PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the "**Constitution**") and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, local government rules, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute legally binding precedents; however, they may be used as judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) (the "**Legislation Law**"), lastly amended by the NPC on March 13, 2023 and implemented on March 15, 2023, the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The ministries and commissions of the State Council, PBOC, National Audit Office of the PRC as well as the other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, formulate rules.

The people's congresses of provinces, autonomous regions and municipalities and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provisions of the Constitution, laws or administrative regulations. The people's congresses of cities divided into districts and their standing committees may formulate local regulations on matters such as urban and rural construction and management, environmental protection, historical and cultural protection based on the specific circumstances and actual needs of such cities, which shall be submitted to the standing committees of the people's congresses of relevant provinces or autonomous regions for approval before implementation, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such provinces or autonomous regions. People's congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the areas concerned.

The people's governments of the provinces, autonomous regions, and municipalities directly under the central government and the cities divided into districts or autonomous prefectures may enact rules, in accordance with laws, administrative regulations and the local regulations of their respective provinces, autonomous regions or municipalities.

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

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

Pursuant to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. Pursuant to the Decision of the Standing Committee of the NPC 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, the Supreme People's Court of the PRC (the "**Supreme People's Court**") has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local laws and regulations as well as administrative rules is vested in the regional legislative and administrative organs which promulgate such laws, regulations and rules.

PRC JUDICAL SYSTEM

Pursuant to the Constitution and the Law of the PRC of Organization of the People's Courts (《中華人民共和國人民法院組織法》) lastly amended by the SCNPC on October 26, 2018 and implemented on January 1, 2019, the judicial system is made up of the Supreme People's Court, the local people's courts, and other special people's courts. The local people's courts are divided into three levels, namely the basic people's courts, the intermediate people's courts and the higher people's courts. The Supreme People's Court shall be the highest judicial organ of the state, and shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at higher levels shall supervise the judicial work of the people's courts at lower levels.

Pursuant to the Constitution and the Law of Organization of the People's Procuratorate of the PRC (《中華人民共和國人民檢察院組織法》) lastly amended by SCNPC on October 26, 2018 and implemented on January 1, 2019, the People's Procuratorate is the law supervision organ of the state. The Supreme People's Procuratorate shall be the highest procuratorial organ, and shall direct the work of the local people's procuratorates at all levels and of the special people's procuratorates. The people's procuratorates at higher levels shall direct the work of those at lower levels.

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

A foreign national or enterprise has the same litigation rights and obligations as a PRC citizen or legal person when initiating or defending any proceedings at a people's court. If a foreign country's judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within Chinese Mainland.

All parties must comply with legally effective civil judgments and rulings. If any party to a civil action refuses to comply with a judgment or order made by a people's court or an award made by an arbitration tribunal, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall comply with the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions.

When a party applies to a people's court for enforcing an effective judgment or ruling by a people's court against a party who is not located in Chinese Mainland or whose property is not in Chinese Mainland, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people's court according to the Chinese Mainland enforcement procedures if the Chinese Mainland 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 finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of Chinese Mainland, its sovereignty or security, or against social and public interest.

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

A joint stock limited company established in Chinese Mainland seeking a listing on Hong Kong Stock Exchange is mainly subject to the following laws and regulations of Chinese Mainland.

The Company Law of the People's Republic of China (《中華人民共和國公司法》) (the "**Company Law**") which was lastly amended by the SCNPC on December 29, 2023 and implemented on July 1, 2024.

The Trial Administrative Measures on Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and its five interpretative guidelines which were promulgated by the CSRC on February 17, 2023 and implemented on March 31, 2023 and were applicable to the direct and indirect overseas offering and listing of PRC domestic companies' securities.

Pursuant to the Overseas Listing Trial Measures and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its articles of association in line with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the "**Guidelines for Articles of Association**"), which was lastly amended by the CSRC and came into effect on March 28, 2025.

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

Incorporation

A joint stock limited company may be incorporated by promotion or subscription. A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within Chinese Mainland.

The promoters of a joint stock limited company incorporated by public subscription shall convene an inaugural meeting within 30 days after the share capital has been paid up and shall notify all subscribers of the date of the meeting or make an announcement in this regard 15 days before the meeting. The inaugural meeting may be held only with the presence of subscribers holding more than 50% of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the agreement of the promoters. At the inaugural meeting, matters including the adoption of articles of association and the election of members of the board of directors and the board of supervisors of a company will be dealt with. All resolutions of the meeting require the approval of subscribers with more than half of the voting rights present at the meeting.

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

Registered Shares

Pursuant to the Company Law, shareholders may make capital contributions in cash, or with non-monetary property that may be valued in money and legally transferred, such as contribution in kind or intellectual property rights, land use rights, shareholding or claims.

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

Pursuant to the Overseas Listing Trial Measures, domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

Allotment and Issue of Shares

All issue of shares of a joint stock limited company shall be based on the principles of fairness and justice. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. It may issue shares at par value or at a premium, but it may not issue shares below the par value.

Under the Trial Measures, for a domestic company directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas trading venue shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The term "domestic unlisted shares" in the preceding provision refers to shares offered by a domestic company but not listed or quoted for trading on any domestic trading venues. Domestic unlisted shares shall be centrally registered and deposited at a domestic securities depository and settlement agency. The registration and settlement of overseas listed shares is subject to applicable rules in overseas markets.

Where a domestic enterprise directly issues and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

Increase of Share Capital

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

Reduction of Share Capital

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

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

Repurchase of Shares

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

The purchase of shares of a company for reasons specified in the case of (i) to (ii) above shall be subject to the resolution of the general meeting; the purchase of shares of a company for reasons specified in the case of (iii), (v) and (vi) above shall be subject to the resolution of the board meeting attended by more than two-thirds of the directors in accordance with the provisions of the articles of association or the authorization from the general meeting.

Following the purchase of a company's shares by a company in accordance with the above provisions, such shares shall be canceled within 10 days from the date of buy-back in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the total numbers of share of our company held by a company shall not exceed 10% of the total issued shares of our company, and shall be transferred or canceled within three years in the case of items (iii), (v) and (vi) above.

Transfer of shares

Shares held by a shareholder may be transferred in accordance with the law. Pursuant to the Company Law, the shareholder of a joint stock limited company should affect a transfer of his/her shares through a legally established securities exchange or by any other means as required by the State Council. Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations. After the transfer, a company shall record the name and domicile of the transferee in the register of shareholders. No changes of registration in the share register provided in the foregoing requirement shall be affected during a period of 20 days prior to the convening of the general meeting or 5 days prior to the record date for a company's distribution of dividends. If any law, administrative regulation, or any provision by the securities regulatory authority of the State Council specifies otherwise for the modification of the register of shareholders of a listed company, such provisions should prevail.

Pursuant to the Company Law, shares issued by a company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of the company are listed and traded on a securities exchange. The directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During the term of office as determined when they assume the posts, the shares transferred each year should not exceed 25% of the total shares they hold of the company. Shares of a company held by them shall not be transferred within one year from the date of a company's listing on a securities exchange, nor within six months after their resignation from their positions with a company.

If the shares are pledged within the time limit for restricted transfer as provided by laws and administrative regulations, the pledgee cannot exercise the pledge right within such restricted transfer period.

Shareholders

Pursuant to the Company Law and Guidelines for Articles of Association, the rights of a shareholder of a company include: (i) the right to attend or appoint a proxy to attend general meetings and to vote thereat; (ii) the right to transfer shares in accordance with laws, administrative regulations and articles of association; (iii) the right to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports and to make proposals or enquiries on the company's operations; (iv) the right to bring an action in the people's court to rescind resolutions passed by general meetings and board of directors where articles of association is violated by the above resolutions; (v) the right to receive dividends and other forms of profit distribution according to the proportion of shares they hold; (vi) in the event of the termination or liquidation of the company, the right to participate in the distribution of the residual properties of the company in proportion to the number of shares held; and (vii) other rights granted by laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares subscribed for and in accordance with the form of making capital contributions, to be liable for the company's debts and liabilities to the extent of the amount of his or her subscribed shares and any other shareholders' obligation specified in the company's articles of association.

General Meetings

Pursuant to the Company Law, the general meeting of a joint stock limited company is made up of all shareholders. The general meeting is the organ of authority of a company, which exercises the following functions and powers: (i) to elect and replace directors and supervisors and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the board of supervisors; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation or change of corporate form of a company; (viii) to amend the company's articles of association; and (ix) other functions and powers specified in provision of the articles of association.

Annual general meetings are required to be held once every year. An interim general meeting is required to be held within two months after the occurrence of any of the following circumstances: (i) the number of directors is less than the number stipulated in the Company Law or less than two-thirds of the number specified in articles of association; (ii) when the unrecovered losses of a company amount to one-third of the total paid-up share capital; (iii) shareholders individually or jointly holding 10% or more of the company's shares request; (iv) when deemed necessary by the board of directors; (v) the board of supervisors proposes to convene the meeting; and (vi) other circumstances as stipulated in articles of association.

The general meeting shall be convened by the board, and presided over by the chairman of the board. In the event that the chairman of the board is incapable of performing or not performing his/her duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by more than half of directors shall preside over the meeting.

If the board is incapable of performing or is not performing its duties to convene the general meeting, the board of supervisors should convene and preside over the general meeting in a timely manner. If the board of supervisors fails to convene and preside over the general meeting, shareholders individually or jointly holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting. If the shareholders who separately or jointly hold more than 10% of the shares of the company request to convene an extraordinary general meeting, the board and the board of supervisors should, within 10 days after the receipt of such request, decide whether to hold an extraordinary general meeting and reply to the shareholders in writing.

Notice of meeting shall state the time and venue of and matters to be considered at the meeting and shall be given to all shareholders 20 days before the meeting. A notice of interim meeting shall be given to all shareholders 15 days prior to the meeting.

Shareholders who individually or jointly hold more than 1% of the company's shares may put forward interim proposals and submit them to the board of directors in writing 10 days before the general meeting. The board of directors shall notify other shareholders within two days after receiving the proposal and submit the interim proposal to the general meeting for consideration.

Pursuant to the Company Law, a shareholder may entrust a proxy to attend the general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to a company and shall exercise his voting rights within the scope of authorization. There is no specific provision in the Company Law regarding the number of shareholders required to attend a general meeting.

Shareholders present at the general meeting have one vote for each share they hold, except the shareholders of classified shares. However, shares held by the company itself are not entitled to any voting rights.

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

Pursuant to the Company Law and Guidelines for Articles of Association, the passing of any resolution requires affirmative votes of shareholders representing more than half of the voting rights represented by the shareholders who attend the general meeting. Matters relating to merger, division or dissolution of a company, increase or reduction of registered capital, change of corporate form or amendments to articles of association must be approved by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Board of Directors

Under the Company Law, except for a joint stock limited company with a small scale or a small number of shareholders, a joint stock limited company should have a board of directors, which consists of more than three members. The term of office of a director shall be stipulated in articles of association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected.

Meetings of the board of directors shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before the meeting for every meeting. The board of directors exercises the following functions and powers: (i) to convene general meetings and report its work to the general meetings; (ii) to implement the resolutions of the general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plan and loss recovery plan; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; and (x) other functions and powers specified in articles of association or granted by the general meeting.

The board meetings shall be held only if more than half of the directors are present. If a director is unable to attend a board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorization for another director to attend the meeting on his behalf. If a resolution of the board of directors violates the laws, administrative regulations or articles of association, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from such liability.

Pursuant to the Company Law, a person may not serve as a director of a company if he/she is: (i) a person without capacity or with restricted capacity; (ii) a person who has been sentenced to any criminal penalty due to an offense of corruption, bribery, encroachment of property, misappropriation of property, or disrupting the order of the socialist market economy, or has been deprived of political rights due to a crime, where a five-year period has not elapsed since the date of completion of the sentence; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the expiration of the suspension period; (iii) a person who was a director, factory director or manager of a company or enterprise which has entered into insolvent liquidation and who was personally liable for the insolvency of such company or enterprise, where less than three years have elapsed since the date of the completion of the insolvency and liquidation of such company or enterprise; (iv) a person who was legal representative of a company or enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who were personally liable, where less than three years have elapsed since the date of the revocation of the business license of the company or enterprise or the order for closure; and (v) being listed as one of dishonest persons subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

The board of directors shall have one chairperson, who shall be elected by more than half of all the directors. The chairperson shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and convene and preside over board meetings; and (ii) to examine the implementation of resolutions of the board of directors; and (iii) to exercise other powers conferred by the board of directors.

Board of Supervisors

A joint stock limited company may establish an audit committee under the board of directors to exercise the powers of the board of supervisors. A joint stock limited company which has a small scale or a limited number of shareholders is not required to establish a board of supervisors.

Except for the above-mentioned two special circumstances, a joint stock limited company shall establish a board of supervisors composed of not less than three members. The board of supervisors shall comprise shareholder representatives and an appropriate proportion of the company's employee representatives, of which the proportion of employee representatives shall not be less than one-third and the specific proportion shall be stipulated in articles of association. Employee representatives of the board of supervisors shall be democratically elected by the company's employees at the employee representative assembly, employee general meeting or otherwise. Directors or senior management members may not act concurrently as supervisors.

The board of supervisors exercises the following powers: (i) to examine the company's financial affairs; (ii) to supervise the directors and senior management members in their performance of their duties and to propose the removal of directors and senior management members who have violated laws, administrative regulations, articles of association or resolutions of general meetings; (iii) to demand rectification by a director or senior management member when the acts of such persons are harmful to the company's interests; (iv) to propose the convening of extraordinary general meetings, and to convene and preside over general meetings when the board fails to perform the duty of convening and presiding over general meetings under the Company Law; (v) to submit proposals to the general meeting; (vi) to initiate legal proceedings against directors and senior management members in accordance with the Company Law; and (vii) other functions and powers specified in articles of association.

Managers and Senior Management Members

Pursuant to the Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager is responsible to the board of directors and may exercise the power in accordance with articles of association or authorization of the board of directors. The manager shall attend board meetings.

Senior management shall refer to the manager, deputy manager(s), person-in-charge of finance, board secretary (in case of a listed company) of a company and other personnel as stipulated in articles of association.

Duties of Directors, Supervisors and Senior Management Members

Pursuant to the Company Law, directors, supervisors and senior management members of the company are required to comply with the relevant laws, regulations and articles of association, and have fiduciary and diligent duties to the company. directors, supervisors and senior management members are prohibited from: (i) embezzling the company's property or misappropriating the company's funds; (ii) depositing the company's funds into accounts under their own names or the names of other individuals; (iii) accepting bribes or any other illegal proceeds by taking advantage of their powers; (iv) accepting and possessing commissions paid by a third party for transactions conducted with the company; (v) disclosing the company's secrets without authorization; or (vi) other acts in violation of their fiduciary duty to the company.

If any director, supervisor or senior management members directly or indirectly contracts or conducts a transaction with the company, he/she shall report the matters related to the conclusion of the contract or transaction to the board or general meeting, subject to the approval of the board or general meeting according to articles of association.

The provisions of the preceding paragraph shall apply if any near relatives of the directors, supervisors or senior management members, or any of the enterprises directly or indirectly controlled by the directors, supervisors or senior management members or any of their near relatives, or any related parties with any other related-party relationship with the directors, supervisors or senior management members, concludes a contract or conducts a transaction with the company.

Directors, supervisors and senior management members shall not take advantage of his position to take a business opportunity belonging to the company for himself or another person, except under any of the following circumstances: (i) where they have reported to the board or the general meeting and the matter has been approved by a resolution of the board or the general meeting according to articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or articles of association.

Where any director, supervisor or senior management member fails to report to the board of directors or the general meeting and obtain approval by resolution of the board of directors or the general meeting according to articles of association, he/she may not engage in any business that is similar to that of the company where he/she holds office for himself/herself or for any other person.

A director, supervisor or senior management member who contravenes any law, regulation or the company's articles of association in the performance of his/her duties resulting in any loss to the company shall be personally liable for the damages to the company.

Finance and Accounting

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

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual general meeting. A joint stock limited company issuing its shares in public must publish its financial and accounting reports.

The company is required to withdraw 10% of its profits into its statutory reserve fund when distributing each year's after-tax profits. When the cumulated amount of the statutory reserve fund of the company has reached 50% or more of its registered capital, no further withdrawal is required. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year profits shall be used to make up for the losses before making allocations to the statutory reserve in accordance with the preceding paragraph. Subject to a resolution of the general meeting, after withdrawal has been made to the company's statutory reserve fund from its after-tax profits, the company may set aside funds for the discretionary reserve fund.

A joint stock limited company may distribute profits in proportion to the number of shares held by its shareholders, except for profit distributions that are not in proportion to the number of shares held in accordance with articles of association of the joint stock limited company.

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

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

The company shall not keep accounts other than those provided by law.

Appointment and Retirement of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by the general meeting, the board of directors or the board of supervisors in accordance with articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or board of supervisors conduct a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of information.

Pursuant to the Guidelines for Articles of Association, the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the hired accounting firm, and shall not refuse, conceal or make false reports. The audit fee of an accounting firm shall be decided by the general meeting.

Distribution of Profits

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

Amendments to Articles of Association

Any amendment to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. In relation to matters involving the company's registration, the amendment to articles of association shall be registered with the relevant authority in accordance with the applicable laws.

Dissolution and Liquidation

Pursuant to the Company Law, a company shall be dissolved for the following reasons: (i) the term of business stipulated in articles of association has expired or other events of dissolution specified in articles of association have occurred; (ii) a resolution on dissolution is adopted by the general meeting; (iii) dissolution is required due to the merger or division of the company; (iv) the business license is revoked, or the company is ordered to be closed down or is deregistered in accordance with the law; (v) where the company encounters serious difficulties in its operation and management, and its continued existence will cause significant losses to the interests of shareholders, and where the issue cannot be resolved through other means, shareholders holding more than 10% of the total shareholders' voting rights of the company may request the people's court to dissolve the company. If any of the situations as mentioned in the preceding paragraph arises, the company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where the company is dissolved in accordance with sub-paragraph (i) above, it may carry on its existence by amending its articles of association or upon a resolution of the general meeting, which must be approved by more than two-thirds of the voting rights held by the shareholders present at the general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the articles of association or it is otherwise elected by the resolution of the general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

If the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, any interested party may request the people's court to designate relevant persons to form a liquidation group. The people's court shall accept such request and organize a liquidation group to carry out the liquidation in a timely manner.

The liquidation group shall exercise the following functions and powers during the liquidation period: (i) to liquidate the company's property and prepare the balance sheet and the list of property; (ii) to notify creditors by sending notices or making public announcements; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigation activities on behalf of the company.

The liquidation group shall notify the company's creditors within ten days from its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before the liquidation in accordance with the preceding paragraph.

If the liquidation group, having thoroughly liquidated the company's assets and having prepared the balance sheet and the inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to the people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

Upon completion of the liquidation, the liquidation group shall prepare the liquidation report to be submitted to the general meeting or the people's court for confirmation, and submit the liquidation report to the company registration authority to apply for cancellation of the company's registration.

Members of the liquidation group performing their duties of liquidation are obliged to be loyal and diligent. Any member of the liquidation group who neglects to fulfill his/her liquidation duties and thus causes any loss to the company shall be liable for compensation, and any member of the liquidation group who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Where, after three years since the business license of the company is revoked, or the company is ordered to close down or is deregistered, the company fails to apply for its deregistration with the company registration authority, the said authority may announce the company's deregistration through the National Enterprise Credit Information Publicity System for a period of no less than 60 days. If there is no objection after the announcement period expires, the company registration authority may deregister the company.

Overseas Listing

Pursuant to the Overseas Listing Trial Measures, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days after the completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall file in accordance with the provisions of Paragraph 1, Article 16 of the Overseas Listing Trial Measures.

Loss of Share Certificates

If the share certificates in registered form are either stolen, lost or destroyed, the shareholders may, in accordance with the public notice procedures set out in the Civil Procedure Law, apply to the people's court for a declaration that such certificates will no longer be valid. After the people's court declared that such certificates would no longer be valid, the shareholders may apply to the company for the issue of replacement certificates.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law (《證券法》) has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

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

Merger and Division

Pursuant to the Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of assets. The companies shall within 10 days of the date of passing the resolution approving the merger notify their respective creditors and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the company to settle any outstanding debts or provide relevant guarantees. In case of a merger, the credits and debts of the merging parties shall be assumed by the surviving or the new company.

In case of a division, the company's assets shall be divided and a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. The liabilities of the company which have accrued prior to the division shall be jointly borne by the separated companies, unless otherwise stipulated in the agreement in writing entered into by the company with creditors in respect of the settlement of debts prior to division.

SECURITIES LAW AND REGULATIONS

The PRC has promulgated a series of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and 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 Chinese Mainland, and administering CSRC. The CSRC is the regulatory executive body of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings of securities by enterprises in Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two authorities and reformed the CSRC.

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

The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. It is divided into 14 chapters and 226 articles, including the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies, and the responsibilities of the securities registration and settlement institutions and securities regulatory authorities. Article 224 of the PRC Securities Law provides that domestic enterprises issuing shares overseas directly or indirectly or listing their shares overseas shall comply with the relevant provisions of the State Council. Currently, the issue and trading of foreign-issued securities (including H shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the "**Arbitration Law**") lastly amended by the SCNPC on September 12, 2025 and implemented on March 1, 2026, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the Civil Procedure Law. Where both parties have agreed to settle disputes by means of arbitration, the people's court will refuse to take legal action brought by a party in the people's court, unless the arbitration agreement is invalid.

Pursuant to the Arbitration Law and Civil Procedure Law, an arbitral award shall be final and binding on the parties. If any party fails to comply with the arbitral award, the other party to the award may apply to the people's court for enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration commission if there is evidence to prove that any of the following circumstances exists: the parties have not stipulated an arbitration clause in the contract or have not reached a written arbitration agreement afterwards; the composition of the arbitral tribunal or the arbitration procedures are not in accordance with the arbitration rules; the matters awarded are outside the scope of the arbitration agreement, or the arbitration committee has no jurisdiction to arbitrate; the evidence on which the award is based is forged; the other party has concealed evidence sufficient to affect the fairness of the award; the arbitrator has committed bribery, accepted bribes, engaged in favoritism, or rendered an award in violation of the law when arbitrating the case.

Any party seeking to enforce an arbitral award of foreign arbitration commission against a party who or whose property is not within Chinese Mainland shall apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people's court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

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

ENFORCEMENT OF JUDICIAL JUDGEMENT

Pursuant to the Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Chinese Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People's Court on January 25, 2024 and implemented on January 29, 2024, in the case of effective judgment of a civil and commercial case or civil damages in a criminal case made by the court of China and the court of the Hong Kong Special Administrative Region, 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.