

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》) (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, autonomous regulations, separate regulations, rules and regulations of State Council departments, rules and regulations of local governments, laws of special administrative regions and international treaties of which the PRC Government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the People’s Republic of China (2023 Revision) (《中華人民共和國立法法(2023修正)》) (the “Legislation Law”), the National People’s Congress and the Standing Committee of the National People’s Congress are empowered to exercise the legislative power of the State. The National People’s Congress has the power to formulate and amend the basic laws governing criminal and civil matters, State institutions and other matters. The Standing Committee of the National People’s Congress formulates and amends laws other than those required to be enacted by the National People’s Congress and to supplement and amend parts of the laws enacted by the National People’s Congress during the adjournment of the National People’s Congress, provided that such supplements and amendments are not in conflict with the basic principles of such laws.

The State Council is the highest organ of state administration and has the power to formulate administrative regulations based on the Constitution and laws. The people’s congresses of the provinces, autonomous regions and municipalities directly under the central government and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities with districts and their respective standing committees may formulate local regulations with respect to urban and rural construction and administration, ecological civilization construction, historical and cultural protection, grassroots governance and other aspects according to the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of their respective provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Such local regulations of cities with districts will become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions. The standing committees of the people’s congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of 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 governments of the provinces or autonomous regions concerned, a decision should be made by the standing

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committees of the people's congresses of provinces or autonomous regions to resolve the issue. 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 ethnic groups in the areas concerned.

The ministries, commissions of the State Council, the PBOC, the National Audit Office, institutions with administrative functions directly under the State Council, and other institutions stipulated by laws may formulate rules and regulations within the power of their respective departments based on the laws, administrative regulations, decisions and rulings of the State Council. Matters governed by the departmental rules and regulations should be those for the enforcement of the laws, administrative regulations, decisions and rulings of the State Council. The people's governments of provinces, autonomous regions and municipalities directly under the central government and cities divided into districts and autonomous regions may formulate rules and regulations, in accordance with laws, administrative regulations and relevant local regulations of provinces, autonomous regions and municipalities directly under the central government.

Pursuant to the Resolution of the Standing Committee of the National People's Congress Providing an Improved Interpretation of the Law (《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, issues related to the further clarification or supplement of laws or decrees should be interpreted by the Standing Committee of the National People's Congress or provided with decrees, issues related to the application of laws in a court trial should be interpreted by the Supreme People's Court, issues related to the application of laws in a prosecution process should be interpreted by the Supreme People's Procuratorate, and the application of other laws and decrees in matters other than those involved in trial or prosecution process should be interpreted by the State Council and the competent authorities. The State Council and its ministries and commissions are also vested with the power to give interpretations of the administrative regulations and departmental rules which they have promulgated. At the regional level, the power to interpret regional laws and regulations is vested in the regional legislative and administrative authorities which promulgate such laws and regulations.

THE 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

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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.

The people’s court takes the rule of the second instance as the final rule, that is, the judgments or rulings of the second instance of the people’s court are final. The parties 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 are final. The first judgments or rulings of the Supreme People’s Court are also final. However, if the Supreme People’s Court or a people’s court at the next higher level discovers an error in the final and binding judgment or ruling which has taken effect in any people’s court at a lower level, or the presiding judge of a people’s court discovers an error in a final and binding judgment which has taken effect in the court over which he/she presides, a retrial of the case may be initiated according to the judicial supervision procedures.

The Civil Procedure Law of PRC (《中華人民共和國民事訴訟法》) (the “PRC Civil Procedure Law”) adopted on April 9, 1991 and amended five times on October 28, 2007, August 31, 2012, June 27, 2017, December 24, 2021 and September 1, 2023 prescribes the conditions for instituting a civil action, the jurisdiction of the people’s courts, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. Each party to a civil action conducted within PRC must comply with the relevant provisions of the PRC Civil Procedure Law. A civil case is generally heard by the people’s court located in the defendant’s place of domicile. The court of jurisdiction in respect of a civil action may also be chosen by written agreement among the parties to a contract, provided that the people’s court having jurisdiction should be located at places directly connected with the disputes, such as the plaintiff’s or the defendant’s place of domicile, the places where the contract is executed or signed or the place where the object of the action is located. Meanwhile, such selection cannot violate the stipulations of hierarchical jurisdiction and exclusive jurisdiction in any case.

A foreign individual, a person without nationality, a foreign enterprise and organization are given the same litigation rights and obligations as a citizen, a legal person and other organization of the PRC when initiating actions or defending against litigation at the people’s court. Should a foreign court limit the litigation rights of citizens, a legal person, and other organizations of PRC, the court of PRC may apply the same limitations to the civil litigation rights to citizens, enterprises and organizations of such foreign country. A foreign individual, a person without nationality, a foreign enterprise and organization must engage a lawyer of PRC in case he/she or it needs to engage a lawyer for the purpose of initiating actions or

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defending against litigations at the people’s court. In accordance with the international treaties to which PRC is a signatory or participant or according to the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, conduct investigation and collect evidence and conduct other actions on its behalf. A people’s court shall not accommodate any request made by a foreign court which will result in the violation of sovereignty, security or public interests of PRC.

All parties to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in PRC, the other party may apply to the people’s court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment on the party.

Where a party applies for enforcement of a legally effective judgment or ruling made by a people’s court, and the opposite party or his/her property is not within the territory of PRC, the applicant may directly apply to a foreign court with jurisdiction for recognition and enforcement of the judgment or ruling, or the people’s court may, in accordance with the provisions of international treaties to which PRC is a signatory or in which PRC is a participant or the principle of reciprocity, request recognition and enforcement by a foreign court. Similarly, where an effective judgment or ruling made by a foreign court needs to be recognized and enforced by the people’s court of PRC, unless the people’s court considers that the recognition or enforcement of the judgment or ruling would violate the basic legal principles of PRC, national sovereignty, national security or social and public interest, the parties involved may directly apply to an intermediate people’s court of PRC with jurisdiction for recognition and enforcement, or the foreign court may, in accordance with the provisions of international treaties entered into or acceded to by that country and PRC or according to the principle of reciprocity, request the people’s court to recognize and enforce it.

THE PRC COMPANY LAW, THE TRIAL ADMINISTRATIVE MEASURES OF OVERSEAS SECURITIES OFFERING AND LISTING BY DOMESTIC COMPANIES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

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

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On February 17, 2023, 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 “Overseas Listing Trial Measures”), which came into effect on March 31, 2023 and is applicable to direct and indirect overseas securities offering and listing of domestic companies, which also stipulates the filing administrative measures and regulatory requirements for the overseas securities offering and listing by domestic companies.

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

General Provisions

A joint stock limited company refers to an legal person incorporated under the PRC Company Law with its registered capital divided into shares of equal par value. The liability of its shareholders is limited to the amount of shares held by them, while the company’s liability to its debts is limited to all of its assets.

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

Incorporation

A joint stock limited company may be incorporated by promotion or raising. A joint stock limited company shall be incorporated by one to 200 promoters, provided that at least more than half of the promoters must reside in PRC. Where a joint stock limited company is to be established by means of promotion, promoters shall fully subscribe for the shares that shall be issued at the time of the establishment of the company as provided for in the articles of association. If a joint stock limited company is to be established by means of raising, the promoters shall subscribe for not less than 35% of the total shares that shall be issued at the time of the establishment of the company as provided for in the articles of association; however, where laws and administrative regulations provide otherwise, such provisions shall prevail.

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A document shall be published and a subscription letter shall be prepared when the promoters offer shares to the public. The subscriber shall fill in the number of shares subscribed for, amount of payment and domicile and affix his/her signature or seal to the subscription letter. The subscriber shall make full payment for the shares subscribed for. Where a promoter is offering shares to the public, such offer shall be underwritten by security companies established in accordance with the laws, and an underwriting agreement shall be concluded thereon. A promoter offering shares to the public shall also enter into agreements with banks in relation to the receipt of subscription monies. The receiving banks shall receive and keep in custody the subscription monies, issue receipts to subscribers who have paid the subscription monies and furnish evidence of receipt of those subscription monies to relevant authorities in accordance with the agreement. After the share capital for a public offering has been paid in full, a capital verification institution established under the law must be engaged to conduct a capital verification and furnish a certificate thereof. Where the shares to be issued have not been fully subscribed for at the time of the establishment of a company, or the promoters fail to hold an establishment meeting within 30 days after the full payment has been made for the shares to be issued, subscribers may claim against the promoters for refund of the payment for shares plus the interest on the bank deposits for the same term. The promoters and subscribers may not withdraw their share capital after they have made payment for the shares or delivered non-monetary property as capital contributions, except that the shares have not been fully subscribed for within the time limit, the promoters fail to hold the establishment meeting on schedule, or the establishment meeting decides not to establish the company. The board of directors shall, within 30 days after the end of the establishment meeting of a company, authorize a representative to file an application for registration of establishment with the company registration authority.

A company's promoter shall be liable for the following: (1) the debts and expenses incurred in the establishment process jointly and severally if the company cannot be established; (2) the refund of subscription monies paid by the subscribers together with interest at bank deposit rates for the same period jointly and severally if the company cannot be established.

Share Capital

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

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The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price. The same price per share shall be paid by any share subscriber. The issue price of par value stock may be based on the face value or exceed the face value but shall not be lower than the face value.

Under the PRC Company Law, a joint stock limited company shall prepare and maintain a shareholder register which sets forth the following matters: (1) the name and domicile of each shareholder; (2) the type and quantity of subscribed shares for 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

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

Reduction of Share Capital

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

- (I) the company shall prepare a balance sheet and an inventory of properties;
- (II) approve a resolution at a shareholders' meeting to reduce the registered capital;
- (III) the company shall notify its creditors within 10 days after adopting the resolution to reduce the registered capital, and shall publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days;

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- (IV) a creditor shall, within 30 days after the receipt of the notice, or within 45 days after the date of the announcement for those who have not received the notice, be entitled to request the company to repay its debts or provide corresponding guarantees; and
- (V) the company must apply to the company registration authority for a change in registration.

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

If a company still has losses after making up for them in accordance with the relevant provisions of the PRC Company Law, it may reduce its registered capital to make up for the losses. If the registered capital is reduced to make up for the losses, the company shall not make any distribution to the shareholders, nor shall the shareholders be exempted from their obligation to pay the capital contribution or the share capital. If the registered capital is reduced in accordance with the aforesaid provisions, items (III) and (IV) mentioned above shall not apply, but an announcement shall be made in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the date of adopting the resolution to reduce the registered capital at a shareholders' meeting. After a company reduces its registered capital in accordance with the provisions of the preceding paragraph, it shall not distribute its profits until the accumulated amount of statutory reserve fund and discretionary reserve fund reaches 50% of the company's registered capital.

When a company reduces its registered capital in violation of the provisions of the PRC Company Law, its shareholders shall refund the funds they have received, and if the capital contributions of the shareholders are reduced or exempted, such capital contributions shall be restored to the original status; if any loss is caused to the company, the shareholders and the liable directors and senior management shall bear the liability for compensation.

Repurchase of Shares

Under the provisions of the PRC Company Law, a company shall not repurchase its own shares except in the following circumstances:

- (I) reduction of the registered capital of the company;
- (II) merger with another company that holds its shares;
- (III) use of its shares for carrying out an employee stock ownership plan or equity incentive plan;
- (IV) request from shareholders who object to a resolution of a shareholders' meeting on merger or division of the company to acquire their shares by the company;

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(V) use of shares for conversion of convertible corporate bonds issued by the company; and

(VI) it is necessary for a listed company to maintain its company value and protect its shareholders’ interests.

A resolution shall be approved at a shareholders’ meeting for the repurchase of the company’s own shares under either of the circumstances stipulated in items (I) or (II) above; for a company’s repurchase of its own shares under any of the circumstances stipulated in items (III), (V) or (VI) above, a resolution of a meeting of the board of directors shall be approved by more than two-thirds of directors attending the meeting according to the provisions of the articles of association or as authorized by the shareholders’ meeting.

The shares acquired by the company according to the above provisions under the circumstance stipulated in item (I) hereof shall be cancelled within 10 days from the date of acquisition of shares; the shares shall be transferred or cancelled within six months if the repurchase of shares is made under the circumstances stipulated in either items (II) or (IV); and the shares in the company held in total by the company after the repurchase of shares under any of the circumstances stipulated in items (III), (V) or (VI) shall not exceed 10% of the company’s total issued shares, and shall be transferred or cancelled within three years.

A company shall not accept its own shares as the subject matter of a mortgage.

No company may provide gifts, loans, guarantees or other financial assistance for others to obtain the shares of the company or the parent company thereof unless it carries out an employee stock ownership plan. For the benefits of the company, the company may, upon a resolution by the shareholders’ meeting or by the board of directors under the articles of association or the authorization of the shareholders’ meeting, provide financial assistance for others to obtain the shares of the company or the parent company thereof, provided that the total accumulative amount of the financial assistance shall not exceed 10% of the total issued share capital. A resolution by the board of directors shall be approved by two-thirds or more of all the directors.

Any director or senior management who is liable for any loss to the company due to violation of the provisions of the preceding paragraph shall be liable for compensation.

Transfer of Shares

The shares held by a shareholder of a company may be transferred to other shareholders or to persons other than the shareholders of the company. Where the articles of association of the company have any restriction on the transfer of shares, the transfer shall be carried out in accordance with the articles of association. Under the PRC Company Law, a shareholder should effect a transfer of shares on the stock exchange established in accordance with laws or by any other means as required by the State Council. The transfer of shares by a shareholder shall be conducted by means of an endorsement or by other means stipulated by laws or

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administrative regulations. Following the transfer of shares, the company shall record the names and domiciles of the transferees into its register of members. Change of the register of members described in the preceding paragraph shall not be registered within 20 days before the convening of a shareholders’ meeting or 5 days prior to the base date on which the company decides to distribute dividends. However, where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of members of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the public offering of shares may not be transferred within one year from the date on which the company’s shares are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of the company’s shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. Directors and senior management of the company shall 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 shall not exceed 25% of the total shares of the company held by them. They shall not transfer the company’s shares they hold within one year from the date on which the company’s shares are listed and traded on the stock exchange, nor within half a year after they have left office. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors and the senior management. Where the shares are pledged within the transfer restriction period as prescribed by laws and administrative regulations, the pledgee may not exercise the pledge right within the transfer restriction period.

Pursuant to the Overseas Listing Trial Measures, for a domestic company directly offering and listing overseas, the shareholders of its domestic unlisted shares applying to convert its domestic unlisted shares into overseas listed shares and listed and traded on an overseas trading venue shall conform to relevant regulations of the CSRC, and appoint the domestic company to file with the CSRC.

Shareholders

Pursuant to the PRC Company Law and the Guidelines for the Articles of Association, the rights of shareholders include the following rights:

- (I) to be legally entitled to asset income, participate in significant decision-making and select management personnel;
- (II) if the procedure for convening or the method of voting at a shareholders’ meeting or board meeting violates any law, administrative regulation or the articles of association, or if the contents of a resolution breach the laws, administrative regulations or the articles of association, to file a petition with the people’s court to revoke the resolution within sixty days from the date on which the resolution is passed;

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- (III) to transfer his/her shares in accordance with the laws;
- (IV) to attend or appoint a proxy to attend shareholders’ meeting and exercise the voting rights;
- (V) to inspect and copy the articles of association, register of members, the minutes of shareholders’ meeting, board resolutions, resolutions of the audit committee and the financial and accounting reports, and to make suggestions or inquiries in respect of the company’s operations;
- (VI) to receive dividends in respect of the number of shares held;
- (VII) to participate in the distribution of remaining properties of the company in proportion to their shareholdings upon the liquidation of the company; and
- (VIII) any other shareholders’ rights stipulated in laws, administrative regulations, other normative documents and the articles of association.

The obligations of the 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 responsible to the company in respect of the shares taken up by them and any other shareholders’ obligations specified in the articles of association.

Shareholders’ Meeting

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

- (I) to elect or replace the directors and to decide on their remunerations;
- (II) to consider and approve the reports of the board of directors;
- (III) to consider and approve the company’s profit distribution plan and loss recovery plan;
- (IV) to decide on any increase or reduction of the company’s registered capital;
- (V) to decide on the issuance of corporate bonds;
- (VI) to decide on merger, division, dissolution and liquidation of the company or change of its corporate form;
- (VII) to amend the articles of association; and
- (VIII) to exercise any other authority stipulated in the articles of association.

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

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

- (I) the number of directors is less than the number required by the laws or less than two-thirds of the number specified in the articles of association;
- (II) the total outstanding losses of the company amount to one-third of the company's total share capital;
- (III) shareholder(s) individually or in aggregate holding more than 10% of the company's shares requests to convene an extraordinary shareholders' meeting;
- (IV) where the board of directors deems necessary;
- (V) the audit committee so proposes; or
- (VI) any other circumstances as provided for in the articles of association.

A shareholders' meeting is convened by the board of directors and presided over by the chairman of the board of directors. In the event that the chairman is unable to or fails to perform his/her duties, the meeting shall be presided over by the vice chairman. If the vice chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of all the directors shall preside over the meeting. If the board of directors is unable to or fails to perform its duty of convening the shareholders' meeting, the audit committee shall convene and preside over such meeting in a timely manner; if the audit committee fails to convene and preside over such meeting, shareholder(s) who individually or jointly hold more than 10% of the company's shares for more than 90 consecutive days may independently convene and preside over such meeting. If the shareholder(s) who individually or jointly hold more than 10% of the shares of the company requests to convene an extraordinary shareholders' meeting, the board of directors and the audit committee shall, within 10 days after the receipt of such request, decide whether to hold an extraordinary shareholders' meeting and reply to the shareholders in writing.

In accordance with the PRC Company Law, to convene a shareholders' meeting, a notice stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days before the meeting is convened. Notice of an extraordinary shareholders' meeting shall be given to all shareholders 15 days before the meeting is convened. Shareholder(s) who individually or jointly hold more than 1% of the shares of the company may submit an interim proposal in writing to the board of directors ten days before the shareholders' meeting is convened. The board of directors shall notify other shareholders

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within two days upon receipt of the proposal, and submit the interim proposal to the shareholders' meeting for deliberation, unless the interim proposal is in violation of any law, administrative regulation or the articles of association or does not fall within the functions and powers of the shareholders' meeting. The company shall not raise the shareholding percentage of the shareholder who proposes any interim proposal. A company offering shares to the public shall make the notice as mentioned in the preceding paragraph by way of announcement. The shareholders' meeting shall not make any resolution on any matter not specified in the notice.

According to the PRC Company Law, shareholders present at a shareholders' meeting shall have one vote for each share they hold, except for holders of class shares. Shares held by the company itself do not have voting rights.

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

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

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

Board of Directors

A joint stock limited company shall have a board of directors. However, a joint stock limited company with a relatively small scale or relatively small number of shareholders may dispense with the board of directors and shall have one director to exercise the functions and powers of the board of directors as prescribed by the PRC Company Law. If the board of directors of a company has more than three members, it may include an employees' representative of the company. The employees' representatives in the board of directors shall be democratically elected by the employees through the employees' representative meeting, employees' meeting or by other means.

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The term of office of the directors shall be provided for by the articles of association, but each term of office shall not exceed three years. A director may seek re-election upon expiry of the said term. A director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if his/her resignation during the term of office results in the number of directors being less than the quorum. Where a director resigns, he/she shall notify the company in written form, and the resignation shall become effective on the date on which the company receives the notice.

However, under any of the circumstances as mentioned in the preceding paragraph, the director shall continue to perform his/her duties.

Under the PRC Company Law, the board of directors may exercise the following functions and powers:

- (I) to convene shareholders' meeting and report on its work to the shareholders' meeting;
- (II) to implement the resolutions passed by the shareholders at the shareholders' meeting;
- (III) to decide on the company's operational plans and investment proposals;
- (IV) to formulate the company's profit distribution plan and loss recovery plan;
- (V) to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- (VI) to formulate proposals for the merger, division, dissolution of the company or change of its corporate form;
- (VII) to decide on the set-up of the company's internal management organs;
- (VIII) to decide on the appointment or dismissal of the manager of the company and the remuneration thereof, and based on the nominations of the manager, to decide on the appointment or dismissal of the company's deputy general manager and chief financial officer as well as their remuneration;
- (IX) to formulate the company's basic management system; and
- (X) other functions and powers as stipulated in the articles of association or authorized by the shareholders' meeting.

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Any restrictions on the functions and powers of the board of directors set out in the articles of association may not be asserted against any bona fide third party.

Under the PRC Company Law, a company may, under the articles of association, set up an audit committee composed of directors under the board of directors, which shall exercise the functions and powers of the board of supervisors. It may not have a board of supervisors or supervisors. The audit committee shall be composed of more than 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments. Among the members of the board of directors of the company, an employees' representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided under the PRC Company Law. A company may set up other committees under the board of directors in accordance with the articles of association.

Meetings of the board of directors shall be convened at least twice a year. Notice of meeting shall be given to all directors and audit committee members 10 days before the meeting. Extraordinary board meeting may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, or more than one-third of the directors or the audit committee. The chairman shall convene the meeting within 10 days after receiving such proposal, and preside over the board meeting. The board of directors may otherwise determine the method of giving notice and notice period for convening an interim meeting of the board of directors.

Meetings of the board of directors shall be held when more than half of the directors are present. A resolution made by the board of directors shall be adopted by more than half of all the directors. For voting on a resolution of the board of directors, each director shall have one vote. The board of directors shall prepare minutes regarding the decisions on the matters discussed at the meetings, which shall be signed by the directors present.

The directors shall attend the meeting of the board of directors in person. Where any director is unable to attend the meeting for any reason, he/she may, by issuing a written power of attorney, entrust another director to attend the meeting on his/her behalf. The power of attorney shall indicate the scope of authorization. The directors shall be responsible for the resolutions made by the board of directors. Where a resolution of the board of directors is in violation of any law, administrative regulation, the articles of association or resolution of the shareholders' meeting and causes any serious loss to the company, the directors who participate in adopting such resolution shall be liable for compensation to the company. If a director is proved to have expressed his/her objection to the voting on such resolution and such objection has been recorded in the minutes, he/she may be exempted from liability.

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Under the PRC Company Law, the following persons may not serve as a director of the company:

- (I) devoid of or with restricted civil conduct ability;
- (II) within five years after serving sentence for embezzlement, bribery, infringement or misappropriation of property, or for jeopardizing socialist market economic order, or within five years after serving sentence and being deprived of political rights for crime; within two years after being pronounced for suspension of sentence since the expiration of the suspension of sentence;
- (III) within three years after insolvency and liquidation of such company or enterprise where the person acted as a director, factory manager or business manager and has been held accountable for the insolvency;
- (IV) within three years after the business license of such company or enterprise the person acted as the legal representative is revoked and ordered to shut down for violating the law on which the person is held accountable; and
- (V) being listed as a dishonest person subject to enforcement by a people’s court due to large amount of unsettled due debts.

Where a company elects or appoints a director to which any of the above circumstances applies, such election, appointment or designation shall be invalid. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

In addition, the Guidelines for the 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; or (2) a person who has been publicly determined by stock exchange to be unsuitable to serve as a director of a listed company where the relevant period remains unexpired; or (3) a person who is banned from doing so in accordance with other laws, administrative regulations or departmental rules.

Under the PRC 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. Where the chairman is unable to or fails to perform his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is unable to or fails to perform his/her duties, a director jointly elected by more than half of all the directors shall perform his/her duties.

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The Audit Committee

Under the PRC Company Law, where a joint stock limited company has not established the board of supervisor, the audit committee shall be composed of more than 3 members, and more than half of the members shall not assume any position other than the director in the company, and shall not have any relationship with the company that may affect their independent and objective judgments.

Among the members of the board of directors of the company, an employees’ representative may become a member of the audit committee. A resolution made by the audit committee shall be adopted by more than half of the members thereof. For voting on a resolution of the audit committee, each member shall have one vote. The discussion methods and voting procedures of the audit committee shall be prescribed in the articles of association, unless it is otherwise provided for by the PRC Company Law.

Manager and Senior Management

Pursuant to the relevant provisions of the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and exercise his/her functions and powers according to the articles of association or the authorization of the board of directors. The manager shall attend the meeting of the board of directors as a non-voting member.

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

Duties of Directors, Managers and Other Senior Management

Directors and senior management shall comply with laws, administrative regulations and the articles of association.

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

The provisions of the preceding two paragraphs shall apply to the controlling shareholder or actual controller of a company who does not serve as a director but practically executes the affairs of the company.

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In the meantime, directors and senior management are prohibited from:

- (I) embezzling the property or misappropriating the funds of the company;
- (II) depositing company funds into accounts under their own names or the names of other individuals;
- (III) giving bribes or accepting any other illegal proceeds by taking advantage of his/her power;
- (IV) accepting commissions from transactions between others and the company for their own benefits;
- (V) unauthorized divulgence of confidential information of the company; and
- (VI) other acts in violation of their duty of loyalty to the company.

A director or senior management who contravenes laws, administrative regulations or articles of association in the performance of his/her duties resulting in any loss to the company shall be liable to the company for compensation.

A director or senior management is required to attend a shareholders' meeting, and shall answer inquiries from shareholders. The audit committee may demand the directors or senior management to submit reports on the performance of their duties. The directors and senior management shall truthfully provide relevant information and materials to the audit committee, none of them may impede the exercise of powers by the audit committee or audit committee members.

Where the directors and senior management violate laws, administrative regulations or the articles of association in performance of duties to the company, thereby causing damages to the company, shareholder(s) individually or jointly holding more than 1% of the shares in the company for more than 180 consecutive days may request in writing the audit committee to file a lawsuit at a people's court.

Upon receipt of the written request of the shareholder(s) stipulated in the preceding paragraph, if the audit committee or the board of directors refuses to file a lawsuit or does not file a lawsuit within 30 days from receipt of such request, or in the event of emergency where the interests of the company will suffer irreparable damages if lawsuit is not filed immediately, the shareholder(s) stipulated in the preceding paragraph shall have the right to file a lawsuit directly with a people's court in his/her own name for the interests of the company. For other parties who infringe the lawful interests of the company resulting in loss to the company, the aforementioned shareholder(s) may institute litigation at a people's court in accordance with the provisions of the preceding paragraph. Where any director or senior management violates the provisions of laws, administrative regulations or the articles of association, damaging interests of shareholders, the shareholders may file a lawsuit with a people's court.

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If a director or senior management of a wholly-owned subsidiary of the company violates any law, administrative regulation or the articles of association in performance of duties to the company, thereby causing damages to the company, or if the legitimate rights and interests of a wholly-owned subsidiary of the company are impaired by any other person, thus causing any losses, the shareholder(s) of a limited liability company or shareholder(s) of a joint stock limited company individually and jointly holding more than 1% of the total shares of the company for over 180 consecutive days may request the audit committee or the board of directors of the wholly-owned subsidiary in written form to initiate a lawsuit at a people's court, or directly files a lawsuit with a people's court in his/her own name.

Finance, Accounting and Profit Distribution

According to the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments of the State Council. A company shall prepare its financial and accounting reports at the end of each accounting year, and such reports shall be audited by an accounting firm according to law. The financial and accounting reports shall be prepared in accordance with the laws, administrative regulations and the regulations of the financial departments of the State Council. The company'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 announce its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its after-tax profits for the company's statutory reserve fund. However, when the accumulative amount of the statutory reserve fund has reached more than 50% of the PRC company's registered capital, it may no longer be allocated. When the company's statutory reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up the losses before any allocation is set aside for the statutory reserve fund in accordance with the provisions of the preceding paragraph. After the company has made allocations to the statutory reserve fund from its after-tax profits, it may, upon passing a resolution at a shareholders' meeting, make further allocations from its after-tax profits to the discretionary reserve fund. After the company has made up its losses and made allocations to its reserve fund, the remaining after-tax profits shall be distributed to shareholders in proportion to the capital contribution made by the shareholders, unless it is otherwise provided for in the articles of association. Profits shall not be distributed for a company's shares held by the company itself.

Where a company distributes profits to shareholders in violation of the relevant provisions of the PRC Company Law, the shareholders shall refund the profits so distributed back to the company, and the shareholders and the liable directors and senior management shall be held liable for compensation if any loss is caused to the company.

If the shareholders' meeting resolves to distribute profits, the board of directors shall do so within six months after the shareholders' resolution is made.

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The premiums received by a company from the issuance of shares at an issue price in excess of the par value of the shares, the amount of share proceeds from the issuance of no-par shares that has not been credited to the registered capital, and other items required by the financial department of the State Council to be included in the capital reserve shall be classified as the capital reserve of the company.

The reserve fund of a company shall be used for making up losses, expanding the production and business scale, or increasing the registered capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve fund and statutory reserve fund shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve fund is converted to increase registered capital, the amount of such reserve fund retained shall not be less than 25% of the registered capital of the company prior to the conversion.

The company shall have no accounting books other than the statutory books. The company's funds shall not be deposited in any account opened under the name of an individual.

After a company reduces its registered capital in accordance with the provisions of the PRC Company Law, it shall not distribute profits until the accumulated amount of the statutory reserve fund and discretionary reserve fund reaches 50% of the company's registered capital.

Appointment and Dismissal of Auditors

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm responsible for the auditing of the company shall be determined by shareholders at a shareholders' meeting, the board of directors or the audit committee in accordance with the articles of association. The accounting firm should be allowed to make representations when the shareholders' meeting, the board of directors or the audit committee conducts a vote on the dismissal of the accounting firm. The company shall provide true and complete accounting evidence, accounting books, financial and accounting reports, and other accounting information to the accounting firm engaged by the company, without any refusal or withholding or misrepresentation of information.

Amendments to Articles of Association

Pursuant to PRC Company Law, the resolution of a shareholders' meeting regarding any amendment to a company's articles of association requires affirmative votes by more than two-thirds of the votes held by shareholders attending the meeting. According to the Guidelines for the Articles of Association of Listed Companies, if the amendments to the articles of association approved by the resolution of the shareholder's meeting are subject to approval by the competent authority, they must be reported to the competent authority for approval; if they involve company registration matters, the modification registrations 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.

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Dissolution and Liquidation

Pursuant to PRC Company Law, a company shall be dissolved for any of the following reasons:

- (I) upon expiry of term of business stipulated in the articles of association or occurrence of other circumstances of dissolution stipulated in the articles of association;
- (II) the shareholders' meeting has resolved to dissolve the company;
- (III) the company is dissolved by reason of its merger or division;
- (IV) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or
- (V) where the company encounters serious difficulties in its operations or management that would lead to significant damages to the interests of the shareholders if the company continues its existence, and the situation cannot be resolved by other means, the company is dissolved by a people's court in response to the request of shareholders representing more than 10% of the voting rights of all shareholders of the company.

If any of the situations as mentioned in the preceding paragraph arises, a company shall publicize the situations through the National Enterprise Credit Information Publicity System within ten days.

Where a company falls under the circumstance as mentioned in items (I) or (II) of the paragraph above and it has not distributed the properties to its shareholders yet, it may survive by modifying its articles of association or upon a resolution of the shareholders' meeting.

To modify its articles of association or make a resolution of the shareholders' meeting according to the provisions of the preceding paragraph, the consent of more than two-thirds of the voting rights of the shareholders who attend the shareholders' meeting is required.

Where the company is dissolved under the circumstances set forth in items (I), (II), (IV) or (V) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation team to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation team shall be composed of the directors, unless it is otherwise provided for in the company's articles of association or otherwise elected by the shareholders' 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.

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The liquidation team may exercise following powers during the liquidation:

- (I) to verify the company's properties and to prepare a balance sheet and an inventory of properties;
- (II) to inform creditors by notice or announcement;
- (III) to deal with and settle any outstanding business of the company;
- (IV) to pay all outstanding taxes and the taxes arising during the liquidation process;
- (V) to settle claims and debts;
- (VI) to distribute the company's remaining properties after its debts have been paid off;
and
- (VII) to represent the company in civil lawsuits.

The liquidation team shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days.

A creditor shall lodge his/her claim with the liquidation team within 30 days of receipt of the notification or within 45 days of the date of the announcement if he/she has not received any notification.

The creditors shall explain matters relating to their claims and provide evidential documents when declaring their claims. The liquidation team shall register the creditor's claims. During the claims declaration period, the liquidation team shall not make repayment to the creditors.

Upon disposal of the company's properties and preparation of the required balance sheet and inventory of properties, the liquidation team shall draw up a liquidation plan and submit to a shareholders' meeting or a people's court for endorsement. The remaining part of the company's properties, after payment of liquidation expenses, employee wages, social insurance fees and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. The company shall continue its existence during the liquidation period, although it cannot conduct operating activities unrelated to the liquidation. The company's properties shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

Where the liquidation team finds that the properties of the company are not sufficient for paying off the debts after liquidating the properties of the company and preparing a balance sheet and an inventory of properties, it shall file an application to a people's court for bankruptcy liquidation. After the people's court accepts the application for bankruptcy, the liquidation team shall hand over the liquidation matters to the bankruptcy administrator designated by the people's court.

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The members of the liquidation team performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation team who neglects to fulfill his/her liquidation duties, thus causing any loss to the company shall be liable for compensation, and any member of the liquidation team who causes any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

Upon completion of the liquidation of the company, the liquidation team shall produce a liquidation report and submit to the shareholders’ meeting or the people’s court for confirmation, and submit the same to the company registration authority to apply for deregistration of the company.

Where, during the period of survival, a company has not incurred any debts or has paid off all the debts, the company may, upon a commitment of all the shareholders, be deregistered under the summary procedures according to the relevant provisions. The deregistration of a company under the summary procedures shall be announced through the National Enterprise Credit Information Publicity System for a period of no less than 20 days. If there is no objection after the expiry of the announcement period, the company may apply for deregistration of the company with the company registration authority within 20 days.

For a company deregistered under the summary procedures, its shareholders shall be jointly and severally liable for the debts incurred before the deregistration if they have made an untrue commitment.

Where, after three years since the business license of a company is revoked, or the company is ordered to close down or is revoked, 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. Such deregistration of a company will not affect the liability of the original shareholders or liquidation obligors.

Overseas Listing

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

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The Overseas Listing Trial Measures 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 prohibition in the laws, administrative regulations, and relevant national provisions;
- (II) the overseas offering and listing may constitute endangerment to national security as reviewed and determined by competent authorities under the State Council in accordance with law;
- (III) the domestic company and its controlling shareholder(s), actual controllers, have a criminal record in recent three years for corruption, bribery, encroachment of assets, misappropriation of assets, or disruption of socialist market economy order;
- (IV) the domestic company is under investigation according to law for suspected crimes or major violations of laws and regulations, but no clear conclusions have been reached;
- (V) there are material ownership disputes over the equities held by the controlling shareholders or the shareholders whose actions are controlled by the controlling shareholders or actual controllers.

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

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

- (I) change of control;
- (II) being subject to investigation, punishment, or other measures by overseas securities regulatory authorities or the relevant competent authorities;
- (III) change of the listing status or transfer of listing board;
- (IV) voluntary or compulsory termination of listing.

Pursuant to the Provisions on 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

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enterprise that directly or through its overseas listed entity provides or publicly discloses to relevant entities including securities companies, securities service providers and overseas regulators or individuals, any document and materials that contain state secrets or working secrets of government authorities, shall first obtain approval from competent authorities according to law, and file with the secrecy administrative department at the same level. A domestic enterprise that provides accounting archives or copies of accounting archives to relevant entities including securities companies, securities service providers and overseas regulators and individuals shall fulfill due procedures in compliance with applicable national regulations.

Loss of Share Certificates

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people's court if his/her share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people's court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Merger and Division

Pursuant to the PRC Company Law, a merger agreement shall be signed by merging companies and the involved companies shall prepare respective balance sheets and inventory of properties. 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 properties 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 and severally 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.

The Securities Laws, Regulations and Regulatory Regimes of the PRC

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 the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the

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development of securities markets, directing, coordinating, and supervising all securities related institutions in the PRC, and administering the 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 PRC companies in the PRC or overseas, regulating the trading of securities, collecting securities-related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two authorities and reformed 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 for public offerings of shares, issuance and trading of 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.

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “PRC Securities Law”) took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014, and December 28, 2019, respectively. The latest revised PRC Securities Law took effect on March 1, 2020. The PRC Securities Law is the first national securities law in the PRC, comprehensively regulating activities in the PRC securities market. The PRC Securities Law is divided into 14 chapters and 226 articles, including the issuance and trading of securities, the acquisition of 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 securities overseas directly or indirectly or listing and trading their securities overseas shall comply with the relevant provisions of the State Council. Currently, the issuance and trading of foreign-issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and the CSRC.

Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”) was enacted by the SCNPC on August 31, 1994, which became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017. The revised China Arbitration Law in 2025 will come into effect on March 1, 2026. The PRC Arbitration Law is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration rules

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in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the parties have agreed to settle disputes by means of arbitration, a people's court will refuse to handle a legal proceeding initiated by one of the parties at such people's court unless the arbitration agreement is invalid.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If any party fails to comply with the arbitral award, the other party to the award may apply to a people's court for its enforcement. A people's court may refuse to enforce an arbitral award made by an arbitration committee if there is any procedural irregularity (including irregularity in the composition of the arbitration committee, the making of an award on matters beyond the scope of the arbitration agreement, or the jurisdiction of the arbitration committee).

Any party seeking to enforce an award of a foreign affairs arbitral body of the PRC against a party who 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 (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 where the enforcement of the arbitral award is against the public policy of that state. At the time of the PRC's accession to the Convention, the SCNPC declared that (I) the PRC would only apply the New York Convention to the recognition and enforcement of arbitral awards made in the territories of other parties based on the principle of reciprocity; and (II) the New York Convention will only be applied to disputes deemed under PRC laws to be arising from contractual or non-contractual mercantile legal relations.

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 the PRC 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 went into effect on November 27, 2020. The arrangements reflect the spirit of the New York Convention. Pursuant to the arrangements, awards made by arbitral authorities of mainland China acknowledged by Hong Kong arbitration rules can be enforced in Hong Kong,

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and Hong Kong arbitration awards are also enforceable in mainland China. Where a court of the mainland China finds that enforcement in the mainland China of the ruling made by the Hong Kong arbitral authority will violate public interests of the mainland China, execution of the ruling may not be enforced.

SUMMARY OF MATERIAL DIFFERENCES BETWEEN HONG KONG AND THE PRC COMPANY LAW

As a joint stock limited company established in the PRC that is seeking an [REDACTED] of shares on the Stock Exchange, we are governed by the PRC Company Law and all other rules and regulations promulgated pursuant to the PRC Company Law.

Set out below is a summary of certain material differences between Hong Kong company law applicable to a company incorporated in Hong Kong and the PRC Company Law applicable to a joint stock limited company incorporated and existing in accordance with the PRC Company Law. This summary is, however, not intended to be an exhaustive comparison.

Corporate Existence

According to the PRC Company Law, a joint stock limited company may be incorporated by promotion or stock floatation.

Share Capital

Under the PRC Securities Law, an application for listing shall comply with the listing rules of the stock exchange.

According to the PRC Company Law, a shareholder may make capital contributions in currency, or in kind, intellectual property, land use right, stock rights, creditor’s rights or other non-monetary property that may be assessed in currency and transferred according to law, except the property that may not be used as capital contributions according to any law or administrative regulation. The non-monetary property as capital contributions shall be assessed and verified, which may not be overvalued or undervalued. If there are provisions on the assessment of value in any law or administrative regulation, such provisions shall prevail.

Restrictions on Shareholding and Transfer of Shares

Under the PRC law, the unlisted shares, which are denominated and subscribed for in Renminbi, can only be subscribed for and traded by PRC investors, qualified overseas institutional investors or qualified overseas strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency, may only be subscribed for and traded by investors from countries and regions outside the PRC or other qualified PRC

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institutional investors. If the H Shares are eligible securities under the Southbound Trading Link, they are also available for subscription and trading by domestic investors in the PRC pursuant to the rules and restrictions of Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

According to the PRC Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the transfer of shares held by the shareholders or actual controllers of a listed company, such provisions shall prevail. The directors and senior management of the company shall 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 shall not exceed 25% of the total shares they hold of the company. The shares of the company held by them shall not be transferred within 1 year as of the day when the stocks of the company are listed and traded on the stock exchange. Any of the aforesaid persons shall not transfer the shares of the company held within six months after he/she leaves office. Any other restrictions on the transfer of company shares held by directors or senior executives may be specified in the articles of association.

Notice of Shareholders’ Meeting

According to the PRC Company Law, notice of annual shareholders’ meeting must be given not less than 20 days before the meeting, while notice of an interim shareholders’ meeting must be given not less than 15 days before the meeting.

Quorum for Shareholders’ Meeting

The PRC Company Law does not specify any quorum requirement for a shareholder s’ meeting.

Voting at Shareholders’ Meeting

According to the PRC Company Law, a resolution made by the shareholders’ meeting shall be adopted by the shareholders representing more than half of the voting rights.

A resolution made by the shareholders’ meeting on modifying the articles of association, increasing or decreasing the registered capital, as well as merger, division, dissolution or change of corporate form of the company shall be adopted by the shareholders representing more than two-thirds of the voting rights.

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Variation of Class Rights

According to the PRC Company Law, where any of the matters occurs to a company that issues class shares and may affect the rights of the class shareholders, it shall not only be decided by the shareholders' meeting, but also be adopted by shareholders representing two-thirds or more of the voting rights who are present at the class shareholders' meeting.

Directors

According to the PRC Company Law, where any director directly or indirectly concludes a contract or conducts a transaction with his/her company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or shareholders' meeting, which shall be subject to the resolution of the board of directors or shareholders' meeting according to the articles of association. Where any of the near relatives of the directors, or any of the enterprises directly or indirectly controlled by the directors, or any of their near relatives, or any of the related parties who has any other related-party relationship with the directors, concludes a contract or conducts a transaction with the company, the aforesaid provisions shall apply. Where a director is removed prior to the expiration of term of office without any justifiable reason, the director may require the company to make compensation.

The PRC Company Law, unlike the Companies Ordinance, does not contain any requirements relating to the declaration of directors' interests in material contracts, restrictions on directors' authority in making major dispositions, restrictions on companies providing certain benefits to directors and guarantees in respect of directors' liability and prohibitions against compensation for loss of office without shareholders' approval.

Derivative Action by Minority Shareholders

According to the PRC Company Law, where any director other than members of the audit committee or senior management violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, shareholder(s) individually or jointly holding over 1% of the shares in the company for more than 180 consecutive days may request in writing the audit committee to initiate proceedings in the people's court. If the audit committee members violate the relevant provisions of the Company Law, the above shareholders may request in writing the board of directors to initiate litigation at the people's court. Upon receipt of such written request from the shareholders, if the audit committee or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days upon receipt of the request, or if under urgent situations, failure of initiating immediate proceeding may cause irremediable damages to the company, the above said shareholders shall, for the benefit of the company's interests, have the right to initiate proceedings directly to the people's court in their own name.

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Protection of Minorities

The PRC Company Law provides that where a company meets any serious difficulty in its operation or management, and the interests of its shareholders will be subject to heavy loss if the company survives, which cannot be solved by any other means, the shareholders who hold more than 10% of the voting rights of the company may request the people’s court to dissolve the company.

The Guidelines for the Articles of Association of Listed Companies also provide other remedies against the directors and senior management who breach their duties to the company. In addition, as a condition to the listing of shares on the Stock Exchange, each director of a joint stock limited company is required to give an undertaking in favor of the company acting as agent for the shareholders. This allows minority shareholders to take action against directors of the company in default.

Financial Disclosure

According to the PRC Company Law, a joint stock limited company is required to make available at the company for inspection by shareholders its financial and accounting reports 20 days before its annual shareholders’ meeting. In addition, a joint stock limited company which has publicly offering shares should publish its financial and accounting reports.

According to the PRC Company Law, a company shall at the end of each accounting year prepare its financial and accounting reports which shall be audited by an accounting firm in accordance with the laws.

Information on Directors and Shareholders

The PRC Company Law gives shareholders the right to inspect and copy the articles of association, minutes of the shareholders’ meeting, resolutions of meetings of the board of directors and financial and accounting reports.

Corporate Reorganization

According to the PRC Company Law, the merger, demerger, dissolution or change to the forms of a joint stock limited company has to be approved by shareholders at shareholder s’ meeting.

Statutory Deductions

According to the PRC Company Law, a company shall draw 10% of the profits as its statutory reserve fund before it distributes any profits after taxation for the year. When the accumulative amount of the company’s statutory reserve fund reaches more than 50% of the company’s registered capital, the company may no longer make allocations to the statutory reserve fund. After a company has made an allocation to its statutory reserve fund from its after-tax profit, it may make an allocation to its discretionary reserve fund from its after-tax profit upon a resolution approved at the shareholders’ meeting.

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Remedies of Company

According to the PRC Company Law, if a director or senior management in carrying out his/her duties infringes any law, administrative regulation or the articles of association of a company, which results in damage to the company, that director or senior management should be responsible to the company for such damages.

Dividend

Under the PRC Company Law, the residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company in proportion to the shares held by its shareholders, except as otherwise provided for in the articles of association.

Fiduciary Duties

Under the PRC Company Law, directors, managers and other senior management personnel of a company have the duty of loyalty and diligence to the company. Such persons shall abide by the articles of association of the company, perform their duties honestly and diligently, safeguard the interests of the company, and shall not use their position and authority in the company for their personal gain.

Closure of Register of Members

According to the PRC Company Law, the register of shareholders shall not be modified within 20 days before any shareholders' meeting is held, or within 5 days prior to the base date decided by the company for the distribution of dividends. Where it is otherwise provided for in any law, administrative regulation or by the securities regulatory authority of the State Council for the modification of the register of shareholders of a listed company, such provisions shall prevail.