
APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix summarizes certain aspects of the laws and regulations of the PRC which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange” in this document. The principal objective of this summary is to provide [REDACTED] with an overview of the principal laws and regulatory provisions in China applicable to the Company. This summary is not intended to include all the information which may be important to the [REDACTED]. For more discussions on the laws and regulations which are relevant to our business, see “Regulatory Overview” in this document.

PRC LEGAL SYSTEM

The PRC legal system is based on the PRC Constitution (《中華人民共和國憲法》) amended and came into effect on March 11, 2018 (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 the 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.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》) which was last amended on March 13, 2023 and came into effect on March 15, 2023 (the “**Legislation Law**”), the NPC and SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing State organs, civil, criminal and other matters. The SCNPC formulates and amends the laws other than those required to be enacted by the NPC and to supplement and amend parts of the laws enacted by the NPC during the adjournment of the NPC, 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 and their standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such regulations do not contravene any provision of the Constitution, laws or administrative regulations. The people’s congresses of cities divided into districts and their respective standing committees may formulate local regulations on aspects such as urban and rural construction and management, ecological civilization development, historical and cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any 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

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divided into districts, those provisions shall prevail. Such local regulations of cities divided into 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 shall examine the legality of local regulations submitted for approval, and such approval shall be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of the relevant 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, a decision should be made 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 Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations and separate regulations or rules may contravene the Constitution. The authority of laws is greater than that of administrative regulations, local regulations and rules. The authority of administrative regulations is greater than that of local regulations and rules. The authority of the rules enacted by the people's governments of the provinces and autonomous regions is greater than that of the rules enacted by the people's governments of the cities divided into districts within their respective administrative regions.

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

The NPC has the power to amend or repeal any inappropriate laws enacted by the SCNPC, and to repeal any autonomous regulations and separate rules approved by the SCNPC that are in conflict with the Constitution and the Legislation Law. The SCNPC has the power to repeal any administrative regulations that are in conflict with the Constitution and the laws, and to repeal any local regulations that are in conflict with the Constitution, the laws, and the administrative

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regulations, and to repeal autonomous regulations and separate regulations approved by the standing committees of the people's congresses of the relevant provinces, autonomous regions or municipalities directly under the central government as being in conflict with the Constitution and the Legislation Law. The State Council has the right to amend or repeal any inappropriate departmental and local government regulations. The people's congresses of the provinces, autonomous regions and municipalities directly under the central government have the right to amend or repeal any inappropriate local laws or regulations promulgated or approved by their respective standing committees. The standing committees of local people's congresses have the right to repeal any inappropriate rules promulgated by the people's governments at the same level, and the people's governments of provinces and autonomous regions have the right to amend or repeal any inappropriate rules promulgated by the people's governments at lower levels.

Pursuant to the Resolution of the SCNPC 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, in cases where the scope of provisions of laws or decrees needs to be further defined or additional stipulations need to be made, the SCNPC shall provide interpretations or make stipulations by means of 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 of the procuratorate should be interpreted by the Supreme People's Procuratorate, and issues related to the application of laws other than in a court trial or in a prosecution process should be interpreted by the State Council and the competent authorities. At the regional level, the power to interpret regional regulations is vested in the regional legislative and administrative authorities which promulgate such regulations.

PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of People's Courts of the PRC (《中華人民共和國人民法院組織法》) amended by the SCNPC on October 26, 2018 and becoming effective on January 1, 2019, the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up special people's courts based on the status of the region, population and cases. The Supreme People's Court shall be the highest judicial organ of the state. The Supreme People's Court shall supervise the administration of justice by the local people's courts at all levels and by the special people's courts. The people's courts at a higher level shall supervise the judicial work of the people's courts at lower levels.

The people's courts employ a two-tier appellate system, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to

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the people’s courts 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 courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court finds any definite errors in a legally effective judgment or ruling of a people’s court at any lower level, the people’s courts at the next higher level finds any definite errors in a legally effective judgment or ruling of the people’s court at a lower level, or if the chief judge of a people’s court at any level finds any definite errors in a legally effective judgment or ruling of such court, the case can be retried according to judicial supervision procedures.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “**Civil Procedure Law**”) latest amended on September 1, 2023 and took effect on January 1, 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people’s court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the Civil Procedure Law. A civil case is generally under the jurisdiction of the court located in the defendant’s place of domicile. The litigants of a contract dispute or other property rights dispute may agree in writing on selection of the People’s Court at the location of the defendant’s domicile, place of performance of contract, place of execution of contract, location of the plaintiff’s domicile, location of the subject matter, etc. or a venue which has actual connection with the dispute to be the People’s Court which has jurisdiction, but shall not violate the provisions of the Civil Procedure Law on grade jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or organization is given the same litigation rights and obligations as a citizen, a legal person or other organizations of the PRC when initiating actions or defending against litigations at a people’s court. Where a foreign court imposes restrictions on the litigation rights of Chinese citizens, legal persons and other organizations, the people’s courts of the PRC shall apply the principle of reciprocity to the civil litigation rights of citizens, enterprises and organizations of that country. A foreign individual, a person without nationality, a foreign enterprise or organization must engage a PRC lawyer in case he or it needs to engage a lawyer for the purpose of initiating actions or defending against litigations at a people’s court. In accordance with the international treaties to which the 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 the PRC.

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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 the 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 against such party.

Where a party requests for enforcement of a judgment or ruling made by a people’s court against another party, but the opposite party or his property is not within the territory of the PRC, the requested party may apply to the foreign court with jurisdiction over the case 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 the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people’s court of the PRC, a party may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people’s court, unless the people’s court considers that the recognition or enforcement of such judgment or ruling would violate the basic legal principles of the PRC, its sovereignty or national security or would not be in social and public interest.

COMPANY LAW, TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company incorporated in the PRC seeking a list on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC: the Company Law of the PRC (the “**Company Law**”), issued by the SCNPC on December 29, 1993, most recently amended on December 29, 2023 and implemented on July 1, 2024; the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic enterprises (the “**Trial Measures**”), issued by the CSRC on February 17, 2023 and implemented on March 31, 2023, along with its related guidelines, which apply to domestic enterprises in the PRC that directly or indirectly issue securities overseas or list their securities for trading overseas; and the Guidelines for Articles of Association of Listed Companies (the “**Guidelines for Articles of Association**”), issued and implemented by the CSRC on March 28, 2025. According to the Trial Measures and its related guidelines, domestic enterprises in the PRC that directly issue securities and list overseas shall comply with the relevant provisions of the Trial Measures and formulate their articles of association by referencing the Guidelines for Articles of Association and other

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relevant provisions of the CSRC on corporate governance, so as to standardize corporate governance. The main provisions of the Company Law, the Trial Measures and the Guidelines for Articles of Association applicable to the Company are summarized as follows.

General Provisions

“A joint stock limited company” means a corporate legal person incorporated in China under the Company Law, whose registered capital is divided into shares of equal par value. The liability of its shareholders is limited to the extent of the shares they have subscribed for and the liability of a company is limited to the full value of all the property owned by it.

A company must conduct its business in accordance with laws and regulations as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Unless otherwise provided by the law, a company shall not become the capital contributor that bears joint and several liability for the debts of an invested enterprise.

Incorporation

A joint stock limited company may be established by means of promotion or stock floatation. To establish a joint stock limited company, there shall be not less than 1 but not more than 200 promoters, more than half of whom shall have their domiciles within the territory of the 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 stock floatation, the promoters shall subscribe for not less than 35% of the total shares 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.

Promoters of a joint stock limited company established by means of stock floatation shall, within 30 days after full payment has been made for the shares to be issued at the time of establishment, hold an establishment meeting of the company. The promoters shall notify each subscriber of the date of the meeting or make a public announcement 15 days before the meeting is held. The establishment meeting may not be held unless the subscribers who hold more than half of the voting rights attend the meeting. Where a joint stock limited company is established by means of promotion, the convening and voting procedures for the establishment meeting shall be prescribed by the articles of association of the company or the agreement of the promoters.

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The establishment meeting of a company shall exercise the following functions and powers:

- (i) deliberating on the report on the preparations for establishment of the company by promoters;
- (ii) adopting the articles of association;
- (iii) electing directors and supervisors;
- (iv) reviewing the expenses for the establishment of the company;
- (v) reviewing the valuations of the non-monetary property contributed by the promoters; and
- (vi) where any force majeure or any major change of conditions of operation directly affects the establishment of the company, the resolution of not establishing the company may be made. The resolutions made at the establishment meeting about the matters as mentioned in the preceding provision shall be adopted by the subscribers present at the meeting who represent more than half of the voting rights.

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

Registered Shares and Issue of Shares

Under the 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 capital of a joint stock limited shall be divided into shares. All the shares of the company shall alternatively be shares with or without par value in accordance with the articles of association. Where par value shares are adopted, all the shares shall be of equal value. The company may, according to the articles of association, convert all the issued par value shares into no par value shares, or vice versa. Where no par value shares are adopted, more than half of the proceeds from the issuance of the shares shall be included in the registered capital.

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A joint stock limited company shall make a register of shareholders and keep it in the company. The register of shareholders shall contain the following items:

- (i) name and domicile of each shareholder;
- (ii) class and number of shares subscribed for by each shareholder;
- (iii) serial number of shares if the shares are issued in paper form; and
- (iv) date on which each shareholder acquired the shares.

Shares of a joint stock limited company shall be issued under the principle of fairness and impartiality. The shares of the same class shall rank *pari passu*. Shares of the same class in the same issue shall be issued at the same price and on same conditions. The same price shall be paid for each share subscribed for by a 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.

The Trial Measures provides that a company that offers and lists securities on overseas markets may raise funds and pay dividends in a foreign currency or Renminbi. Under certain circumstances, such as equity incentives and the acquisition of assets through the issuance of securities, a domestic enterprise is allowed to issue securities to specific domestic targets when it directly issues and lists overseas.

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

Domestic enterprises offered and listed overseas shall file with the CSRC in accordance with the provisions of the Trial Measures, submit filing reports, legal opinions and other relevant materials, and truthfully, accurately and completely explain shareholder information and other information. Where a domestic enterprise directly offers and is listed overseas, the issuer shall file with the CSRC. If a domestic enterprise indirectly offers and is listed overseas, the issuer shall designate a major domestic operating entity as the domestic responsible person and file with the CSRC.

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Increase in Share Capital

Pursuant to the relevant provisions of the Company Law, where a joint stock limited company intends to issue new stocks, its shareholders' general meeting shall make a resolution about the following matters:

- (i) the class and amount of the new stocks;
- (ii) the issuing price of the new stocks;
- (iii) the beginning and ending dates for the issuance of the new stocks;
- (iv) the class and amount of the new stocks to be issued to the original shareholders; and
- (v) if any no par value stock is issued, the proceeds from the issuance of the new stocks which shall be included into the registered capital.

Where a company intends to make public offering of shares, it shall go through the registration with the securities regulatory authority of the State Council and announce the document.

Reduction of Share Capital

A company may reduce its registered capital in accordance with the following procedures prescribed by the Company Law:

- (i) the company shall prepare a balance sheet and an inventory of property;
- (ii) the reduction of registered capital must be approved by shareholders at the shareholders' general meeting;
- (iii) the company shall notify its creditors within ten days from the date of the resolution of the shareholders' general meeting to reduce the registered capital and make an announcement in the newspaper or the National Enterprise Credit Information Publicity System within thirty days;
- (iv) the creditors have the right to demand the company to settle the debts, or provide corresponding guarantees within thirty days from the date of receipt of the notice, or within forty-five days from the date of the announcement if the notice has not been received; and

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- (v) the company shall apply to the company registration authority for 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 laws, or is otherwise agreed upon by all the shareholders of a limited liability company or is otherwise prescribed by the articles of association of a joint stock limited company.

Share Buy-Back

Under the Company Law, no company may purchase its own shares except under any of the following circumstances:

- (i) where the company's registered capital is reduced;
- (ii) where it merges with another company holding its shares;
- (iii) where its shares are used for employee stock ownership plan or equity incentives;
- (iv) where shareholders, who raise objections to the resolution made by the shareholders' general meeting on the merger or split-up of the company, request the company to purchase their shares;
- (v) where its shares are used for converting the corporate bonds into convertible stocks issued by the company; or
- (vi) when it is necessary for a listed company to maintain its company value and its shareholders' equity.

Where a company purchases its own shares under the circumstance as prescribed in item (i) or (ii) of the preceding paragraph, a resolution of the shareholders' general meeting shall be adopted. Where a company purchases its own shares under the circumstance as prescribed in item (iii), (v) or (vi), a resolution shall be adopted at the meeting of the board of directors with the attendance of more than two thirds of the directors, according to the articles of association or as authorized by the shareholders' general meeting.

After the company purchases its own shares as prescribed in the first paragraph of this Article, the shares purchased shall be canceled within ten days from the purchase date under the circumstance as mentioned in item (i); the shares shall be transferred or canceled within six

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months under the circumstance as mentioned in item (ii) or (iv); and the shares held accumulatively by the company shall not exceed 10% of its total shares issued, and be transferred or canceled within three years under any of the circumstances as mentioned in item (iii), (v) or (vi).

Transfer of Shares

Shares held by a shareholder may be transferred according to laws. Under the Company Law, the share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by other means as prescribed by the State Council. The stocks shall be transferred by a shareholder in the form of endorsement or by other means prescribed by laws or administrative regulations. After the transfer, the company shall record the name and domicile of the transferee in the register of shareholders. The register of shareholders shall not be modified within twenty days before a shareholders' general meeting is held, or within five days prior to the benchmark date decided by the company for the distribution of dividends. Where it is otherwise provided for laws, administrative regulations 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.

Under the Company Law, the shares issued before a company makes a public offering of shares shall not be transferred within one year from the day when the stocks of the company are listed and traded on the stock exchange. Where it is otherwise provided for in laws, administrative regulations 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, supervisors and senior management of the company shall declare to the company the shares held in the company 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 in the company. The shares held in the company shall not be transferred within one year from the day when the stocks of the company are listed and traded. The aforesaid persons shall not transfer the shares they hold in the company within six months after he/she leaves office. Other restrictions on the transfer of shares held in the company by directors, supervisors or senior management of the company may be specified in the articles of association.

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

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Shareholders

Under the Company Law and Guidelines for Articles of Association, the rights of a shareholder include:

- (i) to receive dividends and other forms of benefit distributions in proportion to their shareholdings;
- (ii) to attend or appoint a proxy to attend shareholders' general meetings and to exercise voting rights in accordance with laws;
- (iii) to supervise a company's business operations, and to present proposals or to raise inquiries;
- (iv) to transfer their shares in accordance with the provisions of laws, administrative regulations and the articles of association;
- (v) to inspect the company's articles of association, share register, counterfoil of company debentures, minutes of shareholders' general meetings, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors, and financial and accounting reports;
- (vi) in the event of the winding-up or liquidation of a company, to participate in the distribution of remaining property of a company in proportion to the number of shares held;
- (vii) to request the company to repurchase the shares from the dissenting shareholders who vote against the resolution on the merger or split-up of the company proposed at a shareholders' general meeting;
- (viii) other rights as prescribed by laws, administrative regulations, department rules or the articles of association;

The obligations of a shareholder include:

- (i) to comply with laws, administrative regulations and the articles of association;
- (ii) to pay subscription money according to the number of shares subscribed and the method of subscription;

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- (iii) not to withdraw share capital except in circumstances stipulated by laws and regulations;
- (iv) not to abuse their shareholders' rights to damage the interests of a company or other shareholders; not to abuse the independent legal person status of a company and the limited liability of shareholders to damage the interests of the creditors of a company;
- (v) other obligations required to be assumed as prescribed by laws, administrative regulations and the articles of association.

Shareholders' General Meetings

Under the Company Law, the shareholders' general meeting of a joint stock limited company is made up of all shareholders. The shareholders' general meeting is the organ of authority of a company, which shall exercise the following functions and powers:

- (i) electing and replacing directors and supervisors and deciding on their remunerations;
- (ii) deliberating on and approving the reports of the board of directors;
- (iii) deliberating on and approving the reports of the board of supervisors;
- (iv) deliberating on and approving the plans for profit distribution and making up for losses of the company;
- (v) making resolutions on the increase or decrease of the registered capital of the company;
- (vi) making resolutions on the issuance of corporate bonds;
- (vii) making resolutions on the merger, split-up, dissolution, liquidation or change of corporate form of the company;
- (viii) amending the articles of association;
- (ix) other functions and powers as prescribed in the articles of association.

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Under the Company Law, an annual shareholders' general meeting shall be held every year. If any of the following circumstances occurs, an interim shareholders' general meeting shall be held within two months:

- (i) where the number of directors is less than two thirds of the number as provided for by the Company Law or the articles of association;
- (ii) where the unrecovered losses of the company reach one third of the total capital stock;
- (iii) where the shareholders who separately or aggregately hold more than 10% of the company's shares so request;
- (iv) where the board of directors deems it necessary;
- (v) where the board of supervisors so proposes;
- (vi) other circumstances as provided for in the articles of association.

The shareholders' general meeting shall be convened by the board of directors and presided over by the chairman of the board of directors. If the chairman is unable or fails to perform his/her duties, the meeting shall be presided over by the deputy chairman. If the deputy chairman is unable or fails to perform his/her duties, the meeting shall be presided over by a director jointly elected by more than half of the directors.

If the board of directors is unable or fails to perform the duties of convening the shareholders' general meeting, the board of supervisors shall timely convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders who separately or aggregately hold more than 10% of the shares of the company for more than ninety consecutive days may convene and preside over the meeting by themselves. If the shareholders who separately or aggregately hold more than 10% of the shares of the company request to convene an interim shareholders' general meeting, the board of directors and the board of supervisors shall, within ten days from the date of the receipt of such request, decide whether to hold an interim shareholders' general meeting and reply to the shareholders in writing.

The time and place of the meeting and the matters to be deliberated shall be notified to each shareholder twenty days before a shareholders' general meeting is held. For an interim shareholders' general meeting, a notice shall be served fifteen days in advance.

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The shareholders who separately or aggregately hold more than 1% of the shares of the company may, ten days before a shareholders' general meeting is held, submit an interim proposal in writing to the board of directors. The interim proposal shall contain clear topics for discussion and specific matters for resolution. The board of directors shall, within two days after it receives such a proposal, notify other shareholders and submit the interim proposal to the shareholders' general meeting for deliberation, unless the interim proposal is in violation of the provisions of laws, administrative regulations or the articles of association or fails to fall into the scope of functions and powers of the shareholders' general meeting. The company shall not raise the shareholding proportion of the shareholder who brings forward an interim proposal.

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

Under the Company Law, shareholder who attends the shareholders' general meeting has one vote for each share held by it, except the shareholders of classified shares. The company may not have a voting right for the shares it holds.

Under the Company Law and the Guidelines for Articles of Association, a resolution made at the shareholders' general meeting shall be adopted by more than half of the voting rights held by the shareholders who attend the meeting. A resolution made at the shareholders' general meeting on modifying the articles of association, increasing or reducing the registered capital as well as made by the company on merger, split-up, dissolution or change of the corporate form shall be adopted by more than two thirds of the voting rights held by the shareholders who attend the meeting.

The shareholders' general meeting may, in electing the directors or supervisors, adopt a cumulative voting system according to the provisions of the articles of association or the resolutions of the shareholders' general meeting. The cumulative voting system means each share, when the shareholders' general meeting elects the directors or supervisors, carries the number of voting rights equivalent to the number of directors or supervisors to be elected, and the voting rights owned by shareholders may be used collectively.

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Board of Directors

Under the Company Law, a joint stock limited company shall have a board of directors, which consists of more than three members. The term of office of directors shall be prescribed in the articles of association, but each term shall not exceed three years. After the term of office of a director expires, he/she may be reelected to serve another term.

The board of directors shall have one chairman and may have deputy chairmen. The methods for selecting the chairman and deputy chairmen shall be prescribed in the articles of association. The chairman and deputy chairmen shall be elected by more than half of all the directors of the board of directors. The deputy chairman of the company shall assist the chairman in work. If the chairman is unable or fails to perform his/her duties, the deputy chairman shall perform such duties. If the deputy chairman is unable or fails to perform his/her duties, a director jointly elected by more than half of the directors shall perform such duties.

Under any of the following circumstances, anyone may not act as a director of a company:

- (i) having no capacity for civil conduct or having limited capacity for civil conduct;
- (ii) having been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the order of the socialist market economy, or having been deprived of political rights due to a crime, where a five-year period has not elapsed since the expiration of execution period; if he/she is pronounced for suspension of sentence, a two-year period has not elapsed since the date of the expiration of the suspension of sentence;
- (iii) serving as a director, factory director or manager of a company or enterprise which has been bankrupt and liquidated and being personally liable for the bankruptcy of such company or enterprise, where a three-year period has not elapsed since the date of the completion of the bankruptcy and liquidation of such company or enterprise;
- (iv) acting as the legal representative of a company or enterprise whose business license has been revoked or which has been ordered to close down due to any violation of laws and being personally liable, where a three-year period has not elapsed since the date of revocation of business license or the order for closure of such company or enterprise;
- (v) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of due debts.

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The board of directors shall convene at least two meetings every year. Each meeting shall be notified to all directors and supervisors ten days before it is held. The board of directors shall exercise the following functions and powers:

- (i) convening the shareholders' general meeting and reporting its work to the shareholders' general meeting;
- (ii) executing the resolutions of the shareholders' general meeting;
- (iii) deciding the business plans and investment scheme of the company;
- (iv) formulating the plans for profit distribution and making up for losses of the company;
- (v) formulating the plan for increasing or decreasing the registered capital of the company, as well as the plan for issuance of corporate bonds;
- (vi) formulating the plan for merger, division, dissolution, or change of corporate form of the company;
- (vii) deciding the establishment of the internal management body of the company;
- (viii) deciding the appointment or dismissal of the manager of the company and the remuneration thereof, and, according to the nomination of the manager, deciding on appointing or dismissing deputy managers and financial director of the company as well as their remuneration;
- (ix) formulating the basic management rules of the company;
- (x) other functions and powers specified in the articles of association or granted by the shareholders' general meeting.

No meeting of the board of directors may be held unless 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, which shall be signed by the directors present at the meetings.

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

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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 laws, administrative regulations, articles of association or resolutions of the shareholders' general meeting and causes 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.

Audit Committee

Under the Company Law, a joint stock limited company may, in accordance with the provisions of the articles of association, establish an audit committee within the board of directors composed of directors to exercise the functions and powers prescribed for the board of supervisors by the Company Law, without establishing a board of supervisor or supervisor.

The audit committee shall consist of more than three members, a majority of whom shall not hold other positions in the company other than that of directors, and shall not have any relationship with the company that may affect their independent and objective judgement. Employee representatives among the members of the board of directors of a company may become members of the audit committee.

Resolutions made by the audit committee shall be passed by more than half of the members of the audit committee. Each member shall have one vote for the resolution to be approved by the audit committee. Unless otherwise provided in the Company Law, the method of discussion and voting procedure of the audit committee shall be prescribed by the articles of association.

A company may, in accordance with the provisions of the articles of association, set up other committees in the board of directors.

Managers and Senior Management

Under the Company Law, a joint stock limited company may have a manager, who shall be appointed or removed as decided 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 provisions of the articles of association or the authorization of the board of directors. The manager shall attend the meetings of the board of directors.

According to the Company Law, senior management refers to the manager, deputy manager and financial director of the company, the secretary to the board of directors of a listed company, and other persons as specified in the articles of association.

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Duties of Directors and Senior Management

Directors and senior management of the company are required under the Company Law to comply with the relevant laws, regulations and the articles of association, and have the duties of loyalty and diligence to the company. Directors and senior management shall assume the duty of loyalty to the company and take measures to avoid the conflict between their own interests and those of the company, and may not seek improper interests by taking advantage of their functions and powers.

The director 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 manager.

Directors and senior management are prohibited from:

- (i) embezzling the property or misappropriating the funds of the company;
- (ii) depositing the funds of the company into an account opened in their own name or in the name of other individuals;
- (iii) giving bribes or accepting other illegal proceeds by taking advantage of their functions and powers;
- (iv) taking commissions from the transactions between the company and other persons into their own pocket;
- (v) disclosing the company's secrets without authorization; or
- (vi) other acts in violation of the duty of loyalty to the company.

Where any director or senior executive 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' general meeting, which shall be subject to the resolution of the board of directors or shareholders' general meeting according to the articles of association.

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Where any of the near relatives of the directors or senior executives, or any of the enterprises directly or indirectly controlled by the directors or senior executives or their near relatives, or the related parties who has any other related-party relationship with the directors or senior executives, concludes a contract or conducts a transaction with the company, the provisions of the preceding paragraph shall apply.

No director or senior executive may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances:

- (i) where he/she has reported to the board of directors or the shareholders' general meeting and has obtained an approval by a resolution of the board of directors or the shareholders' general meeting according to the articles of association; or
- (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

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

Where any director or senior executive violates any law, administrative regulation or the articles of association during the performance of duties and causes any loss to the company, he/she shall be liable for compensation.

Finance and Accounting

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

The financial accounting report of a joint stock limited company shall be made available for inspection by the shareholders at the company not later than twenty days before the annual meeting of shareholders. A joint stock limited company that has publicly issued shares shall publish its financial accounting report.

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

The premiums received by a joint stock limited 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 have not been credited to the registered capital, and other incomes 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 of a company shall be used for making up losses, expanding the production and business scale or converting to increase the capital of the company. Where the reserve of a company is used for making up losses, the discretionary reserve and statutory reserve 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 is converted to increase registered capital, the amount of such reserve retained shall not be less than 25% of the registered capital of the company prior to the conversion.

No company may keep any accounting books other than the statutory accounting books.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the employment or dismissal of an accounting firm undertaking a company's auditing business shall be decided by the shareholders' general meeting or the board of directors in accordance with the provisions of the company's articles of association. When a company's shareholders' general meeting or board of directors votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The Guidelines for Articles of Association provide that the company's engagement of an accounting firm shall be decided by the shareholders' general meeting. The board of directors shall not engage any accounting firm before the decision is made by the shareholders' general meeting. The audit fee to the accounting firm shall be decided by the shareholders' general meeting.

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Profit Distribution

When a company distributes its after-tax profit for the current year, 10% of the profit shall be accrued and included in the company's statutory reserve. Such accrual is no longer required when the accumulated amount of the company's statutory reserve is 50% or more of the company's registered capital. Where the accumulative amount of the company's statutory reserve is not enough to make up for the losses of the previous year, the current year's profits shall first be used to make up for the losses before the statutory reserve is accrued according to the provisions of the preceding provision. After having accrued statutory reserves from the after-tax profits, a company can also set aside discretionary reserve from the after-tax profits upon a resolution made by the shareholders' general meeting. The residual after-tax profits after a company has made up its losses and accrued reserve shall be distributed by the company (in the case of a limited liability company) in proportion to the capital contribution paid up by its shareholders, except where all the shareholders have agreed not to distribute the profits in accordance with the proportion of the capital contribution; or such profits shall be distributed by the company (in the case of a joint stock limited company) in proportion to the shares held by its shareholders, except as otherwise provided for in the company's articles of association.

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

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

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved for the following reasons:

- (i) the expiration of the business period stipulated in the company's articles of association or the occurrence of other causes of dissolution stipulated in the company's articles of association;
- (ii) dissolution by a resolution of the shareholders' general meeting;
- (iii) dissolution due to merger or demerger of the company;
- (iv) suspension of the business license, being ordered to close down or being revoked in accordance with the law; or

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- (v) being dissolved by the People's Court in accordance with the provisions of Article 231 of the Company Law.

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 the company is dissolved in accordance with sub-paragraph (i) and (ii) above and has not yet distributed its assets to the shareholders, it may carry on its existence by amending its articles of association or upon a resolution of the shareholders' general meeting. To amend the articles of association or pass a resolution of the shareholders' general meeting in accordance with the preceding provision, for a limited liability company, it shall be approved by shareholders holding more than two-thirds of the voting rights, and for a joint stock limited company, it shall be approved by more than two-thirds of the voting rights held by the shareholders present at the shareholders' general meeting. Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, it shall be liquidated. The directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from the date of occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the company's articles of association or it is otherwise elected by the shareholders' general meeting. The liquidation obligors shall be liable for compensation if they fail to fulfill their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

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

The liquidation group may exercise the following functions during the period of liquidation:

- (i) liquidating the property of the company, preparing a balance sheet and an inventory of property, respectively;
- (ii) notifying the creditors by sending notices or making public announcements;
- (iii) handling and liquidating the unfinished business of the company;
- (iv) paying off the taxes overdue and the taxes incurred in the process of liquidation;
- (v) liquidation of claims and debts;

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- (vi) distributing the remaining property after all the debts of the company are paid off;
- (vii) representing the company in civil litigation activities.

The liquidation group shall notify the company's creditors within ten days from date of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days from the date of receipt of the notice or within 45 days from the date of the issuance of the public announcement in the case of failing to receive such notice. When filing a proof of claim, the creditor shall describe the relevant matters of claim and provide the relevant evidentiary materials. The liquidation group shall register the proof of claim. During the period for filing proofs of claims, the liquidation group shall not pay off for any of the creditors.

The liquidation group shall, after liquidating the property of the company and preparing a balance sheet and an inventory of property, make a plan of liquidation and report the same to the shareholders' general meeting or the People's Court for confirmation.

After paying off the liquidation expenses, wages of employees, social insurance premiums and statutory compensations, the outstanding taxes and the debts of the company with the property of the company, the remaining assets may, in the case of a limited liability company, be distributed in proportion to capital contributions of its shareholders, and in the case of a joint stock limited company, distributed in proportion to the shares held by its shareholders.

During the period of liquidation, the company survives, but shall not carry out any business operation unrelated to the liquidation. The property of the company shall not be distributed to the shareholders until it has been liquidated in accordance with the preceding paragraph.

Where the liquidation group finds that the property of the company are not sufficient for paying off the debts after liquidating the property of the company and preparing a balance sheet and an inventory of property, 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 group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

The members of the liquidation group performing their duties of liquidation are obliged to loyalty and diligence. Any member of the liquidation group 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 group who cause any loss to any creditor due to his/her intentional or gross negligence shall be liable for compensation.

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Upon completion of the liquidation of the company, the liquidation group shall produce a liquidation report, report the same to the shareholders’ general 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, 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.

Overseas Listing

According to the Trial Measures, initial public offerings or listings in overseas markets shall be filed with the CSRC within 3 working days after the relevant application is submitted overseas. Subsequent securities offerings of an issuer in the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within 3 working days after the offering is completed. Subsequent securities offerings and listings of an issuer in other overseas markets than where it has offered and listed shall be filed pursuant to provisions in the first sentence of this paragraph. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials, and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

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 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 declared that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the People’s Republic of China (《中華人民共和國證券法》), which was latest amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, has

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also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, upon the occurrence of voluntary or mandatory delisting after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report thereof to CSRC within 3 working days after the occurrence and public disclosure of the event.

SECURITIES LAW AND REGULATIONS

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering the CSRC. The CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions of securities markets, supervising securities companies, regulating public offers of securities by Chinese companies in the Chinese Mainland or overseas, regulating the trading of securities, compiling securities-related statistics and undertaking research and analysis. On March 29, 1998, the State Council consolidated the above two departments and reformed the CSRC.

The Provisional Regulations for the Administration of Issuing and Trading of Shares (《股票發行與交易管理暫行條例》) promulgated by the State Council and effective on April 22, 1993 provide the application and approval procedures for the public issue of shares, trading of shares, takeover of listed companies, the deposit, settlement and transfer of listed shares, the disclosure of information by listed companies, investigation and penalties, and arbitration of disputes.

The Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “**Securities Law**”), which was latest amended by the SCNPC on December 28, 2019 and came into effect on March 1, 2020, provides a series of provisions regulating, among other things, the issue and trading of securities, takeovers by listed companies, securities exchanges, securities companies and the duties and responsibilities of the State Council’s securities regulatory authorities in the PRC, and comprehensively regulates activities in the PRC securities market. The Securities Law provides that a domestic enterprise must comply with the relevant provisions of the State Council in issuing securities directly or indirectly outside the PRC or listing and trading its securities outside the PRC. Currently, the issue and trading of foreign issued shares are mainly governed by the rules and regulations promulgated by the State Council and the CSRC.

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ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Under the Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “**Arbitration Law**”), amended by the SCNPC on September 1, 2017 and effective on January 1, 2018, the Arbitration Law is applicable to economic disputes involving foreign parties, and all parties have entered into a written agreement to refer the matter to an arbitration committee constituted in accordance with the Arbitration Law. An arbitration committee may, before the promulgation by the PRC Arbitration Association of arbitration regulations, formulate interim arbitration rules in accordance with relevant regulations under the Arbitration Law and the PRC Civil Procedure Law. Where the disputing parties have reached an arbitration agreement and one party applies to the People’s Court to have the case heard, the People’s Court shall not deal with this, except if the arbitration agreement is invalid.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the People’s Court for enforcement according to the PRC Civil Procedure Law. A People’s Court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including irregularity in the composition of the arbitration committee or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). Where a party applies for enforcement of an arbitral award made in the PRC pursuant to the law which has come into legal effect, and the person subject to enforcement or its properties are not located in the PRC, the party may apply to a foreign court with jurisdiction over the case for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the People’s Court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by the PRC.

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

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JUDICIAL JUDGMENT AND ITS ENFORCEMENT

Under the Supreme People’s Court’s Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) promulgated by the Supreme People’s Court on January 25, 2024, and effective on January 29, 2024, the judgments that can be reciprocally recognized and enforced between the two places are limited to judgments rendered by the courts of the Chinese Mainland and of the Hong Kong Special Administrative Region on or after January 29, 2024, except for the judgments in civil and commercial matters that are not applicable under Article 3 of this arrangement. Judgments subject to reciprocal recognition and enforcement include both monetary and non-monetary judgments. Upon the effectiveness of this arrangement, the Supreme People’s Court’s Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) promulgated by the Supreme People’s Court on July 3, 2008 and effective on August 1, 2008, was repealed.

On January 25, 2024, the Supreme People’s Court promulgated the Arrangements for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases between Courts of the Chinese Mainland and Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which takes into effect on January 29, 2024 and seeks to establish a mechanism with further clarification on and certainty for recognition and enforcement of judgements in a wider range of civil and commercial matters between Hong Kong and the Chinese Mainland.