

APPENDIX IV SUMMARY OF PRINCIPAL LEGAL AND REGULATORY PROVISIONS

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

PRC LAWS AND REGULATIONS

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 criminal, civil, State organs 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 divided into districts, those provisions shall prevail. Such local regulations 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

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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 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 departmental 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 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 of the procuratorate 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.

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PRC JUDICIAL SYSTEM

According to the Constitution and the Law of Organization of the People’s Court 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 other 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 certain people’s tribunals 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.

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

The people’s courts employ a two-tier appellate system, and 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 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 or the people’s court at the higher level finds any definite errors in a legally effective final 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 final 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》) (2023 Revision) (the “**Civil Procedure Law**”), last amended by the SCNPC on September 1, 2023 and becoming effective on January 1, 2024, sets forth the requirements for instituting a civil action, the jurisdiction of the people’s courts, the procedures to be followed for conducting a civil action and the procedures for enforcement of a civil judgment or order. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The court of jurisdiction in a civil action may be chosen by the written agreement between the parties, provided that the court is located at a place that has direct connection with the dispute, such as the plaintiff’s or the defendant’s place of domicile, the place where the contract is performed or signed or the object of the action is located. However, such choice cannot be in conflict with the regulations of grade jurisdictions and exclusive jurisdictions in any case.

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A foreign individual, a person without nationality, a foreign enterprise or a foreign 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. Should a foreign court limit the litigation rights of PRC citizens or enterprises, the People’s court of PRC may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a person without nationality, a foreign enterprise or a foreign 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.

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

When a party applies to a people’s court for enforcing an effective judgment or ruling by a people’s court against a party who is not located within the territory of the PRC or whose property is not within the PRC, the party may apply to a foreign court with proper jurisdiction for recognition and enforcement of the judgment or ruling. A foreign judgment or ruling may also be recognized and enforced by the people’s court according to the PRC enforcement procedures if the PRC has entered into, or acceded to, an international treaty with the relevant foreign country, which provides for such recognition and enforcement, or if the judgment or ruling satisfies the court’s examination according to the principle of reciprocity, unless among other exceptions, the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic principles of the PRC, its sovereignty or security, or for reasons of social and public interests.

The Company Law of the PRC, Trial Measures and Guidelines for Articles of Association

A joint stock limited company established in the PRC seeking a listing on The HKSE is mainly subject to the following laws and regulations of the PRC.

The Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”) was promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994. It was last amended on December 29, 2023 and has taken effect on July 1, 2024.

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 “**Trial Measures**”) and relevant guidelines promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, and were applicable both direct and indirect overseas share subscription and listing of domestic enterprises. The Trial Measures also set out the filing and administration methods and regulatory requirements for the overseas issuance of securities and listing of domestic enterprises.

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On March 28, 2025, the CSRC newly promulgated Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Guidelines for Articles of Association**”), which came into effect on the same date. Pursuant to the Trial Measures and its supporting Guidelines for the Application of Regulatory Rules — Overseas Issuance and Listing Category No.1 (《監管規則適用指引 — 境外發行上市類第1號》), domestic enterprises that directly issue and list overseas shall formulate articles of association and standardize corporate governance with reference to the Guidelines for Articles of Association and other relevant provisions of the CSRC on corporate governance.

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

General Provisions

A joint stock limited company means a corporate legal person incorporated 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 joint stock limited company must conduct its business in accordance with laws and administrative regulations. A joint stock limited company may invest in other enterprises, and its liabilities to such invested companies shall be limited to the amount of its subscribed capital contribution. Unless otherwise provided by laws, a joint stock limited company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises.

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.

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 promoters or subscribers who hold more than half of the voting rights attend the meeting. At the establishment meeting, matters to be considered shall include the adoption of articles of association and the election of members of the board of directors and the board of supervisors of a company. The resolutions made at the establishment meeting shall be passed by more than half of the voting rights held by subscribers present at the meeting.

Within 30 days after the conclusion of the establishment 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.

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Registered Capital

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. Non-monetary properties contributed as capital shall be valued and verified, and shall not be over-valued or under-valued. Where laws or administrative regulations have provisions on valuation, such provisions shall prevail.

The share transfer by a shareholder shall be conducted on a lawfully established stock exchange or by any other means as prescribed by the State Council.

Registered shares may be transferred by endorsement of shareholders or by other means stipulated by laws or administrative regulations.

Increase in Share Capital

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

Reduction of Share Capital

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

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

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

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Share Buy-Back

Under the Guidelines for Articles of Association, a joint stock limited company shall not acquire its own shares, except for any 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 any shareholder, who raises objections to the resolution of the shareholders' general meeting on the merger or division of the company, requests the company to purchase its shares; (v) where its shares are used for converting the corporate bonds into convertible stocks issued by the listed company; and (vi) it is necessary for a listed company to maintain its company value and its shareholders' equity.

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

Following the acquisition by a company of its own shares, such shares shall be canceled within 10 days from the date of acquisition in the case of item (i) above; such shares shall be transferred or canceled within six months in the case of items (ii) and (iv) above; the numbers of share repurchased shall not exceed 10% of the total issued shares of the company, and shall be transferred or canceled within 3 years in the case of items (iii), (v) and (vi) above.

A listed company shall perform its information disclosure obligations in accordance with the provisions of the Securities Law when acquiring its own shares. The acquisition by a listed company of its own shares in circumstances as set out in items (iii), (v) and (vi) shall be conducted through open centralized trading. A company shall not accept its own shares as the subject of pledge.

Transfer of Shares

Shares held by a shareholder may be transferred according to the law and regulations. Under the Company Law, a shareholder should affect a transfer of his/her shares through a legally established stock exchange or by any other means as required by the State Council.

No changes to the register of members arising from the transfer of registered shares shall be made within 20 days prior to the convening of a general meeting of shareholders or within 5 days prior to the record date for the distribution of dividends. Where it is otherwise provided for in any law for the modification of the register of members of a listed company, such provisions shall prevail.

Under the Company Law, shares issued by a joint stock limited company prior to the public offering of shares shall not be transferred within one year from the date on which the shares of a company are listed and traded on a stock exchange. Directors, supervisors and senior management of the company should declare to the company the shares they hold and the changes thereof. During their terms of office, they shall not transfer more than 25% of the total number of shares held by them in the company each year. They shall not transfer the shares they hold within one year from the date on which the shares of a company are listed and traded on a stock exchange, nor within half a year after their resignation from their positions with a company.

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Shareholders

Under the Company Law and Guidelines for Articles of Association, the rights of shareholders of ordinary shares of a joint stock limited company include: (i) to attend or appoint a proxy to attend shareholders' general meetings and to exercise voting rights; (ii) to transfer shares in accordance with laws, administrative regulations and the provisions of the articles of association; (iii) 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 and to make proposals or enquiries on the company's operations; (iv) to petition the people's court to revoke any resolution passed on a shareholders' meeting or a meeting of the board of directors that the contents of which is in violation of the articles of association, provided that such petition shall be submitted within 60 days of the passing of such resolution, except where the procedures for convening a shareholders' meeting or a meeting of the board of directors or the voting method only has some minor defects, which produces no substantial effect on the resolution; (v) to receive dividends and other forms of distributions in proportion to their shareholdings; (vi) in the event of the termination or liquidation of a company, to participate in the distribution of remaining assets of the company in accordance with the number of shares held; (vii) any other shareholders' rights provided for in laws, administrative regulations, other normative documents and the articles of association.

The obligations of shareholders include the obligation to abide by the articles of association, to pay the subscription monies in respect of the shares subscribed for by way of capital contribution, to be liable for the company's debts and liabilities to the extent of the numbers of shares subscribed, and any other shareholder obligation specified in the articles of association.

Shareholders' General Meetings

The shareholders' general meeting is the organ of authority of the company, which exercises its powers in accordance with the Company Law. Under the Company Law, the shareholders' meeting shall exercise the following major functions and powers: (i) to elect and replace directors and supervisors (excluding employees' representatives) and to decide on matters relating to the remuneration of directors and supervisors; (ii) to examine and approve reports of the board of directors; (iii) to examine and approve reports of the board of supervisors; (iv) to examine and approve a company's profit distribution plans and loss recovery plans; (v) to resolve on the increase or reduction of a company's registered capital; (vi) to resolve on the issuance of corporate bonds; (vii) to resolve on the merger, division, dissolution, liquidation of a company and other matters; (viii) to amend the articles of association; (ix) other functions and powers specified in provision of the articles of association.

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

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Under the Company Law, 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 vice chairman. If the vice 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 convene and preside over the meeting. If the board of supervisors fails to convene and preside over the meeting, shareholders representing more than one-tenth of the voting rights may convene and preside over the meeting themselves.

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

Under the Company Law, shareholders present at a shareholders' general meeting have one vote for each share they hold, except class shareholders. Shares held by the company itself are not entitled to any voting rights.

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

Under the Company Law, resolutions made at the shareholders' general meeting shall be passed by more than half of the voting rights held by the shareholders present the meeting. However, resolutions made at the shareholders' general meeting concerning the following matters shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting: (i) amendments to the articles of association; (ii) increase or reduction of the registered capital; (iii) merger, division, dissolution, liquidation or change of corporate form of the company; (iv) other circumstances as provided for in the articles of association.

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. Members of the board of directors may include employees' representatives, who shall be democratically elected by employees through the employees' representative congress, employees' congress or by other means.

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. An outgoing director shall continue to perform his/her duties as a director in accordance with the laws, administrative regulations and the articles of association until a duly re-elected director takes office, if re-election is not conducted in a timely manner upon the expiry of his/her term of office or if the resignation of director results in the number of directors being less than the quorum.

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Under the Company Law, the board of directors exercises the following major functions and powers: (i) to convene shareholders' general meetings and report its work to shareholders' general meetings; (ii) to implement the resolutions of the shareholders' general meeting; (iii) to decide on a company's business plans and investment plans; (iv) to formulate a company's profit distribution plans and loss recovery plans; (v) to formulate proposals for the increase or reduction of a company's registered capital and the issue of corporate bonds; (vi) to formulate plans for merger, division, dissolution or change of corporate form of a company; (vii) to decide on the internal management structure of a company; (viii) to decide on the appointment or dismissal of the manager of a company and his/her remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of a company based on the nomination of the manager and as well as remuneration; (ix) to formulate a company's basic management system; (x) other functions and powers specified in the articles of association or granted by the shareholders' general meeting.

Board Meetings and Chairman of the Board of Directors

Under the Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice each year. Notices of meeting shall be given to all directors and supervisors 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 board of supervisors. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board of directors 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.

Directors shall be liable for the resolutions of the board of directors. If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the shareholders' 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.

Under the Company Law, the board shall have a chairman and may have vice chairmen. The chairman and the vice chairman shall be elected with approval of more than half of all the directors. The chairman shall summon and preside over board meetings and review the implementation of board resolutions. The vice chairman shall assist the chairman to perform his/her duties. Where the chairman is 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.

Qualifications of Directors

Under the Company Law, the following persons are prohibited from acting as a director of a company: (i) any person who lacks civil capacity or has limited civil capacity; (ii) any person who has been convicted of criminal offences involving corruption, bribery, embezzlement or misappropriation of

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property, or disruption of the socialist market economic order, or who has been deprived of political rights as a result of a criminal offence, where less than five years have elapsed since the completion of the sentence, or, in the case of a suspended sentence, where less than two years have elapsed since the expiration of the suspension period; (iii) any person who previously served as a director, factory director or manager of a company or enterprise that has undergone bankruptcy liquidation and who bore personal responsibility for such bankruptcy, where less than three years have elapsed since the completion of the bankruptcy liquidation; (iv) any person who previously served as the legal representative of a company or enterprise whose business licence has been revoked and which has been ordered to cease operations due to violations of law, where such person bore personal responsibility for the revocation and less than three years have elapsed since the date of revocation; or (v) any person who has been listed by a people's court as a dishonest person subject to enforcement due to failure to satisfy a relatively large amount of due debts.

Board of Supervisors

Under the Company Law, a joint stock limited company may have a board of supervisors which shall comprise three members or more. The members of the board of supervisors shall include shareholders' representatives and an appropriate proportion of employees' representatives of the company, among which the proportion of the employees' representatives shall not be lower than one third, and the actual proportion shall be stipulated in the articles of association. The employees' representatives who serve as members of the board of supervisors shall be democratically elected by employees through the employees' representative congress, employees' congress or by other means.

The directors and senior management may not act concurrently as supervisors.

The board of supervisors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman of the board of supervisors are elected with approval of more than half of all the supervisors. The chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the chairman of the board of supervisors is incapable of performing or not performing his duties, the vice chairman of the board of supervisors shall convene and preside over the meetings of the board of supervisors. In the event that the vice chairman of the board of supervisors is incapable of performing or not performing his duties, a supervisor nominated by more than half of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor shall be three years. Upon expiration of a term, a supervisor shall be eligible for re-election and may serve consecutive terms. Where a re-election is not conducted in a timely manner upon the expiration of a supervisor's term of office, or where the resignation of supervisors results in the number of supervisors falling below the statutory quorum, the outgoing supervisor shall continue to perform the duties of a supervisor in accordance with applicable laws, administrative regulations and the articles of association until a duly re-elected or newly appointed supervisor assumes office.

The board of supervisors exercises the following powers: (i) to review the company's financial position; (ii) to supervise the directors and senior management in their performance of their duties and to propose the removal of directors and senior management who have violated laws, administrative regulations, the articles of association or the resolutions of shareholders' general meeting; (iii) when the acts of directors and senior management are harmful to the company's interests, to require correction of those acts; (iv) to propose the convening of extraordinary shareholders' general meetings and to convene

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and preside over shareholders' general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' general meeting under the Company Law; (v) to initiate proposals for resolutions to shareholders' general meeting; (vi) to initiate proceedings against directors and senior management pursuant to Article 189 of the Company Law; and (vii) other powers specified in the articles of association.

On December 27, 2024, the CSRC promulgated the Transitional arrangements relating to the implementation of the rules under the new Company Law (關於新《公司法》配套制度規則實施相關過渡期安排), listed companies shall, before January 1, 2026, in accordance with the provisions of the Company Law, the Provisions of the State Council on Implementation of the Registered Capital Management System under the Company Law of the PRC (《國務院關於實施〈中華人民共和國公司法〉註冊資本登記管理制度的規定》) and the supporting rules of the CSRC, provide in the articles of association for the establishment of an audit committee in the board of directors, exercising the powers and functions of the supervisory board as stipulated in the Company Law, the listed companies will then have no supervisory board or supervisors. Before a listed company adjusts the establishment of the company's internal supervisory body, the supervisory board or supervisors shall continue to comply with the provisions in the original rules of the CSRC.

The Powers of Manager and Senior Management

Pursuant to the Guidelines for Articles of Association, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall report to the board of directors and may exercise the following powers: (i) to preside over the production, operation, and management of the company, implement the resolutions of the board of directors, and report to the board of directors; (ii) to arrange for the implementation of the company's annual business plans and investment proposals; (iii) to draft proposals for the establishment of the company's internal management structure; (iv) to formulate the fundamental management system of the company; (v) to formulate the company's specific rules and regulations; (vi) to propose to the board of directors the appointment or dismissal of the company's deputy manager(s) and person-in-charge of finance; (vii) to decide on the appointment or dismissal of management personnel (other than those required to be appointed or dismissed by the board of directors); and (viii) other powers and duties granted by the articles of association of the company or the board of directors. The manager shall attend board meetings.

According to the Company Law, senior management shall mean the manager, deputy general manager(s), person-in-charge of finance, board secretary of a listed company and other personnel as stipulated in the articles of association.

Duties of Directors, Supervisors and Senior Management

Under the Company Law, directors, supervisors, and senior management owe fiduciary and diligent duties to the company. They shall take measures to avoid conflicts of interest between their personal interests and those of the company, and shall not seek any improper interests by taking advantage of their position or powers. The directors, supervisors 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.

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Directors, supervisors, and senior management personnel shall not engage in any of the following acts: (i) embezzling the property or misappropriating the funds of the company; (ii) depositing company funds into an account under his own name or in the name of other individuals; (iii) giving bribes or accepting any other illegal proceeds by taking advantage of his power; (iv) accept and possess commissions paid by a third party for transactions conducted with the company; (v) unauthorized divulgence of confidential business information of the company; or (vi) other acts in breach of their obligation of loyalty to the company.

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

Finance and Accounting

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

Pursuant to the Company Law, a joint stock limited company shall deliver its financial and accounting reports to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting reports available at the company for inspection by the shareholders at least 20 days before the convening of an annual general meeting of shareholders. A joint stock limited company that has publicly issued shares shall announce its financial accounting report.

When distributing each year's after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except where the fund has reached 50% of its registered capital).

If its statutory common reserve fund is not sufficient to make up losses of the previous year, profits of the current year shall be applied to make up losses before allocation is made to the statutory common reserve fund pursuant to the above provisions. After allocation of the statutory common reserve fund from after-tax profits, it may, upon a resolution passed at the shareholders' general meeting, allocate discretionary common reserve fund from after-tax profits. After the company has made up its losses and allocated after-tax profits to the statutory reserve fund, the remaining after-tax profits shall be distributed as follows: for a limited liability company, profits shall be distributed in proportion to the capital contributions actually paid by the shareholders, unless otherwise agreed upon by all shareholders; for a joint stock limited company, profits shall be distributed in proportion to the shares held by the shareholders, unless otherwise stipulated in the articles of association.

Shares held by the company shall not be entitled to any distribution of profit.

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

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The reserve of a company shall be used for making up losses, expanding the production and business scale or increasing the registered capital of the company. Where the reserve 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. No account shall be opened in the name of any individual for the deposit of a company's funds.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the appointment or dismissal of accounting firms responsible for the auditing of the company shall be determined by shareholders' general meeting, board of directors or board of supervisors in accordance with provisions of articles of association. The accounting firm should be allowed to make representations when the shareholders' general meeting, board of directors or board of supervisors conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidences, books, financial and accounting reports and other accounting data to the accounting firm it employs without any refusal, withholding and misrepresentation.

Distribution of Profits

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

Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out in the company's articles of association. If such amendments involve registered items of the company, they must be registered with the relevant authorities in accordance with applicable laws.

Dissolution and Liquidation

According to the Company Law, a company shall be dissolved by reason of the following: (i) the term of its operations set down in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders' general meeting have resolved to dissolve the company; (iii) the company is dissolved by reason of merger or division; (iv) the business licence is revoked; the company is ordered to close down or be dissolved; or (v) the company is dissolved by the people's court in response to the request of shareholders holding shares that represent more than 10% of the voting rights of all its shareholders, on the grounds that the company suffers significant hardship in its operation and management that cannot be resolved through other means, and the ongoing existence of the company would bring significant losses for shareholders.

If the company falls under circumstances (i) or (ii) above and has not yet distributed its assets to shareholders, it may carry on its existence by amending its articles of association or through a resolution of the shareholders' meeting. The amendment of the articles of association in accordance with provisions set out above shall require approval of more than two-thirds of voting rights of shareholders attending a shareholders' general meeting.

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Where the company is dissolved pursuant to sub-paragraphs (i), (ii), (iv) or (v) above, 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 directors, unless otherwise stipulated in the articles of association or resolved by the shareholders' meeting to appoint other persons. If a liquidation group is not established within the stipulated period to conduct liquidation, or if after its establishment, liquidation is not carried out, interested parties may apply to a people's court to designate relevant persons to form a liquidation group to conduct liquidation. The people's court shall 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: (i) to handle the company's assets and to prepare a balance sheet and an inventory of the assets; (ii) to notify creditors through notice or public announcement; (iii) to deal with the company's outstanding businesses related to liquidation; (iv) to pay any tax overdue as well as tax amounts arising from the process of liquidation; (v) to claim credits and pay off debts; (vi) to distribute the remaining property after all the debts of the company have been paid off; and (vii) to represent the company in civil lawsuits.

The liquidation group shall notify the company's creditors within ten days as 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 as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice. 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 such creditor rights. The liquidation group shall not make any debt settlement to creditors during the period of claim.

Upon liquidation of properties and the preparation of the balance sheet and inventory of assets, the liquidation group shall draw up a liquidation plan to be submitted to the shareholders' general meeting or people's court for confirmation.

The company's remaining assets after payment of liquidation expenses, wages owed to employees, social insurance expenses and statutory compensation, payment of outstanding taxes, and settlement of the company's debts, shall be distributed as follows: for a limited liability company, distribution shall be made in proportion to the shareholders' capital contributions; for a joint stock limited company, distribution shall be made in proportion to the shares held by the shareholders.

A company shall continue to exist during the liquidation period, although it can only engage in any operating activities that are related to the liquidation. The company's properties shall not be distributed to the shareholders before repayments are made in accordance to the foregoing provisions.

Upon liquidation of the company's properties and the preparation of the balance sheet and inventory of assets, if the liquidation group becomes aware that the company does not have sufficient assets to meet its liabilities, 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.

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

Members of the liquidation group shall perform their liquidation duties with loyalty and diligence. Any member of the liquidation group who neglects to fulfill his 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 intentional or gross negligence shall be liable for compensation.

Merger and Division

According to the Company Law, the merger of the company may take the form of either merger by absorption or merger by new establishment. In case of merger by absorption, a company absorbs any other company and the absorbed company is dissolved. In case of merger by new establishment, two or more companies merge into a new one and the parties to the merger are dissolved.

Overseas Listing

In accordance with the Trial Measures, a domestic Chinese company seeking an overseas listing shall submit applications to the CSRC through the required administrative filing procedures stipulated under the Trial Measures.

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 draughting 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 draughting of regulatory provisions of 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.

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》) deals with the application and approval procedures for public offerings of equity securities, trading in equity securities, the acquisition of listed companies, deposit, clearing and transfer of listed equity securities, the disclosure of information with respect to a listed company, investigation, penalties and dispute settlement.

On 25 December 1995, the State Council promulgated 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》). These regulations deal mainly with the issue, subscription, trading and declaration of dividends and other distributions of domestic listed and foreign invested shares and disclosure of information of joint stock limited companies having domestic listed and foreign invested shares.

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The Securities Law of the People’s Republic of China (the “**Securities Law**”) (《中華人民共和國證券法》), revised by the SCNPC on December 28, 2019, and effective from March 1, 2020, encompasses a series of provisions regulating, among other things, the issuance and trading of securities in China, the acquisition of listed companies, securities exchanges, securities companies, and the duties and responsibilities of the State Council’s securities regulatory authority. The Securities Law comprehensively governs activities in China’s securities market. The Securities Law stipulates that domestic enterprises issuing securities overseas directly or indirectly, or listing their securities for trading overseas, shall comply with the relevant regulations of the State Council. Currently, the issuance and trading of shares overseas are primarily governed by rules and regulations promulgated by the State Council and the CSRC.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the People’s Republic of China (the “**Arbitration Law**”) (《中華人民共和國仲裁法》), revised by the SCNPC on September 1, 2017, and effective from January 1, 2018, the Arbitration Law applies to foreign-related economic disputes where the parties have concluded a written agreement to submit the matter to an arbitration commission established in accordance with the Arbitration Law. Prior to the formulation of arbitration rules by the China Arbitration Association, arbitration commissions may formulate provisional arbitration rules in accordance with the Arbitration Law and relevant provisions of the Civil Procedure Law of the People’s Republic of China. Where parties have agreed to resolve disputes through arbitration, a people’s court shall not accept a case initiated by one party regarding the same dispute. The Arbitration Law of the People’s Republic of China was further revised on September 12, 2025, after deliberation and adoption by the SCNPC, and will come into effect on March 1, 2026.

Under the Arbitration Law, an arbitral award is final and binding on all parties involved in the arbitration. If one party fails to comply with the award, the other party may apply to a people’s court for enforcement of the arbitral award in accordance with the Civil Procedure Law of the People’s Republic of China. If any arbitration procedure is conducted in violation of the law, such as where the composition of the arbitration commission contravenes statutory procedures, the matters addressed in the award fall outside the scope of the arbitration agreement, or the arbitration commission lacks jurisdiction over the dispute, the people’s court may rule not to enforce the arbitral award rendered by the arbitration commission. If a party seeks to enforce an arbitral award made by a foreign-related arbitration commission against another party whose domicile or assets are not within the territory of the People’s Republic of China, the party shall apply to a competent foreign court for recognition and enforcement of the award. Similarly, a people’s court may recognize and enforce arbitral awards made by foreign arbitration institutions based on the principle of reciprocity or any international treaties concluded or acceded to by China.

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