

Proya Cosmetics Co., Ltd.

Investor Relations Management System

Chapter I General Provisions

Article 1 To promote and improve the governance structure of Proya Cosmetics Co., Ltd. (hereinafter referred to as the "Company"), and to regulate the investor relations management of the Company, this system is hereby formulated in accordance with the *Company Law of the People's Republic of China*, the *Securities Law of the People's Republic of China*, the *Work Guidelines for the Investor Relations Management of Listed Companies*, the *Rules Governing the Listing of Stocks on Shanghai Stock Exchange*, the *Shanghai Stock Exchange Guidelines No. 1 for Self-Regulatory Supervision of Listed Companies – Standardized Operation* and other relevant laws and regulations, regulatory documents and the *Articles of Association of Proya Cosmetics Co., Ltd.* (hereinafter referred to as the *Articles of Association of the Company*), and taking into account the reality of the Company.

Article 2 Investor relations management refers to the relevant activities of the Company to enhance communication with investors and potential investors and improve investors' understanding and recognition of the Company through facilitating the exercise of shareholders' rights, information disclosure, interactive communication, and the handling of claims, with a view to improving the level of corporate governance and overall corporate value and fulfilling the purpose of respecting, rewarding, and protecting investors.

Chapter II Purpose and Basic Principles of Investor Relations Management

Article 3 The purpose of investor relations management is to:

- (I) promote a healthy relationship between the Company and investors and foster further understanding and familiarity of investors with the Company;
- (II) establish a stable and high-quality investor base and secure long-term market support;
- (III) develop a corporate culture that serves investors and respects them;
- (IV) promote an investment philosophy that seeks to maximize the overall interests of the Company and the growth of shareholder wealth simultaneously; and
- (V) boost the transparency of corporate information disclosure and improve corporate governance.

Article 4 Basic principles of investor relations management:

- (I) Principle of compliance. The Company's investor relations management shall be carried out on the basis of fulfilling the obligations of information disclosure in accordance with the law, and in compliance with laws, regulations, rules and regulatory documents, industry norms and self-regulatory rules, internal rules and regulations of the Company, as well as the code of ethics and code of conduct generally observed in the industry.
- (II) Principle of equality. The Company shall treat all investors equally in carrying out investor relations management activities. In particular, it shall create opportunities for and facilitate the participation of small and medium-sized investors.

- (III) Principle of proactiveness. The Company shall take the initiative to carry out investor relations management activities, listen to investors' opinions and suggestions, and respond to investors' requests in a timely manner.
- (IV) Principle of honesty and trustworthiness. The Company shall value integrity, adhere to the bottom line, standardize its operations, and assume responsibility in investor relations management activities to create a healthy and sound marketplace.

Chapter III Content and Methods of Investor Relations Management

Article 5 The content of communication between the Company and investors in investor relations management mainly covers:

- (I) the development strategy of the Company;
- (II) the content of statutory information disclosure;
- (III) information on the Company's operation and management;
- (IV) information on the Company's environment, society and governance;
- (V) cultural development of the Company;
- (VI) ways, means, and procedures for the exercise of shareholders' rights;
- (VII) information on the handling of investors' claims;
- (VIII) risks and challenges that the Company is facing or may face; and
- (IX) other information related to the Company that is of interest to investors.

Article 6 The Company shall carry out investor relations management through multiple channels and platforms and in multiple ways. The Company communicates with investors through the Company's official website, new media platforms, telephone, fax, e-mail, investor education base and other channels, utilizing network infrastructure platforms of stock exchanges, securities registration and settlement institutions, etc., and by means of shareholder meetings, investor briefing sessions, road shows, analyst meetings, reception, seminars and exchanges. The ways of communication and exchange shall be convenient for investors, and the Company shall promptly identify and remove the obstructive conditions hindering communication and exchange.

Article 7 The Company shall carry out investor relations management activities with publicly disclosed information as the content of communication.

Where the investor relations activities involve or may involve sensitive matters such as share price, material information not publicly disclosed, or questions from which material information not publicly disclosed can be inferred, the Company shall request the investors to stay tuned to the Company's announcement and provide necessary explanations on the information disclosure rules.

The Company shall not replace information disclosure with communication in investor relations management activities. Where the Company inadvertently discloses material information not publicly disclosed during investor relations management activities, it shall immediately issue an announcement in accordance with laws and regulations and take other necessary measures. Information that shall be disclosed according to laws, regulations, as well as regulations of securities regulators and stock exchanges shall be published in the designated newspapers and websites for information disclosure of the Company in the first instance.

Article 8 The Company establishes a special hotline, fax, and e-mail for investor consultation. The consultation hotline is manned by a dedicated person familiar with the situation to ensure that the lines are open during working hours and received in a conscientious and friendly manner, and

feedback is provided to investors in a timely manner through effective forms. Any change in the consultation hotline and address shall be announced in a timely manner.

Article 9 The Company shall step up efforts in the construction, operation, and maintenance of network communication channels for investors, open an investor relations column on the Company's official website, collect and respond to investor inquiries, complaints, suggestions, and other requests, and release and update information related to investor relations management in a timely manner.

Article 10 The Company shall give due consideration to the time, place, and manner of holding shareholders' meetings, facilitate the participation of shareholders, especially small and medium-sized shareholders, in the shareholders' meetings, and provide necessary time for investors to speak, ask questions, and communicate with directors, supervisors, and senior management of the Company. A shareholders' meeting shall provide the means of online voting.

The Company may, after making an announcement in accordance with the information disclosure rules and before the shareholders' meeting, fully communicate with investors and extensively solicit their opinions.

Article 11 The Company shall actively support and cooperate with the exercise of shareholders' rights by investors in accordance with the law, as well as the activities of investor protection agencies holding shares and exercising their rights, public solicitation of shareholders' rights, dispute mediation, representative litigation, and other activities to safeguard the legitimate rights and interests of investors.

In the event of a dispute between an investor and the Company, both parties may apply to a mediation organization for mediation. In case an investor makes a request for mediation, the Company shall actively cooperate.

Article 12 The Company shall bear the primary responsibility for handling the requests made by investors to the Company, and shall handle the requests in accordance with the law and reply to the investors in a timely manner.

Article 13 The Company shall clearly distinguish between promotional advertising and media coverage, and shall not interfere with the objective and independent media coverage with promotional advertising materials as well as paid means.

Article 14 The Company shall pay timely attention to media coverage and respond appropriately when necessary. In addition to fulfilling the obligations of information disclosure in accordance with the law, the Company shall actively hold investor briefing sessions in accordance with the regulations of the China Securities Regulatory Commission (CSRC) and the Shanghai Stock Exchange (SSE) to present the situation to investors, answer their questions and listen to their suggestions. Investor briefing sessions include performance briefing sessions, cash dividend briefing sessions, and briefing sessions on material matters.

To hold an investor briefing session, the Company shall make an announcement in advance and disclose related information in a timely manner afterwards. The investor briefing session shall be conducted in a manner that facilitates investor participation.

Article 15 Participants in the investor briefing sessions shall include the chairman (or general manager), the chief financial officer, at least one independent director, and the secretary to the Board of Directors. The secretary to the Board of Directors shall be the person in charge of the investor briefing sessions and shall be specifically responsible for the formulation and implementation of work plans for the investor briefing sessions.

Article 16 In case of the following circumstances, the Company shall hold an investor briefing session in accordance with the regulations of the CSRC and the SSE:

- (I) The Company's level of cash dividends for the year fails to meet the relevant regulations and the reasons thereof need to be explained;
- (II) The Company terminates the reorganization after disclosing the reorganization proposal or the reorganization report;
- (III) The Company's securities trading shows abnormal fluctuations as stipulated in the relevant rules, and the Company finds that there is an undisclosed material matter after verification;
- (IV) The Company's relevant material matters receive market attention or doubt; and
- (V) Other circumstances that require the holding of an investor briefing session.

Article 17 After the disclosure of the annual report, the Company shall, in accordance with the provisions of the CSRC and the SSE, promptly convene a performance briefing to explain the industry conditions, development strategies, production and operation, financial conditions, dividends, risks, difficulties, and other matters that investors are concerned about. The Company shall solicit questions from investors in advance to hold a performance briefing, while paying attention to interactive communication with investors. The performance briefing can be in the forms of video, voice, etc. The Company shall, when accepting the research by institutions and individuals engaged in securities analysis, consulting, and other securities services, as well as by institutions and individuals engaged in securities investment, properly carry out reception work and perform information disclosure obligations in accordance with the regulations.

Article 18 The Company, research institutions, and individuals shall not engage in market manipulation, insider trading, or other illegal and unlawful acts taking advantage of research activities.

Article 19 The controlling shareholder, the actual controller, directors, supervisors, senior management, and other employees of the Company shall inform the secretary to the Board of Directors before accepting the research, and in principle, the secretary to the Board of Directors shall fully involve in the research.

Article 20 The Company shall pay full attention to the relevant information on the investor relations interactive platform of the SSE (hereinafter referred to as the "SSE E-interactive"), assign and authorize dedicated personnel to promptly check the inquiries, complaints, and suggestions of investors and reply to them.

Article 21 The Company shall be cautious, objective, and fact-based, when releasing information on the SSE E-interactive platform, and shall ensure that the information released is true, accurate, complete and fair. It shall not use exaggerated, promotional or misleading language, nor shall it mislead investors. In addition, the Company shall fully indicate the possible material uncertainties and risks of relevant matters.

Information disclosure of the Company shall be based on the content disclosed by the designated media, and no undisclosed material information shall be disclosed through the SSE E-interactive platform. The information released on the SSE E-interactive platform shall not conflict with the information disclosed in accordance with the law. Where disclosed matters are involved, the Company may provide full and detailed explanations and answers to investors' questions.

Where undisclosed matters are involved or may be involved, the Company shall request investors to pay attention to the information disclosure announcement of the listed company. The Company shall not replace information disclosure with information interaction or disclose undisclosed material information. Where the Company leaks undisclosed material information through the SSE E-interactive platform in violation of the law, it shall immediately issue an official announcement through the designated information disclosure media.

Article 22 The Company shall be cautious, objective, and fact-based when releasing information on the SSE E-interactive platform and responding to questions involving trending concepts and

sensitive matters in the market, and shall not, taking advantage of the SSE e-interactive platform, cater to market hot topics or improperly associate with them. It shall not intentionally exaggerate the impact of the relevant matters on the production, operation, research and development, sales and development of the Company, or unduly influence the price of the Company's shares and derivatives.

Chapter IV Organization and Implementation of Investor Relations Management

Article 23 The main responsibilities of investor relations management include:

- (I) formulating investor relations management system and establishing a working mechanism;
- (II) organizing investor relations management activities to communicate and liaise with investors;
- (III) dealing with investor inquiries, complaints, suggestions, and other requests in a timely and appropriate manner, and providing regular feedback to the Board of Directors and management of the Company;
- (IV) managing, operating and maintaining the relevant channels and platforms for investor relations management;
- (V) ensuring that investors exercise their shareholder' rights in accordance with the law;
- (VI) cooperating with and support investor protection agencies to carry out work related to the protection of the legitimate rights and interests of investors;
- (VII) conducting statistical analysis on the number, composition and changes of investors of the Company; and
- (VIII) carrying out other activities conducive to improving investor relations.

Article 24 The secretary to the Board of Directors shall be responsible for organizing and coordinating the management of investor relations of the Company. The controlling shareholder, the actual controller and the directors, supervisors, and senior management of the Company shall facilitate the performing of investor relations management duties by the secretary to the Board of Directors.

Article 25 The Office of the Board of Directors shall be a special department of the Company for investor relations management, which is staffed to assist the secretary to the Board of Directors in handling the day-to-day affairs of investor relations management of the Company. The Company and its controlling shareholder, actual controller, directors, supervisors, senior management, and employees shall not, in the course of investor relations management activities, involve in any of the following circumstances:

- (I) disclosing or releasing information on material matters that have not yet been disclosed, or information that conflicts with the information disclosed in accordance with the law;
- (II) disclosing or releasing information that is misleading, false or exaggerated;
- (III) selectively disclosing or releasing information, or having material omissions;
- (IV) making forecasts or promises regarding the price of the Company's securities;
- (V) speaking on behalf of the Company without express authorization;
- (VI) discriminating against, belittling or otherwise treating small and medium-sized shareholders unfairly or causing unfair disclosure;
- (VII) violating public order and morals and harming the public interest; and

(VIII) other violations of information disclosure regulations, or violations affecting the normal trading of the Company's securities and its derivatives.

Article 26 The Company's personnel engaged in investor relations management shall have the following qualities and skills:

- (I) a comprehensive understanding of the Company and the industry in which the company operates;
- (II) a sound professional knowledge structure and be familiar with corporate governance, financial accounting and other relevant laws and regulations, as well as the operation mechanism of the securities market;
- (III) good communication and coordination skills; and
- (IV) good conduct, professionalism, honesty and trustworthiness.

Article 27 The Company shall provide regular training sessions on investor relations management for its controlling shareholder, actual controller, directors, supervisors, senior management, and related employees.

Article 28 The Company shall establish and improve investor relations management archives, recording the participants, time, place, content of exchanges, handling process of material information leakage that has not been publicly disclosed and accountability (if any), and other circumstances.

Investor relations management archives shall be classified in accordance with the methods of investor relations management, and relevant records, on-site recordings, presentations, documents provided in activities (if any), and other documents and materials shall be archived and properly kept, with a retention period not less than 3 years.

Article 29 The Company shall publish the Company's website and consultation telephone number in its periodic reports. When the website or consultation telephone number is changed, the Company shall make a timely announcement.

Chapter V Supplementary Provisions

Article 30 This system shall take effect on the date of deliberation and approval by the Board of Directors of the Company.

Article 31 Matters not covered by this system shall be implemented in accordance with the relevant laws and regulations of the State and the *Articles of Association of the Company*. Where this system conflicts with the laws and regulations promulgated by the State in the future or the *Articles of Association of the Company* as amended by legal procedures, the relevant laws and regulations of the State and the *Articles of Association of the Company* shall prevail, and this system shall be amended in a timely manner.

Article 32 The Board of Directors shall be responsible for the interpretation of this system.

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April 2023