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SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

This Appendix contains a summary of certain aspects of PRC laws and regulations related to our Company’s operations and business. The principal objective of this summary is to provide potential [REDACTED] with an overview of the principal Chinese laws and regulations applicable to the Company. This SUMMARY does not contain all the information that may be important to potential [REDACTED]. For more details on the laws and regulations relevant to our business, please refer to the section headed “Regulatory Overview” in this document.

PRC LEGAL SYSTEM

China’s legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “Constitution”) and is made up of written laws, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules, rules and regulations of local governments, international treaties of which the PRC government is a signatory, and other regulatory documents. Court judgments do not constitute legally binding precedents, but may be used for judicial reference and guidance.

According to the Constitution and the Legislation Law (《中華人民共和國立法法》) of the PRC (2023 amendment) (the “Legislation Law”), the National People’s Congress (the “NPC”) and the Standing Committee of the National People’s Congress (the “SCNPC”) are empowered to exercise the national legislative power. The NPC has the power to formulate and amend basic laws concerning civil affairs, criminal affairs, state bodies and other affairs. The SCNPC is empowered to formulate and amend laws other than those enacted by the NPC and to supplement and amend any part of 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 the Chinese administration and has the power to formulate administrative regulations based on the Constitution and laws.

The people’s congresses of provinces, autonomous regions and municipalities directly under the central government and their respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their own respective administrative areas, provided that such local regulations do not contravene any provision of the Constitution, laws or administrative regulations.

The ministries and commissions of the State Council, the People’s Bank of China (the “PBOC”), the National Audit Office, and other subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within their authority based on the laws, administrative regulations, and the decisions and orders of the State Council.

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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 construction, 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 the relevant provinces or autonomous regions. If the law provides otherwise on the formulation of local regulations by cities divided into districts, those provisions shall prevail. Local regulations of cities divided into districts must be reported to the standing committee of the people's congress of the province or autonomous region for approval before implementation. The people's congresses of ethnic autonomous regions have the power to formulate autonomous regulations and individual regulations in accordance with the political, economic and cultural characteristics of the local ethnic groups.

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

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

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

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or rescind any inappropriate regulations enacted by lower-level people's governments. The authorizing authority has the right to revoke any regulations issued by the authorized body that exceed the scope of the authorization or contravene its goals, and may revoke the authorization if necessary.

According to the Constitution and the Legislation Law, the SCNPC has the power to interpret the law. The legal interpretations of the SCNPC have the same effect as the law itself.

PRC JUDICIAL SYSTEM

Under the Constitution and the Law of Organization of the People's Court of the PRC (2018 Revision) (《中華人民共和國人民法院組織法(2018修訂)》), the PRC judicial system is made up of the Supreme People's Court, the local people's courts and special people's courts. The local people's courts are comprised of the primary people's courts, the intermediate people's courts and the higher people's courts.

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 procuratorates also have the right to exercise legal supervision over the judicial activities of people's courts of the same level and lower levels.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》), promulgated in 1991 and amended in 2007, 2012, 2017, 2021, and 2023, sets forth the criteria for instituting civil actions, the jurisdiction of the people's courts, the proceedings to be followed for conducting civil actions, and the standards for procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the PRC Civil Procedure Law.

A foreign citizen or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If foreign judicial systems restrict the litigation rights of Chinese citizens and enterprises, the PRC courts may apply reciprocal restrictions to the citizens and enterprises of that country within China.

If any party to a civil action refuses to comply with a judgment or ruling made by the People's Court of the Mainland or an award made by an arbitration panel, the other party may apply to the people's court for enforcement, with the application period of two years. If any person fails to comply with a judgment made by the court within the stipulated time, the court may, upon application by the other party, enforce the judgment in accordance with the law.

If a party seeks to enforce a judgment or ruling of the people's court, and the person or property to be enforced is not within the territory of China, the party may apply to foreign courts with jurisdiction over the case for recognition and enforcement of the judgment or ruling. If China has concluded an international treaty with the relevant foreign country, or has

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ratified an international treaty that includes rules on the recognition and enforcement of judgments, or if the courts have verified that the judgments and rulings comply with the principle of reciprocity, then foreign judgments or rulings may also be recognized and enforced by the people’s courts in accordance with Chinese enforcement proceedings, unless the people’s court believes that recognizing or enforcing the judgment or ruling would violate the basic principles of Chinese law, national sovereignty or security, or social public interest.

Chinese Company Law and Trial Measures for Overseas Listing

A joint stock limited company incorporated in the PRC and seeking a listing on the Stock Exchange of Hong Kong Limited is mainly subject to the following PRC laws and regulations:

The Company Law of the People’s Republic of China (《中華人民共和國公司法》) (the “Company Law”) was passed by the Fifth Session of the SCNPC on 29 December 1993 and came into effect on 1 July 1994. It was amended on 25 December 1999, 28 August 2004, 27 October 2005, 28 December 2013, 26 October 2018 and 29 December 2023 respectively. The latest amendment to the PRC Company Law was implemented on 1 July 2024.

The China Securities Regulatory Commission (the “CSRC”) promulgated the “Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies” (《境內企業境外發行證券和上市管理試行辦法》) (the “Overseas Listing Trial Measures”) and five related Guidelines on February 17, 2023, in accordance with the Securities Law of the People’s Republic of China (《中華人民共和國證券法》) (the “Securities Law”), which apply to domestic companies issuing share certificates or their listing directly or indirectly overseas.

Set out below is a summary of the main provisions of the Company Law and the Overseas Listing Trial Measures currently in force and applicable to our Company.

General

A joint stock limited company refers to a corporate legal person incorporated under the Company Law with its registered capital divided into shares. Total Shares: The company may issue shares with a par value or without a par value, as stipulated in the articles of association. If shares with a par value are issued, each share has an equal value. Shareholders of a joint stock company are liable to the company to the extent of the shares they have subscribed, and the company is liable for its debts to the full extent of its assets.

Incorporation

A joint stock limited company may be incorporated by sponsorship or by offering. A joint stock limited company shall have a minimum of one but no more than 200 people as its sponsors, and over half of the sponsors must be resident within the People’s Republic of China. The registered capital of a company limited by shares is the total amount of issued share capital registered with the company registration authorities. No share offering shall be made before the

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shares subscribed for by the sponsors are fully paid in. If laws, administrative regulations and State Council decisions provide otherwise on the minimum registered capital of a joint stock limited company, such provisions shall prevail.

For companies established by sponsorship, the sponsors shall subscribe for all the shares required to be issued at the time of the company's establishment as stipulated in the articles of association, and pay in their capital contributions in accordance with the articles of association. In the case of capital contributions made in non-monetary assets, the formalities for transfer of proprietorship shall be completed in accordance with the provisions of the law.

Where a joint stock limited company is established by way of share offering, the shares subscribed for by the sponsors shall not be less than 35% of the total number of shares to be issued at the time of the company's incorporation as stipulated in the articles of association. However, if otherwise provided by laws or administrative regulations, such provisions shall prevail. The sponsors shall convene the incorporation meeting within 30 days from the date of the full payment of share capital. The Board of Directors of the Company shall authorize the authorized representative to apply to the company registration authorities for the registration of establishment within 30 days after the completion of the incorporation of the company. The Company is formally established and has the status as a legal person after completion of regulatory registration by the relevant regulatory authorities and issuance of business licenses.

SHARE CAPITAL

The sponsors may make a capital contribution in currencies, or non-monetary assets such as in kind, intellectual property rights, land use rights, share interests, creditors' rights, which can be appraised with monetary value and transferred lawfully, except for assets which are prohibited from being contributed as capital by the laws or administrative regulations. Non-monetary assets contributed as capital shall be valued and verified, and shall not be overvalued or undervalued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

Any issuance of shares of a joint stock limited company shall be based on the principles of equality and fairness. The same class of shares must carry equal rights. Shares issued at the same time and within the same class must be issued on the same conditions and at the same price.

According to the Overseas Listing Trial Measures, domestic companies issuing and listing overseas may raise funds and distribute dividends in foreign currencies or Renminbi.

According to the Company Law, when a company issues registered shares, it shall maintain a register of shareholders which records the following matters:

- The names and domiciles of the shareholders;

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- The class and number of Shares subscribed by each Shareholder;
- The serial numbers of shares if the shares are issued in paper form; and
- The date on which each shareholder acquired the shares.

INCREASE IN SHARE CAPITAL

The Company may INCREASE ITS SHARE CAPITAL in accordance with any of the following methodologies, subject to the adoption of a resolution at a general meeting: (i) [REDACTED] of Shares; (ii) private placement of Shares; (iii) issuance of bonus shares to existing Shareholders; (iv) conversion of reserves to shares; (v) Laws and administrative regulations and any other means approved by the China Securities Regulatory Commission.

According to the Company Law, a company may issue the following classes of shares with rights different from those of ordinary shares, as stipulated in the articles of association. (i) Shares with preferential or with non-preferential distribution of profits or of residual assets. (ii) Shares that have more or fewer voting rights per share than the ordinary share(s); (iii) Shares that are subject to restrictions on transfer such as those that require the Company to agree to the transfer; and (iv) Others as stipulated by the State Council. A company that issues shares publicly may not issue the classes of shares specified in subparagraphs (ii) and (iii), except for those that have been issued before the public offering. If the company issues new shares, the General Meeting of Shareholders shall, in accordance with the company's articles of association, resolve the class and amount of the new shares, the issuing price of the new shares, the starting and ending dates of the new share issue, the class and amount of the new shares to be issued to the original shareholders, and where shares without a par value are issued, the amount of the capital contribution from the issue of new shares to be credited to the registered capital.

To issue shares overseas, the domestic company shall submit the application documents for issuance and listing to the CSRC for filing within three working days after submission of the application documents for issuance and listing overseas.

Reduction of Share Capital

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

- The company shall prepare a balance sheet and a property list;
- The reduction of registered capital shall be approved by the General Meeting of Shareholders.

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- The Company shall notify its creditors within 10 days from the day on which the resolution of reducing its registered capital was adopted by the General Meeting of Shareholders, and publish an announcement in newspapers or the National Enterprise Credit Information Publicity System within 30 days.
- Creditors may within 30 days after receiving the notice, or within 45 days of the announcement if no notice has been received, require the company to repay its debts or provide relevant guarantees.
- The company shall apply to the relevant registration authority for the registration of the reduction in registered capital.

Redemption of Shares

According to the Company Law, a joint-stock limited company may not acquire its own Shares, except under the following circumstances: (i) reduce its registered capital; (ii) merge with other companies that hold its shares; (iii) use shares for employee stock ownership plan or share incentives; (iv) a shareholder requests the Company to purchase the shares held by him since he objects to a resolution of the General Meeting of Shareholders on the merger of the Company or decision of split; (v) use shares for conversion of convertible corporate bonds issued by the Company; (vi) necessary for the corporation as a listed company to maintain the value and protect the shareholder's interests.

The acquisition of its own shares under the circumstances set forth in items (i) and (ii) above shall be subject to a resolution of the General Meeting of Shareholders; and the acquisition of its own shares under the circumstances set forth in items (iii), (v), or (vi) above may, pursuant to the articles of association or the authorization of the General Meeting of Shareholders, be subject to the resolutions made at the meetings of the Board at which more than two-thirds of the Directors are present.

Following the acquisition of its own shares in accordance with item (i) above, such shares shall be written off within 10 days from the date of buyback; in the case of acquisition of its own shares under item (ii) or (iv) above, the shares shall be transferred or written off within six months. The shares bought back under the aforementioned item (iii), (v) or (vi) shall not exceed 10% of the company's total issued shares, and shall be transferred or written off within three years.

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law when acquiring its own shares. If it buys back its own Shares in accordance with (iii), (v) or (vi) above, such buyback shall be conducted through a public centralized trading manner.

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Transfer of Shares

Shares held by shareholders are transferrable in accordance with the relevant laws and regulations. According to the Company Law, the transfer of shares by shareholders shall be carried out at a legally established securities exchange or in other ways stipulated by the State Council. Registered shares are transferrable by shareholders through endorsement or other methods prescribed by laws and administrative regulations. After the transfer, the company shall record the names or titles and addresses of the transferees in the share register. No changes shall be made to the register of shareholders within 20 days prior to the convening of a General Meeting of Shareholders or within 5 days prior to the base date for the distribution of dividends, unless otherwise stipulated by laws, administrative regulations, or the supervisory authorities under the State Council regarding changes to the register of shareholders of listed companies.

According to the Company Law, shares issued prior to the public offer shall not be transferred within one year from the date of the joint stock limited company's listing on a stock exchange. Directors, supervisors and senior management member shall declare to the company their shareholdings and any changes thereof. During the term of office determined at the time of appointment, the shares transferred each year shall not exceed 25% of the total number of shares they hold in the company. They shall not transfer the shares they hold within one year of the date of the company's listing on a stock exchange. The aforesaid persons shall not assign the Company's shares held by them within six months after they leave office. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management.

Shareholders

Under the Company Law, the rights of holders of ordinary shares of a joint stock limited company include:

- The right to attend or appoint a proxy to attend the General Meeting of Shareholders and to vote thereat;
- The right to transfer shares in accordance with laws, administrative regulations and provisions of the articles of association;
- The right to inspect the company's articles of association, register of shareholders, minutes of the shareholders' meetings, the resolutions made at the meetings of the Board of Directors, the resolutions made at the meetings of the Supervisory Committee and financial accounting reports, and to make proposals or inquiries on the company's operations;

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- The right to request the people's court to rescind resolutions passed by the General Meeting of Shareholders and the Board of Directors of the Company if such resolutions violate the articles of association;
- To receive dividends and other forms of interest distributions in proportion to their shareholdings;
- In the event of the termination or liquidation of the company, to participate in the distribution of the remaining property of the company in proportion to the shares held by them; and
- Other rights provided for in laws, administrative regulations, other regulatory documents and the articles of association.

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

Shareholders' Meetings

The General Meeting of Shareholders is the organ of authority of the Company, which exercises its functions and powers in accordance with the Company Law. Under the Company Law, the General Meeting of Shareholders exercises the following principal functions and powers:

- To elect and replace the directors and supervisors, and to decide on matters relating to the remuneration of directors and supervisors;
- To consider and approve the report of the Board of Directors;
- To review and approve the reports of the supervisory board;
- To examine and approve the company's proposals for profit distribution plans and loss recovery plans;
- To decide on any increase or reduction in the Company's registered capital;
- To decide on the issue of bonds by the company;
- To decide on merger, division, dissolution, liquidation of the company or change of its corporate form;

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- To amend the articles of association; and
- Other powers as provided for in the articles of association.

A General Meeting of Shareholders is required to be held once every year. An extraordinary general meeting is required to be held within two months of the occurrence of any of the following circumstances:

- The number of directors is less than the number stipulated by the Company Law or less than two-thirds of the number specified in the articles of association;
- When the outstanding losses of the Company amount to one-third of the total amount of capital stock;
- When requested by Shareholders individually or collectively holding more than 10% of the Company's shares;
- When deemed necessary by the Board of Directors;
- When the board of supervisors so requests; or
- Other circumstances as provided for in the articles of associations.

According to the Company Law, a General Meeting of Shareholders shall be convened by the Board of Directors of the Company and presided over by the chairman of the Board of Directors. In the event that the chairman is incapable of performing or is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director nominated by half or more of the directors shall preside over the meeting.

Where the Board of Directors is incapable of performing or is not performing its duties to convene the general meeting, the supervisory board shall convene and preside over General Meeting of Shareholders in a timely manner. If the supervisory board fails to convene and preside over General Meeting of Shareholders, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over General Meeting of Shareholders.

According to the Company Law, a notice of the General Meeting of Shareholders stating the time, location, and matters to be considered at the meeting shall be given to the Shareholders 20 days before the meeting; a notice of an extraordinary general meeting shall be given to the Shareholders 15 days prior to the meeting.

The Company Law does not stipulate a quorum for the General Meeting of Shareholders.

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According to the Company Law, shareholders present at the General Meeting of Shareholders have one vote for each share they hold, except for class shareholders. Shares held by the Company are not entitled to any voting rights.

According to the Company Law, resolutions of the General Meeting of Shareholders must be passed by more than half of the voting rights held by shareholders present at the meeting. Resolutions to amend the Articles of Association, increase or reduce registered capital, and resolutions on merger, division, dissolution, or transformation of the Company must be passed by at least two-thirds of the voting rights held by the shareholders present at the meeting.

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

The Board of Directors

According to the Company Law, a joint stock company must have a Board of Directors with at least three members. The term of a director shall be stipulated in the articles of association, provided that no term of office shall last for more than three years. Upon expiry of the term of office, a Director may be re-appointed after being re-elected. If the term of office of a director expires without a timely re-election, or if a director's resignation results in the number of directors being less than the quorum, the original directors shall continue to perform their duties as directors in accordance with the laws, administrative regulations, and the articles of association until the newly elected directors take office.

Under the Company Law, the Board of Directors mainly exercises the following functions and powers:

- To convene general meetings of our Shareholders and report on its work to the general meetings of our Shareholders;
- To implement resolutions of the general meetings;
- To decide on the company's business plans and investment plans;
- To formulate the company's profit distribution schemes and loss make-up schemes;
- To formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds;
- To formulate proposals for the merger, division, dissolution or transformation of the Company;

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- To decide on the setup of the company's internal management organs;
- To appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss deputy general manager and chief financial officer of the company and to decide on their remunerations;
- To formulate the company's basic management system; and
- Other functions and powers as stipulated in the Articles of Association or granted by a General Meeting of Shareholders.

Board Meetings

According to the Company Law, the Board of Directors of a company shall convene meetings at least twice each year, and notices of meeting shall be given to all directors and members of the supervisory committee 10 days before the meeting. Interim board meetings may be proposed to be convened by shareholders representing more than one-tenth of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board may otherwise determine the means and the period of notice for convening an interim board meeting. Meetings of the Board of Directors shall be held only if more than half of the directors are present. Resolutions of the board shall be passed by more than half of all directors. Each director shall have one vote for a resolution to be approved by the board. Directors shall attend board meetings in person. If a director is unable to attend for any reason, he/she may appoint another director to attend the meeting on his/her behalf by a written power of attorney specifying the scope of authorization.

If a resolution of the Board of Directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and as a result of which the company sustains serious losses, the directors participating in the resolution are liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director shall be relieved from that liability.

Chairman of the board

Under the Company Law, the Board of Directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of more than half of all the directors. The chairman shall convene and preside over board meetings and examine the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is incapable of performing, or is not performing his/her duties, the duties shall be performed by the vice chairman. Where the vice chairman is incapable of performing, or is not performing his/her duties, a director jointly elected by more than half of the directors shall perform his/her duties.

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Qualification of Directors

The Company Law provides that the following persons may not serve as a director:

- A person who has no civil capacity or with limited capacity for civil conduct;
- A person who has been sentenced to criminal punishment for embezzlement, bribery, misappropriation of property, or disrupting the order of economy, or has been deprived of his political rights due to crimes, where less than five years have elapsed since the date of completion of the sentence, and in case of being sentenced to probation, not more than two years have elapsed since the date of expiry of the probation period;
- A person who has served as a director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and three years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;
- A person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure occurs; or
- An individual who has a relatively large sum of debts that are overdue, resulting in such person being listed by the People's Court as a dishonest person.

Audit Committee

A joint stock limited company may, under the articles of association, set up an Audit Committee composed of directors in the Board of Directors, which shall exercise the functions and powers of the Supervisory Committee as provided for in the Company Law. It may not have a Supervisory Committee or supervisors. The Audit Committee shall be composed of at least 3 members, and more than half of the members shall not assume any position other than the director in the company and shall not have any relationship with the company that may affect their independent and objective judgments.

A resolution made by the Audit Committee shall be adopted by more than half of the members thereof. For voting on a resolution of the Audit Committee, each member shall have one vote. The discussion methods and voting procedures of the Audit Committee shall be prescribed in the articles of association, unless it is otherwise provided for by the Company Law.

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Where a public listed company has an Audit Committee under the Board of Directors, the following matters shall be approved by more than half of all Audit Committee members before being approved by the Board of Directors:

- The accounting firm that hires and dismisses the Company that audits the Company;
- Appoint and dismiss the person responsible for finance.
- Disclosure of financial accounting reports.
- Other matters stipulated by the supervisory authorities under the State Council.

Manager and Senior Management

According to the Company Law, a joint stock limited company shall have a manager who shall be appointed or removed by the Board of Directors. The manager shall be responsible to the Board of Directors and shall exercise his duties and powers in accordance with the provisions of the company's articles of association or the authorization of the Board of Directors. The manager shall be present at meetings of the Board of Directors. The Company's directors may decide that a member of the Board of Directors will also serve as the manager.

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

Duties of Directors and Senior Management

According to the Company Law, the Company's directors, supervisors, and senior management are required to comply with laws and administrative regulations and the articles of association, and have fiduciary and diligent duties to the Company. Compliance with the foregoing requirements is also required for the Company's controlling shareholders or de facto controllers who do not serve as the Company's directors but actually carry out the Company's affairs.

Directors and senior management are prohibited from:

- Encroachment on company properties and use of company's funds;
- Deposit of company funds into accounts under their own name or the name of other individuals;
- Bribery or acceptance of other illegal income by taking advantage of one's position;

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- Accepting for their own benefit commissions from other parties dealing with the company;
- Unauthorized divulgence of confidential information of the company; and
- Other acts in violation of their duty of loyalty to the company.

Directors, Supervisors, and Senior Management who directly or indirectly enter into a contract or conduct a transaction with the Company, shall report to the Board of Directors or the Shareholders' Meeting on matters related to the conclusion of the contract or the transaction, and shall be subject to the resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of this Articles of Association. The preceding provisions shall apply to contracts or transactions entered into by the Company with any of the following: close family members of the Directors, Supervisors, or Senior Management; enterprises directly or indirectly controlled by the Directors, Supervisors, Senior Management, or their close family members; and Associates who have other connections with the Directors, Supervisors, or Senior Management.

Company's directors, supervisors, and senior management shall not use their positions to seek business opportunities for themselves or others that belong to the Company, except in one of the following circumstances: (i) Report to the Board of Directors or the Shareholders' Meeting and be approved by a resolution of the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Company's Articles of Association. (ii) The Company cannot take advantage of the business opportunity in accordance with the provisions of the law, administrative regulations, or the Articles of Association.

The Company's directors, supervisors, and senior management may not operate, for themselves or for others, any business that is the same as that of the Company they work for, without reporting to the Board of Directors or the Shareholders' Meeting and obtaining a resolution passed by the Board of Directors or the Shareholders' Meeting in accordance with the provisions of the Articles of Association.

Income generated by the directors, supervisors, or senior management in violation of the aforementioned shall be returned to the Company.

A director, supervisor or senior management who contravenes laws and administrative regulations or the articles of association in the performance of his/her roles resulting in any damage to the Company shall be liable to indemnify the Company for compensation.

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Finance and Accounting

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

According to the Company Law, the financial and accounting report of a joint stock limited company should be made available at the Company for inspection by shareholders 20 days before the General Meeting of Shareholders. A joint stock limited company that makes public stock offerings shall publish its financial reports.

In distributing the current year's profit after tax, 10% of the profit shall be distributed to the Company's statutory common reserve fund. When the aggregate amount of the statutory common reserve fund has reached 50% or more of the Company's registered capital, further appropriations are not required. If the statutory common reserve fund of the Company is insufficient to make up the losses of the previous year, the profits of the current year shall be used to recover such losses before extracting the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a General Meeting of Shareholders, make further allocations from its profits after taxation to the discretionary legal reserve fund. After the company has made up its losses and allocated to its statutory common reserve fund, the remaining profits after tax shall be distributed in proportion to the shares held by the shareholders, except as otherwise provided by the articles of association. Profits allocated to shareholders in violation of the regulations are returned to the Company. The Company shall not be entitled to the allocation of profits in respect of the Shares held by it.

The premiums from the issuance of Shares at a price exceeding the nominal value, the Amount of funds from the issuance of no-par value shares not included in the registered capital, and Other items required by the financial departments of the State Council to be included in the capital reserve fund shall be accounted for as the capital reserve fund of the Company. The statutory common reserve fund of a company shall be applied to make good the company's losses, expand its business operations or increase its capital. Where the statutory common reserve fund are used to make up the company's losses, the discretionary reserve fund and statutory common reserve fund shall be used first. If the losses still cannot be covered, the capital reserve fund may be used in accordance with the regulations. Upon the transfer of the statutory common reserve fund into registered capital, the retained balance of such reserve fund shall not be less than 25% of the registered capital of the company before such transfer.

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

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Appointment and Retirement of Accounting Firms

According to the Company Law, the appointment or dismissal of accounting firms responsible for the audits of the Company shall be determined by the General Meeting of Shareholders, Board of Directors or the Supervisory Committee in accordance with the provisions of the articles of association. The accounting firm should be allowed to make representations when the General Meeting of Shareholders, Board of Directors or supervisory committee conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting data to the engaged accounting firm without any refusal, withholding, or falsification.

Distribution of Profits

According to the Company Law, a company shall not distribute profits before losses are made up and the statutory common reserve fund is drawn.

Amendments to Articles of Association

Pursuant to the Company Law, the resolution of a General Meeting of Shareholders regarding any amendment to the Articles of Association requires affirmative votes by at least two-thirds of the votes held by the Shareholders attending the meeting.

Dissolution and Liquidation

According to the Company Law, the Company shall be dissolved under any of the following circumstances: (i) the expiration of the term of operation as stipulated in the articles of association or the occurrence of other events of dissolution as stipulated in the articles of association; (ii) the shareholders have resolved at a General Meeting of Shareholders to dissolve the company; (iii) the company is dissolved by reason of its merger or division; (iv) the business license is revoked, the company is ordered to close down, or is rescinded in accordance with the laws; (v) the company is dissolved by a people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all shareholders of the company, on the grounds that the operation and management of the company has suffered serious difficulties that cannot be resolved through other pathways, rendering ongoing existence of the company a cause for material loss to the shareholders.

In the event that a company has in dissolution, the events of dissolution shall be made public through the National Enterprise Credit Information Publicity System within ten days.

In the event of paragraph (i) or (ii) above, the Company may carry on its existence by amending its Articles of Association or upon resolutions of the general meeting under the condition that the Company has not distributed the assets to the Shareholders. Amendments to

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the Articles of Association or by resolutions of the general meeting in accordance with the requirements of the Listing Rules shall require approval of more than two thirds of the voting rights of the Shareholders attending the General Meeting of Shareholders.

If the Company is dissolved in the circumstances described in items (i), (ii), (iv) or (v) above, it shall be liquidated. The Company's directors are responsible for the liquidation of the Company and shall form a group committee to carry out the liquidation within fifteen days of the date of the causes of dissolution. The liquidation group shall be composed of directors, unless the company's articles of association provide otherwise or the General Meeting of Shareholders resolves to elect someone else. If a liquidation group is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation group, the interested parties may apply with the people's court for setting up a liquidation group with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation group to conduct liquidation in a timely manner.

The liquidation group shall exercise the following powers during the liquidation period:

- To liquidate the company's assets and to prepare the balance sheets and inventory of assets, respectively;
- To inform creditors by notice or announcement;
- To dispose of and liquidate the Company's outstanding operation;
- To pay any tax overdue as well as tax amounts arising from the process of liquidation;
- To settle claims and liabilities;
- To distribute the company's remaining assets after its debts have been paid off; and
- To represent the Company in civil lawsuits.

The liquidation group shall notify creditors within 10 days from the date of its establishment and issue an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation group within 30 days of receipt of the notification or within 45 days of the date of the announcement if he did not received any notification.

Creditors, when filing their claims, should illustrate those claim-related issues and provide supporting documentation thereon. The liquidation group should register the creditors' rights. The liquidation group shall not settle the debts to creditors during the creditor's claim period.

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Upon liquidation of the company's property and preparation of the balance sheets and inventory of assets, the liquidation group shall draw up a liquidation plan and submit this plan to the shareholders' general meeting or a people's court for approval. After the payment of liquidation expenses, employees' wages, social insurance premiums expenses and statutory compensation, outstanding taxes, and the debts owed by the Company, the remaining assets of the Company shall be distributed to the shareholders in proportion to their shareholding.

The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

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

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report to the shareholders' general meeting or the people's court for verification, and shall be submitted to the registration authority of the company in order to apply for deregistration.

When performing the duties in relation to the liquidation, members of the liquidation group shall bear the duties of loyalty and diligence. Members of the liquidation group who are negligent in performing their liquidation duties and cause losses to the Company shall be liable for compensation. Those who cause losses to creditors due to intentional acts or gross negligence shall be liable for compensation.

Liquidation of a company declared bankrupt according to law shall be carried out in accordance with the laws on corporate bankruptcy.

Overseas Listing

According to the "Overseas Listing Trial Measures," an issuer's overseas initial public offering or listing shall be filed with the China Securities Regulatory Commission within 3 working days after submitting the overseas issuance and listing application documents. After the issuer's overseas offering and listing, if securities are issued in the same overseas market, a recordation shall be filed with the CSRC within 3 working days upon completion of the issuance. In addition, for filing materials that are complete and compliant, 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 notify the issuer of the supplementary materials required within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

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Merger and Demerger

Companies merger may take the form of merger by absorption or establishment of a new company. If the company adopts a merger by absorption, the company which is absorbed shall be dissolved. If the company takes the form of incorporation, the merging parties are dissolved.

A merger agreement shall be signed by the merging parties, and the merging parties shall prepare respective the balance sheets and checklists of properties. The Company shall notify creditors within 10 days from the date of making the decision of merger, and publicly announce it in newspapers or the National Enterprise Credit Information Publicity System within 30 days. The creditors may, within thirty days upon the receipt of the notice or within forty-five days upon the issuance of the announcement if they fail to receive a notice, require the Company to settle its debts or to provide corresponding guarantees. In the case of a merger, the credits and debts of the companies involved shall be succeeded by the company that survives the merger or by the newly established company.

Where a company merges with a company in which it holds more than 90% of the shares, the company merged is not required to obtain a resolution of the General Meeting of Shareholders, but shall give notice to the other shareholders, who shall have the right to request the company to acquire their shares or shares at a reasonable price. The payment of a price by a company for a merger that does not exceed 10% of the Company's net assets may be exempt from a resolution of the General Meeting of Shareholders, unless otherwise provided in the Articles of Association. Where a merger is to be effected in accordance with the preceding two paragraphs without a resolution of the General Meeting of Shareholders, it shall be subject to a resolution of the Board of Directors.

As for the division of a company, its assets shall be divided accordingly, and balance sheets and asset inventories shall be prepared. If the resolution on the division of a company is passed, the company must, within ten days of the date of passing such resolution, give notice to all of its creditors and make an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within thirty days. Unless the Company has reached a written agreement with its creditors on the discharge of debts prior to the division, the companies after the division of a company shall be jointly and severally liable for the debts of the Company prior to the division.

The PRC Securities Law and Regulations

The PRC has promulgated a number of regulations that relate to the issue and trading of shares and disclosure of information. In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the 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

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securities markets, supervising securities companies, regulating public offers of securities by PRC companies in the PRC or overseas, regulating the trading of securities, compiling securities related statistics and undertaking relevant research and analysis. In April 1998, the State Council consolidated the two departments and reformed the CSRC.

On April 22, 1993, the State Council issued and implemented the Interim Provisional Regulations on the Administration of Share Issuance and Trading (《股票發行與交易管理暫行條例》). The regulations involve the application and approval procedures for public offerings of equity securities, the transaction of shares, takeovers by listed companies, liquidation and transfer, information disclosure by listed companies, investigations and penalties, and arbitration of disputes.

On December 25, 1995, the State Council promulgated and implemented the Regulations of the State Council Concerning Domestic Listed Foreign Shares of Joint Stock Limited Companies (《國務院關於股份有限公司境內上市外資股的規定》). The provisions mainly involve the issuance, subscription, trading, declaration of dividends and other distributions of domestic listed foreign shares, and the information disclosure of joint stock limited companies with domestic listed foreign shares.

The SCNPC promulgated the Securities Law on December 29, 1998, which took effect on July 1, 1999, and was revised on August 28, 2004, October 27, 2005, June 29, 2013, August 31 2014, and December 28, 2019, respectively. The latest revised Securities Law came into effect on March 1, 2020. The Securities Law is the first national securities law in China, regulating the issue and trading of securities, acquisitions by listed companies, securities exchanges, securities companies, and the obligations and responsibilities of the supervisory authorities under the State Council. The Securities Law comprehensively regulates activities in the PRC securities market. Article 224 of The Securities Law stipulates that domestic companies, when directly or indirectly issuing securities overseas or listing their securities for trading overseas, shall comply with the relevant provisions of the State Council.

On November 14, 2019, the CSRC issued the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H Share Companies (《H股公司境內未上市股份申請「全流通」業務指引》), and on August 10, 2023, it made the latest amendments to it and issued the Guidelines on Application for “Full Circulation” of Domestic Unlisted Shares of H-Share Companies (Revision 2023) (《H股公司境內未上市股份申請「全流通」業務指引(2023修訂)》) (the “Full Circulation Guidelines”). The Full Circulation Guidelines aim to regulate the listing and circulation of unlisted shares of domestic joint stock limited companies listed on the Hong Kong Stock Exchange (including unlisted domestic shares held by domestic shareholders before overseas listing, unlisted domestic shares issued additionally in the domestic market after overseas listing, and unlisted shares held by foreign shareholders) (hereinafter referred to as “Full Circulation”). Domestic joint stock companies that have not yet been listed may file a record of “Full Circulation” with the CSRC when they conduct an initial public offering and listing overseas.

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Arbitration and Enforcement of Arbitral Awards

The Arbitration Law of the PRC (《中華人民共和國仲裁法》) was promulgated by the SCNPC on August 31, 1994, and became effective on September 1, 1995, and was amended on August 27, 2009, and September 1, 2017 and became effective on January 1, 2018. The PRC Arbitration Law provides that an arbitration committee may, before the promulgation of arbitration rules by the PRC Arbitration Association, formulate interim arbitration rules in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. If the parties reach an arbitration agreement and one party files a lawsuit with the people's court without declaring that there is an arbitration agreement, and after the people's court has accepted the case, the other party submits the arbitration agreement before the first hearing, the people's court shall dismiss the case unless the arbitration agreement is invalid. If the other party does not raise an objection before the first court session to the people's court accepting the case, it is deemed to have waived the arbitration agreement, and the people's court shall continue with the trial.

According to the Arbitration Law and the Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration, and the parties shall comply with the award. If one party fails to perform, the other party may apply to the people's court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. The people's court where the application is filed shall enforce it. The people's court may refuse to enforce an arbitral award made by an arbitration commission if the composition of the tribunal or the arbitration proceedings do not comply with the arbitration rules, or if the subject matter of the award does not fall within the scope of the arbitration agreement or the arbitration body does not have the authority to arbitrate.

A party seeking to enforce an arbitral award of CIETAC against a party who, or whose property, is not within the PRC, may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the PRC courts in accordance with the principle of reciprocity or any international treaty concluded or acceded to by the PRC. The PRC agreed to accede to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (《承認及執行外國仲裁裁決公約》) (the "New York Convention") on December 2, 1986, pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention provides that all arbitral awards made by Member States of the New York Convention shall be recognized and enforced by other Member States of the New York Convention, but under certain circumstances (including where the enforcement of the arbitral award conflicts with the public policy of the state to which the application for enforcement is made), Member States of the New York Convention have the right to refuse enforcement. At the time of China's accession to the New York Convention, the SCNPC simultaneously announced: (i) China will only apply the Convention to the recognition and enforcement of arbitral awards made in the territories of another contracting state on the basis of reciprocity; (ii) China will only apply the Convention to disputes deemed under Chinese law to arise from contractual and non-contractual commercial legal relationships.

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The Supreme People’s Court issued the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的安排》) on January 24, 2000, which was implemented on February 1, 2000. The Supreme People’s Court issued the Supplementary Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區相互執行仲裁裁決的補充安排》) on November 26, 2020, which was implemented on November 27, 2020, modifying the Arrangements on the Mutual Enforcement of Arbitral Awards between the Mainland and the Hong Kong Special Administrative Region. According to the aforementioned regulations, mainland arbitration bodies made in accordance with the Arbitration Law may be enforced in Hong Kong, and Hong Kong arbitration awards may also be enforced in the mainland.

Judicial Judgment and Enforcement

The Supreme People’s Court’s Arrangement for Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Cases by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《最高人民法院關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which was issued on 14 January 2019 and will come into effect on 29 January 2024, repeals the Supreme People’s Court’s Arrangement on Mutual Recognition and Enforcement of Judgments in Civil and Commercial Matters by Courts of Mainland and Hong Kong SAR Pursuant to Agreed Jurisdiction by Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), and further stipulates the scope of judgments, the procedures and methodologies for applying for recognition and enforcement, the review of the jurisdiction of the original judgment court, the circumstances in which judgments will not be recognized and enforced, and the avenues of redress for mutual recognition and enforcement of civil and commercial judgments by the courts of Chinese mainland and Hong Kong.