces and autonomous regions take precedence over the regulations formulated by the people's governments of cities with districts within their respective administrative regions.

The NPC possesses the authority to amend or nullify inappropriate laws enacted by the SCNPC, and is empowered to revoke autonomous regulations and specific regulations approved by the SCNPC that contravene the Constitution and the Legislation Law. The SCNPC is authorized to annul administrative regulations that violate the Constitution and laws, and is empowered to revoke local regulations that contravene the Constitution, laws, and administrative regulations, as well as autonomous regulations and specific regulations approved by the standing committees of the people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government that violate the Constitution and the Legislation Law. The State Council is vested with the power to amend or nullify inappropriate departmental rules and local government regulations. The people's congresses of provinces, autonomous regions, and municipalities directly under the Central Government have the authority to amend or nullify inappropriate local regulations formulated or approved by their respective standing committees. The standing committees of local people's congresses are empowered to revoke inappropriate regulations formulated by the people's governments at the same level. The people's governments of provinces and autonomous regions are authorized to amend or nullify any inappropriate regulations formulated by the people's governments at lower levels.

Pursuant to the Constitution and the Legislation Law, the power of legal interpretation is vested in the SCNPC. According to the Resolution of SCNPC on Strengthening the Work of Legal Interpretation (《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》), adopted and effective on June 10, 1981, the Supreme People's Court is authorized to interpret specific issues concerning the application of laws and decrees in judicial trials. The Supreme People's Procuratorate shall interpret all issues that are related to the specific application of laws and decrees in procuratorial work. The State Council and relevant competent departments are responsible for interpreting how to specifically apply other laws and decrees that do not fall under the purview of judicial and procuratorial work.

Where the scope of local regulations requires further definition or supplementary provisions, the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government that formulated the regulations shall interpret or stipulate. Interpretations of specific application issues of local regulations shall be the responsibility of the competent departments of the people's governments of provinces, autonomous regions, and municipalities directly under the Central Government.

PRC JUDICIAL SYSTEM

Pursuant to the Constitution and the Organic Law of the People's Courts of the People's Republic of China (《中華人民共和國人民法院組織法》), as revised by the SCNPC on October 26, 2018, and effective from January 1, 2019, the People's Courts of the People's Republic of China comprise the Supreme People's Court, local people's courts at various levels, and other specialized people's courts. Local people's courts are categorized into three levels: primary people's courts, intermediate people's courts, and higher people's courts. Primary people's courts may establish several people's tribunals based on regional, population, and case circumstances. The Supreme People's Court serves as the highest adjudicatory organ of the state. The Supreme People's Court supervises the exercise of judicial power by local people's courts at all levels and specialized people's courts. The people's courts at higher levels supervise the adjudication work of the people's courts at lower levels.

According to the Constitution and the Organic Law of the People's Procuratorates of the People's Republic of China (《中華人民共和國人民檢察院組織法》), as revised by the SCNPC on October 26, 2018, and effective from January 1, 2019, the people's procuratorates serve as the state's legal supervision bodies. The Supreme People's Procuratorate functions as the highest procuratorial organ. The Supreme People's Procuratorate directs the work of local people's procuratorates at all levels and specialized people's procuratorates, with higher-level people's procuratorates overseeing the work of lower-level procuratorates.

The People's Court implements a system of two instances with final adjudication. The second-instance judgments or rulings of the People's Court constitute the final judgments or rulings. Parties dissatisfied with the first-instance judgments or rulings of a local People's Court may file an appeal. The People's Procuratorate may, in accordance with the procedures prescribed by law, lodge a protest with the People's Court at the next higher level. If a party does not appeal and the People's Procuratorate does not protest within the prescribed time limit, the judgments or rulings of the People's Court become the final judgments or rulings. The second-instance judgments or rulings of the Intermediate People's Courts, Higher People's Courts, and the Supreme People's Court, as well as the first-instance judgments or rulings of the Supreme People's Court, are the final judgments or rulings. However, if the Supreme People's Court or a People's Court at a higher level discovers that a final judgment or ruling of a lower-level People's Court that has already taken legal effect is indeed erroneous, or if the presiding judge of any level of People's Court discovers that a final judgment or ruling of the People's Court at the same level that has already taken legal effect is indeed erroneous, a retrial may be conducted in accordance with the judicial supervision procedures.

The Civil Procedure Law of People's Republic of China (《中華人民共和國民事訴訟法》), adopted by the SCNPC on September 1, 2023, and effective on January 1, 2024, outlines the requirements for initiating civil litigation, the jurisdiction of the People's Courts, the procedures to be followed in civil proceedings, and the enforcement of civil judgments or orders. All parties involved in civil litigation within the territory of the PRC must adhere to the Civil Procedure Law of PRC. Civil cases are generally adjudicated by the court in the defendant's domicile. The jurisdictional court for civil litigation can be explicitly agreed upon by the parties, provided the court is located in a place with a substantial connection to the dispute, such as the domicile of the plaintiff or defendant, the place of contract performance or contract signing, or the location of the subject matter of the litigation. However, the choice of court must not, under any circumstances, contravene the provisions regarding level jurisdictions and exclusive jurisdictions.

Foreign individuals, stateless persons, foreign-invested enterprises, or foreign organizations that initiate litigation or defense in the People's Court shall have the same procedural rights and obligations as Chinese citizens, legal persons, or other organizations. If a foreign court restricts the procedural rights of Chinese citizens and enterprises, the Chinese court may apply the same restrictions to the foreign citizens and enterprises. When foreign individuals, stateless persons, foreign-invested enterprises, or foreign organizations initiate litigation or defense in the People's Court, they must retain a Chinese lawyer. According to international treaties signed or acceded to by the People's Republic of China or the principle of reciprocity, the People's Court and foreign courts may request each other to serve documents, conduct investigations, and take other actions. The People's Court shall reject requests from foreign courts that may infringe upon the sovereignty, security, or public interest of the People's Republic of China.

The parties involved must fulfill civil judgments and rulings that have legal effect. If a party in a civil lawsuit refuses to comply with a judgment or ruling made by the People's Court of the People's Republic of China or an arbitral tribunal's award, the other party may apply to the People's Court for enforcement within 2 years. The suspension or interruption of the application period for enforcement shall comply with the provisions of applicable laws concerning the suspension or interruption of the statute of limitations.

Judgments and rulings rendered by the People's Courts, where the judgment debtor or their assets are not within the territory of Chinese Mainland, may be subject to direct application for recognition and enforcement by the interested party to a foreign court with jurisdiction. Judgments and rulings rendered by foreign courts may be recognized and enforced by the People's Courts, following examination in accordance with the provisions of international treaties concluded or acceded to by the People's Republic of China with the relevant country, or based on the principle of reciprocity. Such recognition and enforcement are contingent upon the determination that the foreign judgment or ruling does not contravene the fundamental principles of Chinese law, nor does it infringe upon national sovereignty, security, or the public interest of society.

THE PRC COMPANY LAW, OVERSEAS LISTING MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**PRC Company Law**") was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

On March 28, 2025, the CSRC Promulgated the latest amended Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for the Articles of Association**"). According to the Overseas Listing Trial Measures and its supporting guidelines, Guidelines for the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that are directly listed overseas shall formulate its Articles of Association with reference to the Guidelines for the Articles of Association and other relevant provisions of the CSRC on main provisions of the PRC Company Law, the Overseas Listing Trial Measures and the Guidelines for the Articles of Association.

General Provisions

A joint stock limited company is a corporate legal person established in accordance with the Company Law. Its registered capital is comprised of shares with an equal par value. Shareholders bear liability limited to the extent of their subscribed shares, while the company itself is liable for its debts with all of its assets.

A company, in the conduct of its business operations, must adhere to the laws and regulations, social ethics, and commercial morality. A company may invest in other companies with limited liability. The liability of the investing company for the obligations of the invested company is limited to the amount of its investment. Unless otherwise stipulated by law, a company shall not become an investor jointly and severally liable for the debts of the invested company.

Incorporation

A joint stock limited company may be established through either the method of promotion or the method of offering shares for subscription. A joint stock limited company can be established by a minimum of 1 promoter and a maximum of 200 promoters, with more than half of the promoters required to have a domicile within the territory of Chinese Mainland.

The promoters shall convene the inaugural meeting of the company within 30 days following the full payment of the share capital. Notice of the meeting date must be provided to all subscribers or publicly announced no less than 15 days prior to the meeting. The inaugural meeting can only be held if the promoters and subscribers holding more than 50% of the total shares are present. The powers exercised at the inaugural meeting shall include, but not be limited to, the adoption of the articles of association, and the election of the members of the board of directors and board of supervisors. Resolutions on these matters shall be passed by a majority vote of more than 50% of the votes cast by the attending subscribers.

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

Registered Shares

According to the Company Law, shareholders may contribute in cash or in kind, intellectual property rights, land use rights and other non-monetary property that may be valued in currency and may be transferred in accordance with the law.

The Overseas Listing Measures stipulate that domestic enterprises listed abroad may raise funds and distribute dividends in foreign currency or RMB.

Under the Company Law, a joint stock limited company shall prepare and maintain a shareholder register at the company. The shareholder register shall record the following particulars:

(i) The name and domicile of each shareholder;

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

(iii) In the case of shares in paper form, the serial number of the shares; and

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

Allotment and Issue of Shares

All shares in a joint stock limited company shall be issued in accordance with the principles of equality and fairness. The same class of shares must have equal rights. The same shares must be issued on the same terms and at the same price. A joint stock limited company may issue shares at face value or premium, but not below face value.

If a domestic enterprise issues a listing abroad, it shall file a filing with the CSRC in accordance with the Overseas Listing Measures, submit a filing report, legal opinion and other relevant materials, and give a true, accurate and complete description of the shareholder information. Where a domestic enterprise is issued directly and listed abroad, the issuer shall file with the CSRC. Where a domestic enterprise is listed indirectly outside China, the issuer shall designate the main business entity in China as the responsible person in China and file the case with the CSRC.

Increase in Share Capital

Pursuant to the PRC Company Law, an increase in the capital of a company by means of an issue of new shares must be approved by shareholders in a shareholder's meeting. The Articles of Association or the shareholders' meeting may authorize the Board of Directors to decide to issue not more than 50% of the shares that have been issued within three years. However, if the capital contributions are to be made using non-monetary property, they shall be subject to a resolution made by the shareholders' meeting. Where the Board of Directors is authorized and decides to issue shares, and thus results in a change in the registered capital or the number of issued shares of the company, the voting at the shareholders' meeting may not be needed to revise such item set forth in the Articles of Association of the company. Where the Articles of Association or the shareholders' meeting of a company authorizes the Board of Directors to decide on issuing new shares, a resolution of the Board of Directors shall be adopted by two thirds of all the directors. In addition, where a domestic enterprise issuing and listing overseas, the issuer shall file with the CSRC in accordance with the Overseas Listing Trial Measures and submit a filing report, legal opinions and other relevant materials, giving a true, accurate and complete account of shareholders' information and other information.

Reduction of Share Capital

The company shall reduce the registered capital in accordance with the following procedures as stipulated in the PRC Company Law:

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

(ii) make a resolution at a shareholders' meeting to reduce the registered capital;

(iii) the company shall notify its creditors within 10 days after making the resolution to reduce the registered capital and publish the relevant announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

(iv) a creditor may, within 30 days after receipt of the notification, or within 45 days after the date of announcement if he/she has not received the notification, have the right to request the company to repay its debts or provide relevant guarantees; and

(v) the company must apply to the company registration authority for a change in registration.

Where a company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the capital contribution or shares held by the shareholders, unless it is otherwise prescribed by any law, or is otherwise prescribed by the Articles of Association of the company.

Repurchase of Shares

According to the PRC Company Law, a company may not repurchase its own shares. Except in the following cases:

(i) Reduction of registered capital;

(ii) Merging with other companies holding shares in the company;

(iii) The use of shares in employee ownership schemes or equity incentives;

(iv) A shareholder who votes against the merger or separation resolution of the company passed by the Shareholders' meeting shall have the right to require the company to acquire the shares it holds;

(v) The shares are used to convert convertible corporate bonds issued by the listed company;

(vi) Necessary to safeguard the corporate value and shareholder rights of listed companies.

The purchase of shares in the company for the reasons (i) to (ii) above shall be subject to a resolution of the Shareholders' meeting; For the reasons of (iii), (v) and (vi) above, the purchase of shares in the company may, in accordance with the articles of association or the authorization of the Shareholders' meeting, be determined by the meeting of the board of directors attended by more than two thirds of the directors.

If the company repurchases the shares of the company in accordance with the above provisions, in the case of subparagraph (i) above, it shall be cancelled within 10 days from the date of repurchase; In the case of subparagraphs (ii) and (iv) above, it shall be transferred or cancelled within six months; In the case of subparagraph (iii), subparagraph (v) and subparagraph (vi) above, the total number of shares held by the company shall not exceed 10% of the total number of shares issued by the company and shall be transferred or cancelled within 3 years.

Transfer of Shares

Shares held by shareholders may be transferred in accordance with the law. Pursuant to the Company Law, the transfer of shares by shareholders shall be effected on a legally established securities exchange or in other ways as prescribed by the State Council. The transfer of shares shall be effected by the shareholders by means of endorsement or other means as prescribed by laws and administrative regulations. After the transfer, the company shall enter the name and domicile of the transferee in the register of shareholders. No change in the register of shareholders as provided for in the preceding paragraph may be registered within 20 days prior to the date of the Shareholders' meeting or within 5 days prior to the date on which the company decides to distribute dividends. If any law, administrative regulation or the securities regulatory authority of the State Council has other provisions on the registration of changes in the register of shareholders of a listed company, such provisions shall apply.

According to the Company Law, shares issued prior to the public offering of shares of the company shall not be transferred for 1 year from the date on which the shares of the company are listed and traded on the stock exchange. The directors, supervisors and senior management of the company shall declare to the company their holdings and changes therein. During the term of office determined at the time of his/her appointment, the shares transferred each year shall not exceed 25% of the total number of shares held by the company. The shares held by the directors, supervisors and senior management of the company shall not be transferred for 1 year from the date of listing and trading on the stock exchange. No share in the company held by the aforementioned person shall be transferred within 6 months after his/her separation from office.

Where the shares are pledged within the time limit of a restrictive transfer prescribed by law or administrative regulations, the applicant shall not exercise the right of pledge within that time limit.

Shareholders

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

(i) Dividends and other forms of distribution of benefits in proportion to shareholding;

(ii) To request, convene, preside over, participate in or appoint a shareholder's representative to the Shareholders' meeting in accordance with the law, and to exercise the corresponding voting rights;

(iii) Supervise the business operations of the company, make suggestions or raise questions;

(iv) Transfer, grant or pledge shares in the company in accordance with laws, administrative regulations and articles of association;

(v) To access and copy the articles of association, the register of shareholders, the minutes of the Shareholders' meeting, the resolution of the meeting of the board of directors, the resolution of the meeting of the board of supervisors and the financial and accounting report;

(vi) Shareholders who hold more than 3% of the company's shares individually or collectively for more than 180 consecutive days may, in accordance with the law, consult the company's accounting books and accounting certificates;

(vii) Participation in the distribution of the remaining property of the company in the event of the company's suspension or liquidation;

(viii) Shareholders who object to the merger or separation resolution of the company made by the Shareholders' meeting and require the company to acquire its shares;

(ix) Laws, administrative regulations, departmental regulations, rules governing the place of listing of shares of the company or other rights under the articles of association.

The obligations of the company's shareholders include:

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

(ii) To pay contributions in accordance with the shares subscribed and the method of admission;

(iii) Not to abuse Shareholders' rights to the detriment of the interests of the company or other shareholders; and not to abuse the company's status as an independent legal entity and Shareholders' limited liability to the detriment of the interests of the company's creditors;

(iv) Other obligations as stipulated by laws, administrative regulations and the articles of association.

Shareholders' meetings

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

(i) to elect or replace the directors and supervisors and to decide on their remunerations;

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

(iii) to consider and approve the reports of the Board of Supervisors;

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

(v) to decide on any 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 and liquidation of the company or change of its corporate form;

(viii) to amend the Articles of Association of the company; and

(ix) to exercise any other authority stipulated in the Articles of Association of the company.

The shareholders' meeting may authorize the Board of Directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the Guidelines for Articles of Association, a shareholders' meeting is required to be held once a year within six months after the end of the previous accounting year. An interim shareholders' meeting is required to be held within two months upon the occurrence of any of the following:

(i) the number of directors is less than the number required by the law or less than two-thirds of the number specified in the Articles of Association of the company;

(ii) the total outstanding losses of the company amounted to one-third of the company's total capital stock;

(iii) shareholders individually or in aggregate holding 10% or more of the company's shares request to convene an interim shareholders' meeting;

(iv) the Board of Directors deems necessary;

(v) the Board of Supervisors so proposes; or

(vi) any other circumstances as provided for in the Articles of Associations of the company.

A shareholders' meeting is 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 is not performing his or her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is incapable of performing or is not performing his or her duties, a director jointly recommended by more than half of directors shall preside over the meeting. If the Board of Directors is unable to or fails to perform its duty of convening the shareholders' meeting, the Board of Supervisors shall convene and preside over such meeting in a timely manner; if the Board of Supervisors fails to convene and preside over such meeting, shareholders who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholders who individually or jointly hold more than 10% of the shares of the company request to convene an interim shareholders' meeting, the Board of Directors and the Board of Supervisors shall, within 10 days after the receipt of such request, decide whether to hold an interim shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting if the shareholders' meeting is convened. Notice of the interim shareholders' meeting shall be given to all shareholders 15 days before the meeting. Shareholders who individually or jointly hold more than one-tenth of the shares of the company may submit an interim proposal in writing to the Board of Directors ten days before the shareholders' meeting is held. The Board of Directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the shareholder's meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the Articles of Association or fails to fall into the scope of functions of the shareholders' meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward any interim proposal. A company offering shares to the public shall make the notices as mentioned in the preceding paragraphs by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at shareholders' meeting shall have one vote for each share they hold, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

An accumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting pursuant to the provisions of the Articles of Association of the company or a resolution of the shareholders' meeting. Under the accumulative voting system, when the shareholders' meeting elects directors or supervisors, each share has the same voting rights as the number of directors or supervisors to be elected, and the voting rights owned by shareholders can be used collectively.

Under the PRC Company Law, the passing of any resolution at the shareholder's meeting requires affirmative votes of shareholders representing more than half of the voting rights held by the shareholders who attend the shareholder's meeting except in cases of proposed amendments to a Articles of Association, increase or decrease of registered capital, merger, division or dissolution, or change of corporation form, which require affirmative votes of shareholders representing more than two-thirds of the voting rights held by the shareholders who attend the shareholder's meeting.

Minutes shall be prepared in respect of matters considered at the shareholders' meeting and the chairperson and directors attending the meeting shall endorse such minutes by signature. The minutes shall be kept together with the shareholders' attendance register and the proxy forms.

Board of directors

According to the Company Law, the joint stock limited company shall have a board of directors consisting of 3 or more members. The term of office of directors shall be prescribed by the articles of association, but each term shall not exceed 3 years. Directors may be re-elected for a second term.

Board of director's meetings shall be held at least twice a year. All directors and supervisors shall be notified 10 days in advance of each meeting. The board of directors shall exercise the following powers and duties:

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

(ii) Execute the resolutions of the Shareholders' meetings;

(iii) Decide on the company's business plan and investment plan;

(iv) To formulate the annual financial budget and final accounts of the company;

(v) To formulate the company's profit distribution plan and loss recovery plan;

(vi) To formulate proposals for the increase or reduction of the registered capital of the company and the issuance of corporate bonds;

(vii) To formulate proposals for the merger, demerger, dissolution or change of corporate form of the company;

(viii) To decide on the establishment of the internal management organization of the company;

(ix) To decide on the appointment or dismissal of the manager of the company and his remuneration, and to decide on the appointment or dismissal of the deputy manager and financial controller of the company and their remuneration based on the nomination of the manager;

(x) To formulate the basic management system of the company;

(xi) Other powers and duties as provided for in the articles of association or approved by the Shareholders' meeting.

The board meeting shall be held only when more than half of the directors are present. If a director is unable to attend due to certain reasons, they may authorize another director in writing to attend on their behalf, and the authorization letter should specify the scope of authority. If a resolution of the board violates laws, administrative regulations, or the articles of association, or resolutions of the shareholders' meeting, causing serious losses to the company, the directors who participated in the resolution shall bear compensation liability to the company. However, if it can be proven that the director expressed dissent at the time of voting and this was recorded in the minutes, the director may be exempt from liability.

According to the Company Law, the following persons are not allowed to be directors of the company:

(i) Incapacity or limitation of capacity for civil conduct;

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

(iii) If he or she is a director, factory director or manager of a company or enterprise in bankruptcy or liquidation, and is personally responsible for the bankruptcy of the company or enterprise, not more than 3 years have elapsed since the date of completion of the bankruptcy or liquidation of the company or enterprise;

(iv) If he/she is the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to violation of the law and he/she is personally liable for the bankruptcy of the company or enterprise, not more than 3 years have elapsed since the date on which the business license of the company or enterprise has been revoked; and

(v) The individual is classified by the People's Court as a "Default Enforcer" for having a debt of a relatively large amount that has not been settled by the due date.

According to the Company Law and the Guidelines for the Articles of Association, the board of directors shall have a chairman, who shall be elected by more than half of the directors. The chairman of the board shall exercise the following powers and duties (including but not limited to):

(i) Presiding over the Shareholders' meetings and convening and chairing the board of directors' meetings;

(ii) Supervise and inspect the implementation of the resolutions of the board of directors;

(iii) Exercising other powers granted by the board.

Managers and Senior Management

According to the Company Law, a company shall have manager who shall be appointed or dismissed by the board of directors. The manager shall be responsible to the board of directors and exercise his functions and powers in accordance with the provisions of the articles of association or authorized by the board of directors. The manager shall attend the board of directors meeting as a non-voting member.

According to the Guidelines for Articles of Association, the manager is accountable to the board of directors and exercises the following powers and functions:

(i) To preside over the production and operation management of the company, organize the implementation of the resolutions of the board of directors, and report to the board of directors;

(ii) Organize and implement the company's annual business plan and investment plan;

(iii) To formulate the programmer for the establishment of internal management bodies of the company;

(iv) To formulate the basic management system of the company;

(v) Formulating specific regulations of the company;

(vi) To request the board of directors to appoint or dismiss the deputy manager and the financial controller of the company;

(vii) Deciding to appoint or dismiss management personnel other than those who shall be appointed or dismissed by decision of the board of directors;

(viii) Other powers and functions conferred by these articles of association or the board of directors. The manager attends the meetings of the board of directors.

According to the Company Law, senior management refers to the manager, deputy manager, financial controller, secretary of the board of directors and other officers as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

The Company Law requires that directors, supervisors and senior management of a company shall comply with relevant laws, regulations and the articles of association, and shall assume the obligations of loyalty and diligence towards the company. Directors, supervisors and senior management shall not take advantage of their duties to accept bribes or other illegal incomes, and shall not misappropriate the company's property.

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

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

(ii) Opening accounts and depositing company funds in their personal name or in the name of other individuals;

(iii) Using his official position to bribe or accept other illegal income;

(iv) Accepting commissions from third parties for transactions with the company and keeping them for himself/herself;

(v) Unauthorized disclosure of confidential business information of the company; or

(vi) Breaching the duty of loyalty to the company.

Matters relating to the conclusion of contracts or transactions shall be reported to the board of directors or the Shareholders' meeting and resolved by the board of directors or the Shareholders' meeting in accordance with the provisions of the articles of association.

The provisions of the preceding paragraph shall apply to any close family member of a director, supervisor or senior management, any enterprise directly or indirectly controlled by a director, supervisor or senior management or their close family members, and any connected person who has any other relationship with a director, supervisor or senior management, who enters into a contract or transaction with the company.

Directors, supervisors or senior management shall not make use of the convenience of their duties to obtain for themselves or others any business opportunities belonging to the company. However, except under one of the following circumstances:

(i) Reported to the board of directors or the Shareholders' meeting and approved by a resolution of the board of directors or the Shareholders' meeting in accordance with the provisions of the articles of association; or

(ii) The business opportunity cannot be exploited by the company in accordance with laws, administrative regulations or the articles of association.

A director, supervisor or senior management may not engage in the same type of business as the company in which he/she works on his/her own account or for others without reporting to the board of directors or Shareholders' meeting and obtaining a resolution from the board of directors or Shareholders' meeting in accordance with the provisions of the articles of association.

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

Finance and Accounting

Pursuant to the Company Law, the company shall establish its own financial and accounting system in accordance with the laws, administrative regulations and the regulations of the Ministry of Finance of the State Council. The company shall prepare a financial accounting report at the end of each accounting year, which shall be audited by a public accounting firm in accordance with the law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of MOF.

The financial accounting report of the joint stock limited company shall be filed with the company for Shareholders' inspection 20 days prior to the annual general meeting; the joint stock limited company that makes a public offering of shares must announce its financial and accounting reports.

When the company distributes after-tax profits in the current year, 10% of the profits shall be drawn into the company's statutory provident fund. Where the accumulated amount of the company's statutory provident fund is more than 50% of the company's registered capital, it may no longer be withdrawn. Where the statutory provident fund of the company is not sufficient to compensate for the previous annual losses, the company shall make up the losses with the current annual profits before withdrawing the statutory provident fund in accordance with the provisions of the preceding paragraph. After the company draws the statutory provident fund from the after-tax profit, it may withdraw any provident fund from the after-tax profit through the resolution of Shareholders' meeting.

A joint stock limited company shall distribute profits in accordance with the proportion of shares held by shareholders, except as provided in the articles of association of a joint stock limited company.

The premium amount earned by a joint stock limited company by issuing shares in excess of the denomination of the stock ticket, the amount of share income not included in the registered capital in the issue of non-denominated shares and other income included in the capital provident fund as prescribed by MOF shall be listed as the capital provident fund of the company.

The company's provident fund is used to cover the company's losses, expand the company's production and operation, or increase the company's capital. If the provident fund makes up the losses of the company, it shall first use any provident fund and the statutory provident fund; If it is still irreparable, the capital provident fund may be used in accordance with the relevant provisions. The statutory provident fund shall not retain less than 25% of the registered capital of the company prior to the conversion of the statutory provident fund to increase the registered capital.

The company shall not establish separate accounting books except those prescribed by law.

Appointment and Dismissal of Accounting Firms

According to the Company Law, the appointment or dismissal of the accounting firm responsible for the company's audit shall be determined by the Shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the articles of association. When a shareholder's meeting, board of directors or board of supervisors votes on the dismissal of an accounting firm, the firm shall be allowed to present its opinion. The company shall provide true and complete accounting credentials, accounting books, financial and accounting reports and other accounting information to the accounting firm it employs, and shall not refuse, conceal or falsely report the information.

The Guidelines for Articles of Association stipulates that the company shall guarantee the provision of true and complete accounting certificates, accounting books, financial and accounting reports and other accounting information to the accounting firm engaged in the company, and shall not refuse, conceal or falsely report. The auditing expenses of the accounting firm shall be determined by the Shareholders' meeting.

Profit Distribution

The Guidelines for Articles of Association stipulates that where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits allocated in violation of the provisions to the company, and the shareholders and the directors, supervisors and senior management responsible for the losses caused by the company shall be liable for compensation.

Dissolution and Liquidation

Under the Company Law, companies are dissolved for the following reasons:

(i) The expiration of the term of business specified in the articles of association or other reasons for dissolution as stipulated in the articles of association;

(ii) Dissolution by a resolution of the shareholders' meeting;

(iii) Dissolution due to merger or separation of the company;

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

(v) Where serious difficulties occur in the operation and management of the company and the continued existence of the company causes significant losses to the interests of the shareholders, which cannot be resolved by other means, shareholders holding more than 10% of the voting rights of all the shareholders of the company may request the people's court to dissolve the company.

The company shall, within 10 days after the occurrence of any matter specified in the preceding paragraph, publicize the matter through the National Enterprise Credit Information Publicity System.

If the company is dissolved in accordance with subparagraph (i) above, it may survive by amending its articles of association or by resolution of the Shareholders' meeting, and the amendments to the articles of association shall be adopted by more than two thirds of the voting rights held by the shareholders present at the Shareholders' meeting. If the company is dissolved as required by subparagraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors shall be the obligors for the company's liquidation and must form a liquidation group within 15 days from the date of the emergence of the cause of dissolution. The liquidation group shall be composed of directors, unless otherwise stipulated in the articles of association or otherwise decided by the Shareholders' meeting. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes loss to the company or creditor, it shall be liable for compensation.

If a liquidation group is not established after the liquidation or the liquidation group fails to carry out the liquidation after its establishment, any interested party may apply to the people's court to appoint the person concerned to form a liquidation group for liquidation. The people's court shall accept the application and organize the liquidation team to carry out the liquidation in a timely manner.

The Liquidation group exercises the following functions during liquidation:

(i) To clean up the property of the company and compile the balance sheet and property list respectively;

(ii) Notifying creditors and issuing public announcements;

(iii) Dealing with the outstanding business of the company in connection with the liquidation;

(iv) The payment of the tax owed and the tax arising from the liquidation process;

(v) Clearing of claims and debts;

(vi) Disposing of the remaining property of the company after it has discharged its debts;

(vii) To represent the company in civil proceedings.

The liquidation group shall notify the creditors of the company within 10 days from the date of its establishment, and publish an announcement within 60 days in the newspaper or the National Enterprise Credit Information Publicity System. The creditor shall, within 30 days from the date of receipt of the notice, declare its claims to the liquidation group within 45 days from the date of the announcement. When a creditor files a claim, it shall state the relevant matters of the claim and provide supporting materials. The liquidation group shall register the claims. The liquidation group shall not liquidate creditors during the period of filing of claims.

The company's property shall be distributed according to the proportion of shares held by shareholders after paying the liquidation expenses, wages of employees, social insurance expenses and statutory compensation respectively, paying the taxes owed, and liquidating the remaining property after the company's debts.

During the liquidation period, the company continues, but cannot carry out business activities unrelated to the liquidation. The company's property will not be allocated to shareholders until it has been liquidated as stipulated in the preceding paragraph.

After the liquidation group has cleared up the company's assets and prepared a balance sheet and an inventory of assets, if it finds that the company's assets are insufficient to pay off its debts, it shall apply to the people's court for declaring bankruptcy according to law. After the company is declared bankrupt by the people's court, the liquidation group shall transfer the liquidation affairs to the bankruptcy administrator designated by the people's court.

After the liquidation of a company is completed, the liquidation group shall prepare a liquidation report, which shall be confirmed by the Shareholders' meeting or the people's court and submitted to the company registration authority for application for cancellation of the company registration.

If a company has its business license revoked, ordered to close, or dissolved, and fails to apply for deregistration with the company registration authority within 3 years, the company registration authority may announce this through the National Enterprise Credit Information Publicity System, with the announcement period lasting no less than 60 days. After the announcement period expires and there are no objections, the company registration authority can cancel the company registration. In cases where the company registration is canceled according to regulations, the responsibilities of the original shareholders and liquidation obligors remain unaffected.

Members of the liquidation group shall be loyal to their duties and perform liquidation obligations according to law. Members of the liquidation group shall not use their authority to accept bribes or other illegal income, nor shall they embezzle company's property. Members of the liquidation group who cause losses to the company or creditors due to intentional or gross negligence shall be liable for compensation.

Overseas Listing

According to the Overseas Listing Trial Measures, the securities refer to stocks, depositary receipts, and corporate bonds that can be converted into stocks or other securities of an equity nature that are directly or indirectly offered and listed overseas by domestic companies. The direct overseas offering and listing of domestic companies refer to such overseas offering and listing of a joint stock limited company incorporated in the territory of Chinese Mainland. The indirect overseas offering and listing of domestic companies refer to such overseas offering and listing made in the name of an offshore entity but based on the equity, assets, earnings, or other similar rights of a domestic company that operates its main business domestically.

The Overseas Listing Trial Measures also provide the conditions for overseas offering and listing. An overseas offering and listing are prohibited under any of the following circumstances:

(i) the listing and financing fall under specific prohibition in the laws, administrative regulations, and relevant national provisions;

(ii) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;

(iii) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;

(iv) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;

(v) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

In addition, under the Overseas Listing Trial Measures, where a PRC domestic company submits an application for initial public offering to competent overseas regulators or overseas stock exchanges, such issuer must file with the CSRC within three business days after such application is submitted.

In the event of the occurrence of any of the following material events after the overseas offering and listing, the PRC domestic companies shall make a detailed report to the CSRC within three working days after the occurrence and public announcement of the relevant event:

(i) change of control;

(ii) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;

(iii) change of the listing status or transfer of listing board;

(iv) voluntary or compulsory termination of listing.

Pursuant to the Provisions on Confidentiality, which was issued by the CSRC, MOF, the National Administration of State Secrets Protection and the National Archives Administration on February 24, 2023 and implemented since March 31, 2023, a domestic enterprise that provides or through its overseas listed entity, publicly discloses or provides to relevant individuals or entities including securities companies, securities service providers and overseas regulators, any document and materials that contain state secrets or working secrets of government agencies, shall first obtain approval from competent authorities according to law, and files with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to any entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

If the registered shares are stolen, lost or damaged, the shareholders may, in accordance with the public notice procedure prescribed in the Civil Procedure Law of the People's Republic of China, request the people's court to declare such shares invalid. After the people's court declares such shares invalid, the shareholders may apply to the company for reissuance of the shares.

Merger and Division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. 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 assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Regulatory Commission and the CSRC. The Securities Regulatory Commission was responsible for coordinating the drafting of securities regulations, formulating policies related to securities, planning the development of the securities market, guiding, coordinating, and supervising all securities-related institutions in China, and managing the CSRC. The CSRC is the regulatory body of the Securities Regulatory Commission, tasked with drafting regulatory provisions for the securities market, overseeing securities firms, supervising Chinese companies' public offerings of securities both domestically and internationally, standardizing securities trading, compiling statistical data related to securities, and conducting relevant research and analysis. In April 1998, the State Council merged these two departments and reorganized them into the CSRC.

The Interim Regulations on the Administration of Stock Issue and Trading (《股票發行與交易管理暫行條例》) promulgated by The State Council and effective on April 22, 1993 stipulate the application and approval procedures for public stock issue, the trading of stocks, the acquisition of listed companies, the custody, liquidation and transfer of listed stocks, the information disclosure, investigation and punishment of listed companies and the arbitration of disputes.

The Regulations of the State Council Concerning Listed Foreign Capital Shares in the Territory of a Joint Stock Limited Company (《國務院關於股份有限公司境內上市外資股的規定》), promulgated by the State Council and effective on December 25, 1995, mainly provide for the issuance, subscription, trading, dividend payment of listed foreign capital shares in the territory, as well as the disclosure of information of companies with listed foreign capital shares in the territory.

The Securities Law, revised by the SCNPC on December 28, 2019, and effective on March 1, 2020, includes a series of regulations concerning the issuance and trading of securities in China, the acquisition of listed companies, stock exchanges, securities firms, and the responsibilities and duties of the State Council's securities regulatory body, comprehensively overseeing activities in China's securities market. The Securities Law stipulates that domestic enterprises issuing securities directly or indirectly overseas or listing their securities for trading abroad must comply with the relevant provisions of the State Council. Currently, the issuance and trading of shares issued overseas are mainly regulated by rules and regulations issued by the State Council and the CSRC.

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 revised by the SCNPC on September 1, 2017, and came into effect on January 1, 2018. The Arbitration Law applies to foreign-related economic disputes where the parties have entered into a written agreement to submit matters for arbitration to an arbitration commission established under the Arbitration Law. Before the China Arbitration Association formulates arbitration rules, the arbitration commission may formulate provisional arbitration rules in accordance with the provisions of the Arbitration Law and the Civil Procedure Law of People's Republic of China. If one party chooses arbitration to resolve a dispute and one party files a lawsuit with the people's court, the people's court shall not accept it.

According to the Arbitration Law, arbitration operates on a one-arbitration-final system, binding all parties involved. If one party fails to comply with the award, the other party may apply to the people's court for enforcement of the arbitration award under the Civil Procedure Law of the People's Republic of China. If the arbitration procedure is illegal (including the composition of the arbitration committee violating legal procedures, matters decided not falling within the scope of the arbitration agreement, or the arbitration committee having no authority to arbitrate), the people's court may rule not to enforce the arbitration decision made by the arbitration committee. If one party seeks to enforce an arbitral award from a foreign arbitration institution against another party, and the respondent or their property is not within the territory of the People's Republic of China, the parties shall directly apply to a competent foreign court for recognition and enforcement. Similarly, the people's court may recognize and enforce an arbitral award made by a foreign arbitration institution based on the principle of reciprocity or any international treaty signed or acceded to by China.

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