

## APPENDIX IV

## SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

The principal objective of this summary is to provide potential [REDACTED] with an overview of the principal legal and regulatory provisions applicable to the Company, and this Appendix also contains a summary of the legal and regulatory provisions of the Company Law. This Appendix outlines certain aspects of the PRC laws and regulations relevant to the operations and business of the Company, and does not purport to cover all the information that is important to potential [REDACTED]. For laws and regulations relating to the business of the Company and PRC taxation, please refer to the section headed “Regulatory Overview” in this document.

### LEGAL SYSTEM IN CHINA

The legal system within China is based on the Constitution of the People’s Republic of China (《中華人民共和國憲法》) (the “**Constitution**”), and is composed of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments under the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, laws of special administrative regions, and international treaties and other regulatory documents signed by the Chinese government. Court decisions do not constitute binding precedents, but can be used as judicial reference and guidance.

According to 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 by the National People’s Congress on March 13, 2023 and came into effect on March 15, 2023, the National People’s Congress and the SCNPC are empowered to exercise the legislative power of the State. The National People’s Congress is empowered to enact and amend basic laws that relate to criminal and civil matters, State organs and other matters. The SCNPC is empowered to enact and amend laws other than those that should be enacted by the National People’s Congress, and to supplement and amend in part the laws enacted by the National People’s Congress when the National People’s Congress is not in session, provided such supplements and amendments are not in conflict with the basic principles of such laws. The National People’s Congress may authorise the SCNPC to enact relevant laws.

The State Council is the highest State administrative authority and has the power to enact administrative regulations in accordance with the Constitution and laws. The people’s congresses and their standing committees of the provinces, autonomous regions and municipalities directly under the Central Government may, in light of the specific conditions and actual needs of their respective administrative areas, enact local regulations, provided that such regulations do not contravene the Constitution, laws and administrative regulations. The people’s congresses and their standing committees of the cities divided into districts may, in light of the specific conditions and actual needs of their respective cities, enact local regulations regarding urban and rural development and management, ecological civilization construction, historical and cultural protection, grassroots governance and other matters, provided that such local regulations do not contravene the Constitution, laws, administrative regulations, and the local regulations of their respective provinces or autonomous regions. Where there are other legal provisions on the enactment of local regulations by the cities divided into districts, such provisions shall prevail. Local regulations of the cities divided into districts shall be submitted to the standing committees of the people’s congresses of the provinces or autonomous regions for approval before implementation. The standing committees of the people’s congresses of the provinces or autonomous regions shall examine the legality of the local regulations submitted for approval, and shall approve such regulations within four months if they believe that such regulations do not contravene the Constitution, laws, administrative regulations, and the local regulations of their respective provinces or autonomous regions. If, in the course of reviewing the local regulations of cities divided into districts submitted for approval, the standing committee of the people’s congress of the province or autonomous region finds that the said regulations are in conflict with the rules of the people’s government of the province or autonomous region where such city is located, it shall decide how to handle such situation. The people’s congresses of national autonomous areas have the power to enact autonomous regulations and separate regulations in the light of the political, economic and cultural characteristics of the nationality or nationalities in the areas concerned. The autonomous regulations and separate regulations of autonomous regions shall be submitted to the SCNPC for approval

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before they go into effect. An autonomous regulation or separate regulation of an autonomous prefecture or county shall go into effect only after it is approved by the standing committee of the people’s congress of the relevant province, autonomous region, or municipality directly under the Central Government.

All ministries and commissions of the State Council, the PBOC, the National Audit Office, and public institutions with administrative functions directly under the State Council may, in accordance with laws, and the administrative regulations, decisions and rulings of the State Council, formulate rules within the scope of their respective functions and powers.

The Constitution is of the highest legal force, and no law, administrative regulation, local regulation, autonomous regulation, separate regulation or rules may contravene the Constitution. A law is of higher legal force than an administrative regulation, local regulation or rule. An administrative regulation is of higher legal force than a local regulation or rule. A local regulation is of higher legal force than a rule of the local government at or below the corresponding level. The rules formulated by the people’s government of a province or autonomous region are of higher legal force than the rules formulated by the people’s government of a city divided into districts or an autonomous prefecture within the administrative area of the province or autonomous region.

The National People’s Congress has the power to amend or annul any inappropriate laws enacted by the SCNPC, and has the power to annul any autonomous regulations or separate regulations which have been approved by the SCNPC but which contravene the provisions of the Constitution or the Legislation Law. The SCNPC has the power to annul any administrative regulations which contravene the Constitution or laws, any local regulations which contravene the Constitution, laws or administrative regulations, and any autonomous regulations or separate regulations which have been approved by the standing committees of the people’s congresses of the relevant provinces, autonomous regions or municipalities directly under the Central Government but which contravene the provisions of the Constitution or the Legislation Law.

The State Council has the power to amend or annul any inappropriate departmental rules or local rules. The people’s congress of a province, autonomous region or municipality directly under the Central Government has the power to amend or annul any inappropriate local regulations enacted or approved by its standing committee. The standing committee of a local people’s congress has the power to annul any inappropriate rules enacted by the people’s government at the same level. The people’s government of a province or autonomous region has the power to amend or annul any inappropriate rules enacted by the people’s governments at the next lower level. The authorising organ has the power to annul any regulations that have been enacted by the authorised organ acting beyond its ambit of authority or in contradiction with the objective of the authorisation, and where necessary, the authorisation may be revoked.

In accordance with the Constitution and the Legislation Law, the power of legal interpretation belongs to the Standing Committee of the National People’s Congress. According to the Resolution of the Standing Committee of the National People’s Congress on Strengthening the 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》), which was adopted by the SCNPC on June 10, 1981 and came into effect on the same day, any matter concerning provisions of laws and decrees that requires further clarification of their scope or supplementary provisions shall be interpreted by the SCNPC or prescribed by decrees. All issues involving the specific application of laws and decrees in court judicial work shall be interpreted by the Supreme People’s Court. All issues involving the specific application of laws and decrees in procuratorial work shall be interpreted by the Supreme People’s Procuratorate. If there is any difference in principle in the interpretation between the Supreme People’s Court and the Supreme People’s Procuratorate, the matter shall be reported to the SCNPC for interpretation or decision. Issues involving the specific application of other laws and decrees that do not fall within judicial or procuratorial work shall be interpreted by the State Council and the competent departments. Any provisions of local regulations that require further clarification of their scope or supplementary provisions shall be interpreted or stipulated by the standing committees of the people’s congresses of the provinces, autonomous regions and municipalities directly under the Central Government that have enacted such regulations. Interpretations of issues involving the specific application of local regulations shall be made by the competent departments of the people’s governments of the provinces, autonomous regions and municipalities directly under the Central Government.

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### JUDICIAL SYSTEM IN CHINA

According to the Constitution and the Organic Law of the People’s Courts of the People’s Republic of China (《中華人民共和國人民法院組織法》), which was last revised by the SCNPC on October 26, 2018 and came into effect on January 1, 2019, people’s courts are composed of the Supreme People’s Court, local people’s courts at various levels and special people’s courts. Local people’s courts at various levels are divided into three levels, that is, primary people’s courts, intermediate people’s courts and higher people’s courts. A primary people’s court may set up a number of people’s tribunals according to the conditions of the locality, population and cases. The Supreme People’s Court is the highest judicial organ. The Supreme People’s Court supervises the administration of justice by local people’s courts at various levels and by the special people’s courts. People’s courts at higher levels supervise the administration of justice by those at lower levels.

According to the Constitution and the Organic Law of the People’s Procuratorates of the People’s Republic of China (《中華人民共和國人民檢察院組織法》), which was last revised by the SCNPC on October 26, 2018 and came into effect on January 1, 2019, people’s procuratorates are state organs for legal supervision. The Supreme People’s Procuratorate is the highest procuratorial organ. The Supreme People’s Procuratorate directs the work of people’s procuratorates at various local levels and of the special people’s procuratorates. People’s procuratorates at higher levels direct the work of those at lower levels.

According to the Civil Procedure Law of the People’s Republic of China (《中華人民共和國民事訴訟法》) (the “Civil Procedure Law”), which was last revised by the SCNPC on September 1, 2023 and came into effect on January 1, 2024, people’s courts shall, in hearing civil cases, implement the system whereby the second instance is final according to the law. The judgments and rulings of people’s courts of second instance shall be final. If a party is dissatisfied with a judgment of first instance of a local people’s court, the party shall have the right to file an appeal with the people’s court at the next higher level within 15 days of the service of the written judgment. If a party is dissatisfied with a ruling of first instance of a local people’s court, the party shall have the right to file an appeal with the people’s court at the next higher level within 10 days of the service of the written ruling. If the president of a people’s court at any level finds any definite error in a legally effective judgment, ruling or mediation statement made by his/her court, or if the Supreme People’s Court finds any definite error in a legally effective judgment, ruling or mediation statement made by a local people’s court at any level, or if a higher-level people’s court finds any definite error in a legally effective judgment, ruling or mediation statement made by a lower-level people’s court, a retrial procedure may be initiated. If a local people’s procuratorate at any level considers that there is definite error in a judgment or ruling of first instance made by a people’s court at the same level, it shall present a protest to the people’s court at the next higher level. If the Supreme People’s Procuratorate finds that a legally effective judgment or ruling made by a people’s court at any level involves any of the circumstances specified in Article 211 of the Civil Procedure Law, or finds that the mediation statement harms national or social public interests, or if a higher-level people’s procuratorate finds that a legally effective judgment or ruling made by a lower-level people’s court involves any of the circumstances specified in Article 211 of the Civil Procedure Law or finds that the mediation statement harms national or social public interests, a protest procedure shall be initiated.

The Civil Procedure Law stipulates the requirements for initiating civil proceedings, the jurisdiction of people’s courts, the procedures for civil litigation and the enforcement procedures for civil judgments. All parties to civil proceedings within the territory of China must abide by the Civil Procedure Law. Civil cases shall generally be heard by the court at the domicile of the defendant. The parties to disputes over contracts or other property rights and interests may agree in writing on selection of the people’s court at the domicile of the defendant, the place of performance of contract, the place of execution of contract, the domicile of the plaintiff, the location of the subject matter, etc., provided that such court has an actual connection with the dispute, but shall not violate the provisions of the Civil Procedure Law on jurisdiction by level and exclusive jurisdiction.

Foreigners, stateless persons, foreign enterprises and organisations filing a lawsuit or responding to a lawsuit in a people’s court shall have equal litigation rights and obligations as Chinese citizens, legal persons and other organisations. Where a court of a foreign country imposes restrictions on the civil

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litigation rights of Chinese citizens, legal persons and other organisations, people’s courts shall adopt the principle of reciprocity for civil litigation rights of citizens, enterprises and organisations of that country. Foreigners, stateless persons, foreign enterprises and organisations filing a lawsuit or responding to a lawsuit in a people’s court who need to entrust a lawyer to act on their behalf in proceedings must entrust a lawyer in China. Pursuant to international treaties concluded or acceded to by China or in accordance with the principle of reciprocity, a people’s court and a foreign court may request each other to serve documents, investigate and collect evidence, and perform other litigation acts on each other’s behalf. Where a request by a foreign court for assistance is prejudicial to the sovereignty, security or social public interest of China, the people’s court shall not enforce it.

The parties concerned must perform the civil judgment or ruling which has come into legal effect. Where one party refuses to perform, the counterparty may apply to the people’s court for enforcement, the other party may apply to the people’s court for enforcement within two years. The provisions of applicable laws on suspension and interruption of the limitation period for litigation shall apply to the suspension and interruption of the limitation period for applications for enforcement. Where a party applies for enforcement of a legally effective judgment or ruling made by a people’s court, and the party subject to enforcement or its property is not within the territory of China, the applicant may directly apply to the foreign court which has jurisdiction for recognition and enforcement, or the people’s court may, pursuant to the provisions of the international treaties concluded or acceded to by China or in accordance with the principle of reciprocity, request the foreign court to recognize and enforce the judgment or ruling. Where a legally effective judgment or ruling made by a foreign court requires recognition and enforcement by a people’s court, the applicant may directly apply to the intermediate people’s court which has jurisdiction for recognition and enforcement, or the foreign court may, pursuant to the provisions of the international treaties concluded or acceded to by the foreign country and China or in accordance with the principle of reciprocity, request the people’s court to recognize and enforce the judgment or ruling. In the case of an application or request for recognition and enforcement of a legally effective judgment or ruling of a foreign court, a people’s court shall review the judgment or ruling pursuant to the international treaties concluded or acceded to by China or in accordance with the principle of reciprocity; where the people’s court concludes that the judgment or ruling neither violates the basic principles of Chinese law nor harms State sovereignty, security and social public interest, it shall rule to recognize the validity of the judgment or ruling; where enforcement is necessary, it shall issue an order of enforcement and implement the same pursuant to the relevant provisions of the Civil Procedure Law.

### ARBITRATION AND ENFORCEMENT OF ARBITRATION AWARDS

According to the Arbitration Law of the People’s Republic of China (《中華人民共和國仲裁法》) (the “Arbitration Law”), which was last revised by the SCNPC on September 12, 2025 and came into effect on March 1, 2026, where the parties have reached an arbitration agreement and one party initiates legal proceedings in a people’s court, the people’s court shall not accept it, except where the arbitration agreement has become invalid in accordance with law.

Under the Arbitration Law, an arbitral award is final and binding on the parties. If a party fails to comply with an award, the other party to the award may apply to the people’s court for enforcement according to the Civil Procedure Law of the People’s Republic of China (《中華人民共和國民事訴訟法》). A people’s court may refuse to enforce an arbitral award made by an arbitration commission if there is any procedural irregularity (including non-compliance of the composition of the arbitration tribunal or the arbitral procedure with the statutory procedures or the making of an award on matters beyond the scope of the arbitration agreement or the jurisdiction of the arbitration commission). Where a party applies for enforcement of a legally effective arbitral award made in the PRC pursuant to the law, and the party subject to enforcement or its property is not within the territory of China, the party may directly apply to the foreign court which has jurisdiction for recognition and enforcement. Similarly, an arbitral award made by a foreign arbitration body may be recognized and enforced by the people’s court in accordance with the principles of reciprocity or any international treaty concluded or acceded to by China.

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According to the Arrangement Concerning 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》), which was promulgated by the Supreme People’s Court on January 24, 2000 and came into effect on February 1, 2000, and the Supplementary Arrangement Concerning 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》), which was promulgated by the Supreme People’s Court on November 26, 2020 and came into effect on November 27, 2020, awards made by arbitration institutions in Chinese Mainland may be enforced in Hong Kong, and Hong Kong arbitration awards may also be enforced in Chinese Mainland.

### COMPANY LAW, TRIAL MEASURES FOR ADMINISTRATION OF OVERSEAS ISSUANCE AND LISTING OF SECURITIES BY DOMESTIC ENTERPRISES AND GUIDELINES FOR ARTICLES OF ASSOCIATION

A company limited by shares incorporated in China that intends to be listed on the Hong Kong Stock Exchange is primarily subject to the following laws and regulations in China.

The Company Law was last amended on December 29, 2023 and came into effect on July 1, 2024.

The Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and the related explanatory guidelines, which were promulgated by the CSRC on February 17, 2023 and came into effect on March 31, 2023, apply to direct or indirect overseas issuance of securities by Chinese domestic companies or the overseas listing and trading of their securities.

Pursuant to the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the explanatory guidelines, where a domestic company directly issues and lists securities overseas, it shall formulate its articles of association in accordance with the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》) promulgated by the CSRC, as amended and in effect from time to time, and the Mandatory Provisions for Articles of Association of Companies to be Listed Overseas (《到境外上市公司章程必備條款》) have ceased to apply from March 31, 2023.

The following is a summary of the main clauses of the Company Law, the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises and the Guidelines for Articles of Association that are applicable to the Company.

#### General Provisions

A joint stock limited company is a corporate legal person established in accordance with the Company Law, and its registered capital is divided into shares of equal par value. Shareholders shall assume liability to the extent of their shareholding, while a company shall be liable for its debts with all of its assets.

When engaging in business activities, a company shall comply with laws and regulations, observe social morality and business ethics, act in good faith and accept supervision of the government and the public.

A company may invest in other enterprises. Where the law provides that a company shall not become a capital contributor which bears joint and several liability for the debts of an investee enterprise, such provisions shall prevail.

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### **Incorporation**

A joint stock limited company may be incorporated by way of promotion or subscription. To establish a joint stock limited company, there shall be not less than one but not more than 200 promoters, and half or more of the promoters shall have a domicile within the territory of China. Where a joint stock limited company is incorporated by way of promotion, the promoters shall subscribe for all the shares to be issued at the time of establishment as stipulated by the articles of association of the company. Where a joint stock limited company is incorporated by way of subscription, the shares subscribed for by the promoters shall not be less than 35% of the total shares to be issued at the time of establishment as stipulated by the articles of association of the company; however, where the laws and administrative regulations provide otherwise, such provisions shall prevail.

Where a joint stock limited company is incorporated by way of subscription, the promoters shall convene an inaugural meeting of the company within 30 days from the date on which the shares to be issued at the time of establishment of the company have been fully paid. The promoters shall give notice to all subscribers 15 days prior to the convening of the inaugural meeting or make an announcement of the date of such meeting. The inaugural meeting may be held only with the presence of subscribers holding more than half of the voting rights. The convening and voting procedures for the inaugural meeting of a joint stock limited company incorporated by promotion shall be stipulated in the articles of association of the company or the promoters’ agreement. The inaugural meeting may deliberate the report of the promoters on the preparatory status of the company, adopt the articles of association of the company, elect directors, examine the incorporation expenses of the company, etc.

The board shall authorise a representative to apply to the company registration authorities for incorporation registration within 30 days from conclusion of the inaugural meeting of the company. A company incorporated pursuant to the law shall be issued a company business license by the company registration authorities. The date of issue of a company business license shall be the date of incorporation of the company.

### **Registered Shares**

Pursuant to the Company Law, shareholders may make capital contributions in the form of currency, in kind, intellectual property, land use rights, equity interests, creditor’s rights and other non-currency properties that can be valued in currency and transferred pursuant to the law, except for property that is prohibited by laws or administrative regulations from being used as capital contributions.

Pursuant to the provisions of the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, domestic enterprises conducting overseas issuance and listing may raise funds and make dividend distribution in foreign currency or Renminbi.

Pursuant to the Company Law, a joint stock limited company shall prepare a register of shareholders and keep it in the company. The register of shareholders shall include the following items: (i) the name or title and domicile of the shareholders; (ii) the class and number of shares subscribed for by each shareholder; (iii) where paper share certificates are issued, the serial numbers of the share certificates; (iv) the date on which each shareholder acquired the shares.

### **Allotment and Issuance of Shares**

Shares shall be issued under the principles of fairness and impartiality. Each share of the same class shall carry the same rights. Shares of the same class in each issuance shall be issued under the same terms and at the same price. Subscribers shall pay the same price for each share subscribed for. Shares of par value may be issued at or above the par value, but not below the par value.

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Domestic enterprises that issue and list securities overseas shall file with the CSRC pursuant to the provisions of the Trial Measures for Administration of Overseas Issuance and Listing of Securities by Domestic Enterprises, submit filing reports, legal opinions and other relevant materials, and provide truthful, accurate and complete information pertaining to shareholders, etc. Where domestic enterprises directly issue and list securities overseas, the issuers shall file with the CSRC.

### **Increase in Share Capital**

According to the Company Law, when a joint stock limited company issues new shares, resolutions shall be passed at the general meeting regarding the class and number 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 number of new shares proposed to be issued to existing shareholders (if any). Where shares with no par value are issued, resolutions shall be passed regarding the amount of the proceeds from the issuance of new shares to be credited to the registered capital. In addition, when a company publicly offers shares to the public, it shall register with the securities regulatory authority under the State Council and publish the document.

### **Reduction in Share Capital**

According to the Company Law, a company may reduce its registered capital in accordance with the following procedures: (i) preparing a balance sheet and an inventory of assets; (ii) a resolution being passed at the general meeting of the company to reduce its registered capital; (iii) a company shall notify its creditors within 10 days from the date of the resolution of the general meeting on the reduction of registered capital, and publish an announcement in a newspaper or on the National Enterprise Credit Information Publicity System within 30 days; (iv) creditors shall have the right to require the company to repay its debts or provide corresponding guarantees within 30 days of receiving the notice, or, in the case of a creditor who does not receive such notice, within 45 days from the date of the announcement; and (v) upon reduction of registered capital, a company shall apply to the company registration authority for registration of the changes in accordance with the law.

When reducing its registered capital, a company shall correspondingly reduce the capital contributions or shares in proportion to the capital contributed or shares held by the shareholders, unless otherwise provided by law, otherwise agreed by all shareholders of a limited liability company, or otherwise stipulated in the articles of association of a joint stock limited company.

### **Share Repurchase**

According to the Company Law, a company shall not repurchase its own shares, except in any of the following circumstances:

(i) reducing the registered capital of the company; (ii) merging with another company holding shares in the company; (iii) using the shares for employee share ownership plans or equity incentive plans; (iv) upon the request of shareholders who vote against a resolution of the general meeting on the merger or division of the company and request the company to repurchase their shares; (v) using the shares for the conversion of convertible corporate bonds issued by a listed company; and (vi) as is necessary to maintain the value of the company and the interests of the shareholders.

The repurchase of the company's shares for the reasons specified in items (i) and (ii) above shall be approved by a resolution of the general meeting; the repurchase of the company's shares for the reasons specified in items (iii), (v) and (vi) above may be resolved by a meeting of the board with the attendance of two-thirds or more of the directors, in accordance with the provisions of the articles of association or the authorization of the general meeting.

After a company has repurchased its own shares in accordance with the above provisions, where such shares fall under the circumstance set out in item (i) above, they shall be cancelled within 10 days from the date of repurchase; where such shares fall under the circumstances set out in items (ii) and (vi) above,

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they shall be transferred or cancelled within six months; where such shares fall under the circumstances set out in items (iii), (v) and (vi) above, the aggregate number of shares held by the company shall not exceed 10% of the total number of issued shares of the company, and such shares shall be transferred or cancelled within three years.

### Transfer of Shares

According to the Company Law, the shares held by shareholders may be transferred in accordance with the law. The transfer of shares by shareholders of a joint stock limited company shall be carried out at a legally established securities trading venue or by other means prescribed by the State Council. The transfer of shares shall be effected by the shareholder through endorsement or other methods as stipulated by laws and administrative regulations; upon such transfer, the company shall record the name or title and domicile of the transferee in the register of shareholders. No changes may be made to the register of shareholders within 20 days prior to the convening of a general meeting or within five days prior to the record date set by the company for the purpose of dividend distribution. Where laws, administrative regulations or the securities regulatory authority under the State Council stipulate otherwise regarding changes to the register of shareholders of listed companies, such provisions shall prevail.

According to the Company Law, shares issued prior to a public offering by a company shall not be transferred within one year from the date on which the shares of the company are listed and traded on a stock exchange. The directors, supervisors and senior management of the company shall declare to the company the shares they hold in the company and the changes thereof; the number of shares transferred in each year during their terms of office as determined upon their appointment shall not exceed 25% of the total number of the shares they hold in the company; and the shares of the company held by them shall not be transferred within one year from the date on which the shares of the company are listed and traded. The aforementioned persons shall not transfer the shares of the company held by them within six months after their leaving office. The articles of association may stipulate other restrictive provisions on the transfer of the company's shares held by the directors, supervisors and senior management.

Where shares are pledged within the restricted transfer period as stipulated by laws and administrative regulations, the pledgee shall not exercise the pledge right within such restricted transfer period.

### Shareholders

According to the Company Law and the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), the shareholders of the company shall enjoy the following rights: (i) receiving dividends and other forms of benefit distribution in proportion to the shares held by them; (ii) lawfully requesting to hold, convening, presiding over, attending or appointing a shareholder proxy to attend the general meeting, and exercising the corresponding voting rights; (iii) supervising the Company's operations, and making recommendations or inquiries; (iv) transferring, gifting or pledging the shares held by them in accordance with laws, administrative regulations, and the articles of association; (v) inspecting and copying the articles of association, register of shareholders, minutes of the general meetings, resolutions of the meetings of the board, and financial accounting reports, and eligible shareholders may inspect the accounting books and accounting vouchers of the Company; (vi) participating in the distribution of the Company's residual assets in proportion to the shares held by them upon the termination or liquidation of the Company; (vii) for shareholders objecting to a resolution of the general meeting on the merger or division of the Company, requesting the Company to repurchase their shares; and (viii) other rights stipulated by laws, administrative regulations, departmental rules or the articles of association.

The shareholders of the company shall assume the following obligations: (i) abiding by laws, administrative regulations, and the articles of association; (ii) paying share capital according to the shares subscribed for and the method of capital contribution; (iii) not withdrawing their share capital except under the circumstances prescribed by laws and regulations; (iv) not abusing their shareholders' rights to

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damage the interests of the company or other shareholders; not abusing the independent legal person status of the company or the limited liability of shareholders to damage the interests of the creditors of the company; and (v) other obligations prescribed by laws, administrative regulations and the articles of association.

### General Meeting

According to the Company Law, the general meeting of a joint stock limited company is composed of all shareholders. The general meeting is the organ of authority of the company and shall exercise the following functions and powers: (i) to elect and replace directors and supervisors, and to decide on matters concerning the remuneration of directors and supervisors; (ii) to consider and approve the reports of the board; (iii) to consider and approve the reports of the supervisory committee; (iv) to consider and approve the profit distribution plans and loss recovery plans of the company; (v) to pass resolutions on the increase or reduction of the registered capital of the company; (vi) to pass resolutions on the issuance of corporate bonds; (vii) to pass resolutions on the merger, division, dissolution, liquidation or change in the corporate form of the company; (viii) to amend the articles of association; and (ix) other functions and powers stipulated by the articles of association.

According to the Company Law, the annual general meeting shall be convened once a year. An extraordinary general meeting shall be convened within two months upon the occurrence of any of the following circumstances: (i) the number of directors falls short of the number stipulated by this law or is less than two-thirds of the number specified in the articles of association; (ii) the unrecovered losses of the company reach one-third of the total share capital; (iii) upon the request by shareholders individually or collectively holding 10% or more of the shares of the company; (iv) when the board deems it necessary; (v) upon the proposal of the supervisory committee to convene the meeting; and (vi) other circumstances stipulated by the articles of association.

The general meeting shall be convened by the board and presided over by the chairman of the board. Where the chairman is unable to or fails to perform their duties, the meeting shall be presided over by the vice chairman. Where the vice chairman is unable to or fails to perform their duties, the meeting shall be presided over by a director jointly nominated by more than half of the directors.

Where the board is unable to or fails to perform its duties to convene the general meeting, the supervisory committee shall convene and preside over the meeting in a timely manner; where the supervisory committee fails to convene and preside over the meeting, shareholders individually or collectively holding 10% or more of the shares of the company for 90 consecutive days or more may convene and preside over the meeting on their own.

Where shareholders individually or collectively holding 10% or more of the shares of the company request the convening of an extraordinary general meeting, the board and the supervisory committee shall, within 10 days of receiving the request, make a decision on whether or not to convene the extraordinary general meeting and reply to the shareholders in writing.

To convene a general meeting, a notice specifying the time, venue and matters to be considered at the meeting shall be given to all shareholders 20 days prior to the convening of the meeting; for an extraordinary general meeting, the notice shall be given to all shareholders 15 days prior to the convening of the meeting.

Shareholders individually or collectively holding more than 10% of the shares of the company may propose provisional proposals and submit them in writing to the board 10 days prior to the convening of the general meeting. The provisional proposals shall have clear subject matters and specific matters for resolution. The board shall notify other shareholders within two days of receiving the proposal, and submit the provisional proposal to the general meeting for consideration, unless the provisional proposal violates laws, administrative regulations or the articles of association, or does not fall within the scope of authority of the general meeting. The company shall not increase the shareholding percentage requirement for shareholders to propose provisional proposals.

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According to the Company Law, where a shareholder appoints a proxy to attend a general meeting, the matters, scope of authority and duration of the proxy authorization shall be clearly specified. The proxy shall submit the power of attorney issued by the Shareholder to the company and exercise voting rights within the scope of authorization.

According to the Company Law, shareholders attending a general meeting shall have one vote for each share they hold, except for holders of class shares. Shares held by the company itself are not entitled to any voting rights.

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

According to the Company Law and the Guidelines for Articles of Association of Listed Companies, resolutions of the general meeting shall be passed by more than half of the voting rights held by the shareholders attending the meeting.

Resolutions of the general meeting regarding the amendment of the articles of association, the increase or reduction of the registered capital, and the merger, division, dissolution or change in the corporate form of the company, shall be passed by at least two-thirds of the voting rights held by the shareholders attending the meeting.

### Directors

According to the Company Law, a joint stock limited company shall establish a board consisting of three or more members. The term of office of a director shall be stipulated in the articles of association, provided that each term shall not exceed three years. Upon the expiration of the term, a director shall be eligible for re-election and re-appointment.

Meetings of the board shall be held at least twice a year. All directors and supervisors shall be notified 10 days prior to the convening of each meeting. Shareholders representing one-tenth or more of the voting rights, one-third or more of the directors, or the supervisory committee, may propose the convening of an extraordinary meeting of the board. The chairman of the board shall convene and preside over a meeting of the board within 10 days of receiving such proposal. The board may separately stipulate the method and time limit of notice for convening extraordinary meetings of the board.

The board shall exercise the following functions and powers: (i) to convene the general meeting and report on its work to the general meeting; (ii) to implement the resolutions of the general meeting; (iii) to determine the business plans and investment plans of the company; (iv) to formulate the profit distribution plans and loss recovery plans of the company; (v) to formulate plans 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 or change in corporate form of the company; (vii) to decide on the establishment of the company's internal management bodies; (viii) to decide on the appointment or dismissal of the manager of the company and their remuneration; and to decide on the appointment or dismissal of the deputy manager and the person in charge of finance of the company based on nominations of the manager and to decide on their remuneration; (ix) to formulate the basic management systems of the company; and (x) other functions and powers stipulated by the articles of association or granted by the general meeting.

A meeting of the board may be held only if more than half of the directors are present. Resolutions of the board must be passed by more than half of all directors. A director shall attend meetings of the board in person; if a director is unable to attend a meeting for any reason, they may authorize another director in writing to attend the meeting on their behalf, and the power of attorney shall specify the scope of authorization. Directors shall be liable for the resolutions of the board. Where a resolution of the board

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violates laws, administrative regulations, the articles of association, or resolutions of the general meeting, thereby causing severe losses to the company, the directors participating in the resolution shall be liable to compensate the company; however, a director who is proven to have expressed opposition to the resolution during voting and such opposition is recorded in the meeting minutes may be exempted from such liability.

According to the Company Law, the following persons shall not serve as directors of a company: (i) a person without civil capacity or with restricted civil capacity; (ii) a person who has been sentenced to criminal penalty due to corruption, bribery, embezzlement of property, misappropriation of property or undermining the order of the socialist market economy, or has been deprived of political rights due to criminal offences, and less than five years have elapsed since the expiration of the execution period, or if a suspended sentence has been pronounced, less than two years have elapsed since the expiration of the probation period of the suspended sentence; (iii) a person who served as a director, factory manager or manager of a company or enterprise undergoing bankruptcy liquidation and was personally liable for the bankruptcy of such company or enterprise, and less than three years have elapsed since the completion of the bankruptcy liquidation of such company or enterprise; (iv) a person who served as the legal representative of a company or enterprise which had its business license revoked or was ordered to close down due to violation of laws, and was personally liable therefor, and less than three years have elapsed since the date of the revocation of the business license or the order to close down of such company or enterprise; and (v) a person who has a relatively large amount of personal debt due and unpaid, and has been listed as a dishonest judgment debtor by the People's Court.

The board shall have one chairman and may have a vice chairman. The chairman and vice chairman shall be elected by the board with the approval of more than half of all directors. The chairman shall exercise the following functions and powers (including but not limited to): (i) to preside over general meetings and to convene and to preside over meetings of the board; (ii) to supervise and to inspect the implementation of resolutions of the board; and (iii) to exercise other functions and powers granted by the board.

### **Audit Committee**

A joint stock limited company may, pursuant to the provisions of the articles of association, establish an audit committee within the board consisting of directors to exercise the functions and powers of the supervisory committee stipulated by this law, without establishing a supervisory committee or appointing supervisors.

The audit committee shall consist of three or more members, and more than half of the members shall not hold any other positions in the company aside from being directors, nor shall they have any relationship with the company that may affect their independent and objective judgment. Employee representatives among the members of the board may serve as members of the audit committee. Resolutions of the audit committee shall be passed by more than half of the members of the audit committee. Voting on resolutions of the audit committee shall be conducted on the basis of one vote per person.

The rules of procedure and voting procedures of the audit committee shall be governed by the articles of association, unless otherwise provided by the Company Law.

### **Manager and Senior Management**

According to the Company Law, a joint stock limited company shall have a manager whose appointment or dismissal shall be decided by the board. The manager is accountable to the board and shall exercise their functions and powers in accordance with the provisions of the articles of association or the authorization of the board. The manager shall attend the meetings of the board.

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

### **Obligations of Directors and Senior Management**

According to the Company Law, directors and senior management bear a duty of loyalty towards the company, shall take measures to avoid conflicts between their own interests and the interests of the company, and shall not leverage their authority to seek illicit benefits. Directors and senior management owe a duty of diligence to the company and, in executing their duties, shall exercise the reasonable care normally expected of a manager for the best interests of the company.

Directors and senior management shall not commit any of the following acts: (i) embezzling company property or misappropriating company funds; (ii) depositing company funds into an account opened in their personal name or in the names of other individuals; (iii) leveraging their functions and powers to bribe or accept other unlawful revenue; (iv) accepting commissions derived from transactions between others and the company and appropriating such commissions to themselves; (v) disclosing company secrets without authorization; and (vi) other acts in violation of their duty of loyalty to the company.

Where a director or a member of senior management enters into a contract or conducts a transaction with the company directly or indirectly, he/she shall report matters concerning the conclusion of the contract or transaction to the board or the general meeting, and such contract or transaction shall be approved by a resolution of the board or the general meeting in accordance with the provisions of the articles of association.

The provisions of the preceding paragraph shall apply where close relatives of directors and senior management, enterprises directly or indirectly controlled by directors, senior management or their close relatives, and related parties having other affiliated relationships with directors or senior management enter into a contract or conduct a transaction with the company.

Directors and senior management shall not take advantage of their positions to seek business opportunities belonging to the company for themselves or others, except in any of the following circumstances: (i) such matters are reported to the board or the general meeting, and approved by a resolution of the board or the general meeting in accordance with the provisions of the articles of association; (ii) the company is unable to take advantage of such business opportunity pursuant to the laws, administrative regulations, or the provisions of the articles of association.

Directors or members of the senior management shall not, without reporting the matter to the board or the general meeting and obtaining approval by a resolution of the board or the general meeting in accordance with the provisions of the articles of association, engage in, either for their own account or on behalf of other people, any business of the same category as that of the company in which they hold office.

Where directors or members of the senior management violate the laws, administrative regulations, or the provisions of the articles of association in the performance of their duties and cause losses to the company, they shall bear the liability for compensation.

### **Finance and Accounting**

According to the Company Law, a company shall establish its financial and accounting systems in accordance with laws, administrative regulations, and the regulations of the finance department of the State Council. A company shall prepare its financial accounting reports at the end of each financial year, and such reports shall be audited by an accounting firm in accordance with the law. The financial accounting reports shall be prepared in accordance with laws, administrative regulations, and the regulations of the finance department of the State Council.

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The financial accounting reports of a joint stock limited company shall be made available at the company for inspection by the shareholders 20 days prior to the convening of the annual general meeting. A joint stock limited company publicly issuing shares shall publish its financial accounting reports.

When a company distributes its after-tax profit for the current year, it shall allocate 10% of the profit to the statutory reserve fund of the company. The company may choose not to allocate further amounts if the accumulated amount of the statutory reserve fund is 50% or more of the company’s registered capital. If the company’s statutory reserve fund is insufficient to make up for the losses of previous years, the profits of the current year shall be used to make up for such losses before making an allocation to the statutory reserve fund in accordance with the aforementioned provisions.

After making allocations to the statutory reserve fund from its after-tax profit, the company may also allocate discretionary reserve funds from its after-tax profit upon a resolution of the general meeting.

The premium proceeds derived from the issuance of shares by a joint stock limited company at an issue price exceeding their par value, the amount of proceeds from the issuance of no-par-value shares that is not included in the registered capital, and other items required by the finance department of the State Council to be included in the capital reserve, shall be accounted for as the capital reserve of the company.

The reserve funds of a company shall be applied to make up for the company’s losses, expand its production and operations, or be converted into an increase in the registered capital of the company. When using the reserve funds to make up for the company’s losses, the discretionary reserve fund and statutory reserve fund shall be utilized first; where the losses still cannot be offset, the capital reserve may be utilized in accordance with regulations. When the statutory reserve fund is converted into an increase in the registered capital, the balance of such reserve fund retained shall not be less than 25% of the registered capital of the company prior to such conversion.

A company shall not establish any accounting books other than the statutory accounting books. No funds of the company shall be deposited in an account opened in the name of any individual.

### **Appointment and Dismissal of Accounting Firms**

Pursuant to the Company Law, the appointment or dismissal of an accounting firm undertaking the audit of a company shall be decided by the general meeting, the board or the supervisory committee in accordance with the provisions of the articles of association. When the general meeting, the board or the supervisory committee votes on the dismissal of an accounting firm, such accounting firm shall be allowed to state its opinions. A company shall provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse to provide, conceal, or falsely report such information.

Pursuant to the Guidelines for Articles of Association of Listed Companies (《上市公司章程指引》), a company guarantees that it will provide the engaged accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports and other accounting information, and shall not refuse to provide, conceal, or falsely report such information. The audit fees of the accounting firm shall be determined by the general meeting.

### **Profit Distribution**

According to the Company Law, a joint stock limited company shall distribute profits in proportion to the shares held by the shareholders, except where the articles of association of the joint stock limited company stipulate that the profits shall not be distributed in proportion to the shareholdings. The company shall not distribute profits in respect of the shares held by the company itself.

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According to the Company Law, if a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall return the profits distributed in violation of the provisions to the company. Where losses are caused to the company, the shareholders and the responsible directors, supervisors and senior management shall bear the liability for compensation.

### **Dissolution and Liquidation**

According to the Company Law, a company shall be dissolved for any of the following reasons: (i) the expiry of the term of business stipulated in the articles of association or the occurrence of other reasons for dissolution stipulated in the articles of association; (ii) a resolution for dissolution having been passed by the general meeting; (iii) a dissolution required as a result of a merger or division of the company; (iv) revocation of the business license, order to close down, or revocation in accordance with the law; or (v) serious difficulties arising in the operation and management of the company, such that its continued existence would cause substantial losses to the interests of its shareholders, and such difficulties cannot be resolved through other means, in which case shareholders holding 10% or more of the total voting rights of the shareholders of the company may petition the people’s court for the dissolution of the company.

Where any of the aforesaid causes for dissolution occurs to a company, it shall, within ten days, make a public disclosure of such cause through the National Enterprise Credit Information Publicity System.

Where a company is dissolved pursuant to items (i) or (ii) above and has not yet distributed its properties to the shareholders’, it may continue to exist by amending the articles of association or by a resolution of the general meeting. Such amendment to the articles of association or resolution of the general meeting shall be passed by at least two-thirds of the voting rights held by the shareholders attending the general meeting.

Where a company is dissolved pursuant to the provisions of items (i), (ii), (iv) or (v) above, it shall undergo liquidation. The directors shall be the liquidation obligors of the company and shall form a liquidation committee to conduct the liquidation within 15 days from the date of the occurrence of the cause of dissolution. The liquidation committee shall be composed of the directors, unless otherwise stipulated in the articles of association or other personnel are elected by a resolution of the general meeting. Where the liquidation obligors fail to perform their liquidation obligations in a timely manner, thereby causing losses to the company or its creditors, they shall bear liability for compensation.

Where the liquidation committee is not established for liquidation within the prescribed time limit, or where the liquidation committee fails to conduct the liquidation after its establishment, the interested parties may apply to the people’s court to designate relevant personnel to form a liquidation committee to carry out the liquidation. The people’s court shall accept such application and organize a liquidation committee to conduct the liquidation in a timely manner.

The liquidation committee shall exercise the following functions and powers during liquidation: (i) to sort out the assets of the company and prepare a balance sheet and an inventory of assets respectively; (ii) to notify the creditors and make a public announcement; (iii) to deal with the outstanding business of the company relating to liquidation; (iv) to pay outstanding taxes and the taxes incurred during the course of the liquidation; (v) to settle creditors’ rights and debts; (vi) to distribute the remaining assets after full payment of the company’s debts; and (vii) to participate in civil litigation on behalf of the company.

The liquidation committee shall notify the company’s creditors within 10 days from the date it is established, and publish relevant announcements in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days from the establishment date. Creditors shall, within 30 days from the date of receiving the notice, or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

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The remaining assets of the company after paying the liquidation expenses, employees’ wages, social insurance expenses and statutory compensation, paying outstanding taxes and settling debts of the company shall be distributed by the company in proportion to the shares held by shareholders. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to liquidation. The assets of the company shall not be distributed to the shareholders until the full settlement in accordance with the preceding provisions.

After the liquidation committee has thoroughly sorted out the assets of the company and prepared a balance sheet and an inventory of assets, if it discovers that the company’s assets are insufficient to repay its debts in full, it shall apply to the people’s court for bankruptcy liquidation. Upon acceptance of the bankruptcy application by the people’s court, the liquidation committee shall hand over the matters relating to the liquidation to the bankruptcy administrator appointed by the people’s court.

Upon completion of the liquidation, the liquidation committee shall prepare a liquidation report which shall be submitted to the general meeting or the people’s court for confirmation, and shall submit the same to the company registration authority to apply for cancellation of the company’s registration.

Members of the liquidation committee shall perform their liquidation duties, and owe a duty of loyalty and a duty of diligence. Where any member of the liquidation committee fails to perform his or her liquidation duties and thereby causes losses to the company, such member shall be liable for compensation; where losses are caused to the creditors due to intentional misconduct or gross negligence, such member shall be liable for compensation.

### Overseas Listing

According to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境内企业境外发行证券和上市管理试行办法》), an issuer making an initial public offering or listing overseas shall file with the CSRC within three working days after the submission of its overseas offering and listing application documents. Where an issuer issues securities in the same overseas market after its overseas offering and listing, it shall file with the CSRC within three working days after the completion of the issuance. Where an issuer conducts an offering and listing in another overseas market after its overseas offering and listing, it shall make a filing in accordance with the provisions of the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies. In addition, if the filing materials are complete and in compliance with the relevant requirements, the CSRC shall complete the filing process within 20 working days upon receipt of the filing materials and publish the filing information on its website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall, within five working days upon receipt of the filing materials, notify the issuer of the materials to be supplemented. The issuer shall provide such supplementary materials within 30 working days.

### Suspension and Termination of Listing

The Company Law has deleted the provisions relating to the suspension and termination of listing. The Securities Law of the People’s Republic of China has also deleted the provisions relating to the suspension of listing. If a listed security falls under any delisting circumstance specified by the stock exchange, the stock exchange shall terminate its listing and trading pursuant to its business rules. The Company shall comply with the provisions on the suspension and termination of listing set out in the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange in respect of its A-shares.

Pursuant to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies, if an issuer voluntarily terminates its listing or is forced to terminate its listing, it shall report the specific circumstances to the CSRC within three working days from the date of the occurrence and announcement of the relevant event.

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### Securities Laws and Regulations

In October 1992, the State Council established the Securities Committee and the CSRC. The Securities Committee was responsible for coordinating the drafting of securities regulations, formulating securities-related policies, planning the development of the securities market, guiding, coordinating, and supervising all securities-related institutions in the PRC, and administering the CSRC. The CSRC, as the regulatory executive body of the Securities Committee, is responsible for drafting regulatory provisions governing the securities market, supervising securities companies, regulating the public offering of securities by PRC companies domestically and overseas, regulating securities trading, compiling securities-related statistics, and conducting relevant research and analysis. On March 29, 1998, the State Council merged the above two departments and reorganized the CSRC.

The Provisional Regulations on the Administration of the Issuing and Trading of Shares (《股票發行與交易管理暫行條例》), promulgated by the State Council on April 22, 1993 and effective on the same date, stipulates the application and approval procedures for the public offering of shares, the trading of shares, the acquisition of listed companies, the custody, clearing, and transfer of listed shares, the information disclosure of listed companies, investigations, penalties, and arbitration of disputes. The Provisions of the State Council on Domestic Listing of Foreign Shares by Companies Limited by Shares (《國務院關於股份有限公司境內上市外資股的規定》), promulgated by the State Council on December 25, 1995 and effective on the same date, mainly regulates the issuance, subscription, trading, and dividend payment of foreign-funded shares listed domestically, as well as the information disclosure obligations of joint stock limited companies with foreign-funded shares listed domestically.

The Securities Law of the People’s Republic of China, most recently revised by the SCNPC on December 28, 2019 and effective as of March 1, 2020, includes provisions on the issuance and trading of securities within the PRC, the acquisition of listed companies, securities exchanges, securities companies, and the duties and responsibilities of the securities regulatory authority of the State Council, and comprehensively regulates securities market activities in the PRC.

Pursuant to the Securities Law of the People’s Republic of China, domestic enterprises directly or indirectly offering securities overseas or listing and trading their securities overseas shall comply with the relevant provisions of the State Council. Currently, the overseas issuance and trading of shares are mainly regulated by the regulations and rules promulgated by the State Council and the CSRC.