

## APPENDIX IV

## SUMMARY OF PRINCIPAL PRC LEGAL AND REGULATORY PROVISIONS

This Appendix sets forth summaries of certain aspects of PRC laws and regulations which are relevant to the Company’s operations and business. Laws and regulations relating to taxation in the PRC are discussed separately in “Appendix III — Taxation and Foreign Exchange.” This Appendix also contains a summary of certain Hong Kong legal and regulatory provisions, including certain requirements of the Listing Rules and additional provisions required by the Hong Kong Stock Exchange for inclusion in the articles of association of the PRC issuers.

### THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》, the “Constitution”), which was last amended and effective on March 11, 2018. The PRC legal system 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 a signatory and other regulatory document. Court judgments do not constitute legally binding precedents, although they are used for the purposes of judicial reference and guidance.

The National People’s Congress (the “NPC”) and its Standing Committee are empowered to exercise the legislative power of the State in accordance with the Constitution and the Legislation Law of the People’s Republic of China (《中華人民共和國立法法》, the “Legislation Law”), which was last amended on March 13, 2023 and effective on March 15, 2023. The NPC has the power to formulate and amend basic laws governing state authorities, civil, criminal and other matters. The Standing Committee of the NPC (“SCNPC”) formulates and amends 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 respective standing committees may formulate local regulations based on the specific circumstances and actual needs of their respective administrative areas, provided that such local 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 and historical cultural protection 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 matters concerning 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, 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 standing committees of the people’s congresses of the provinces or autonomous regions examine the legality of local regulations submitted for approval, and such approval should be granted within four months if they are not in conflict with the Constitution, laws, administrative regulations and local regulations of such 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 concerned, a handling decision should be made by the standing committees of the people’s congresses of provinces or autonomous regions to resolve the issue. People’s congresses of national autonomous areas have the power to enact autonomous regulations and

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separate regulations in light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The autonomous regulations and separate regulations of an autonomous region shall come into force after being reported to and approved by the SCNPC. The autonomous regulations and separate regulations of an autonomous prefecture or an autonomous county shall come into force after being reported to and approved by the standing committee of the people's congress of the province, autonomous region, or municipality directly under the Central Government.

The ministries and commissions of the State Council, the People's Bank of China, National Audit Office and the subordinate institutions with administrative functions directly under the State Council may formulate departmental rules within the jurisdiction of their respective departments based on the laws and administrative regulations, and the 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.

According to the Constitution and the Legislation Law, the power to interpret laws is vested in the SCNPC. 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》) implemented on June 10, 1981, the Supreme People's Court has the power to give interpretation on issues related to the application of laws and regulations in a court trial, and issues related to the application of laws and regulations in a prosecution process of a procuratorate should be interpreted by the Supreme People's Procuratorate. If there is any disagreement in principle between Supreme People's Court's interpretations & Supreme People's Procuratorate's interpretations, such issues shall be reported to the SCNPC for interpretation or judgment. The other issues related to laws and regulations other than the abovementioned should be interpreted by the State Council and the competent authorities. At the regional level, the power to interpret regional laws is vested in the regional legislative and administrative authorities which promulgate such laws.

### THE PRC JUDICIAL SYSTEM

Under the Constitution, 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 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》) amended on October 26, 2018 and becoming effective on January 1, 2019, the people's courts of the PRC are divided into the Supreme People's Court, the local people's courts at all levels and special people's courts. The local people's courts at all levels are divided into three levels, namely, the basic people's courts, the intermediate people's courts and the higher people's courts. The basic people's courts may set up 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. The people's procuratorates of the PRC are divided into the Supreme People's Procuratorate, the local people's procuratorates at all levels, Military Procuratorates and other special people's procuratorates. The Supreme People's Procuratorate shall be the highest procuratorate 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, i.e., judgments or rulings of the second instance at the people's courts are final. A party may appeal against the judgment or ruling of the first instance of a local people's courts. The people's procuratorate may present a protest to

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the people’s courts at the next higher level in accordance with the procedures stipulated by the laws. In the absence of any appeal by the parties and any protest by the people’s procuratorate within the stipulated period, the judgments or rulings of the people’s courts are final. Judgments or rulings of the second instance of the intermediate people’s courts, the higher people’s courts and the Supreme People’s Court and those of the first instance of the Supreme People’s Court are final. However, if the Supreme People’s Court finds some definite errors in a legally effective judgment, ruling or conciliation statement of the people’s court at any level, or if the people’s court at a higher level finds such errors in a legally effective judgment, ruling or conciliation statement of the people’s court at a lower level, it has the authority to review the case itself or to direct the lower-level people’s court to conduct a retrial. If the chief judge of all levels of people’s courts finds some definite errors in a legally effective judgment, ruling or conciliation statement, and considers a retrial is preferred, such case shall be submitted to the judicial committee of the people’s court at the same level for discussion and decision.

The Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》) (the “PRC Civil Procedure Law”) promulgated on April 9, 1991, last amended on September 1, 2023 and becoming effective on January 1, 2024, prescribes the conditions for instituting a civil action, the jurisdiction of the people’s court, the procedures for conducting a civil action, and the procedures for enforcement of a civil judgment or ruling. All parties to a civil action conducted within the PRC must abide by the PRC Civil Procedure Law. A civil case generally falls under the jurisdiction of the court located in the defendant’s place of domicile. In respect of civil proceedings, the parties to a contract may, by written agreement, choose the people’s court of the place where the defendant is domiciled, the contract is performed or signed, the plaintiff is domiciled, the subject matter is located, or any other place that has actual connection with the dispute, for jurisdiction, provided that such choice shall not in any circumstances contravene the regulations of differential jurisdiction and exclusive jurisdiction.

A foreign individual, a stateless person, 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 courts of the PRC may apply the same limitations to the citizens or enterprises of such foreign country. A foreign individual, a stateless person, 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 to a civil action shall perform the legally effective judgments and rulings. If any party to a civil action refuses to abide by a judgment or ruling made by a people’s court or an award made by an arbitration tribunal in the PRC, the other party may apply to the people’s court for the enforcement of the same within two years subject to application for postponed enforcement or revocation. The provisions relating to the suspension or discontinuance of the litigation limitation period shall be applicable to the suspension or discontinuance of the limitation period for applications to enforce a judgment. If a party fails to satisfy within the stipulated period a judgment which the court has granted an enforcement approval, the court may, upon the application of the other party, mandatorily enforce the judgment against such party.

Where a party requests for enforcement of an effective judgment or ruling made by a people’s court, but the opposite party or his or her property is not within the territory of the People’s Republic of China, the party may directly apply to the foreign court with jurisdiction for recognition

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and enforcement of the judgment or ruling, or the people’s court may, in accordance with the provisions of international treaties to which the PRC is a signatory or in which the PRC is a participant or according to the principle of reciprocity, request for recognition and enforcement by the foreign court. Similarly, for an effective judgment or ruling made by a foreign court that requires recognition and enforcement by a people’s court of the PRC, a party may directly apply to an intermediate people’s court of the PRC with jurisdiction for recognition and enforcement of the judgment or ruling, or the foreign court may, in accordance with the provisions of international treaties to which its country and the PRC are signatories or in which its country is a participant or according to the principle of reciprocity, request for recognition and enforcement by the people’s court, unless such judgment or ruling would violate the basic principles of the PRC law or undermines state sovereignty, security, social or public interests.

### THE COMPANY LAW OF THE PRC, THE TRIAL MEASURES AND THE GUIDELINES FOR THE ARTICLES OF ASSOCIATION OF LISTED COMPANIES

A joint stock limited company established in the PRC seeking a [REDACTED] on the Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the PRC.

The Company Law of the PRC (the “PRC Company Law”) was adopted by the Standing Committee of the Eighth NPC at its Fifth Session on December 29, 1993 and came into effect on July 1, 1994. It was successively amended on December 25, 1999, August 28, 2004, October 27, 2005, December 28, 2013, October 26, 2018 and December 29, 2023. The newly revised PRC Company Law has been implemented on July 1, 2024.

On February 17, 2023, the CSRC published the Trial Measures and the relevant guidelines, which came into effect on March 31, 2023 and is applicable to direct and indirect overseas share subscription and [REDACTED] of domestic companies. The Trial Measures also stipulates the filing administrative measures and regulatory requirements for the overseas securities [REDACTED] and [REDACTED] by domestic companies.

On March 28, 2025, the CSRC promulgated the newly revised Guidelines for the Articles of Association of Listed Companies (the “AoA Guidelines”), which took effect on the same date. Pursuant to the Trial Measures and its complementary guidelines, Guidelines on the Application of Regulatory Rules — Overseas Listing Category No. 1, domestic enterprises that directly offer shares and list overseas shall prepare the articles of association with reference to the AoA Guidelines and other relevant provisions of the CSRC on corporate governance to standardize corporate governance.

Major provisions of the PRC Company Law, the Trial Measures and the AoA Guidelines applicable to the Company are summarized as follows.

A “joint stock limited company” (“company”) refers to a corporate legal person incorporated in China under the PRC 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 subscribe for and the liability of the company for its own debts is limited to the total amount of all assets it owns.

A company must conduct its business in accordance with laws as well as public and commercial ethics. A company may invest in other limited liability companies. The liabilities of the company to such invested companies are limited to the amount invested. Where any laws stipulate that a company cannot be the capital contributor who has the joint liabilities associated with the debts of the invested enterprises, such requirements shall prevail.

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### **INCORPORATION**

A company may be established by promotion or subscription. A company shall have a minimum of one but no more than 200 people as its promoters, over half of which shall have a domicile within the PRC. The registered capital of a company is the total share capital of the issued shares as registered with the company registration authority. No share offering shall be made before the shares subscribed for by promoters are fully paid up. If laws, administrative regulations and the State Council decisions provide otherwise on the minimum registered capital, a company should follow such provisions.

For companies incorporated by way of promotion, the promoters shall subscribe for the full amount of shares to be issued upon the establishment of the company as provided for in the articles of association. Where companies are incorporated by share offering, shares subscribed for by the promoters shall not be less than 35% of the total number of shares to be issued when the company is established as stipulated in the company's articles of association, unless otherwise provided by laws or administrative regulations.

The sponsors who raise funds to establish a joint stock limited company shall preside over and convene the establishment meeting of the company within thirty days from the date of full payment of the shares that should be issued when the company is established, and notify all subscribers or announce the date of the meeting 15 days prior to the date of the establishment meeting. The establishment meeting shall be formed by the subscribers holding more than half of the voting rights. The convening and voting procedures of the establishment meeting of a joint stock limited company established by way of promotion shall be stipulated in the company's articles of association or the agreement between the promoters.

Powers to be exercised at the establishment meeting of a company shall include but not limited to the adoption of articles of association and the election of directors and supervisors. The aforesaid matters shall be resolved by more than 50% of the votes to be casted by subscribers presented at the meeting. Where the shares that shall be issued when the company is established are not fully subscribed, or where the promoter fails to convene an establishment meeting within 30 days of the subscription monies for the shares issued being fully paid up, the subscribers may demand that the promoters refund the subscription monies so paid together with the interest at bank deposit rates for the same period. After the promoters or subscribers have paid for their shares or delivered non-monetary property, they may not withdraw their share capital, except in the case of failure to raise the full amount of shares by the due date, failure of the promoters to convene the establishment meeting by the due date, or the establishment meeting resolves not to establish the company. Within 30 days after the conclusion of the establishment meeting of the company, the board of directors shall authorize a representative to apply to the company registration authority for registration of the establishment of the company. A company is formally established and has the capacity of a legal person after approval of registration has been given by the relevant company registration authority for industry and commerce and a business license has been issued.

### **REGISTRATION AND ISSUE OF SHARES**

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

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

A joint stock limited company shall maintain a register of members which shall be kept at the company and set forth the following matters: (1) the name and domicile of each shareholders; (2) the class and number of shares subscribed for by each shareholder; (3) in case of shares issued in paper form, the serial numbers of share certificates; and (4) the date on which each shareholder acquired the shares.

The issuance of shares shall be conducted in a fair and equitable manner. Each share of the same class 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 per share shall be paid by any subscriber. The offering price of par value shares may be equal to or greater than the nominal value of the share, but may not be less than the nominal value.

The Trial Measures provides that domestic enterprises that are listed overseas may raise funds and distribute dividends in foreign currencies or Renminbi. Under certain circumstances, such as equity incentives and issuing securities to acquire assets, domestic enterprises may issue securities to specific domestic parties when issuing securities directly overseas.

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

### **INCREASE IN SHARE CAPITAL**

Pursuant to the relevant provisions of the PRC Company Law, where a company is issuing new shares, resolutions shall be passed at a general meeting in accordance with the articles of association in respect of matters such as the class and amount of the new shares, the issue price of the new shares, the commencement and end dates for the issue of the new shares and the class and amount of the new shares proposed to be issued to existing shareholders. Where a company intends to make public offering of shares, it shall register with the security regulatory organization under the State Council and publish a prospectus. After the issued shares have been fully paid up, the company shall make an announcement.

### **REDUCTION OF SHARE CAPITAL**

A company shall reduce its registered capital in accordance with the following procedures prescribed by the PRC Company Law: (1) the company shall prepare a balance sheet and an inventory of assets; (2) the reduction of registered capital must be approved by shareholders at general meeting; (3) the company shall notify its creditors within 10 days and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 30 days from the day on which the resolution approving the reduction was passed; (4) the creditors of the company are entitled to require the company to repay its debts or provide guarantees for such debts within 30 days from receipt of the notification or within 45 days from the date of the announcement if he/she/it has not received any notification; and (5) the company must apply to the company registration authority for change in registration.

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Where a company reduces its registered capital, it shall reduce the amount of capital or shares according to the proportion of the shareholders' contributions or shareholdings, unless as otherwise provided by laws, as otherwise agreed by all the shareholders of the limited liability company, or as otherwise stipulated in the articles of association of the joint stock limited company.

### REPURCHASE OF SHARES

Pursuant to the PRC Company Law, a company may not repurchase its own shares other than for the following purposes: (i) reducing its registered capital; (ii) merging with other companies which hold its shares; (iii) carrying out an employee stock ownership plan or equity incentive plan; (iv) acquiring its shares at the request of its shareholders who vote in a general meeting against a resolution regarding a merger and division; (v) utilizing the shares for conversion of listed corporate bonds which are convertible into shares; and (vi) where it is necessary for the listed company to safeguard the value of the company and the interests of its shareholders. The acquisition by a company of its own shares on the grounds set out in item (i) to (ii) above shall be approved by way of a resolution of a general meeting; the acquisition by a company of its own shares in circumstances as set out in items (iii), (v) and (vi) above may be approved by way of a resolution at a board meeting with two-third or more of the directors present in accordance with the provisions of the company's articles of association or the authorization of the general meeting.

Following the acquisition by a company of its own shares in accordance with these requirements, such shares shall be canceled within 10 days from the date of the acquisition under the circumstance in item (i); such shares shall be transferred or canceled within six months under the circumstances in items (ii) or (iv); the total shares held by the Company shall not exceed 10% of the total amount of shares issued by the Company and such shares shall be transferred or canceled within three years under the circumstances in items (iii), (v) or (vi).

### TRANSFER OF SHARES

Shares held by shareholders of a joint-stock company may be transferred to other shareholders or to persons other than shareholders; if the company's articles of association impose restrictions on the transfer of shares, such transfer shall be effected in accordance with the provisions of the company's articles of association. Pursuant to the PRC Company Law, a shareholder should effect a transfer of his shares on a stock exchange established in accordance with laws or by any other means as required by the State Council. Transfer of shares may be carried out by endorsement of shareholders or in other manner specified by laws and administrative regulations. Following the transfer, the company shall enter the names and addresses of the transferees into its register of members.

Pursuant to the PRC Company Law, the register of members shall not be modified within 20 days prior to the convening of a shareholder's meeting or five days prior to the base date for determination of dividend distributions. Where laws, administrative regulations or the securities regulatory authorities under the State Council have other provisions on changes to the register of members of a listed company, such provisions shall prevail.

Pursuant to the PRC Company Law, shares of the company issued prior to the [REDACTED] may not be transferred within one year of the date of the company's [REDACTED] on a stock exchange. Where laws, administrative regulations or the securities regulatory authority of the State Council have other provisions on the transfer of shares held by shareholders or de facto controllers of listed companies, such provisions shall prevail. Directors, supervisors and the senior management of a company shall declare to the company their shareholdings in it and changes in such shareholdings. 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 during their term of office as determined when they assume the posts. They shall not transfer the shares they hold within one year from the

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date of the company's [REDACTED] on a stock exchange, nor within six months after they leave their positions in the company. The articles of association may set out other restrictive provisions in respect of the transfer of shares in the company held by its directors, supervisors and the senior management. Where the shares are pledged within the time limit for restricted transfer as provided for by laws and administrative regulations, the pledgee may not exercise the pledge right within such restricted period.

### SHAREHOLDERS

Under the PRC Company Law and the AoA Guidelines, the rights of shareholders include the rights: (i) to receive a return on assets, participate in significant decision-making and select management personnel; (ii) to petition the people's court to revoke any resolution passed on a general meeting or a meeting of the board of directors that has been convened or whose voting has been conducted in violation of the laws, administrative regulations or the articles of association, or any resolution 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 meeting of the general meeting or the board of directors or the voting method only has some minor defects, which produces no substantial effect on the resolution; (iii) to transfer, donate or pledge the shares of the shareholders legally; (iv) to attend or appoint a proxy to attend general meetings and exercise the voting rights; (v) to inspect and make copies of the articles of association, share register, minutes of general meetings, board resolutions, resolutions of the board of supervisors and financial and accounting reports, and to make suggestions or inquiries in respect of the company's operations; (vi) to receive dividends and other forms of profit distribution in respect of the number of shares held; (vii) to participate in distribution of residual properties of the company in proportion to their shareholdings upon the liquidation of the company; and (viii) 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 company's articles of association, to pay the subscription monies in respect of the shares subscribed for, to be liable for the company's debts and liabilities to the extent of the shares taken up by them, may not abuse shareholder's rights to harm the interests of the company or other shareholders, or abuse the independent status of the company legal person and the limited liability of shareholders to harm the interests of the creditors of the company, and any other shareholder obligation specified in the articles of association.

### GENERAL MEETING

The general meeting is the organ of authority of the company, which exercises its powers in accordance with the PRC Company Law. The general meeting may exercise the following functions and powers: (i) to elect and replace the directors and supervisors and to decide on the matters relating to the remuneration of directors and supervisors; (ii) to review and approve the reports of the board of directors; (iii) to review and approve the reports of the board of supervisors; (iv) to review and approve the company's profit distribution proposals and loss recovery proposals; (v) to make resolutions on any increase or reduction of the company's registered capital; (vi) to make resolutions on the issue of corporate bonds; (vii) to make resolutions on merger, division, dissolution and liquidation of the company or change of its corporate form; (viii) to amend the articles of association; and (ix) other functions and powers stipulated in the articles of association. The general meeting may authorize the board of directors to make resolutions on the issuance of corporate bonds.

Pursuant to the PRC Company Law and the AoA Guidelines, a general meeting is required to be held once every year within six months after the end of the previous accounting year. An extraordinary general meeting is required to be held within two months upon the occurrence of any

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of the circumstances: (i) the number of directors is less than the number required by law or less than two-thirds of the number specified in the articles of association; (ii) the outstanding losses of the company amounted to one-third of the company's total 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) the board deems necessary; (v) the board of supervisors so proposes; or (vi) other circumstances as provided for in the articles of association.

A general meeting shall be summoned 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 is not performing his duties, the meeting shall be presided over by the vice chairman. In the event that the vice chairman is incapable of performing or is not performing his duties, a director recommended by half or more of the directors shall preside over the meeting. Where the board of directors is incapable of performing or is not performing its duties, the board of supervisors shall convene and preside over the general meeting in a timely manner. If the board of supervisors fails to convene and preside over the general meeting, shareholders individually or in aggregate holding 10% or more of the company's shares for 90 days or more consecutively may unilaterally convene and preside over the general meeting. In the event that shareholders who individually or in aggregate holding 10% or more of the company's shares request the convening of an extraordinary general meeting, the board of directors or the board of supervisors shall make a decision on whether or not to convene an extraordinary general meeting within ten days from the date of receipt of the request, and shall reply to the shareholders in writing.

In accordance with the PRC Company Law, a notice of the general meeting stating the time and venue of the meeting and the matters to be considered at the meeting shall be given to all shareholders 20 days prior to the meeting. A notice of extraordinary general meeting shall be given to all shareholders 15 days prior to the meeting. Shareholders individually or in aggregate holding 1% or more of the company's shares may submit an interim proposal in writing to the board of directors within 10 days before the general meeting. The board of directors shall notify other shareholders within two days upon receipt of the proposal, and submit the interim proposal to the general meeting for deliberation; except where the interim proposal violates the provisions of laws, administrative regulations or the articles of association, or does not fall within the terms of reference of the general meeting. A company shall not increase the shareholding ratio of the shareholders who are entitled to put forward an interim proposal.

Pursuant to the PRC Company Law, shareholders present at a general meeting have one vote for each share they hold, except for class shareholders. The Company's shares held by the company are not entitled to any voting rights. A shareholder may entrust a proxy to attend a general meeting, and it should clarify the matters, power and time limit of the proxy. The proxy shall present a written power of attorney issued by the shareholder to the company and shall exercise his voting rights within the scope of authorization.

An accumulative voting system may be adopted for the election of directors and supervisors at the general meeting pursuant to the provisions of the articles of association or a resolution of the general meeting. Under the accumulative voting system, each share shall be entitled to the number of votes equivalent to the number of directors or supervisors to be elected at the general meeting, and shareholders may consolidate their votes for one or more directors or supervisors when casting a vote.

Pursuant to the PRC Company Law and the AoA Guidelines, resolutions of the general meeting shall be passed by more than half of the voting rights held by shareholders present at the meeting. Resolutions of the general meeting relating to amendments to the articles of association, increase or reduction of registered share capital, merger, division or dissolution of the company or change of corporate form shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

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### BOARD OF DIRECTORS

A company shall have a board of directors, unless otherwise stipulated in Article 128 of the PRC Company Law. Members of the board of directors may include staff representatives, who shall be democratically elected by the company's staff at a staff representative assembly, general staff meeting or otherwise. 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. A director may serve consecutive terms if re-elected. A 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 reelected 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. If a director resigns, he shall notify the company in writing and the resignation shall take effect on the date of receipt of the notification by the company; however, if the circumstances stipulated in the preceding paragraph exist, the director shall continue to perform his duties.

Under the PRC Company Law, the board of directors may exercise its powers: (i) to summon general meetings and report its works to the general meetings; (ii) to implement the resolutions passed by the shareholders at the general meetings; (iii) to decide on the company's operational plans and investment proposals; (iv) to formulate the company's profit distribution proposals and loss recovery proposals; (v) to formulate proposals for the increase or reduction of the company's registered capital and the issue of corporate bonds; (vi) to formulate proposals for the merger, division or dissolution of the company or change of corporate form; (vii) to decide on the setup of the company's internal management organs; (viii) to appoint or dismiss the company's manager and decide on his/her remuneration and, based on the manager's recommendation, to appoint or dismiss any deputy manager and the person responsible for financial matters of the company and to decide on their remunerations; (ix) to formulate the company's basic management system; and (x) to exercise any other authority as is stipulated in the articles of association or as authorized by the general meeting. Restrictions on the board of directors' powers in a company's articles of association shall not be used against a bona fide counterparty.

Meetings of the board of directors 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 10% of the voting rights, more than one-third of the directors or the supervisory board. The chairman shall convene the meeting within 10 days of receiving such proposal, and preside over the meeting. The board of directors may otherwise determine the means and the period of notice for summoning an interim board meeting. Meetings of the board of directors shall be held only if more than half of the directors are present. Resolutions of the board 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. Meanwhile, the board of directors shall keep minutes of resolutions passed at board meetings. The minutes shall be signed by the directors present at the meeting.

If a resolution of the board of directors violates the laws, administrative regulations or the articles of association or resolutions of the general meeting, and causes any serious loss to the company, 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.

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Under the PRC Company Law, the following person may not serve as a director in a company: (i) a person with no capacity for civil conduct or limited capacity for civil conduct; (ii) a person who has committed offences relating to corruption, bribery, embezzlement, misappropriation of property or disruption of the order of socialist market economy and has been sentenced to criminal punishment, where less than five years have elapsed since the date of completion of the sentence, in case of a suspended sentence, not more than two years have elapsed since the date of expiry of the probationary period; (iii) a person who has been a former director, factory manager or manager of a company or an enterprise that has entered into insolvent liquidation and who was personally liable for the insolvency 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 or has been ordered to close down by law and the person was personally responsible, where less than three years have elapsed since the date of such revocation or the order for closure; and (v) being listed as a dishonest person subject to enforcement by the people's court due to his/her failure to pay off a relatively large amount of debts which has fall due.

Any election or appointment of directors to which any of the above circumstances applies, such election or appointment shall be null and void. A director to which any of the above circumstances applies during his/her term of office shall be released of his/her duties by the company.

Under the PRC 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.

### **SUPERVISORY BOARD**

A company shall have a supervisory board, unless otherwise stipulated in paragraph 1 of Article 121 or Article 133 of the PRC Company Law. The supervisory board shall comprise not less than three members. Members of the supervisory board shall consist of representatives of the shareholders and an appropriate proportion of representatives of the company's staff, among which the proportion of representatives of the company's staff shall not be less than one-third, and the actual proportion shall be determined in the articles of association. Representatives of the company's staff at the supervisory board shall be democratically elected by the company's staff at the staff representative assembly, general staff meeting or otherwise. Directors and senior management members shall not act concurrently as supervisors.

The supervisory board may exercise its powers: (i) to review the company's financial position; (ii) to supervise the acts of 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 resolutions of the general meetings; (iii) when the acts of a director or a senior management personnel are detrimental to the company's interests, to require the director and senior management to correct these acts; (iv) to propose the convening of extraordinary general meetings and to convene and preside over general meetings when the board fails to perform the duty of convening and presiding over general meetings under the PRC Company Law; (v) to submit proposals to the general meetings; (vi) to bring actions against directors and senior management personnel pursuant to the relevant provisions of the PRC Company Law; and (vii) to exercise any other authority stipulated in the articles of association.

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Pursuant to the provisions of 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) promulgated by the CSRC on December 27, 2024 and the AoA Guidelines, listed companies shall, before January 1, 2026, 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.

### MANAGER AND THE SENIOR MANAGEMENT

Under the relevant requirements of the PRC Company Law, a company may have a manager who shall be appointed or removed by the board of directors. The manager shall be responsible to the board of directors and shall exercise his duties and powers in accordance with the provisions of the company's articles of association or the authorization of the board of directors. The manager shall be present at meetings of the board of directors as a non-voting member.

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

### DUTIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Directors, supervisors and senior management are required under the PRC Company Law to comply with the relevant laws, administrative regulations and the articles of association, shall owe a duty of loyalty and a duty of diligence to the company, shall take measures to avoid conflicts between their own interests and the interests of the company, shall not make use of their positions to gain undue advantage, and shall perform their duties with the reasonable care normally expected of a person in management position in the best interests of the company. Directors and senior management are 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) utilizing 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 disclosing confidential information of the company; and (vi) other acts in violation of their duty of loyalty to the company. Income generated by directors, supervisors or senior management in violation of aforementioned shall belong to the company.

Where any director, supervisor or senior management directly or indirectly concludes a contract or conducts a transaction with the company, he/she shall report the matters relating to the conclusion of the contract or transaction to the board of directors or general meeting, which shall be subject to the resolution of the board of directors or general meeting according to the articles of association.

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

No director, supervisor or senior management may take advantage of his/her position to seek any business opportunity that belongs to the company for himself/herself or any other person except under any of the following circumstances: (i) where he/she has reported to the board of directors or the general meeting and has been approved by a resolution of the board of directors or the general meeting according to the articles of association; or (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the articles of association.

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

A director, supervisor or senior management who contravenes law, administrative regulation or the 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.

### **FINANCE AND ACCOUNTING**

Under the PRC Company Law, a company shall establish its own financial and accounting systems according to the laws, administrative regulations and the regulations of the financial departments under the State Council. At the end of each accounting year, a company shall prepare a financial and accounting report which shall be audited by an accounting firm in accordance with laws. The financial and accounting reports shall be prepared in accordance with laws, administrative regulations and the regulations of the financial departments under the State Council. The company's financial and accounting reports shall be made available for shareholders' inspection at the company within 20 days before the convening of an annual general meeting. A joint stock limited company that makes public stock offerings shall announce its financial and accounting reports.

The premium over the nominal value per share of the company on issue, the amount of proceeds from the issuance of no-par value shares not included in the registered capital and other income as required by the financial departments under the State Council to be treated as the capital reserve funds shall be accounted for as the capital reserve funds.

The reserve funds of a company shall be applied to make up for the company's losses, expand its business operations or increase its capital. When utilizing reserve funds to make up for a company's losses, the discretionary common reserve funds and statutory common reserve funds should be used first; if the losses still cannot be made up, the capital reserve funds may be used in accordance with the requirements. When the statutory common reserve funds are converted into capital, the remaining balance of such reserve funds shall not be less than 25% of the registered capital of the Company before the conversion.

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

### **ENGAGEMENT AND DISMISSAL OF ACCOUNTING FIRMS**

Pursuant to the PRC Company Law, the engagement or dismissal of an accounting firm responsible for the company's auditing shall be determined by a general meeting, the board of directors or the supervisory board in accordance with the articles of association. The accounting firm should be allowed to make representations when the general meeting, the board of directors or the supervisory board conducts a vote on the dismissal of the accounting firm. The company should provide true and complete accounting evidence, accounting books, financial and accounting reports and other accounting information to the engaged accounting firm without any refusal or withholding or falsification of data.

The Guidelines for Articles of Association provides that the engagement of any accounting firm of a listed company shall be subject to the approval of the general meeting, prior to which the Board shall not appoint any accounting firm. The audit fee of the accounting firm shall be decided by the general meeting.

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### PROFIT DISTRIBUTION

When distributing each year's profits after taxation, the company shall set aside 10% of its profits after taxation for the company's statutory common reserve fund until the fund has reached more than 50% of the PRC company's registered capital. When the company's statutory common reserve fund is not sufficient to make up for the company's losses for the previous years, the current year's profits shall first be used to make up for the losses before any allocation is set aside for the statutory common reserve fund. After the company has made allocations to the statutory common reserve fund from its profits after taxation, it may, upon passing a resolution at a general meeting, make further allocations from its profits after taxation to the discretionary common reserve fund. After a joint-stock limited company has made up for its losses and made allocations to its discretionary common reserve fund, the remaining profits after taxation shall be distributed in proportion to the number of shares held by the shareholders, except otherwise provided for in the articles of association.

Profits distributed to shareholders by a company in violation of the PRC Company Law must be returned to the company; if losses are caused to the company, shareholders and responsible directors, supervisors and senior management shall bear the liability for compensation.

### DISSOLUTION AND LIQUIDATION

Under the PRC Company Law, a company shall be dissolved for any of the following reasons: (i) the term of its operation set out in the articles of association has expired or other events of dissolution specified in the articles of association have occurred; (ii) the shareholders have resolved at a general meeting to dissolve the company; (iii) the company shall be dissolved by reason of its merger or division; (iv) the business license of the company is revoked or the company is ordered to close down or to be dissolved in accordance with the laws; or (v) the company has experienced material difficulties in operation and management, and the continuous operation would lead to substantial losses to the interests of its shareholders and there are no other solutions to resolve the matters. Shareholders holding 10% or more of the total voting rights of the company may appeal to the People's Court for dissolution of the company. The company shall, within ten days of the occurrence of the reasons for dissolution as stipulated in the preceding paragraph, make public the reasons for dissolution through the National Enterprise Credit Information Publicity System.

In the event of paragraph (i) and (ii) above and in case that no assets have been distributed to shareholders, the company may carry on its existence by amending its articles of association or by a resolution of general meeting. The amendments to the articles of association or the resolution of a general meeting in accordance with the provisions described above shall require the approval of more than two-thirds of voting rights of shareholders attending a general meeting.

Where the company is dissolved under the circumstances set forth in paragraph (i), (ii), (iv) or (v) above, liquidation shall be carried out. Directors shall be the liquidation obligors, and a liquidation committee shall be established within 15 days of the date on which the dissolution matter occurs. The liquidation committee shall be composed of directors, unless the company's articles of association provide otherwise or the general meeting resolves to elect someone else. If the liquidation obligor fails to fulfill its liquidation obligations in a timely manner and causes losses to the company or creditors, it shall be liable for compensation. If a liquidation committee is not established within the stipulated period or if the liquidation is not carried out after the establishment of the liquidation committee, the interested parties may apply with the people's court for setting up a liquidation committee with designated relevant personnel to conduct the liquidation. The people's court should accept such application and form a liquidation committee to conduct liquidation in a timely manner.

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The liquidation committee may exercise following powers during the liquidation: (i) to sort out the company's assets and to prepare a balance sheet and an inventory of assets; (ii) to notify the company's creditors or publish announcements; (iii) to deal with any outstanding business related to the liquidation; (iv) to pay any overdue tax together with any tax arising during the liquidation process; (v) to settle the company's claims and liabilities; (vi) to distribute the company's remaining assets after its debts have been paid off; and (vii) to represent the company in any civil procedures.

The liquidation committee shall notify the company's creditors within 10 days of its establishment, and publish an announcement in newspapers or on the National Enterprise Credit Information Publicity System within 60 days. A creditor shall lodge his claim with the liquidation committee within 30 days of receipt of the notification or within 45 days of the date of the announcement if he has not received any notification. A creditor shall report all matters relevant to his claimed creditor's rights and furnish relevant evidence. The liquidation committee shall register such creditor's rights. The liquidation committee shall not make any settlement to creditors during the period of the claim.

After sorting out the company's property and preparing the required balance sheet and inventory of assets, the liquidation committee shall formulate a liquidation plan for submission to a general meeting or a People's Court for confirmation. The remaining part of the company's assets, after payment of liquidation expenses, employee wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to shares held by them. The company shall continue to exist during the liquidation period, although it cannot conduct operating activities that are not related to the liquidation. The company's property shall not be distributed to shareholders before repayments are made in accordance with the requirements described above.

After sorting out the assets of the Company and preparing the required balance sheet and inventory of assets, if the liquidation committee becomes aware that the company does not have sufficient assets to meet its liabilities, it must apply to a people's court for bankrupt liquidation in accordance with the laws. Following the acceptance of application for bankruptcy by the People's Court, the liquidation committee shall hand over the liquidation affairs to the bankruptcy administrator appointed by the people's court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report and submit it to the general meeting or the people's court for confirmation, and to the company registration authority for the application of cancelation of company registration. When performing the duties in relation to the liquidation, members of the liquidation committee shall bear the duties of loyalty and diligence. If members of the liquidation committee are reluctant in performing their liquidation duties and cause losses to the company, they shall be liable for compensation; members of the liquidation committee who have caused the creditors to suffer from any loss due to intentional fault or gross negligence, should be liable for making compensations to the company or its creditors. In addition, liquidation of a company declared bankrupt according to laws shall be processed in accordance with the laws on corporate bankruptcy.

### OVERSEAS LISTING

Pursuant to the Trial Measures, a Chinese domestic enterprise submitting an [REDACTED] to an overseas competent regulatory authority or an overseas stock exchange shall file with the CSRC within three working days after submission of the application documents. Upon offering and listing overseas, such issuer who offers securities in the same overseas market shall file with the CSRC within three working days upon completion of the offering. Where an issuer, upon listing of its shares overseas, offers its shares in other overseas markets, such issuer shall file in accordance with paragraph 1 of this article. In addition, upon receipt of all compliant filing materials, the CSRC shall complete the filing procedures within 20 working days from the date of receipt of such filing

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data, and make public the filing information public on its website. If the filing materials so submitted were identified as incomplete or non-compliant, the CSRC shall make a request to the issuer for supplementary information within 5 working days from the date of receipt of such filing information. The issuer shall submit such supplementary information within 30 working days.

Upon the occurrence of the following major events subsequent to the overseas listing of a Chinese domestic enterprise, it shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters: (i) a change of control; (ii) any investigation or punishment initiated by overseas securities regulatory authorities or relevant competent departments; (iii) a change of listing status or listing venue; (iv) voluntary or involuntary delisting of shares.

### LOSS OF SHARE CERTIFICATES

A shareholder may, in accordance with the public notice procedures set out in the PRC Civil Procedure Law, apply to a people’s court if his share certificate(s) in registered form is either stolen, lost or destroyed, for a declaration that such certificate(s) will no longer be valid. After the people’s court declares that such certificate(s) will no longer be valid, the shareholder may apply to the company for the issue of a replacement certificate(s).

### SUSPENSION AND TERMINATION OF LISTING

The Company Law has deleted provisions governing suspension and termination of listing. The PRC Securities Law, as revised on December 28, 2019, has also deleted provisions regarding suspension of listing. Where listed securities fall under the delisting circumstances stipulated by the stock exchange, the stock exchange shall terminate its listing and trading in accordance with the business rules.

According to the Trial Measures, in case of active or compulsory termination of listing, the issuer shall report the specific situation to the CSRC within 3 working days from the date of occurrence and announcement of the relevant matters.

### SECURITIES LAWS AND REGULATIONS

In October 1992, the State Council established the Securities Committee and CSRC. The Securities Committee is responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of securities markets, directing, coordinating and supervising all securities-related institutions in the PRC and administering CSRC. CSRC is the regulatory arm of the Securities Committee and is responsible for the drafting of regulatory provisions governing securities markets, supervising securities companies, regulating public offerings 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 committees and reformed CSRC.

On April 22, 1993, the State Council promulgated the Provisional Regulations Concerning the Issue and Trading of Shares (《股票發行與交易管理暫行條例》) governing the application and approval procedures for public offerings of shares, issuing of and trading of shares, the acquisition of listed companies, deposit, clearing and transfer of shares, the disclosure of information, investigation, penalties and dispute resolutions with respect to a listed company.

On December 25, 1995, the State Council promulgated the Special 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特別規定》) governing the issue, subscription, trading and declaration of dividends and other distributions of domestic listed foreign shares and disclosure of information of joint stock limited companies having domestic listed foreign shares.

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The PRC Securities Law, which was latest amended by the Standing Committee of the NPC on December 28, 2019 and became effective on March 1, 2020, provides a series of provisions on the issue and trading of securities, the takeover by listed companies, and the duties and responsibilities of the securities exchanges, securities companies, securities depository and clearing institutions and securities regulatory authorities, and comprehensively regulates the securities market activities in the PRC. The PRC Securities Law provides that domestic enterprises shall satisfy the relevant requirements of the State Council when it issues shares or lists shares outside the PRC directly or indirectly. Currently, the issue and trading of foreign issued securities (including shares) are principally governed by the regulations and rules promulgated by the State Council and CSRC.

### ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

According to the Arbitration Law of the PRC (《中華人民共和國仲裁法》) (the “PRC Arbitration Law”), amended by the Standing Committee of the NPC on September 1, 2017 with effect on January 1, 2018, it is applicable to, among other matters, economic disputes involving foreign parties where all parties have entered into a written agreement to resolve disputes by arbitration before an arbitration committee constituted in accordance with the PRC Arbitration Law. An arbitration committee may, before the promulgation of arbitration regulations by the PRC Arbitration Association, formulate interim arbitration provisions in accordance with the PRC Arbitration Law and the PRC Civil Procedure Law. Where the involved parties have agreed to settle disputes by means of arbitration, a people’s court will refuse to handle a legal proceeding initiated by one of the parties at such people’s court, unless the arbitration agreement has lapsed.

Under the PRC Arbitration Law and PRC Civil Procedure Law, an arbitral award shall be final and binding on the parties involved in the arbitration. If one party fails to comply with the arbitral award, the other party to the award may apply to a people’s court for its enforcement. However, the people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including but not limited to irregularity in the composition of the arbitration tribunal, the jurisdiction of the arbitration commission, or the making of an award on matters beyond the scope of the arbitration agreement or outside the jurisdiction of the arbitration commission).

Any party seeking to enforce an award of a foreign affairs arbitration organ of the PRC against a party who or whose property is not located within the PRC may apply to a foreign court with jurisdiction over the relevant matters for recognition and enforcement of the award. Likewise, an arbitral award made by a foreign arbitral body may be recognized and enforced by a foreign court in accordance with any international treaties concluded or acceded to by the PRC or with the principle of reciprocity.

According to 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 on 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 by the Supreme People’s Court on November 26, 2020 and effective on November 27, 2020, awards made by Mainland arbitral authorities can be enforced in Hong Kong, and Hong Kong arbitration awards can also be enforceable in the PRC.

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### JUDICIAL JUDGMENT AND ITS ENFORCEMENT

According to the Arrangement on 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》) promulgated by the Supreme People’s Court on July 3, 2008 and effective on August 1, 2008 and repealed on January 29, 2024, as for an enforceable final judgment made by a Mainland court or Hong Kong court concerning a civil and commercial case under a written agreement on jurisdiction, in which payment must be made, the party concerned may, under the Arrangement, apply to a PRC court or a Hong Kong court for recognition and enforcement. The term “written agreement on jurisdiction” refers to agreements clearly stipulated in written form by parties concerned that a Mainland court or Hong Kong court has sole jurisdiction as to the effectiveness of the Arrangement, so as to settle disputes relevant to a certain legal relationship that has either arisen or might arise. Therefore, the party concerned may apply to the Court of Mainland or the court of the Hong Kong Special Administrative Region to recognize and enforce the final judgment made in Mainland or Hong Kong that meet certain conditions of the aforementioned regulations.

On January 25, 2024, the Supreme People’s Court issued the Arrangement on 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 (《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”), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and the Mainland China. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. Meanwhile, the Government of the Hong Kong Special Administrative Region enacted the Mainland Judgments in Civil and Commercial Matters (Reciprocal Enforcement) Ordinance (Cap. 645) with a view to implementing this New Arrangement in the Hong Kong Special Administrative Region through domestic legislative measures. The Ordinance also came into effect on the same day. The New Arrangement superseded the old arrangement from January 29, 2024.