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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

SUMMARY OF PRINCIPAL PRC AND HONG KONG LEGAL AND REGULATORY PROVISIONS

This Appendix sets forth summaries of certain aspects of PRC laws and regulations which are relevant to our Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Taxation and Foreign Exchange” in Appendix IV to this document. This Appendix also contains a summary of certain Hong Kong legal and regulatory provisions, including summaries of certain material differences between the PRC and Hong Kong company law, certain requirements of the Listing Rules and additional provisions required by the Hong Kong Stock Exchange for inclusion in the articles of association of the PRC issuers.

PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (2018 Revision) (《中華人民共和國憲法(2018修正)》) (hereinafter referred to as the “**Constitution**”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of ministries of the State Council, 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 do not constitute binding precedents. However, they may be used as judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (2023 Revision) (《中華人民共和國立法法(2023修正)》) (hereinafter referred to as the “**Legislation Law**”), the National People’s Congress (hereinafter referred to as the “**NPC**”) and the Standing Committee of The National People’s Congress are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend the basic laws governing civil and criminal matters, state organs and other matters. The Standing Committee of the NPC is empowered to formulate and amend other laws other than those required to be enacted by the NPC. During the adjournment of the NPC, partial supplement and amendment shall be made to the laws as formulated by the NPC, provided that such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may authorize the Standing Committee of the NPC to enact 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 the provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws, and administrative regulations.

The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization development, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provisions of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. Where the laws provide otherwise on the matters concerning the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations by cities divided into districts shall become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions shall examine the legality of the local regulations submitted for approval. Such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. Where, during the examination for approval of local regulations of cities divided into districts by the standing committees of the people’s congresses of the provinces or autonomous regions, conflicts are identified with the rules and regulations of the people’s

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governments of the provinces or autonomous regions concerned, a decision shall be made by the standing committees of the people’s congresses of provinces or autonomous regions for resolution. The people’s congresses of national autonomous areas shall have the power to formulate autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned.

The ministries and commissions of the State Council, the People’s Bank of China, the National Audit Office of the PRC and the subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, as well as the decisions and orders of the State Council. Provisions of departmental rules should be the matters related to the enforcement of the laws and administrative regulations, and the decisions and orders of the State Council. The people’s governments of the provinces, autonomous regions, municipalities and cities divided into districts or autonomous prefectures may formulate their rules and regulations based on the laws, administrative regulations and local regulations of relevant provinces, autonomous regions and municipalities.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations and 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 cities with districts and autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

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

According to the Constitution or the Legislation Law, the power to interpret the laws is vested in the Standing Committee of the NPC. According to the Resolution of the Standing Committee of the National People’s Congress 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》) passed on June 10, 1981, if the scope prescribed by laws needs to be further defined or supplementary provisions need to be made, the Standing Committee of the NPC shall interpret them or make provisions. Issues involving the specific application of laws in the trial work of the court shall be interpreted by the Supreme People’s Court. Issues involving the specific application of laws in the procuratorial work of the procuratorate shall be interpreted by the Supreme People’s Procuratorate. If there are principled differences in the interpretation of the Supreme People’s Court and the Supreme People’s Procuratorate, they shall be submitted to the Standing Committee of The National People’s Congress for interpretation or decision. Issues that do not involve the specific application of laws in judicial and procuratorial work shall be interpreted by the State Council and the competent departments. The State Council and its

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ministries and commissions are also vested with the power to give interpretation of the administrative regulations and ministerial rules which they have promulgated. At the regional level, the power to give interpretation of the local laws is vested in the regional legislative and administrative organs which promulgate such law.

PRC JUDICIAL SYSTEM

Under the Constitution of the People’s Republic of China (《中華人民共和國憲法》), the Law of Organization of the People’s Courts of the People’s Republic of China (2018 revision) (《中華人民共和國人民法院組織法(2018修訂)》) and the Law of Organization of the People’s Procuratorate of the People’s Republic of China (2018 revision) (《中華人民共和國人民檢察院組織法(2018修訂)》), the people’s courts of the PRC are classified into the Supreme People’s Court, the local people’s courts at various levels, and other special people’s courts. The local people’s courts at various levels are divided into three levels, namely, the primary people’s courts, the intermediate people’s courts and the higher people’s courts. The primary people’s courts may set up a number of people’s tribunals based on the facts of the region, population and cases. The Supreme People’s Court is the highest judicial authority. The Supreme People’s Court shall supervise the judicial work of the local people’s courts at all levels and special people’s courts, and people’s courts at higher levels shall supervise the judicial work of people’s courts at lower levels. The Chinese People’s Procuratorates are divided into the Supreme People’s Procuratorate, local people’s procuratorates at various levels, and specialized people’s procuratorates such as the Military Procuratorate. The Supreme People’s Procuratorate is the highest procuratorial organ. The Supreme People’s Procuratorate directs the work of the local people’s procuratorates at all levels and specialized people’s procuratorates, and the people’s procuratorates at higher levels direct the work of the people’s procuratorates at lower levels.

Local people’s courts are divided into primary people’s court, intermediate people’s court and high people’s court. High people’s courts supervise the primary and intermediate people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the civil proceedings of people’s courts of the same level and lower levels. The Supreme People’s Court is the highest judicial organ in the PRC. It supervises the judicial work of the people’s courts at all levels.

A people’s court adopts the system in which the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance at a people’s court are final. A party may appeal against the judgment or ruling of the first instance of a local people’s court. The people’s procuratorate may present a protest to the people’s court at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s court are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court, and judgments or rulings of the first instance of the Supreme People’s Court are final. However, if any errors are identified in a legally effective judgment, ruling or mediation statement of the people’s court at any level by the Supreme People’s Court, or if such errors are identified in a legally effective judgment, ruling or mediation statement of the people’s court at a lower level by the people’s court at a higher level, it has the authority to review the case itself or to refer to the people’s court at a lower level to conduct a retrial. If such errors are identified in a legally effective judgment, ruling or mediation statement by the chief judges of the people’s courts at all levels, and they consider a retrial is preferred, such case shall be submitted to the judicial committee of the people’s court at the same level for discussion and decision.

In according to the Civil Procedure Law of the PRC (2023 Revision) (《中華人民共和國民事訴訟法(2023修正)》) (hereinafter referred to as the “**Civil Procedure Law**”), all parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. The Civil Procedure Law prescribes the conditions for instituting a civil action, the jurisdiction of a people’s court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. A civil case is generally heard at the court located in the defendant’s place of domicile. The

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court of jurisdiction in respect of a civil action may also be chosen by explicit agreement among the parties to a contract, provided that the people’s court having jurisdiction should be located at the place directly associated with the disputes, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed or the place where the subject matter of the action is located. However, such choice shall not in any circumstances contravene the regulations of differential jurisdiction and exclusive jurisdiction.

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

A party shall comply with a law-binding civil judgment or ruling, if any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years. However, they may apply for an extension for the enforcement or revocation. If such party fails to satisfy a judgment as enforced and permitted by the court within the stipulated time, the court may, upon application by either party, enforce the judgment in accordance with the law.

A party seeking to enforce a judgment or ruling of a people’s court against another party who is not personally or whose property is not within the PRC may apply to a foreign court with the jurisdiction over the case for recognition and enforcement of such judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by a PRC people’s court according to PRC enforcement procedures if the PRC has entered into or acceded to an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless the people’s court believes that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or national security or against its social and public interests.

COMPANY LAW, TRIAL MEASURES OF OVERSEAS LISTING, AND GUIDELINES FOR ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company which is incorporated in the PRC and listed on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations in the PRC:

According to the Company Law of the People’s Republic of China (2023 Amendment) (hereafter referred to as the “**Company Law**”), which was last amended on December 29, 2023 and came into force on July 1, 2024, limited liability companies and joint stock limited companies established within the territory of the PRC in accordance with the Company Law shall abide by the Company Law. The company is a corporate legal person with independent legal person properties and entitlements to such legal person properties. The company shall be liable for its debts with all its assets. Shareholders of limited liability companies shall be liable to the company to the extent of their subscribed capital contributions; shareholders of joint stock limited companies shall be liable to the company to the extent of their subscribed shares.

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On February 17, 2023, with the approval of the State Council, the 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 “**Trial Measures of Overseas Listing**”) and relevant five guidelines, which came into force on March 31, 2023. The Trial Measures of Overseas Listing are designated in accordance with the Securities Law and other laws and are applicable to domestic enterprises that issue securities overseas or list their securities for trading. According to the Guidelines for the Applications of Regulatory Rules Overseas Issuance and Listing Category No. 1 (《監管規則適用指引 — 境外發行上市類第1號》) promulgated by the CSRC on February 17, 2023, direct overseas issuance and listing by domestic companies shall abide by the relevant provisions of the Trial Measures of Overseas Listing and refer to the Guidelines for Articles of Association of Listed Companies (2025 Revision) (《上市公司章程指引(2025修正)》) (the “**Guidelines for Articles of Association of Listed Companies**”) and other relevant provisions of CSRC on corporate governance to formulate its articles of association and standardize corporate governance.

The Official Reply of the State Council on Adjusting the Application of Provisions to Matters Including the Notification Period for Convening Shareholders’ Meetings by Overseas Listed Companies (《國務院關於調整適用在境外上市公司召開股東大會通知期限等事項規定的批覆》) was promulgated by the State Council on October 17, 2019 and was implemented on the same date, pursuant to which, it was agreed that, for the companies registered in the PRC but listed overseas, the requirements on the notification period for convening a shareholders’ meeting, shareholders’ rights to proposal, and the convening procedures shall be collectively governed by the relevant provisions of the Company Law, and no longer be governed by Article 20 to 22 of the Special Regulations.

Below sets out a summary of the major provisions of the Company Law, the Trial Measures of Overseas Listing and the Guidelines for Articles of Association of Listed Companies:

General Provisions

A joint stock limited company refers to a corporate legal person incorporated in China under the Company Law with independent legal person properties and entitlements to such legal person properties. The company shall bear the responsibility for its debts with all its assets, and the shareholders of a joint stock limited company shall bear responsibilities to the company within the scope of the number of shares they subscribe for.

Incorporation

A company may be established by promotion or subscription. A company shall have a minimum of two but no more than 200 people as its promoters, and over half of the promoters must have residence within the PRC. Companies established by promotion are companies of which the registered capital is the total share capital subscribed for by all the promoters registered with the company registration authorities. No share offering shall be made before the shares subscribed for by the promoters are fully paid up.

If laws, administrative regulations and State Council decisions provide otherwise on paid-up registered capital and minimum registered capital, the company shall comply with such provisions. For companies established by way of promotion, the promoter shall fully recognize the shares to be issued at the time of the establishment of the company as stipulated in the articles of association.

Where companies are established by subscription, the shares subscribed for by the promoters shall not be less than 35% of the total number of shares of the company, unless otherwise provided by laws or administrative regulations. A promoter who offers shares to the public must announce a share offering prospectus and prepare a share subscription form. Such offer shall be underwritten by security companies established according to law, with underwriting agreements to be entered into and agreements to be entered into with banks in

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relation to the receipt of subscription monies. After the shares for public offering of shares are paid in full, they shall be verified by a capital verification agency established in accordance with the law and issue a certificate. The promoters of a joint stock limited company to be established by subscription shall convene the inaugural meeting of the company within 30 days from the date of full payment of the shares to be issued at the time of the establishment of the company. If the shares to be issued at the time of the establishment of the company are not fully raised, or if the promoter does not convene the inaugural meeting within 30 days after the shares for the shares issued are fully paid, the subscriber may request the promoter to refund their subscriptions, plus the interest calculated based on the bank interest rate for the corresponding period. The board of directors shall authorize the representative to apply to the company registration authority for establishment and registration within 30 days after the conclusion of the company's inaugural meeting.

Share Capital

Shareholders may make capital contributions in cash, or non-monetary assets such as in kind, intellectual property rights, land use rights, equity, right of credit which can be appraised with monetary value and transferred lawfully, except for assets prohibited from capital contribution by laws and administrative regulations. For capital contributions made in non-monetary assets, a valuation of the assets contributed must be carried out for verification without any overvaluation or under-valuation.

The issuance of shares shall be conducted in a fair and equitable manner. The same class of shares must carry equal rights. For shares issued at the same time and within the same class, the conditions and price per share must be the same. For shares subscribed by subscriber, the same price shall be paid for each share. The share offering price may be equal to or greater than the nominal value of the share, but not less than the nominal value.

A company that seeks to offer and list securities in overseas markets, is required to fulfill the filing procedure with the CSRC and report relevant information. For initial public offering or listing overseas, an issuer shall file with the CSRC within three business days after the submission of application documents for offering and listing overseas. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Subsequent securities offering and listing of an issuer in other overseas markets shall be filed as initial public offering.

Under the Company Law, a joint stock limited company shall make register of Shareholders and maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the class of shares subscribed and the number of shares held by each shareholder; (3) for stocks issued in paper form, the serial numbers of stocks; (4) the date on which each shareholder acquired the shares.

Increase in Share Capital

Where a company issues new shares, resolutions shall be made at the shareholders' meeting in respect of, among others, 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, the class and amount of the new shares proposed to be issued to existing shareholders and if no-par shares are offered, the amount of proceeds from the issuance of new shares included in the registered capital.

To offer shares overseas, the domestic company shall file with the CSRC within three business days after submission of the application documents for offering and listing overseas.

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Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law: (1) the company shall prepare a balance sheet and an inventory list of assets; (2) the reduction of registered capital must be approved by shareholders at the shareholders’ meeting; (3) the company shall notify its creditors of the reduction in share capital within 10 days and publish the relevant announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days after the resolution approving the reduction being passed; (4) the creditors of the company may require the company to repay its debts or provide guarantees for the debts within 30 days of receipt of the notification or within 45 days of the date of the announcement if they fail to receive any notification; and (5) the company must apply to the company registration authorities for registration of such change.

Repurchase of Shares

In accordance with the Company Law, a company shall not purchase its own shares except under any of the following circumstances: (1) reducing the registered capital of the company; (2) merging with another company that holds its shares; (3) using shares for the employee stock ownership plan or as equity incentives; (4) a shareholder requesting the company to purchase its shares held by him/her since he/she objects to a resolution of the shareholders’ meeting on the combination or division of the company; (5) using shares for converting convertible corporate bonds issued by the company; (6) it is necessary for a listed company to protect its corporate value and the rights and interests of shareholders. A company purchasing its own shares under any of the circumstances set forth in items (1) and (2) above shall be subject to a resolution of the shareholders’ meeting; and a company purchasing its own shares under any of the circumstances set forth in items (3), (5) and (6) above may, pursuant to the provisions of the articles of association or the authorization of the shareholders’ meeting, be subject to a resolution of a meeting of the board of directors at which more than two-thirds of directors are present.

After purchasing the Company’s shares pursuant to the above provisions, the company shall, under the circumstance set forth in item (1), cancel them within 10 days after the purchase; under the circumstance set forth in item (2) or (4), transfer or cancel them within six months; or under the circumstance set forth in item (3), (5) or (6), hold an aggregate of no more than 10% of all the shares issued by the company and transfer or cancel them within three years.

Where a listed company acquires the shares of the Company, it shall perform the obligation of information disclosure in accordance with the Securities Law of the PRC (the “**Securities Law**”). A listed company purchasing the Company’s shares under any of the circumstances set forth in items (3), (5) and (6) of this article shall carry out trading in a public and centralized manner.

The Company shall not accept its own shares as the subject of a pledge.

Transfer of Shares

Shares held by shareholders may be transferred according to law. Under the Company Law, Shares issued prior to the public offering of the company’s shares cannot be transferred within one year from the listing date of such shares on a stock exchange. The directors, supervisors and senior management of the company shall notify the company of their holding of shares therein and changes of their shareholdings. The shares transferable by them in each year of their tenures shall not exceed 25% of all their shares in the company. The shares in the company held by them are not transferable within one year from the date on which the company’s shares are listed. The shares in the company held by them shall not be transferred

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within six months after their departure from the company. The articles of association may set other restrictive requirements on the transfer of the company’s shares held by its directors, supervisors and senior management.

Shareholders

Under the Company Law, the rights of shareholders include: (1) to transfer their shares according to law; (2) to attend or appoint a proxy to attend and vote at shareholders’ meetings; (3) to inspect the articles of association, share register, minutes of shareholders’ meetings, board resolutions, resolutions of the supervisory committee and financial and accounting reports, and to make suggestions or inquiries in respect of the company’s operations; (4) to receive dividends in respect of the number of shares held; (5) to participate in the allocation of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; (6) any other shareholders’ rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

The obligations of shareholders include the obligation to abide by the articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company’s debts and liabilities to the extent of his or her share subscriptions, not to abuse their shareholders’ rights to harm the interests of the company or other shareholders, not to abuse the independent status of the legal person of the company and the limited liability of shareholders to harm the interest of any creditor and any other shareholder obligation specified in the articles of association.

Shareholders’ Meetings

The shareholders’ meeting is the organ of authority of the company that exercises its powers: (1) to elect and replace directors and supervisors, and to decide on the matters relating to the remuneration of directors and supervisors; (2) to consider and approve the reports of the board of directors; (3) to consider and approve the reports of the supervisory committee; (4) to consider and approve the company’s profit distribution and loss recovery proposals; (5) to decide on any increase or reduction of the company’s registered capital; (6) to decide on the issue of corporate bonds; (7) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form; (8) to amend the company’s articles of association; (9) to exercise any other authority stipulated in the articles of association.

A shareholders’ meeting is required to be convened once every year within six months after the end of the preceding financial year. An extraordinary shareholders’ meeting is required to be convened within two months of the occurrence of any of the following: (1) the number of directors is less than the number stipulated by the law or less than two-thirds of the number specified in the articles of association; (2) the total outstanding losses of the company amounts to one-third of the company’s total share capital; (3) shareholders individually or in aggregate holding 10% or more of the company’s shares request the convening of an extraordinary shareholders’ meeting; (4) the board of directors deems necessary; (5) the supervisory committee proposes to convene a meeting; (6) any other circumstances as provided for in the articles of association.

A shareholders’ meeting 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 cannot or does not perform his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman cannot or does not perform his/her duties, a director nominated by half or more of the directors shall preside over the meeting. Where the board of directors cannot or does not perform its duties to convene the shareholders’ meeting, the supervisory committee shall convene and preside over such meeting in a timely manner. If the supervisory committee fails to convene and preside over such meeting, shareholders individually or in aggregate holding 10% or more of the company’s shares for 90 consecutive days or more may unilaterally

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convene and preside over a general meeting. Where a shareholder holding alone or shareholders holding in aggregate 10% or more of the shares of the corporation requests the holding of a special shareholders’ meeting, the board of directors and the board of supervisors shall decide whether to hold a special shareholders’ meeting within ten days of receipt of the request, and provide a written reply to the shareholder or shareholders.

In accordance with the Company Law, a notice of shareholders’ meeting stating the date and venue thereof and the matters to be considered thereat shall be given to all shareholders 20 days before the meeting. A notice of extraordinary shareholders’ meeting shall be given to all shareholders 15 days prior to the meeting. Shareholders who individually or in aggregate hold over 1% of the shares of the company may propose an interim proposal and submit it in writing to the board of directors 10 days before the shareholders’ meeting is held. Any other matters to be approved through special resolutions must be adopted by shareholders (including proxies thereof) present at the meeting holding more than two-thirds of the voting rights.

Board of Directors

The company shall have a board of directors. Board members may include employee representatives, who shall be democratically elected by the company’s employees at an employee representative assembly, general employee meeting or otherwise. The term of a director shall be stipulated in the articles of association, provided that no term of office shall exceed three years. A director may serve consecutive terms if re-elected. A director shall continue to perform his/her duties as a director in accordance with laws, administrative regulations and the articles of association until a re-elected director 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 directors results in the number of directors being less than the quorum.

Under the Company Law, the board of directors is accountable to the shareholders’ meeting and may exercise the following functions and powers: (1) to convene the shareholders’ meeting and report to the shareholders’ meeting; (2) to implement resolutions of the shareholders’ meeting; (3) to decide on the company’s business plans and investment plans; (4) to formulate the company’s profit distribution plans and plans on making up losses; (5) to formulate proposals for the increase or reduction of the company’s registered capital and the issuance of corporate bonds; (6) to formulate plans for merger, division or dissolution or change of corporate form of the company; (7) to decide on establishment of internal management organs of the company; (8) to decide on the appointment or dismissal of the company’s manager and his/her remuneration and, based on the manager’s nomination, to decide on the appointment or dismissal of any deputy manager and chief financial officer of the company and their remuneration; (9) to formulate the basic management system of the company; (10) to exercise any other functions and powers provided for the articles of association.

Meetings of the board of directors shall be convened at least twice a year. Notices of such meetings shall be given to all directors and supervisors 10 days before the meetings convened. Interim board meetings may be proposed to be convened by shareholders representing more than 10% 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 meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting.

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Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board of directors. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

The board of directors shall prepare minutes of the meetings of the board of directors and such minutes shall be signed by the directors present at the meeting. The directors shall be responsible for resolutions adopted by the board of directors. The directors adopting a resolution that contravenes laws, administrative regulations, the articles of association or resolutions of the shareholders’ meeting and results in severe losses to the company shall be liable to the company for compensation. However, a director may be exempt from such liability with the proof that he/she has expressed a disagreement which has been recorded in the minutes of the meeting.

Under the Company Law, none of the following persons may serve as directors of the company: (1) persons without capacity or with limited capacity for civil acts; (2) persons who were sentenced for corruption, bribery, encroachment or embezzlement of properties or disruption of social or economic order, or persons who were deprived of political rights for committing a crime, and in each case, where five years have not lapsed following the serving of the sentence; (3) directors, factory heads or managers who bear individual responsibility for the bankruptcy or liquidation of their companies or enterprises where three years have not lapsed following the date of completion of such bankruptcy or liquidation; (4) the legal representatives of companies or enterprises that had their business licenses revoked and ordered to be closed for violation of the law, where such representatives bear individual responsibility and three years have not lapsed following the date of revocation of such business licenses; (5) persons with relatively significant individual debts that have not been settled upon maturity. Where a company elects or appoints a director to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

In addition, the Guidelines for Articles of Association of Listed Companies further stipulates other circumstances under which a person is disqualified from acting as a director of a company, including: (1) a person who has been banned from the securities market by the CSRC where the relevant period remains unexpired; (2) the stock exchange has publicly determined that it is not suitable to serve as a director or senior manager of a listed company, and the time limit has not expired; or (3) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the Company Law, the board of directors 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.

Supervisory Committee

The company shall have a supervisory committee composed of more than three members. The supervisory committee shall consist of shareholder representatives and an appropriate proportion of employee representatives of the company, with the proportion of such employee representatives no less than one-third subject to the articles of association. Employee

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representatives of the company at the supervisory committee shall be democratically elected by the company’s employees at an employee representative assembly, general employee meeting or otherwise.

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 more than half of the supervisors. The directors and senior management may not act concurrently as supervisors.

The chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. Where the chairman of the supervisory committee cannot or does not perform his/her duties, the vice chairman of the supervisory committee shall convene and preside over the meetings of the supervisory committee. Where the vice chairman of the supervisory committee cannot or does not perform his/her duties, a supervisor recommended by more than half of the supervisors shall convene and preside over the meetings of the supervisory committee.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected. A supervisor shall continue to perform his/her duties as a supervisor in accordance with laws, administrative regulations and the articles of association until a re-elected supervisor takes office, if the 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 supervisory committee exercises the following functions and powers: (1) to review the company’s financial position; (2) to supervise the performance by the directors and senior management of their duties to the company and propose the dismissal of the directors and senior management who violates laws, administrative regulations, the articles of association or the resolutions of shareholders’ meetings; (3) demand rectification from the directors and senior management when such persons are harmful to the company’s interests; (4) to propose the convening of extraordinary general meetings; to convene and preside the shareholders’ meeting in the event that the board of directors fails to perform its duties to convene and preside the shareholders’ meeting in accordance with the Law; (5) to submit proposals to the shareholders’ meeting; (6) to file lawsuits against directors and senior management in accordance with the relevant provisions of the Company Law; (7) to exercise any other functions and powers provided for in the articles of association.

Supervisors may be present at the meetings of the board of directors 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, engage an accounting firm to assist its work at the expense of the company.

Manager and Senior Management

Under the relevant provisions of the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. Meanwhile, under the Guidelines for Articles of Association of Listed Companies, the manager shall be accountable to the board of directors and may exercise the following functions and powers: (1) to be in charge of the production, operation and management of the company and to organize the implementation of the resolutions of the board of directors; (2) to organize the implementation of the company’s annual business plans and investment plans; (3) to formulate draft plans for the establishment of the company’s internal management organization; (4) to draft the company’s basic management system; (5) to formulate the basic rules and regulations of the company; (6) to propose on the appointment or dismissal of any deputy manager and chief financial officer of

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the company; (7) to appoint or dismiss management personnel (other than those required to be appointed or dismissed by the board of directors); (8) to exercise any other functions and powers conferred by the articles of association and the board of directors.

The manager shall be present at meetings of the board of directors. However, the manager shall have no voting rights at meetings of the board of directors unless he/she concurrently serves as a director.

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

Duties of Directors, Supervisors and Senior Management

Under the Company Law, directors, supervisors and senior management shall comply with relevant laws, administrative regulations and the articles of association, and carry out their duties of loyalty and diligence. Directors, supervisors and senior management are prohibited from abusing their authority in accepting bribes or other unlawful income and from embezzling the company’s property.

In addition, directors, supervisors and senior management shall not: (1) embezzle any property or misappropriate any funds of the company; (2) deposit any funds of the company in an account opened in his or her own name or in the name of any other individual; (3) commit bribery or accept any other illegal revenue by taking advantage of his or her powers; (4) accept and pocket commissions on transactions between others and the company; (5) illegally disclose any confidential information of the company; and (6) otherwise violate the duty of loyalty to the company. Income generated by directors, supervisors or senior management in violation of the aforementioned shall be returned to the company.

A director, supervisor or senior management member who contravenes laws, administrative regulations or the 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.

Where a director, supervisor or senior management member is required to attend a shareholders’ meeting, such director, supervisor or senior management member shall attend the meeting and answer inquiries from shareholders. Directors and senior management shall furnish relevant situations and information to the supervisory committee in a truthful manner, without impeding the discharge of duties by the supervisory committee.

Where a director or senior management member contravenes laws, administrative regulations or the articles of association in the performance of his/her duties resulting in any loss to the company, shareholder(s) holding individually or in aggregate more than 1% of the company’s shares for at least 180 consecutive days may request in writing that the supervisory committee institute litigation at a people’s court on its behalf. Where the supervisor violates laws or administrative regulations or the articles of association in the discharge of his/her duties 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 the written request from the shareholder(s), or fails to institute litigation within 30 days of the date of receiving the request, or in the event of an 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 his/her/their own name for the company’s benefit. For other parties who infringe on the legitimate 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 above provisions. Where a director or senior management

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member contravenes any laws, administrative regulations or the articles of association in infringement on shareholders’ interests, a shareholder may also institute litigation at a people’s court.

The Guidelines for Articles of Association of Listed Companies provide that a company’s directors, supervisors, managers and other senior management shall have the duty of loyalty and due diligence to the company. They shall faithfully perform their duties and protect the interests of the company without using their positions in the company for their own benefits.

Finance and Accounting

Under the Company Law, the company shall establish its financial and accounting systems according to laws, administrative regulations and the regulations of competent financial authorities of the State Council. At the end of each accounting year, the company shall prepare a financial report audited by an accounting firm in accordance with laws. The company’s financial and accounting reports shall be made available for shareholders’ inspection at the company 20 days before the convening of an annual shareholders’ meeting. A joint stock limited company that makes public stock offerings shall publish its financial and accounting reports.

When distributing profits after taxation of the year, the company shall set aside 10% of its profits for the company’s statutory reserve until the fund has reached 50% or more of the company’s registered capital. When the company’s statutory reserve is not sufficient to make up for the company’s losses for the previous years, the profits of the current year shall first be used to cover the losses before any allocation is set aside for the statutory reserve pursuant to the preceding provision. After making allocations to the statutory reserve from its profits after taxation, the Company may, upon passing a resolution at a shareholders’ meeting or general meeting, make further allocations from its profits after taxation to the discretionary reserve. After the company covers its losses and makes allocations to its discretionary reserve, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except for those which are not distributed in a proportionate manner as provided by the articles of association.

Profits distributed to shareholders by the company in violation of the preceding requirements must be returned to the company. The company shall not distribute any profits in respect of the shares held by it.

The premium received through issuance of shares of the company at prices above par value and other incomes required by the financial authorities of the State Council to be allocated to capital reserve shall be allocated to the company’s capital reserve. The company’s capital reserve fund is used to make up for the company’s losses, to expand the company’s production and operations, or to increase the company’s registered capital. The capital reserve fund, however, shall not be used to make up the company’s losses. Upon the conversion of statutory reserve into registered capital, the balance of the statutory reserve 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 Dismissal 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 the shareholders’ meeting, board of directors or supervisory committee in accordance with the provisions of the articles of association. The accounting firm should be allowed to make representations when the shareholders’ meeting, board of directors or supervisory committee of the company conducts a

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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 engages, without any refusal, withholding or misrepresentation.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are covered and the statutory common reserve is drawn. Meanwhile, the Trial Measures of Overseas Listing provide that domestic enterprises offering and listing overseas may raise capital, distribute dividends, and make payments in foreign currency or Renminbi.

Amendments to the Articles of Association

According to the Company Law, a resolution at a shareholders’ meeting of a company to amend its articles of association shall be passed by shareholders representing more than two-thirds of the voting rights. According to the Guidelines for Articles of Association of Listed Companies, if the amendments to the articles of association approved by the resolution of the shareholders’ meeting are subject to the approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registration shall be handled according to law. Where the amendments to the articles of association belong to information required to be disclosed by laws and regulations, such amendments shall be announced in accordance with the regulations.

Dissolution and Liquidation

According to the Company Law, a company may dissolve as a result of the following reasons: (1) the expiry of term of its operations set out in the articles of association, or the occurrence of other events of dissolution specified in the articles of association; (2) it is resolved in a shareholders’ meeting that the company shall dissolve; (3) the company is dissolved by reason of a merger or division; (4) the business license is suspended or the company is ordered to close down or to be dissolved in accordance with the laws; or (5) the company is dissolved by a people’s court in response to the request of shareholders holding shares that represent more than 10% of the voting rights, on the grounds that the company suffers from significant hardship in its operation and the management that cannot be resolved through other means, and the ongoing existence of the company will bring significant losses to the shareholders.

In the event of the circumstance described in (1) and (2) above, provided that the company has not yet distributed its assets to shareholders, the company may carry on its existence by amending its articles of association or passing the resolution of shareholder’s meeting. Amendments to the articles of association in accordance with the provisions set out above shall be passed by more than two-thirds of the shareholders with voting rights who attend the shareholders’ meeting. Where the company is dissolved in the circumstances described in (1), (2), (4), or (5) above, a liquidation committee shall be established and the liquidation process shall commence within 15 days upon the occurrence of an event of dissolution. The liquidation committee shall be composed of the directors. If a liquidation committee is not established to conduct liquidation within the stipulated period, or doesn’t liquidate after the establishment, interested party may apply to a people’s court and request the court to appoint relevant personnel to form a liquidation committee. The people’s court shall accept such application and form a liquidation committee to conduct liquidation in a timely manner.

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The liquidation committee may exercise the following powers during the liquidation period: (1) to dispose of the company’s assets and to prepare a balance sheet and an inventory of the assets; (2) to notify the company’s creditors through notice or announcement; (3) to handle the company’s outstanding businesses related to liquidation; (4) to settle all tax overdue as well as tax amounts arising from the process of liquidation; (5) to settle credits and pay off debts; (6) to distribute the company’s remaining assets after settling its debts; and (7) to represent the company in a civil lawsuit.

The liquidation committee shall notify the company’s creditors within 10 days upon its establishment and publish an announcement on newspapers or the National Enterprise Credit Information Publicity System within 60 days. A creditor shall file his/her/its claim with the liquidation committee within 30 days upon receipt of the notification, or within 45 days of the date of the announcement if he/she/it has not received any notification. A creditor shall state all matters related to his/her/its creditor rights in making his/her/its claim and furnish evidence. The liquidation committee shall register such creditor’s claims. The liquidation committee shall not make any debt settlement with the creditors during the period of the claim.

Upon disposal of the company’s assets and preparation of the balance sheet and inventory list of assets, the liquidation committee shall draw up a liquidation plan to be submitted to the shareholders’ meeting or the people’s court for verification. The company’s remaining assets, after payment of liquidation expenses, employees’ wages, social insurance expenses and statutory compensation, outstanding taxes and the company’s debts, shall be distributed to shareholders according to the proportion of their shareholding. The company shall continue to exist during the liquidation period, it however cannot commence any operating activities that are not related to the liquidation. The company’s assets shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Upon liquidation of the company’s assets, and preparation of the balance sheet and inventory list of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to the people’s court for bankruptcy liquidation in accordance with the laws. After the people’s court accepts the bankruptcy application, the liquidation committee shall hand over liquidation affairs to the administrator designated by the people’s court.

Upon completion of the liquidation of the company, the liquidation committee shall prepare a liquidation report to be submitted to the shareholders’ meeting or the people’s court for verification. It shall also file with a company registration authority for deregistration of the company. Members of the liquidation committee performing their duties of liquidation shall bear the duties of loyalty and diligence. If losses are caused to the Company or creditors due to intent or gross negligence, such member shall be liable for compensation.

In addition, a company which has declared bankrupt in accordance with the laws shall be subject to liquidation of bankruptcy in accordance with the laws on corporate bankruptcy.

Loss of Share Certificates

If a shareholder’s share certificate(s) is stolen, lost, or destroyed, he/she/it may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to a people’s court for declaration that such certificate(s) will no longer be valid. After the people’s court declares that such certificate(s) is no longer valid, the shareholder may apply to the company for issue of a replacement certificate(s).

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Merger and Division

According to the Company Law, in the case of a merger, a merger agreement shall be signed by all parties, and they shall prepare their balance sheets and inventory list of assets. The company shall notify its creditors within 10 days upon the date of passing of the resolution which approves the merger, and announce the merger on a newspaper within 30 days. A creditor may request the company to settle any outstanding debts or provide guarantees accordingly within 30 days upon receipt of the notification, or within 45 days of the date of the announcement if he/she/it have not received any notification. Where companies merge, the credits and debts of the merging parties shall be assumed by the surviving company or the new company upon merging.

In case of a division, the company’s assets shall be divided accordingly. The debts of the company which have accrued prior to the division shall be jointly borne by the divided companies, unless it is otherwise agreed by way of an agreement in writing with the creditors in respect of the settlement of debts before the company’s division.

Changes in registration as a result of a merger or division shall be completed with a relevant registration authority in accordance with the laws. Where a company is dissolved or a new company is established, such company deregistration or registration shall be completed respectively in accordance with the laws.

Overseas Listing

Pursuant to the Trial Measures of Overseas Listing, both initial public offerings or listings in overseas markets shall be filed with the CSRC within three business days after the relevant application is submitted overseas. Subsequent securities offering of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three business days after the offering is completed. Moreover, where the filing documents are complete and in compliance with stipulated requirements, the CSRC will, within twenty business days after receiving the filing documents, conclude the filing procedure and publish the filing information on the CSRC’s website. Where the filing documents are incomplete or do not conform to stipulated requirements, the CSRC shall request supplement and amendment thereto within five business days after receiving the filing documents. The issuer shall then complete the supplement and amendment within thirty business days.

The Trial Measures of Overseas Listing also provide the conditions for overseas offering and listing. An overseas offering and listing is prohibited under any of the following circumstances: (I) the listing and financing fall under specific prohibiting in the laws, administrative regulations, or relevant national provisions; (II) the overseas offering and listing may endanger the national security as reviewed and determined by competent authorities under the State Council in accordance with law; (III) the domestic company or 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.

Pursuant to the Notice on Administrative Arrangements for Filing Concerning Overseas Issuance and Listings by Domestic Enterprises (《關於境內企業境外發行上市備案管理安排的通知》), which was promulgated by the CSRC on February 17, 2023 and came into effect on the same date, a domestic enterprise which has been issued and listed overseas before March 31, 2023 as stock enterprise (“**stock enterprise**”). The stock enterprise shall not need to file immediately, but the enterprise shall file as required if it involves the file matters such as

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refinancing subsequently. For the purpose of the domestic enterprise that has been granted approval letter by the CSRC for the overseas public raised shares and listing (including issuance of additional shares) by a joint stock company, the domestic enterprise may continue to promote overseas issuing and listing upon the expiration of the validity of the approval letter. The domestic enterprise shall file as required if it has not completed overseas issuing and listing upon the expiration of the validity of the approval letter.

Pursuant to the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), 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 publicly discloses or through its overseas listed entity, provides or publicly discloses to relevant entities including securities companies, securities service providers and overseas regulators and individuals, any document and materials that contain state secrets or working secrets of government agencies, shall 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.

SECURITIES LAWS AND REGULATIONS

The PRC has promulgated a series of regulations in relation to issuance and trading of a company’s 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.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures relating to the public offerings of shares, issuance of and trading in shares, the acquisition of listed companies, deposit, clearing, and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

According to the Securities Law of the People’s Republic of China (2019 Revision) (《中華人民共和國證券法(2019修訂)》) (the “**Securities Law**”), this law shall apply to the offerings of and trading in stocks, corporate bonds, depositary receipts, and other securities recognized in accordance with the laws by the State Council within the territory of the People’s Republic of China; and matters not included in this law shall be governed by the provisions of the Company Law and other relevant laws and administrative regulations. Where any offering of or trading in securities outside the People’s Republic of China disrupts the order of the domestic market of the People’s Republic of China and impair the legitimate rights and interests of domestic investors, it shall be handled, and the violators shall be legally liable therefor, according to the applicable provisions of the Securities Law.

The Securities Law is the first national securities law in the PRC to fully regulate the activities in securities market in the PRC. It is divided into 14 chapters and 226 articles covering the issuance and trading of securities, the takeovers of listed companies, and the duties and responsibilities of stock exchanges, securities companies, securities registration and clearing institutions, and securities regulatory and administration authorities. Article 224 of the Securities Law provides that where a domestic enterprise directly or indirectly offers securities abroad or has its securities listed and

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traded abroad, the relevant provisions issued by the State Council shall be complied with. Currently, the issuance and trading of shares (including H Shares) outside the PRC are governed by the regulations and rules promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF AN ARBITRAL AWARD

Pursuant to the Arbitration Law of the People’s Republic of China (2025 Revision) (《中華人民共和國仲裁法(2025修正)》) (the “**Arbitration Law**”), the Arbitration Law is applicable to the disputes relating to contracts and other properties in which the involved parties have entered into a written agreement to resolve the disputes by arbitration of an arbitration committee constituted in accordance with the Arbitration Law. The Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration provisions in accordance with the Arbitration Law and the Civil Procedure Law. Where the parties have reached an arbitration agreement, a people’s court will refuse to handle a legal proceeding initiated by one party made to such people’s court, unless the arbitration agreement is invalid.

Under the Arbitration Law and the Civil Procedure Law, an arbitral award shall be final. Once an arbitral award is made, an arbitration committee or a people’s court will refuse to accept the application for arbitration or prosecution filed to the people’s court by a party regarding the same dispute. If either party fails to comply with the arbitral award, the other party to the award may apply to the people’s court to enforce such arbitration award. However, the people’s court may refuse to enforce an arbitral award made by the arbitration committee if there is a violation of laws in the arbitration of procedures, including but not limited to the violation in the composition of the arbitration tribunal, or the fact that matter of arbitration does not fall into the scope of the arbitration agreement, or the fact that the arbitration committee is not entitled to carry out the arbitration.

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the case for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a PRC court in accordance with the principle of reciprocity or any international treaties concluded or acceded to by the PRC.

The PRC acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the “**New York Convention**”), adopted on June 10, 1958 pursuant to a resolution passed by the SCNPC on December 2, 1986. The New York Convention provides that all arbitral awards made in a state which is a party to the New York Convention shall be recognized and enforced by other parties thereto subject to their rights to refuse recognition and enforcement under certain circumstances, including violations of the public policy of that state.

An agreement has been reached between Hong Kong and the Supreme People’s Court of the PRC for the mutual enforcement of arbitral awards. On June 18, 1999, the Supreme People’s Court of the PRC adopted the Arrangement on Mutual Enforcement of Arbitral Awards between Mainland and Hong Kong Special Administrative Region (《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 February 1, 2000. The Supreme People’s Court of China issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《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》) on November 26, 2020, which came into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by mainland arbitral authorities acknowledged by Hong Kong can be enforced in Hong Kong, and Hong Kong arbitration awards are also enforceable in Chinese mainland. Where a court of the mainland finds that enforcement in the mainland of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland, execution of the ruling may be ignored.

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JUDICIAL JUDGMENTS AND THEIR ENFORCEMENT

According to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Agreed Jurisdiction by Parties Concerned (《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當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”) promulgated by the Supreme People’s Court on July 3, 2008 and implemented on August 1, 2008, in the case of final judgment, defined with payment amount and enforcement power, made between the court of Chinese mainland and the court of the Hong Kong Special Administrative Region in a civil and commercial case with written jurisdiction agreement, any party concerned may apply to the People’s Court of China or the court of the Hong Kong Special Administrative Region for recognition and enforcement based on this arrangement. “Written jurisdiction agreement” refers to a written agreement defining the exclusive jurisdiction of either the People’s Court of China or the court of the Hong Kong Special Administrative Region in order to resolve any dispute with particular legal relation occurred or likely to occur by the party concerned. Therefore, the party concerned may apply to the People’s Court of China or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in China or Hong Kong that meets certain conditions of the aforementioned regulations. On January 18, 2019, a further arrangement was reached between Hong Kong Special Administrative Region and the Supreme People’s Court, Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Mainland and 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》) (the “**New Arrangement**”), which became effective and replace the Arrangement on January 29, 2024, but “Written jurisdiction agreement” reached under the Arrangement before January 29, 2024 will still apply. This New Arrangement further stipulates the scope and content of judgments applicable to the reciprocal recognition and enforcement and corresponding procedures and methods for applying, the circumstances concerning second instance after the judgment of first instance, non-recognition and enforcement and the means of remedy. Non-monetary judgments and judgments on some intellectual property cases are included in the reciprocal recognition and enforcement of judgments in accordance with this New Arrangement.

Significant Differences in Certain Aspects of Company Law Between China and Hong Kong

Hong Kong company law is primarily contained in the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance, supplemented by the common law and rules of equity applicable in Hong Kong. As a joint stock limited company incorporated in the PRC and seeking to list its shares on the Hong Kong Stock Exchange, we are subject to the Company Law and all other rules and regulations promulgated thereunder. The following is a summary of certain significant differences between the Hong Kong company law and the Company Law (which applies to joint stock limited companies incorporated under the Company Law). However, the comparisons to be made in this summary are not exhaustive.

Company’s Survival

Under Hong Kong company law, a company with a share capital is required to be incorporated with the Registrar of Companies in Hong Kong, who will issue a Certificate of Incorporation to the company upon its incorporation and the company will thereafter be able to continue as a separate company. A company can be incorporated as a public company or a private company. Under the Hong Kong Companies Ordinance, the articles of association of a private company incorporated in Hong Kong must contain certain pre-emptive rights provisions. The articles of association of a public company are not required to contain such pre-emptive rights provisions.

Under the Company Law, a joint stock limited company may be incorporated either by way of promotion or by way of fund-raising.

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Share Capital

Under the Hong Kong Companies Ordinance, the concept of nominal value of shares (also known as par value) of a Hong Kong company has been abolished and a company has more flexibility to alter its share capital by (i) increasing its share capital; (ii) capitalization of profits; (iii) allotment and issue of bonus shares with or without an increase in its share capital; (iv) increasing or decreasing the number of shares; and (v) cancellation of shares. The concept of authorized capital is also no longer applicable to Hong Kong companies incorporated on or after March 3, 2014. As a result, the directors of a Hong Kong company may, with the prior approval of the shareholders (if required), arrange for the company to issue new shares. The Company Law is silent on authorized share capital. Any increase in the registered capital of a PRC company must be approved by the shareholders’ meeting and by the relevant PRC governmental and regulatory authorities (if applicable).

According to the Company Law, there is no minimum registered capital requirement for a joint stock company, but where laws, administrative regulations and decisions of the State Council provide otherwise in respect of paid-up capital and minimum registered capital for a joint stock company, such provisions shall apply. The Companies Ordinance does not contain any minimum share capital requirement for companies incorporated in Hong Kong.

Under the Company Law, shares may be subscribed in the form of monetary or non-monetary assets (except for assets that are not entitled to be used as capital contributions under relevant laws or administrative regulations). Non-monetary assets used as capital contributions must be appraised to ensure that they are not overvalued or undervalued. Where laws or administrative regulations provide for valuation, they shall apply. Companies incorporated in Hong Kong are not subject to the above restrictions.

Restrictions on Shareholding and Transfer of Shares

Generally speaking, overseas listed shares denominated in RMB but subscribed in currencies other than RMB can only be subscribed for and traded by investors from Hong Kong, Macau Special Administrative Region and Taiwan, or from any country or region outside the PRC, or by qualified domestic institutional investors. If the H Shares are eligible securities under the Hong Kong Stock Connect, they can also be subscribed for and traded by PRC investors in accordance with the rules and limits of the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

Subject to the application for full circulation complying with the relevant requirements of the CSRC and the filing of the application with the CSRC, the domestic unlisted shares of the H-share listed company may be listed and circulated on the Hong Kong Stock Exchange upon conversion into H-shares. Pursuant to the Company Law, shares issued before the public offering of the company shall not be transferred within one year from the date of listing and trading of the company’s shares on the stock exchange. The shares held by directors, supervisors and senior management of a joint stock limited company and the shares transferred annually during their tenure of office shall not exceed 25% of the total number of shares of the company held by them, and the shares of the company held by them shall not be transferred within one year from the date of listing and trading of the company’s shares. The shares of the company held by the above-mentioned persons may not be transferred within six months after their departure from office. The articles of association may impose other restrictive provisions on the transfer of the company’s shares held by the company’s directors, supervisors and senior management.

There are no restrictions under the laws of Hong Kong on shareholdings and transfer of shares other than the restriction on the Company to issue further shares within six months of the full circulation.

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Financial Assistance for the Purchase of Shares

According to the Guidelines for Articles of Association of Listed Companies, a listed company and any of its subsidiaries (including affiliates of the listed company) are not allowed to provide any support in any form, such as donations, advances, guarantees, subsidies or loans, to any purchaser or prospective purchaser of the company’s shares.

Notice of Shareholders’ Meeting

Pursuant to the Company Law, the notice of the annual shareholders’ meeting must be given not less than 20 days prior to the date of the meeting. Pursuant to the State Council’s Approval on Adjusting the Provisions Applicable to the Notice Period and Other Matters for Holding Shareholders’ Meetings of Companies Listed in Outside the PRC issued by the State Council on October 17, 2019, for a joint stock limited company incorporated in the PRC but listed outside the PRC, the notice period for shareholders’ meetings, shareholders’ right to make proposals, and the procedures for convening a shareholders’ meeting shall be governed by the Company Law.

For limited companies incorporated in Hong Kong, the minimum notice period for a shareholders’ meeting is fourteen (14) days. In addition, if the meeting involves the consideration of a resolution that requires special notice, the company is also required to give notice of the resolution to the shareholders at least fourteen (14) days before the meeting. The notice period for the annual shareholders’ meeting is twenty one (21) days.

Quorum for Shareholders’ Meeting

The Company Law does not have any requirement for a quorum for shareholders’ meeting.

Under the laws of Hong Kong, unless otherwise provided in the company’s articles of association, the quorum for a shareholders’ meeting shall be two shareholders, except where the company has only one shareholder, in which case the quorum shall be one shareholder.

Voting Rights at Shareholders’ Meeting

Pursuant to the Company Law, the passing of any resolution shall require the affirmative vote of a majority of the shareholders present in person or by proxy at the shareholders’ meeting, except that the proposal to amend the articles of association, increase or decrease the registered capital, merge, demerge, dissolve or change the form of the company shall require the affirmative vote of at least two-thirds of the shareholders present in person or by proxy at the shareholders’ meeting.

Under the laws of Hong Kong, ordinary resolutions are passed by a simple majority of the votes cast in favor of such resolutions by shareholders present in person or by proxy at general meetings, and special resolutions are passed by not less than three-quarters of the votes cast in favor of such resolutions by shareholders present in person or by proxy at general meetings.

Changes in Rights of Classes of Shareholders

Pursuant to Articles 116 and 146 of the Company Law, a resolution of the Shareholders’ Meeting to amend the company’s articles of association, increase or reduce the registered capital, as well as a resolution in respect of the company’s merger, division, dissolution or change of the company’s form shall be adopted by the affirmative votes of more than two-thirds of the voting rights held by the shareholders present at the meeting. For a company that issues classified shares, where the aforesaid matters and other relevant matters may affect the rights of the holders of classified shares, in addition to the adoption of a resolution by the Shareholders’ Meeting, such resolution shall also be adopted by the affirmative votes of more than two-thirds of the voting rights held by the shareholders present at the Classified Shareholders’ Meeting. Furthermore, the Company Law provides that the State Council may promulgate provisions governing other types of shares.

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Under the Hong Kong Companies Ordinance, the rights attached to any class of shares may not be varied except (i) with the sanction of a special resolution passed by the shareholders of the relevant class at a separately convened meeting; (ii) with the consent in writing of shareholders representing at least three-fourths in number of the total voting rights of the shareholders of the relevant class; or (iii) if the articles of association contain provisions relating to the variation of the said rights.

Derivative Actions by Minority Shareholders

Under Hong Kong company law, a minority shareholder may bring a derivative action against a director for misconduct against the company if the director controls a majority of the voting power at a general meeting of shareholders which effectively prevents the company from suing the director in its own name for misconduct against the company.

According to the Company Law, when the directors and senior management of a joint stock limited company violate the provisions of laws, administrative regulations or the articles of association and cause losses to the company, shareholders who individually or collectively hold more than 1% of the company’s shares for a period of more than 180 consecutive days may request the supervisory committee in writing to file a lawsuit to the People’s Court, and when the supervisory committee violates the aforesaid provisions and causes losses to the company, the aforesaid shareholders may request the board of directors in writing to bring a lawsuit to the People’s Court. If the supervisory committee or the board of directors refuses to file a lawsuit after receiving the written request from the aforesaid shareholders or fails to file a lawsuit within 30 days from the date of receipt of the request, or if the situation is so urgent that failure to file a lawsuit immediately may cause the company to suffer irreparable damages, the aforesaid shareholders shall have the right to file a lawsuit directly to the court in their own name for the benefit of the company.

In addition, the Guidelines for Articles of Association of Listed Companies provide for other remedies in the event of a breach by the Directors, Supervisors and senior management of their duties to the Company.

Protection of Minority Shareholder

Under the Hong Kong Companies Ordinance, a shareholder who alleges that the affairs of a company incorporated in Hong Kong have been conducted in a manner unfairly prejudicial to his interests may petition the court for an appropriate order to remedy the unfair prejudice. In addition, on the application of a specified number of shareholders, the Financial Secretary of Hong Kong may appoint inspectors and give them full statutory powers to investigate the affairs of companies incorporated or registered in Hong Kong.

Pursuant to the Company Law, any shareholder holding 10% or more of the voting rights in the company’s may request the People’s Court to dissolve the company if the company experiences serious difficulties in its business management and its continued existence would result in significant losses to the interests of the shareholders, and if there is not yet any other way to resolve such difficulties.

Pursuant to the Guidelines for Articles of Association of Listed Companies, which the Company has adopted in its Articles of Association with effect from the date of listing on the Hong Kong Stock Exchange, the controlling shareholders and ultimate controllers of the company are prohibited from abusing their connectedness to the detriment of the company’s interests. Any loss caused to the company as a result of the breach of the above provision shall be compensated. In addition, the controlling shareholders and ultimate controllers of the company have a duty of care to the company and the shareholders of the listed company. The controlling shareholders shall exercise their investor rights in strict accordance with the law and shall not damage the legitimate interests of the Company or the shareholders of the listed company by any means such as non-fair connected

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transactions, profit distribution, asset reorganization, foreign investment or any other means, and shall not abuse their controlling position to the detriment of the interests of the company or the shareholders of the listed company.

Directors

Unlike the Hong Kong Companies Ordinance, the Company Law does not require directors to disclose their interests in material contracts; it does not restrict the power of directors to make material dispositions; it does not restrict companies from providing certain benefits to directors and guaranteeing directors’ liabilities; and it does not prohibit compensation for loss of office without shareholders’ approval. However, the Guidelines for Articles of Association of Listed Companies contains certain provisions and limitations relating to material disposals and sets out the circumstances in which directors are liable.

Supervisory committees

Under the Company Law, the directors and senior management of a joint stock limited company are subject to the supervision of a supervisory committee. The establishment of a supervisory committee is not mandatory for companies incorporated in Hong Kong.

Fiduciary Duties

In Hong Kong, directors owe a fiduciary duty to the company, including a duty not to act in conflict with the interests of the company. In addition, the Companies Ordinance has codified the directors’ statutory duty of care.

According to the Guidelines for Articles of Association of Listed Companies, directors, supervisors, managers and other senior management of the company are required to perform their duties for the company honestly and diligently.

Financial Disclosure

Under the Company Law, a joint stock limited company is required to make its financial report available for inspection by its shareholders 20 days prior to the annual shareholders’ meeting. In addition, a joint stock limited company with a public float is required to publish its financial report. The Companies Ordinance requires a company incorporated in Hong Kong to send copies of its financial statements, auditor’s report and board of directors’ report to be laid before the company at its annual general meeting not less than 21 days before the meeting.

Under the PRC laws, a joint stock limited company is required to prepare a financial accounting report as at the end of each financial year and submit it to an accounting firm for audit in accordance with the law.

Directors’ and Shareholders’ Information

The Company Law entitle shareholders the right to inspect a company’s articles of association, minutes of shareholders’ meetings, resolutions of meetings of the board of directors, resolutions of meetings of the supervisory committee and financial and accounting reports. Under the Articles of Association, shareholders are entitled to inspect and make copies (subject to the payment of a reasonable fee) of certain information relating to the shareholders and directors, which are similar to the rights granted to shareholders of Hong Kong companies under the Hong Kong Companies Ordinance.

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Company Reorganization

A company incorporated in Hong Kong may be reorganized in a number of ways, such as by transferring the whole or part of the company’s business or property to another company on voluntary winding up under Section 237 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance or by entering into a compromise or arrangement for repayment of debts between the company and its creditors or between the company and its shareholders, subject to the court’s approval, and pursuant to Section 673 and Division 2 of Part 13 of the Hong Kong Companies Ordinance, which requires the sanction of the court. In addition, wholly-owned subsidiaries of the Group may also merge horizontally or vertically under the Hong Kong Companies Ordinance with the approval of the shareholders.

According to the Company Law, the merger, demerger, dissolution or change of corporate form of a joint stock limited company shall be approved by shareholders representing more than two-thirds of the voting rights at the shareholders’ meeting.

Special Drawing Rights (SDR)

Under the Company Law, a company is required to set aside a certain prescribed percentage of its profit as a legal reserve after distributing its profit after tax for the year.

There is no corresponding provision in the laws of Hong Kong.

Arbitration of Disputes

In Hong Kong, disputes between shareholders and a company or its directors, managers and other senior management can be resolved through the courts. The Company Law provides that shareholders may sue in the People’s Court if directors or senior management violate laws, administrative regulations or the articles of association of the company and infringe upon the interests of the shareholders.

The HKIAC Securities Arbitration Rules provide for the arbitral tribunal to hear cases involving companies incorporated in China but listed on the Hong Kong Stock Exchange in Shenzhen, upon application by any party, to enable Chinese parties and witnesses to attend. The arbitral tribunal may order a hearing in Shenzhen if any party applies for such a hearing and the arbitral tribunal is satisfied that the application is made in good faith and that all parties (including the witnesses and arbitrators) have access to Shenzhen to attend the hearing. If the Chinese Party or any of its witnesses or any person other than the arbitrators is not allowed to enter Shenzhen, the tribunal shall order that the hearing be conducted by any practicable means, including the use of electronic media. For the purposes of the HKIAC Securities Arbitration Rules, a Chinese party means a person who is resident in the PRC (excluding Hong Kong, Macau SAR and Taiwan).

Statutory Deductions

Under the PRC Company Law, a joint stock company is required to make transfers equivalent to certain prescribed percentages of its after-tax profit to the statutory common reserve fund. There are no corresponding provisions under Hong Kong law.

Fiduciary Duties

In Hong Kong, there is the common law concept of the fiduciary duty of directors. Under the PRC Company Law, directors and senior management are subject to obligations of loyalty and diligence. Under the Guidelines for the Articles of Association, directors shall not conclude any contract or engage in any transaction with a company either in violation of the provisions of the Articles of Association of the company or without the approval of the general meetings.

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Corporate Remedies

Pursuant to the Company Law, if a director, supervisor or member of senior management violates any law, administrative regulation or the Company’s bylaws of the articles of association in the course of performing his or her duties and causes damage to the Company, such director, supervisor or member of senior management shall be liable to the Company for such damage.

The Listing Rules require the articles of association of listed companies to contain corporate remedies similar to those provided for under the laws of Hong Kong (including termination of relevant contracts and recovery of profits from directors, supervisors or senior management).

Dividend

Pursuant to the relevant PRC laws and regulations, the Company is required under certain circumstances to withhold from any dividends or other distributions payable to the Shareholders any tax payable by it to the relevant tax authorities in accordance with the PRC laws.

Under Hong Kong laws, the statute of limitations for the recovery of debts, including the recovery of declared dividends, is six years and under PRC laws, the relevant statute of limitations is three years. The Company may not exercise its right to forfeit any unclaimed dividend before the expiry of the applicable limitation period.

Closure of the Register of Shareholders

The Companies Ordinance provides that the register of shareholders of a company shall be closed for the registration of transfers of shares for a period not exceeding thirty days in a year (which may be extended to sixty days in certain circumstances).

No transfer of shares may be registered within thirty days prior to the date of the shareholders’ meeting at held or within five days prior to the base date for the distribution of dividends in accordance with the provisions of the PRC Company Law.