

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

1. PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》) (the “**Constitution**”) and is composed of statutes, administrative regulations, local regulations, separate regulations, autonomous regulations, departmental rules and regulations, local government rules and regulations, international treaties of which the PRC government is a signatory, and other regulatory documents. Court verdicts do not constitute binding precedents but may be used as judicial reference and guidance.

Pursuant to the Constitution and the Legislation Law of the PRC (2023 revision) (《中華人民共和國立法法(2023修正)》) (the “**Legislation Law**”), the NPC and the SCNPC are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing civil and criminal matters, state organs and other matters. The SCNPC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided that such supplements and amendments are not in contrary to the basic principles of such laws.

The State Council is the highest organ of the PRC 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 and their respective standing committees may enact local regulations based on the specific circumstances and actual requirements 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 PBOC, the National Audit Office as well as other organs endowed with administrative functions directly under the State Council may, in accordance with the laws as well as the administrative regulations, decisions and orders of the State Council and within the limits of their power, enact rules.

The people’s congresses and their respective standing committees of cities with subordinate districts may, in the areas of urban and rural development and management, ecological civilization construction and the preservation of history and culture, enact local regulations based on the specific circumstances and actual requirements, which shall become enforceable after being reported to and approved by the standing committees of the people’s congresses of the relevant provinces or autonomous regions, but such local regulations shall conform with the Constitution, laws, administrative regulations, and the relevant local regulations of the relevant provinces or autonomous regions. The people’s congresses of national autonomous regions have the power to enact autonomous regulations and separate regulations in light of the political, economic and cultural characteristics of the nationality (nationalities) in the regions concerned.

The people’s governments of the provinces, autonomous regions, municipalities and cities with subordinate districts may enact rules 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 with subordinate districts or autonomous prefectures within the administrative areas of the provinces and the autonomous regions.

The NPC has the power to alter or annul any inappropriate laws enacted by its standing committee, and to annul any autonomous regulations or separate regulations which have been approved by its standing committee but contravene the Constitution or the Legislation Law.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

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 relevant provinces, autonomous regions or municipalities, but which contravene the Constitution and the Legislation Law. The State Council has the power to alter or annul any inappropriate departmental rules and rules of local governments. The people’s congresses of provinces, autonomous regions or municipalities have the power to alter or annul any inappropriate local regulations enacted or approved by their respective standing committees. The people’s governments of provinces and autonomous regions have the power to alter or annul any inappropriate rules enacted by the people’s governments at a lower level.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. According to the Decision of the SCNPC Regarding the Strengthening of Interpretation of Laws (《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》) adopted on June 10, 1981, the Supreme People’s Court of the PRC (the “**Supreme People’s Court**”) has the power to give general interpretation on questions involving the specific application of laws and decrees in court trials. The State Council and its ministries and commissions are also vested with the power to give interpretation of the administrative regulations and department rules which they have promulgated. At the regional level, the power to give interpretations of the local regulations and administrative rules is vested in the regional legislative and administrative organs which promulgate such regulations and rules.

2. PRC JUDICIAL SYSTEM

Under the Constitution and the Organic Law of the People’s Courts of the PRC (2018 revision) (《中華人民共和國人民法院組織法(2018年修訂)》), the PRC judicial system is made up of the Supreme People’s Court, the local people’s courts, and other 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 higher people’s courts supervise the primary and intermediate people’s courts. The people’s procuratorates also have the right to exercise legal supervision over the civil proceedings of people’s courts of the same level and lower levels. The Supreme People’s Court is the highest judicial body in the PRC. It supervises the adjudication work of the people’s courts at all levels.

The Civil Procedure Law of the PRC (2023 Revision) (《中華人民共和國民事訴訟法(2023年修訂)》) (the “**Civil Procedure Law**”), which was adopted in 1991, amended in 2007, 2012, 2017, 2021 and 2023, sets forth the criteria 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. In general, a civil case is initially heard by a local court of the municipality or province in which the defendant resides. The parties to a contract may, by express agreement, select a judicial court where civil actions may be brought, provided that the judicial court is either located at the plaintiff’s or the defendant’s place of domicile, the place of execution or implementation of the contract or the place of the subject of the action, provided that the provisions regarding the level of jurisdiction and exclusive jurisdiction shall not be violated.

A foreign national or enterprise generally has the same litigation rights and obligations as a citizen or legal person of the PRC. If a foreign country’s judicial system limits the litigation rights of PRC citizens and enterprises, the PRC courts may apply the same limitations to the citizens and enterprises of that foreign country within the PRC.

If any party to a civil action refuses to comply with a judgment or ruling made by a people’s court or an award made by an arbitration panel in the PRC, the other party may apply to the people’s court for the enforcement of the same. There are time limits of two years imposed on the right to apply for such enforcement. If a person fails to satisfy a judgment made by the court within the prescribed time, the court will, upon application by either party, enforce the judgment in accordance with the law.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

A party seeking to enforce a judgment or ruling of a people’s court against a party who is not personally or whose property is not within the PRC may apply to a foreign court with jurisdiction over the case 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 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. However, if the people’s court finds that the recognition or enforcement of such judgment or ruling will result in a violation of the basic legal principles of the PRC, its sovereignty or security or against social and public interest, or if other circumstances stipulated in Article 300 of the Civil Procedure Law occur, the people’s court shall, upon examination, not to recognize or enforce such judgment or ruling.

3. THE PRC COMPANY LAW, OVERSEAS LISTING TRIAL MEASURES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A joint stock limited company which is incorporated in the PRC and seeking a listing on the Hong Kong Stock Exchange is mainly subject to the Company Law of the PRC (2023 Revision) (《中華人民共和國公司法(2023修正)》) (the “**PRC Company Law**”), 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 with reference to the Guidelines on the Articles of Association of Listed Companies (《上市公司章程指引》) (the “**Articles of Association Guidelines**”), the specific details of which are as follows:

The PRC Company Law, which was promulgated by the SCNPC on December 29, 1993, came into effect on July 1, 1994, amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023, respectively and the latest amendment of which was implemented on July 1, 2024.

The Overseas Listing Trial Measures and five related guidelines, which were promulgated by the CSRC on February 17, 2023 under the Securities Law of the PRC, came into effect on March 31, 2023, and are applicable to domestic enterprises that issue or list, directly or indirectly, their securities offshore or trade their securities offshore.

The Articles of Association Guidelines were last amended on March 28, 2025 by the CSRC. Domestic enterprises directly issuing and listing overseas shall formulate their articles of association with reference to the Articles of Association Guidelines and other relevant regulations on corporate governance issued by the CSRC to standardize corporate governance. The relevant Articles of Association Guidelines are included in the Company’s Articles of Association, a summary of which is set out in the section headed “Appendix V — Summary of Articles of Association” to this document.

Set out below is a summary of the major provisions of the PRC Company Law, the Overseas Listing Trial Measures and Articles of Association Guidelines applicable to the Company.

(1) General

A joint stock limited company refers to an enterprise legal person incorporated under the PRC Company Law. The capital of the company shall be divided into shares. All shares of the company shall be either with or without par value in accordance with the company’s articles of association. Where shares with par value are adopted, each share shall have equal par value.

The company may, pursuant to the articles of association, convert all the issued shares with par value into those without par value, or vice versa.

Where shares without par value are adopted, more than half of the proceeds from the issuance of the shares shall be included in the registered capital.

The liability of shareholders of a joint stock limited company is limited to the extent of the shares they subscribe for and the company is liable for its debts with all its property.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

A joint stock limited company shall conduct its business in accordance with laws and administrative regulations. It may invest in other limited liability companies and joint stock limited companies and its liabilities with respect to such invested companies are limited to the amount invested. Unless otherwise provided by law, the joint stock limited company may not, as a contributor, undertake joint and several liabilities for the debts of the invested companies.

(2) Incorporation

A joint stock limited company may be incorporated by promotion or public subscription.

A joint stock limited company may be incorporated by a minimum of one but not more than 200 promoters, and at least half of the promoters must have residence within the PRC.

For joint stock limited companies incorporated by promotion, the promoters shall subscribe for the full amount of shares to be issued upon the incorporation of the company as provided for in the company's articles of association.

Where joint stock limited companies are incorporated by subscription, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued upon the incorporation of the company as provided for in the company's articles of association. However, where the laws, administrative regulations otherwise provides, such provisions shall prevail.

The promoters shall pay the subscription monies in full for the shares they subscribe for before the company is incorporated.

The promoters of joint stock limited companies incorporated by subscription must convene an inaugural meeting within 30 days after the issued shares are fully paid up, and must give notice to all subscribers or make an announcement of the date of the inaugural meeting 15 days before the meeting. The inaugural meeting may be held only with the presence of promoters or subscribers representing at least half of the shares in the company. The convening and voting procedures of the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the company's articles of association or the agreement between the promoters.

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

- (i) to review the promoters' report on the preparations for the incorporation of the company;
- (ii) to adopt the company's articles of association;
- (iii) to elect directors and supervisors;
- (iv) to review the preliminary expenses of the company;
- (v) to review the valuations of the non-monetary property contributed by the promoters;
- (vi) to adopt a resolution against the incorporation of the company in the event that a force majeure occurs or a major change takes place in the operational conditions, which directly affects the incorporation of the company.

Resolutions of the inaugural meeting on the matters specified in the preceding paragraph shall be approved by subscribers representing more than half of the voting rights present at the meeting.

Where a company makes public offering of shares, it shall complete the registration with the securities regulatory authority of the State Council and publish a prospectus.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

If a promoter fails to pay for the shares they subscribe for, or if the actual value of non-monetary property contributed as capital is significantly less than the value of the subscribed shares, the other promoters and such promoter shall bear joint and several liabilities for the deficiency.

(3) Share Capital

The promoters of a company may make capital contributions in cash or in kind denominated in money and transferable under the law (e.g., intellectual property or land use rights, etc.) at their valuation.

If capital contribution is made other than in cash, the property injected must be valued and verified and converted into shares.

The Overseas Listing Trial Measures stipulates that the domestic enterprises offering and listing overseas may raise funds and pay dividends in foreign currencies or in RMB.

The use and purposes of investment of the proceeds from overseas issuance of securities by a domestic enterprise shall comply with the laws, administrative regulations and relevant provisions of the State.

The foreign exchange and cross-border flow of capitals relating to the overseas issuance and listing of a domestic enterprise shall comply with the regulations on cross-border investment and financing, foreign exchange control, and cross-border RMB control of the State.

Pursuant to the Overseas Listing Trial Measures, for a domestic enterprises directly offering and listing overseas, shareholders of its domestic unlisted shares applying to convert such shares into shares listed and traded on an overseas stock exchanges shall conform to relevant regulations promulgated by the CSRC, and authorize the domestic company to file with the CSRC on their behalf. The domestic unlisted shares as mentioned in the preceding paragraph refer to shares issued by domestic enterprises but not listed or traded on domestic stock exchanges. Domestic unlisted shares shall be registered and deposited with domestic securities registration and clearing institutions in a centralized manner. The registration and settlement arrangements for overseas listed shares shall be governed by the rules of the overseas places where shares are listed.

(4) Allocation and Issuance of Shares

All issue 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. The same price shall be paid for each share subscribed for by a subscriber. A company may issue shares at par value or at a premium, but it may not issue shares below the par value.

The domestic enterprises that engage in the overseas issuance and listing of securities shall, in accordance with the Overseas Listing Trial Measures, submit to the CSRC a filing report, legal opinions and other relevant materials that give true, accurate and complete description about shareholder information and other circumstances for the record. In case of the direct overseas issuance and listing by domestic enterprises, the issuer shall file with the CSRC.

(5) Registered Shares

Pursuant to the PRC Company Law, shareholders may make capital contributions in cash, or in kind, intellectual property rights, land use rights and other non-monetary property that can be valued in money and can be transferred in accordance with the laws. If capital contribution is made other than in cash, the property injected must be valued and verified and converted into shares. A company shall issue shares in registered form.

In accordance with the Overseas Listing Trial Measures, the domestic enterprises that engage in the overseas issuance and listing of securities may raise funds and pay dividends in foreign currencies or in RMB.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

Under the PRC Company Law, when a company issues shares in registered form, it shall maintain a register of members, stating the following matters: (i) the name and domicile of each shareholder; (ii) the class and numbers of shares held by each shareholder; (iii) the serial numbers of printed share certificates; and (iv) the date on which each shareholder acquired the shares.

(6) Increase in Share Capital

Pursuant to the PRC Company Law, when a joint stock company issues new shares, a resolution on the following matters shall be adopted by the shareholders' meeting:

- (i) the class and number of the new shares;
- (ii) the issue price of the new shares;
- (iii) the commencement and ending dates for the issuance of the new shares;
- (iv) the class and number of the new shares to be issued to the existing shareholders;
- (v) if any share without par value is issued, the proceeds from the issuance of the new shares to be included in the amount of registered capital.

When a company applies for the approval of public issuance of new shares from the securities regulatory authorities of the State Council, it shall publish the required documents and financial and accounting reports, and prepare a share subscription form. After the newly-issued shares have been paid up, the change shall be registered with the company registration authorities and an announcement shall be made.

(7) Reduction of Share Capital

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

- (i) the company shall prepare a balance sheet and a property list;
- (ii) the reduction of registered capital shall be approved by the shareholders' meeting;
- (iii) the company shall inform its creditors of the capital reduction within 10 days and publish an announcement of the reduction on the newspaper or the National Enterprise Credit Information Publicity System within 30 days after the resolution to approve the reduction has been passed at the shareholders' meeting;
- (iv) creditors shall within 30 days after receiving the notice, or within 45 days of the public announcement if no notice has been received, require the company to pay its debts or provide corresponding guarantees;
- (v) the company shall apply to the relevant registration and administration authority for the registration of the reduction in registered capital.

Resolutions adopted at a shareholders' meeting regarding amendment to the company's articles of association, the increase or reduction of the registered capital, or on the merger, division, dissolution or change in the form of the company shall be passed by the shareholders representing two-thirds or more of the voting rights.

When the company reduces its registered capital, it shall reduce the amount of capital contribution or shares in proportion to the shareholders' capital contribution or shareholding, unless otherwise provided by laws or the articles of association.

(8) Repurchase of Shares

Pursuant to the PRC Company Law, a joint stock company may not purchase its own shares except in any of the following circumstances: (i) to reduce its registered capital; (ii) to merge with another company that holds its shares; (iii) to grant its shares for the implementation of an employee stock ownership plan or equity incentive

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

scheme; (iv) to purchase shares from shareholders who object to a resolution passed by the shareholders’ meeting regarding a merger or division of the company and make such request; (v) to use shares for conversion of convertible corporate bonds issued by a company; and (vi) to repurchase shares necessary for a listed company to maintain its company value and protect its shareholders’ interests.

Repurchase of shares on the grounds set out in (i) and (ii) above shall be subject to a resolution passed at the shareholders’ meeting. Repurchase of shares on the grounds set out in (iii), (v) or (vi) above shall be subject to a resolution of the meeting of the board of directors passed by more than a two-thirds majority of directors attending the meeting in accordance with the provisions of the company’s articles of association or as authorized by the shareholders’ meeting.

Following the repurchase of shares under (i) above, such shares shall be cancelled within 10 days from the date of repurchase. The shares shall be transferred or cancelled within six months if the repurchase of shares is made under either (ii) or (iv) above. The total shares held by a company after the repurchase of shares under (iii), (v) or (vi) above shall not exceed 10% of the total issued shares of the company, and shall be transferred or cancelled within three years.

A listed company shall perform its obligation of information disclosure according to the provisions of the Securities Law when repurchasing its shares. In the event the repurchase of shares is made in accordance with (iii), (v) or (vi) above, it shall be made through centralized public trading.

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

(9) Transfer of Shares

Shares held by shareholders may be transferred in accordance with the relevant laws and regulations.

Pursuant to the PRC Company law, the shares which have been issued prior to the offering shall not be transferred within one year from the date of the listing of the joint stock limited company’s shares on a stock exchange. Directors, supervisors and the senior management of the joint stock limited company shall declare to the company their shareholdings in the company and any changes of such shareholdings. Shares transferred by the persons mentioned above each year during their term of office determined at the time they assume office shall not exceed 25% of the total number of shares they hold in the company, and such shares held in the company cannot be transferred within one year from the date of listing and trading. Transfers of shares may not be recorded in the register of members 20 days before convening shareholders’ meeting or five days prior to the record date determined for the purpose of payment of dividends.

Under PRC laws, domestic unlisted shares, which are denominated and subscribed for in Renminbi, may only be subscribed for and traded by the government or the authorized departments of the government, PRC legal persons, natural persons, qualified foreign institutional investors, or eligible foreign strategic investors. Overseas listed shares, which are denominated in Renminbi and subscribed for in a foreign currency other than Renminbi, may only be subscribed for and traded by investors from Hong Kong, Macau or Taiwan Region of the People’s Republic of China or outside the PRC, or qualified domestic institutional investors. However, qualified institutional investors and individual investors may trade shares for Southbound Trading under Hong Kong Connect and Northbound Trading under Shanghai Connect (or the Northbound Trading under Shenzhen Connect) through participating in Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

When the application for “full circulation” is approved by the CSRC, the domestic unlisted shares of the H share listed company can be listed and traded on the Hong Kong Stock Exchange.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

(10) Shareholders

In accordance with the PRC Company Law and the Articles of Association Guidelines, the rights of ordinary shareholders of a joint stock limited company shall include:

- (i) the right to require, convene, preside over, participate in or appoint proxies of shareholders to attend shareholders' meeting and to exercise the corresponding voting rights according to the law;
- (ii) the right to transfer their shares in accordance with laws, administrative regulations and provisions of the articles of association;
- (iii) the right to inspect the company's articles of association, register of shares, counterfoil of company debentures, minutes of shareholders' meeting, resolutions of meetings of the board of directors, resolutions of meetings of the board of supervisors and financial and accounting reports, and to put forward suggestions or raise inquiries on the company's operations;
- (iv) the right to file a petition with the people's court to rescind resolutions passed by shareholders' meeting and board meeting where the articles of association is violated;
- (v) the right to request the company to purchase shares from shareholders who vote against the resolution on the merger or division of the company at a shareholders' meeting;
- (vi) the right to receive dividends and other kinds of benefits distributed in proportion to the number of shares held by them;
- (vii) in the event of the termination or liquidation of the company, the right to participate in the distribution of residual properties of the company in proportion to the number of shares held by them; and
- (viii) other rights as prescribed in laws, administrative regulations, other regulatory documents and the company's articles of association.

The obligations of a shareholder include the obligation to abide by the company's articles of association, to pay the subscription moneys in respect of the shares they 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 shares he/she subscribed for and other shareholders' obligations as specified in the company's articles of association.

(11) Shareholders' Meeting

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

- (i) to elect or remove the directors and supervisors (other than the employee directors) and to decide on matters relating to the remuneration of directors and supervisors;
- (ii) to consider and approve reports of the board of directors;
- (iii) to consider and approve reports of the board of supervisors;
- (iv) to consider and approve annual financial budget and final plans of the company;
- (v) to consider and approve the profit distribution plans and loss recovery plan of the company;
- (vi) to resolve on any increase or reduction of the company's registered capital;
- (vii) to resolve on the issuance of bonds by the company;

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

- (viii) to resolve on the merger, division, dissolution, liquidation and change in the form of the company;
- (ix) to amend the company's articles of association; and
- (x) other powers as prescribed in the articles of association.

Annual shareholders' meeting shall be held once every year. Under the PRC Company Law, an extraordinary shareholders' meeting shall be held within two months after the occurrence of any of the following:

- (i) the number of directors is less than the number stipulated by the law or less than two-thirds of the number specified in the articles of association;
- (ii) the aggregate uncovered losses of the company reach one-third of the company's total paid-up share capital;
- (iii) when shareholders alone or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary shareholders' meeting;
- (iv) whenever the board of directors deems necessary;
- (v) when the board of supervisors so requests; or
- (vi) other circumstances as provided for in the articles of associations.

Under the PRC Company Law, shareholders' meeting shall be convened by the board of directors, and presided over by the chairman of the board of directors. In the event that the chairman is incapable of performing or 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 not performing his duties, a director nominated by more than half of directors shall preside over the meeting.

Where the board of directors is incapable of performing or not performing its duties of convening the shareholders' meeting, the board of supervisors shall convene and preside over such meeting in a timely manner. If the board of supervisors fails to convene and preside over such meeting, shareholders alone or in aggregate holding more than 10% of the company's shares for 90 days consecutively may unilaterally convene and preside over such meeting.

In the event that shareholders who individually or jointly hold more than ten percent of the shares in the company request the convening of an extraordinary shareholders' meeting, the board of directors or the board of supervisors shall make a decision on whether or not to convene an extraordinary shareholders' meeting within ten days after receiving the request, and shall reply to the shareholders in writing.

Under the PRC Company Law, the notice of shareholders' meeting shall state the time and venue and matters to be considered at the meeting and shall be given to all shareholders 20 days prior to the meeting. The notice of extraordinary shareholders' meetings shall be given to all shareholders 15 days prior to the meeting. Under the Articles of Association Guidelines, after the notice of shareholders' meeting is issued, the shareholders' meeting shall not be postponed or cancelled without proper reasons, and the proposals set out in the notice of shareholders' meeting shall not be cancelled. In the event of postponement or cancellation, the convener shall make an announcement and explain the reasons at least two working days before the original meeting date.

There is no specific provision in the PRC Company Law regarding the number of shareholders constituting a quorum in a shareholders' meeting. Pursuant to the Articles of Association Guidelines, the board of directors and the secretary of the board of directors shall cooperate with the shareholders' meeting convened by the board of supervisors or shareholders. The board of directors shall provide the register of members on the record date for determining the shareholding. Moreover, when the shareholders' meeting is held, all directors, supervisors and the secretary of the board

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

of directors of the company shall participate in the meeting, and managers and other senior management shall attend the meeting.

Pursuant to the Articles of Association Guidelines, shareholders who individually or jointly hold more than 3% of the company's shares may put forward interim proposals and submit them to the convener in writing 10 days before the shareholders' meeting. The convener shall issue a supplementary notice of the shareholders' meeting within two days after receiving the proposal and announce the contents of the interim proposal.

Shareholders who individually or jointly hold 1% or more of the company's shares may submit interim proposals to the board of directors in writing at least ten days before the shareholders' meeting. Interim proposals must include clear topics and specific resolutions. The board of directors shall notify other shareholders within two days of receiving the proposals and submit the interim proposals to the shareholders' meeting for deliberation, unless the interim proposals violate laws, administrative regulations, the articles of association, or fall outside the authority of the shareholders' meeting. The company shall not increase the shareholding percentage requirements for shareholders to submit interim proposals.

According to the PRC Company Law, shareholders present at shareholders' meeting have one vote for each share they hold, save that shares held by the company are not entitled to any voting rights.

Pursuant to the provisions of the articles of association or a resolution of the shareholders' meeting, the cumulative voting system may be adopted for the election of directors and supervisors at the shareholders' meeting. Under the cumulative voting system, each share shall be entitled to vote equivalent to the number of directors or supervisors to be elected at the shareholders' meeting and shareholders may consolidate their voting rights when casting a vote.

Pursuant to the PRC Company Law and the Articles of Association Guidelines, resolutions of the shareholders' meeting shall be passed by more than half of the voting rights held by the shareholders present at the meeting. However, resolutions of the shareholders' meeting regarding 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) the increase or decrease of registered capital; (iii) equity incentive scheme; (iv) major assets purchased or sold by the company or the amount of guarantee within one year exceeds 30% of the latest audited total assets of the company; (v) the merger, division, dissolution, liquidation or change in the form of the company; (vi) other matters as stipulated in laws, administrative regulations or the articles of association, as well as other matters deemed by the shareholders' meeting, by way of an ordinary resolution, to be of a nature which may have a material impact on the company and required to be passed by a special resolution.

According to the PRC Company Law, meeting minutes shall be prepared in respect of decisions on matters discussed at the shareholders' meeting. The chairman of the meeting and directors attending the meeting shall sign such minutes. Meeting minutes shall be kept together with the shareholders' attendance register and the proxy forms.

(12) Board of Directors

According to the PRC Company Law, a joint stock company shall have a board of directors, which shall consist of more than three members. Members of the board of directors may include the employee representatives of the company, who shall be democratically elected by the company's employees at the employees' representative assembly, employees' general meeting or otherwise. The term of a director shall be stipulated in the articles of association, but no term of office shall last for more than three years. A director may serve consecutive terms if re-elected upon the expiry of his/her term of office. A director shall continue to perform his/her duties in accordance with the laws, administrative regulations and articles of association until a duly

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

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.

Pursuant to the PRC Company Law, the board of directors mainly exercises the following functions and powers:

- (i) to convene the shareholders' meetings and report on its work to the shareholders' meetings;
- (ii) to implement the resolutions passed at the shareholders' meetings;
- (iii) to decide on the company's business plans and investment proposals;
- (iv) to formulate the company's profit distribution plans and loss recovery plans;
- (v) to formulate proposals for the increase or reduction of the company's registered capital and the issuance of corporate bonds;
- (vi) to formulate plans for the merger, division, dissolution and change in the form of the company;
- (vii) to decide on the establishment of the internal management body of the company;
- (viii) to decide on the appointment or dismissal of the manager of the company and the matters concerning his/her remuneration, and decide on the appointment or dismissal of the deputy manager(s) and persons in charge of the financial affairs of the company, and on the matters concerning their remuneration based on recommendation from the manager;
- (ix) to formulate the company's basic management system; and
- (x) other functions and powers as prescribed in the articles of association or as authorized by the shareholders' meeting.

Restrictions on the functions and powers of the board of directors in a company's articles of association shall not be enforceable against a bona fide third party.

(13) Board Meetings

Under the PRC Company Law, meetings of the board of directors of a joint stock limited company shall be convened at least twice a year. Notice of meeting shall be given to all directors and supervisors 10 days prior to the meeting. Shareholders representing more than 10% of voting rights, more than one-third of directors or the board of supervisors may propose to convene an interim board meeting. The chairman shall convene and preside over such meeting within 10 days after receiving such proposal. Board meetings shall be held only if a majority of the directors are present. Resolutions of the board of directors shall be passed by a majority of all directors. On a vote on a board resolution, every director shall have one vote. Directors shall attend board meetings in person. If a director is unable to attend a board meeting, he/she may appoint another director by a written power of attorney specifying the scope of the authorization to attend the meeting on his/her behalf.

If a resolution of the board of directors violates the laws, administrative regulations, the articles of association or a resolution of the general meeting, and as a result of which the company sustains significant losses, the directors involved 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 may be released from that liability.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

(14) Chairman of the Board

Under the PRC Company Law, the board of directors shall appoint a chairman and may appoint a vice chairman. The chairman and the vice chairman are elected with approval of a majority 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 work of the chairman. In the event that the chairman is incapable of performing or not performing his duties, the duties shall be performed by the vice chairman. In the event that the vice chairman is incapable of performing or not performing his/her duties, a director nominated by a majority of the directors shall perform his/her duties.

(15) Qualification of Directors

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

- (i) a person who has no civil capacity or has limited civil capacity;
- (ii) a person who has been convicted of an offense of corruption, bribery, embezzlement, misappropriation of property, or the destruction of socialist market economy order, or who has been deprived of political rights due to his/her crimes, in each case where less than five years have elapsed since the date of completion of the sentence; or in the case of a suspended sentence, no more than two years have elapsed since the date of expiration of the probationary period;
- (iii) a person who has been a former director, factory manager or manager of an insolvent and liquidated company or enterprise and who was personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (iv) a person who has been a legal representative of a company or an enterprise that has had its business license revoked due to violations of the law and has been ordered to close down and was personally responsible, where less than three years have elapsed since the date of such revocation of the business license or the order to close down;
- (v) a person listed as a dishonest person subject to enforcement by the people's court for failure to pay a large amount of debts that are overdue.

Where the election or appointment of any director is in violation of the preceding paragraph, it shall be invalidated.

If a director, supervisor or senior management member fall into the situations stipulated in (i) during his/her term of office, he/she would be dismissed by the company.

(16) Board of Supervisors

A joint stock limited company shall have a board of supervisors composed of more than three members. The board of supervisors shall consist of representatives of the shareholders and an appropriate proportion of representatives of the employees of the company, of which the proportion of the employee representative supervisors shall not be less than one-third, and the actual proportion shall be stipulated in the articles of association. Representatives of the employees of the company in the board of supervisors shall be democratically elected by the employees at the employees' representative assembly, employees' general meeting or otherwise. The directors and senior management may not act concurrently as supervisors.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

A joint stock company may, in accordance with the provisions of its articles of association, establish an audit committee composed of directors within the board of directors to perform the functions of board of supervisors stipulated by the PRC Company Law, eliminating the need to set up board of supervisors or appoint supervisors.

The audit committee shall consist of more than 3 directors. More than half of its members shall not hold any position in the company other than that of director and shall not have any relationship with the company that may affect their independent and objective judgment. The employee representatives among the members of the board of directors of the company may become members of the audit committee.

A resolution of the audit committee shall be passed by more than half of its members.

Resolutions of the audit committee shall be voted on a one-member-one-vote basis.

The discussion methods and voting procedures of the audit committee shall be prescribed in the company's articles of association, unless otherwise provided in this law.

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 a majority of all 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/her 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 a majority of the supervisors shall convene and preside over the meetings of the board of supervisors.

Each term of office of a supervisor is three years and he/she may serve consecutive terms if re-elected upon expiry of his/her term of office. A supervisor shall continue to perform his/her duties as a supervisor in accordance with laws, administrative regulations and the articles of association until a re-elected supervisor 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 supervisors during his/her term of office results in the number of members of the board of supervisors being less than the quorum.

The board of supervisors of a company shall hold at least one meeting every six months. Under the PRC Company Law, a resolution of the board of supervisors shall be passed by a majority of all supervisors.

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, regulations, the articles of association or the resolutions of shareholders' meetings;
- (iii) to require the director and senior management to make corrections if his/her act is detrimental to the interests of the company;
- (iv) to propose the convening of extraordinary shareholders' meetings and to convene and preside over general meetings when the board of directors fails to perform the duty of convening and presiding over shareholders' meetings under the law;
- (v) to initiate proposals for resolutions to shareholders' meetings;
- (vi) to initiate proceedings against directors and senior management; and

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

- (vii) other powers specified in the articles of association.

Supervisors may attend board meetings and make enquiries or proposals in respect of board resolutions. The board of supervisors may initiate investigations into any irregularities identified in the operation of the company and, where necessary, may engage an accounting firm to assist their work at the company's expense.

(17) Manager and Senior Management

Under the PRC Company Law, a company shall have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors, and perform functions in accordance with the company's articles of association or under the authority of the board of directors. The manager shall attend board meetings.

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

(18) Duties of Directors, Supervisors and Senior Management

Under the PRC Company Law, directors, supervisors and senior management of the company are required to comply with the relevant laws, regulations and the articles of association and to assume duty of loyalty and diligence to the company. Directors, supervisors and senior management shall be prohibited from:

- (i) embezzlement of company properties and misappropriating company funds;
- (ii) depositing company funds into accounts under their own names or the names of other individuals;
- (iii) utilising power to accept bribe or accept other illegal income;
- (iv) accepting for their own benefit commissions from others for transactions conducted with the company;
- (v) unauthorized divulgence of confidential information of the company; (vi) other acts in violation of their duty of loyalty to the company.

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

(19) Derivative Action by Minority Shareholders

The PRC Company Law grants shareholders of a joint stock company the right to act if a director or senior management violates laws, regulations, or the company's articles of association while performing his/her duties and cause damage to the company. Shareholders who individually or jointly hold more than 1% of shares in the Company for over 180 consecutive days may request the board of supervisors in writing to initiate proceedings before a people's court. In the event a supervisor violates laws, regulations, or the company's articles of association while performing his/her duties and causes damage to the company, the aforementioned shareholders may request the board of directors in writing to initiate proceedings before a people's court. Upon receipt of the aforesaid written request from the shareholders, if the board of supervisors or the board of directors refuses to initiate such proceedings, or has not initiated proceedings within 30 days from the date of receipt of the request, or if under urgent situations, fails to initiate immediate proceeding would cause irrecoverable damages to the interests of the company, the above shareholders shall, for the benefit of the company, have the right to initiate proceedings directly before the people's court in their own name.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

(20) Financial Affairs and Accounting

Under the PRC Company Law, a company shall establish its financial and accounting system in accordance with the provisions of laws, administrative regulations and the rules of the finance department under the State Council. At the end of each fiscal year, a company shall prepare its financial and accounting reports, which shall be audited by an accounting firm according to law. The company's financial and accounting reports shall be prepared in accordance with the provisions of laws, administrative regulations and the rules of the finance department under the State Council.

Pursuant to the PRC Company Law, the company shall send its financial and accounting report to all shareholders within the time limit stipulated in the articles of association and make its financial and accounting report available at the company for inspection by the shareholders at least 20 days before convening annual general meeting. The joint stock limited company that has publicly issues its shares shall also publish its financial and accounting report.

Where a company distributes the annual after-tax profits, it shall set aside 10% of its after-tax profits into a statutory common reserve fund (except when 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 years, 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 allocating after-tax profits for the statutory common reserve fund, a company may, upon resolution adopted by the shareholder's meeting, allocate after-tax profits for its discretionary reserve.

The remaining after-tax profits after making up losses and allocation of common reserve fund shall be distributed in proportion to the number of 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 premium income derived from the shares issued above par value and other income which, according to the rules set by the finance department under the State Council, is enlisted into the capital reserve funds shall be put into the capital reserve funds of the company.

The reserve funds of a company shall be used to make up for the company's losses or to expand production and operation of the company, or shall be converted into registered capital. 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 covered, the capital reserve funds can be used according to the provisions. Where the statutory common reserve funds are converted into registered capital, the remaining amount of such reserve funds shall not be less than 25% of the registered capital prior to such conversion.

A company shall not have any other accounting books in addition to the statutory accounting books. No accounts shall be opened in the name of any individual for deposit of the assets of a company.

(21) Appointment and Retirement of Accounting Firms

Pursuant to the PRC Company Law, the appointment or dismissal of an accounting firm that undertakes the audit work of a company shall be subject to decision by the shareholders' meeting, the board of directors or the board of supervisors in accordance with the provisions of the company's articles of association. Where the shareholders' meeting, the board of directors or the board of supervisors of a company votes on the dismissal of an accounting firm, it shall allow the accounting firm to state its opinions. A company shall provide true and complete accounting vouchers, accounting books, financial and accounting reports and other accounting

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

materials to the accounting firm it appoints, and shall not refuse to do so, conceal the facts or make false reports about them.

The Articles of Association Guidance provides that the company shall guarantee to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the appointed accounting firm, and shall not refuse to do so, conceal the facts or make false reports about them. The audit fee of the accounting firm shall be determined by the shareholders' meeting.

(22) Distribution of Profits

Pursuant to the PRC Company Law, after making up its losses and making allocations for its reserve funds, the company shall distribute the profits to shareholders in proportion to the shares held by them, save as otherwise stipulated in the articles of association.

No profits shall be distributed to a company for its own shares.

(23) Amendments to Articles of Association

Any amendments to the company's articles of association must be made in accordance with the procedures set out therein. In relation to matters involving the company's registration, its registration with the authority must also be changed.

(24) Dissolution and Liquidation

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

- (i) where the term of business operation as stipulated in the company's articles of association expires or other causes for dissolution as stipulated in the articles of association occur;
- (ii) where a resolution on dissolution is adopted by the shareholders' meeting;
- (iii) where the company dissolution is a result of merger or division;
- (iv) where the business license is revoked, or the company is ordered to close down or dissolved, according to law;
- (v) where a company is confronted with serious difficulties in operation and management, its continued existence may cause grievous losses to the interests of its shareholders and the difficulties cannot be surmounted through other channels, the shareholders holding more than 10% of the voting rights held by all shareholders of the company may request a people's court to dissolve the company, and the people's court order such dissolution.

The company shall, within 10 days of the occurrence of the dissolution event stipulated in the preceding paragraph, publish an announcement in relation to the dissolution event through the National Enterprise Credit Information Publicity System.

If the item (i) and (ii) above occurs and the property has not yet been distributed to the shareholders, a company may continue to exist by amending the articles of association or resolution of the shareholders' meeting. Amendments to the articles of association or resolution of the shareholders' meeting pursuant to the preceding paragraph shall be subject to the approval of shareholders representing two-thirds or above of the voting rights present at the shareholder's meetings.

Where a company is dissolved in the circumstances described in sub-paragraphs (i), (ii), (iv), or (v) above, it shall, within 15 days from the occurrence of dissolution event, it shall set up a liquidation team to proceed liquidation. The directors of the company are liquidation obligors.

The liquidation team of a company shall comprise its directors or the personnel appointed by the shareholders' meeting. If a liquidating team is not formed within the stipulated time or is formed but does not proceed liquidation, interested parties may

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

apply to a people's court for designating relevant persons to form a liquidation team for liquidation. The people's court shall accept the application and shall organize a liquidation team to conduct liquidation in a timely manner.

During the period of liquidation, the liquidation team shall exercise the following functions and powers:

- (i) to check up on the property of the company and draw up a balance sheet and an inventory of assets;
- (ii) to inform the creditors by notice or announcement;
- (iii) to dispose of and liquidate the company's unfinished business;
- (iv) to pay off the tax-in-arrear and the taxes generated in the process of liquidation;
- (v) to claim credits and pay off debts;
- (vi) to allocate the company's remaining assets after its debts have been paid off; and
- (vii) to participate in civil lawsuits on behalf of the company.

The liquidation team shall notify the company's creditors within 10 days after its establishment and issue public an announcement in newspapers or the National Enterprise Credit Information Publicity System within 60 days. The creditors shall declare their claims to the liquidation team within 30 days from the date they receive the written notice or within 45 days from the date the announcement is made (in case where such notice is not received). When declaring his claims, a creditor shall specify all matters in respect of each claim, and provide supporting materials. The liquidation team shall register the claims. During the period when creditors declare their claims, the liquidation team shall not pay off the debts to them.

After the liquidation team has checked up on the property of the company and drawn up the balance sheet and the inventory of assets, it shall formulate a liquidation plan and submit the plan to the shareholders' meeting or a people's court for confirmation.

After a company pays off the liquidation expenses, the wages, the social insurance premiums and the statutory compensations, pays off its tax-in-arrear and settle its debts, the remaining assets of the company shall be distributed to the shareholders in proportion to the shares held by them. During the liquidation process, the company shall continue to exist, but may only engage in the operational activities related to liquidation. The property of the company shall not be distributed to its shareholders before it has made the payments as stipulated in the preceding paragraph.

If, after checking up on the property of a company and drawing up the balance sheet and the inventory of assets, the liquidation team discovers that the assets of the company is insufficient to pay off its debts, it shall, in accordance with law, apply to a people's court for declaration of bankruptcy of the company.

After the people's court has ruled to declare the company bankrupt, the liquidation team shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon the completion of the company's liquidation, the liquidation team shall submit a liquidation report to the shareholders' meeting or the people's court for confirmation, after which the report shall be submitted to the company registration authority to apply for deregistration of the company and shall publish an announcement in relation to the termination of the company. Members of the liquidation team shall perform the duty of liquidation and have fiduciary duty and duty of diligence. Members of the liquidation team shall not take advantage of their functions and powers to accept bribes or other illegal income, or to take illegal possession of the property of the company. A member of the liquidation team shall be liable for compensation for losses caused to the company, if any, by his/her negligence in performing the duty of liquidation; or to creditors, if any, with intent or by gross negligence.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

(25) Overseas Listing

Pursuant to the Overseas Listing Trial Measures, if an issuer makes an initial public offering or listing overseas, it shall file with the CSRC within three working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after its overseas issuance and listing, it shall file with the CSRC within three working days after the completion of the issuance. If an issuer issues and lists its securities in other overseas markets after its overseas issuance and listing, it shall file a record in accordance with the provisions of the first paragraph of this Article. Furthermore, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials and publicise the filing information on its website. Otherwise, the CSRC shall notify the issuer to supplement the materials within five working days from the date of receiving the filing materials. The issuer shall supplement the materials within 30 working days. If the overseas offering or listing has not been completed within one year after the completion of filing with the CSRC, the filing documents shall be updated if such overseas offering or listing is to proceed further.

(26) Loss of Share Certificates

If a registered share certificate is lost, stolen, or destroyed, the relevant shareholder may apply to a people's court for a declaration that the share certificate is void in accordance with the relevant provisions of the Civil Procedure Law. After the people's court has declared the share certificate void, such shareholder may apply to the company for re-issuance of the share certificate.

(27) Dividends

The company has the authority, in certain circumstances, to withhold and pay to the relevant tax authorities any taxes payable under the PRC laws from any dividends or other distributions payable to shareholders. Under Hong Kong laws, the limitation period for recovering a debt (including the recovery of declared dividends) is six years, while under PRC laws, the relevant limitation period is three years. The company shall not exercise its power to forfeit any unclaimed dividends in respect of the shares before the expiration of the applicable limitation period.

(28) Termination of Listing

The PRC Securities Law stipulates that the trading of shares of a company on a stock exchange may be terminated if so decided by the stock exchange.

If a stock exchange decides to delist a security, it shall make a timely announcement and file with the securities regulatory authority under the State Council.

The Trial Measures stipulates that if an issuer delists its securities from an overseas market on a voluntary or compulsory basis after its offering and listing, the issuer shall submit a report to the CSRC within three working days after the occurrence and announcement of the relevant event.

(29) Merger and Division

A company may merge by absorption or through the establishment of a newly merged entity. If a company merges by way of absorption, the absorbed company shall be dissolved; if a company merges by forming a new corporation, both companies shall be dissolved.

4. SECURITIES LAWS AND REGULATIONS OF THE PRC

CSRC, a ministerial-level public institution directly under the State Council, performs unified regulatory functions, according to the relevant laws and regulations, and with the authority by the State Council, over the securities and futures market of the PRC, maintains an orderly securities and futures market order, and ensure a legal operation of the capital market.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

The PRC Securities Law came into effect on July 1, 1999, and was amended on August 28, 2004, October 27, 2005, June 29, 2013, August 31, 2014 and December 28, 2019. It is the first national securities law in the PRC, which is divided into 14 chapters and 226 sections, regulating (among other things) the issuance and trading of securities, the acquisition of listed companies, stock exchanges, securities companies, and the obligations and responsibilities of the securities regulatory authority under the State Council. The PRC Securities Law comprehensively regulates activities in the PRC securities market. Section 224 of the PRC Securities Law stipulates that, to list their shares outside the PRC, domestic enterprises must comply with the relevant provisions of the State Council. Currently, the issuance and trading of overseas listed shares are primarily regulated by the rules and regulations promulgated by the State Council and the CSRC.

5. ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

On August 31, 1994, the SCNPC adopted the Arbitration Law of the People's Republic of China (《中華人民共和國仲裁法》) (the “**Arbitration Law**”), which came into effect on September 1, 1995, and was amended on August 27, 2009, September 1, 2017 and September 12, 2025. The version currently in force was revised in September 2017 and shall be replaced on March 1, 2026 by the September 2025 revision. Pursuant to the Arbitration Law, the arbitration commission may formulate provisional arbitration rules in accordance with the Arbitration Law and the Civil Procedure Law before the China Arbitration Association (中國仲裁委員會) issues arbitration rules. If the parties agree to use arbitration as the method for dispute resolution, the people's court shall reject the relevant case, unless the arbitration agreement is ruled to be invalid.

Pursuant to the Arbitration Law and the Civil Procedure Law, the arbitral award shall be final and binding on both parties to the arbitration. If a party fails to comply with the arbitral award, the other party may apply to a people's court for enforcement of the award. If the arbitration procedure or the composition of the arbitral tribunal violates the statutory procedure, or if the award is beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission, the people's court may reject the enforcement of the arbitral award made by the arbitration commission.

A party seeking to enforce an arbitral award made by a PRC arbitral tribunal against the other party who is not located in the PRC or does not have assets in the PRC may apply to a foreign court with jurisdiction over the case for enforcement. Similarly, arbitral awards made by foreign arbitration institutions may be recognised 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 recognised the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the “**New York Convention**”), adopted on June 10, 1958, pursuant to a resolution of the SCNPC passed on December 2, 1986. The New York Convention stipulates that all arbitral awards made in member states of the New York Convention must be recognised and enforced by all other member states, provided that, under certain circumstances, a member state has the right to refuse enforcement, including where the enforcement of the arbitral award would be in contrary to the public policy of the country in which enforcement is sought. It was declared by the SCNPC simultaneously with the accession of the PRC that (i) the PRC would only recognise and enforce foreign arbitral awards on the basis of reciprocity, and (ii) the PRC would only apply the New York Convention in disputes considered under PRC laws that arise from contractual and non-contractual mercantile legal relations.

An arrangement has been made between Hong Kong and the Supreme People's Court regarding the reciprocal enforcement of arbitral awards. On June 18, 1999, the Supreme People's Court adopted the Arrangement Concerning Mutual Enforcement of Arbitral Awards between the Mainland and the HKSAR (《關於內地與香港特別行政區相互執行仲裁裁決的安排》), which came into effect on February 1, 2000. According to the arrangement, awards made by arbitration institutions in the mainland China under the Arbitration Law may be enforced in Hong Kong, and Hong Kong arbitral awards may also be enforced in the mainland China.

APPENDIX IV SUMMARY OF PRINCIPAL LAWS AND REGULATIONS

6. JUDICIAL JUDGMENT AND ITS ENFORCEMENT

Pursuant to the Arrangement of the Supreme People’s Court on the Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (《最高人民法院關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》) (the “**Arrangement**”), which was promulgated by the Supreme People’s Court on July 3, 2008 and effective from August 1, 2008, a party with a final and enforceable judgment that requires the payment of money rendered by courts of the PRC or of Hong Kong in civil and commercial cases with a written choice of court agreement may apply to a people’s court in mainland China or a Hong Kong court under the Arrangement for recognition and enforcement of the judgment; a “written choice of court agreement” means an agreement in writing that clearly designates a mainland China People’s Court or a Hong Kong court as having exclusive jurisdiction to resolve disputes which have arisen or may arise in connection with a particular legal relationship. Accordingly, final judgments in mainland China or Hong Kong that satisfy certain conditions under the aforementioned regulations may be recognised and enforced by a mainland China court or a Hong Kong court upon application by the parties.

On January 18, 2019, the Supreme People’s Court of China and the Hong Kong Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of Mainland China and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》) (the “**New Arrangement**”). The New Arrangement aims to establish a clearer and more certain mechanism for the recognition and enforcement of a broader range of judgments in civil and commercial matters between Hong Kong and the mainland China. The New Arrangement terminates the requirement for concluding a jurisdiction agreement for the reciprocal recognition and enforcement of judgments. The New Arrangement came into effect on January 29, 2024, following the promulgation of a judicial interpretation by the Supreme People’s Court and the completion of the relevant legislative procedures in Hong Kong. The New Arrangement has superseded the Arrangement upon its effectiveness.