

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

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

THE PRC LEGAL SYSTEM

The PRC legal system is based on the Constitution of the PRC (《中華人民共和國憲法》), or the “Constitution,” and is made up of written laws, administrative regulations, local regulations, separate regulations, rules and regulations of departments of the State Council, rules and regulations of local governments, autonomous regulations, separate regulations of autonomous regions, special administrative region laws and international treaties and other regulatory documents signed by the PRC government. Court decisions do not constitute binding precedents, although they are used for the purposes of judicial reference and guidance.

According to the Constitution and the Legislation Law of the PRC (《中華人民共和國立法法》), or the “Legislation Law,” lastly amended by National People’s Congress (NPC) on March 13, 2023 and effective on March 15, 2023, the NPC and the Standing Committee of the National People’s Congress (NPCSC) are empowered to exercise the legislative power of the State. The NPC has the power to formulate and amend basic laws governing criminal and civil matters, state organs and other matters. The NPCSC is empowered to formulate and amend laws other than those required to be enacted by the NPC and to supplement and amend any parts of laws enacted by the NPC during the adjournment of the NPC, provided such supplements and amendments are not in conflict with the basic principles of such laws. The NPC may authorise its Standing Committee to formulate relevant 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 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 matters such as urban and rural construction and management, ecological civilisation construction, historical cultural protection, and grassroots governance based on the specific circumstances and actual needs of such cities, provided that such local regulations do not contravene any provision of the Constitution, laws, administrative regulations and local regulations of such respective provinces or autonomous regions. Where laws have other stipulations on matters of local regulations formulated by cities divided into

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

districts, such stipulations shall prevail. The local regulations formulated by cities divided into districts shall be submitted to the standing committees of the people’s congresses of the respective provinces or autonomous regions for approval before implementation. The standing committees of the people’s congresses of provinces or autonomous regions shall 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 their respective 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 separate regulations in the light of the political, economic and cultural characteristics of the ethnic groups in the areas concerned. The autonomous regulations and separate regulations of autonomous regions shall enter into force upon submission to the National People’s Congress of the PRC for approval. The autonomous regulations and separate regulations of autonomous prefectures and autonomous counties shall enter into force upon submission to the Standing Committees of the people’s congresses of the respective provinces, autonomous regions, or municipalities directly under the Central Government for approval.

The ministries and commissions of the State Council, PBOC, National Audit Office of the State Council and institutions with administrative functions directly under the State Council may formulate rules and regulations within the jurisdiction of their respective departments based on the laws and the administrative regulations, decisions and rulings of the State Council.

The Constitution has supreme legal authority and no laws, administrative regulations, local regulations, autonomous regulations or separate regulations or rules may contravene the Constitution. Laws shall prevail over administrative regulations, local regulations and rules. Administrative regulations shall prevail over local regulations and rules. Local regulations shall prevail over the rules formulated by the local people’s governments at the corresponding level and lower levels. The rules enacted by the people’s governments of the provinces and autonomous regions shall prevail over those enacted by the people’s governments of the cities divided into districts and autonomous prefectures within their respective administrative regions.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

The NPC has the power to amend or annul any inappropriate laws formulated by the NPCSC, and to annul any autonomous regulations and separate regulations which have been approved by the NPCSC, but which contravene the Constitution and the Legislation Law. The NPCSC has the power to annul administrative regulations that contravene the Constitution and laws, to annul local regulations that contravene the Constitution, laws and administrative regulations, and to annul autonomous regulations and 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 Constitution and the Legislation Law.

The State Council has the power to amend or annul any inappropriate ministerial rules and rules of local governments. The people's congresses of provinces, autonomous regions and municipalities directly under the Central Government have the power to alter or annul any inappropriate local regulations enacted and approved by their respective standing committees. The standing committees of the local people's congresses have the power to annul inappropriate rules enacted by the people's governments at the corresponding level. The people's governments of provinces and autonomous regions have the power to amend or annul any inappropriate rules enacted by the people's governments at a lower level. The authorising authority have the power to annul any rules enacted by the authorised authority that exceeds the scope of authorisation or contravenes the purpose of authorisation and may annul the authorisation where necessary.

According to the Constitution and the Legislation Law, the power to interpret laws belongs to the NPCSC. According to the Resolution of the NPCSC Regarding the Strengthening of Interpretation of Laws (《全國人民代表大會常務委員會關於加強法律解釋工作的決議》) passed by the NPCSC and effective on June 10, 1981, the NPCSC shall give interpretation and make provisions by means of decrees on issues related to the further clarification or supplement of laws or decrees. The Supreme People's Court shall interpret all issues involving the specific application of laws and decrees in court trials. The Supreme People's Procuratorate shall interpret all issues involving the specific application of laws and decrees in the procuratorial work. If there are principled differences in the interpretation of the Supreme People's Court and the Supreme People's Procuratorate, they shall be submitted to the NPCSC for interpretation or decision. Issues involving the specific application of laws and decrees in areas unrelated to judicial and procuratorial work shall be interpreted by the State Council and competent authorities. Where the scope of local regulations needs to be further defined or additional stipulations need to be made, the standing committees of the people's congresses of provinces, autonomous regions and municipalities directly under the Central Government which have enacted these regulations shall provide interpretations or make the stipulations. Issues involving the specific application of local regulations shall be interpreted by the competent departments of the people's governments of provinces, autonomous regions and municipalities directly under the Central Government.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

THE PRC JUDICIAL SYSTEM

According to the Constitution and the Organic Law of the People’s Courts of the PRC (《中華人民共和國人民法院組織法》) lastly amended by the NPCSC on October 26, 2018 and effective on January 1, 2019, the people’s court is made up of the Supreme People’s Court, the local people’s courts, and other special people’s courts. The local people’s courts are 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 higher levels shall supervise the judicial work of the people’s courts at lower levels.

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

Pursuant to the Civil Procedure Law of the PRC (《中華人民共和國民事訴訟法》), or the “Civil Procedure Law” lastly amended by the NPCSC on September 1, 2023 and effective on January 1, 2024, the people’s courts employ a two-instance trial system in hearing civil cases in accordance with the law. Judgements or rulings of the second instance at the people’s courts are final. Where a party refuses to accept the judgement of first instance rendered by a local people’s court, such party shall have the right to present a protest to the people’s courts at the next higher level within 15 days from the date of service of the written judgement. Where a party refuses to accept the ruling of first instance rendered by a local people’s court, such party shall have the right to present a protest to the people’s courts at the next higher level within 10 days from the date of service of the written judgement. If, however, the president of a people’s court at any level finds any definite error in a legally effective judgement, ruling and mediation agreement of such court, or if the Supreme People’s Court finds any definite error in a legally effective judgement, ruling and mediation agreement in people’s courts at all levels, or if the people’s courts at the next higher level finds any definite error in a legally effective judgement, ruling and mediation agreement of the people’s court at a lower level, a retrial procedure may be instituted. Where a people’s procuratorate at any local level finds any definite error in a judgement or ruling of first instance rendered by the people’s court at the corresponding level, the people’s procuratorate shall present a protest to the people’s courts at the next higher level. Where the Supreme People’s Procuratorate finds that a legally effective judgement or ruling rendered by a people’s court at any level falls under any of the circumstances as stipulated in Article 211 of the Civil Procedure Law or that a mediation agreement impairs national interests or the social public interest, or where a people’s

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

procuratorate at a higher level finds that a legally effective judgement or ruling rendered by a people's court at a lower level falls under any of the circumstances as stipulated in Article 211 of the Civil Procedure Law or that a mediation agreement impairs national interests or the social public interest, a protest procedure shall be instituted.

The Civil Procedure Law sets forth the requirements for instituting a civil action, the jurisdiction of the people's courts, civil procedures, as well as the procedures for the enforcement of a civil judgement. All parties to a civil action conducted within the PRC must comply with the Civil Procedure Law. Civil cases are generally heard by the courts where the defendants are located. The parties to a dispute over a contract or other property rights and interests may, by written agreement, choose the people's court of a place with an actual connection to the dispute, such as the defendant's place of domicile, the place where the contract is performed or signed, the plaintiff's place of domicile, or the object of the action is located. However, the choice of the court cannot conflict with the regulations on hierarchical jurisdiction and exclusive jurisdiction.

A foreign individual, a person without nationality, a foreign enterprise or a foreign organisation has the same litigation rights and obligations as a PRC citizen, legal person or other organizations when initiating or defending any proceedings at a people's court. If a foreign court limits the litigation rights of PRC citizens, legal persons and other organizations, the PRC court may apply the same limitations to the citizens, enterprises or organizations of such foreign country. A foreign individual, a person without nationality, a foreign-invested enterprise or a foreign organisation must engage a lawyer from the PRC if such person needs to engage a lawyer in initiating or defending any proceedings at a people's court. Under an international treaty or the principle of reciprocity signed or acceded to by the PRC, the PRC people's court and foreign courts may require each other to act on their behalf to serve documents, conduct investigations, collect evidence and take other actions on behalf of each other. If the request by a foreign court would result in the violation of the PRC's sovereignty, security or public interest, the people's court shall decline the request.

The parties concerned must comply with legally effective judgements or rulings in civil cases. If any party to a civil action refuse to comply with the aforesaid judgements or rulings, the other party may apply to the people's court for enforcement within two years. Suspension or disruption of the time limit for applying for such enforcement shall be governed by the provisions of the applicable law concerning the suspension or disruption of the time-barring of actions. Where a party concerned seeks to enforce a legally effective judgement or ruling of a people's court against a judgement debtor who or whose property is located outside the territory of the PRC, the party may apply to a foreign court with jurisdiction over the recognition and enforcement of such judgement or ruling, or the people's court may, in accordance with the provisions of international treaties concluded or acceded to by the PRC or based on the principle of reciprocity, request the foreign court to recognise and enforce the judgement or ruling. Where a legally effective judgement or ruling rendered by a foreign court requires recognition and enforcement by a people's court, the party concerned may either directly apply to an intermediate people's court with jurisdiction for over the recognition and

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

enforcement of such judgement or ruling, or the foreign court may, in accordance with the provisions of the international treaties concluded or acceded to by both that country and the PRC or based on the principle of reciprocity, request the people’s court to recognise and enforce the judgement or ruling. After a people’s court examines an application or a request for the recognition and enforcement of a legally effective judgement or ruling rendered by a foreign court in accordance with the international treaties concluded or acceded to by the PRC or based on the principle of reciprocity, if it holds that the judgement or ruling does not violate the basic principles of the PRC law nor impair the PRC’s national sovereignty, security or social public interests, it shall rule to recognise its validity; where enforcement is required, it shall issue an enforcement order and enforce the same in accordance with the relevant provisions of the Civil Procedure Law.

ARBITRATION AND ENFORCEMENT OF ARBITRAL AWARDS

Pursuant to the Arbitration Law of the PRC (《中華人民共和國仲裁法》), or the “Arbitration Law” last amended by the NPCSC on September 1, 2017 and effective on January 1, 2018, contractual disputes and other disputes over property rights and interests arising between citizens, legal persons and other organizations with equal subject status shall be arbitrable. Where the parties concerned choose to resolve their disputes by arbitration, they shall act on the basis of mutual consent and conclude an arbitration agreement. Where a party applies for arbitration without an arbitration agreement, the arbitration commission will not accept the application. Where the parties concerned have concluded an arbitration agreement and one party initiates a lawsuit with a people’s court, the people’s court will not accept the case, unless the arbitration agreement is invalid.

In accordance with the Arbitration Law, the arbitration system follows the principle of finality upon a single award. Where a party applies for arbitration or initiates a lawsuit with a people’s court in respect of the same dispute after an award is rendered, the arbitration commission or the people’s court will not accept the application or the case. Where an award is legally annulled or not enforced by a people’s court upon ruling, a party may, in respect of such dispute, apply for arbitration on the basis of a newly concluded arbitration agreement between both parties, or initiate a lawsuit with a people’s court. The parties concerned shall perform the award. If a party fails to perform the award, the other party may apply to a people’s court for enforcement in accordance with the relevant provisions of the Civil Procedure Law. The people’s court that accepts the application shall enforce the award.

Pursuant to the Civil Procedure Law, where an award is rendered by a PRC foreign-related arbitration institution, the parties concerned shall not initiate a lawsuit with a people’s court. If a party fails to perform an arbitration award, the other party may apply to the intermediate people’s court at the domicile of the respondent or the place where the respondent’s property is located for enforcement.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Where a respondent adduces evidence proving that an award rendered by a PRC foreign-related arbitration institution falls under any of the following circumstances, the people’s court may rule not to enforce the award upon examination and verification: no arbitration clause was agreed upon in the contract between the parties or no written arbitration agreement was concluded subsequently; the respondent was not given notice of the appointment of an arbitrator or the conduct of the arbitration proceedings, or was unable to present its case due to other reasons not attributable to the respondent; the composition of the arbitral tribunal or the arbitration procedure was inconsistent with the arbitration rules; the matters decided in the award exceed the scope of the arbitration agreement or are beyond the arbitral authority of the arbitration institution.

Where a party concerned seeks to enforce a legally effective arbitration award lawfully rendered within the territory of the PRC against a judgement debtor who or whose property is located outside the territory of the PRC, the party may apply to a foreign court with jurisdiction over the recognition and enforcement of such award. Similarly, where a legally effective judgement or ruling rendered by a foreign court requires recognition and enforcement by a people’s court, the party concerned may either directly apply to an intermediate people’s court with jurisdiction for over the recognition and enforcement of such judgement or ruling, or the foreign court may, in accordance with the provisions of the international treaties concluded or acceded to by both that country and the PRC or based on the principle of reciprocity, request the people’s court to recognise and enforce the judgement or ruling.

Pursuant to the Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Chinese 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》) issued by the Supreme People’s Court on January 24, 2000 and effective on February 1, 2000, as well as the Supplementary Arrangement of the Supreme People’s Court on Mutual Enforcement of Arbitral Awards between the Chinese 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》) issued by the Supreme People’s Court on November 26, 2020 and effective on November 27, 2020 and May 19, 2021 respectively, arbitral awards rendered by arbitration institutions in the Chinese Mainland may be applied for enforcement in Hong Kong, and arbitral awards rendered in Hong Kong may likewise be applied for enforcement in the Chinese Mainland.

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

A joint stock limited company established in the Chinese Mainland seeking a listing on Hong Kong Stock Exchange is mainly subject to the following laws and regulations of the Chinese Mainland.

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

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

The Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and its interpretative guidelines promulgated by the CSRC on February 17, 2023 and effective on March 31, 2023 were applicable to the direct and indirect overseas offering and listing of the domestic companies’ securities.

According to the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and its interpretative guidelines, where a domestic company directly conducts offering and listing overseas, it shall formulate its Articles of Association in line with the Guidelines for the Articles of Association of Listed Companies (《上市公司章程指引》) issued by the CSRC as revised and effective from time to time, replacing 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》) which ceased to apply from March 31, 2023.

Set out below is a summary of the major provisions of the Company Law, the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and the Guidelines for the Articles of Association of Listed Companies which are applicable to our Company.

General Provisions

Shareholders individually or jointly holding 10% or more of a company’s shares may, 10 days before the convening of a shareholders’ meeting, submit interim proposals in writing to the Board. An interim proposal shall have a clear topic and specific matters for resolution. The Board shall, within two days after receiving the proposal, notify other shareholders and submit the interim proposal for deliberation at the shareholders’ meeting, unless the interim proposal violates laws, administrative regulations, or the company’s Articles of Association, or falls outside the scope of authority of the shareholders’ meeting. A company shall not raise the shareholding ratio of a shareholder submitting a temporary proposal.

Pursuant to the Company Law, where a shareholder entrusts an agent to attend a shareholders’ meeting, the shareholder shall specify the matters, scope of authority and term of the agency entrusted to the agent. An agent shall submit a shareholder’s power of attorney to the company and exercise voting rights within the scope of the authorisation.

Pursuant to the Company Law, a shareholder attending a shareholders’ meeting shall have one vote for each share held, except for holders of classified shares. The shares held by the company do not carry voting rights.

For the election of directors and supervisors by a shareholders’ meeting, a cumulative voting system may be implemented in accordance with the provisions of the Articles of Association or a resolution of the shareholders’ meeting. The cumulative voting system means that each share during the election of directors or supervisors at a shareholders’ meeting shall have the same number of voting rights as the number of directors or supervisors to be elected. The voting rights held by a shareholder may be exercised collectively.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Pursuant to the Company Law and the Guidelines for the Articles of Association of Listed Companies, any resolution adopted by a shareholders' meeting shall be passed by a majority of the voting rights held by the shareholders present at the meeting.

Resolutions of the shareholders' meeting on amendments to the Articles of Association, increase or reduction of registered capital, as well as merger, demerger, dissolution or change in form of the company shall be approved by two-thirds or more of the voting rights held by the shareholders present at the meeting.

Directors

Under the Company Law, a joint stock limited company shall have a Board, which consists of more than three members. The term of office of a director shall be stipulated in the Articles of Association, but each term of office shall not exceed three years. Directors may serve consecutive terms if re-elected upon expiry thereof.

Board meetings shall be convened at least twice a year. All directors and supervisors shall be notified 10 days before every meeting. Shareholders representing more than one-tenth of the voting rights, more than one-third of directors, or the Supervisory Committee may propose to convene an extraordinary Board meeting. The Chairperson of the Board shall convene and preside over a Board meeting within 10 days upon receipt of such a proposal. For the convening of an extraordinary Board meeting, the method and time limit for notifying directors may be separately determined.

The Board exercises the following functions and powers: (i) to convene shareholder's meetings and report its work to the shareholder's meeting; (ii) to implement the resolutions of the shareholder's meeting; (iii) to decide on the company's business plans and investment plans; (iv) to formulate the company's proposals for profit distribution and loss recovery; (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 merger, demerger, dissolution or change in form of the company; (vii) to decide on the internal management structure of the company; (viii) to decide on the appointment or dismissal of the manager of the company and their remuneration; to decide on the appointment or dismissal of the deputy manager and financial officer of the company based on the nomination of the manager and as well as remuneration; (ix) to formulate the company's basic management system; (x) other functions and powers specified in the Articles of Association or granted by the shareholders' meeting.

A Board meeting shall be held only if more than half of the directors are present. A resolution of the Board shall be adopted only with the approval of more than half of all directors. Directors shall attend Board meetings in person. If a director is unable to attend a Board meeting, he/she may appoint another director by a power of attorney specifying the scope of the authorisation for another director to attend the meeting on his/her behalf. Directors shall be liable for resolutions adopted at Board meetings. If a resolution of the Board violates laws, administrative regulations, the Articles of Association, and resolutions of shareholders'

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

meetings, and as a result of which the company suffers serious losses, the directors participating in the resolution shall be liable to compensate the company. However, if it can be proved that a director expressly objected to the resolution when the resolution was voted on, and that such objection was recorded in the minutes of the meeting, such director may be exempt from the liability.

Under the Company Law, the following persons may not serve as directors of a company: (i) persons without capacity or with restricted capacity; (ii) persons who have been sentenced to criminal penalties for crimes such as embezzlement, bribery, property misappropriation, property diversion, or disruption of the socialist market economic order, or who have been deprived of political rights for criminal offenses, provided that less than five years have elapsed since the completion of their sentence, or, in the case of suspension of sentence, less than two years have elapsed since the expiration of the suspension period; (iii) persons who are directors, factory managers or managers of a company or an enterprise which has become bankrupt and has been liquidated and who are personally liable for the bankruptcy of such company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise; (iv) persons who were legal representatives of a company or an enterprise which had its business license revoked due to violation of the law and had been closed down by order, and who are personally liable, where less than three years have elapsed since the revocation of the business license of the company or enterprise or the order for closure; (v) being listed as one of dishonest persons subject to enforcement by the People's Court due to their failure to pay off a relatively large amount of due debts.

The Board shall have one Chairperson and may have one or more Vice Chairpersons. The Chairperson and Vice Chairpersons are elected by the Board with the affirmative votes of more than half of all the directors. The Chairperson shall exercise the following functions and powers (including but not limited to): (i) presiding over shareholders' meetings and convening and presiding over Board meetings; (ii) urging and examining the implementation of resolutions of the Board; (iii) exercising other powers conferred by the Board.

Audit Committee

A joint stock limited company may, in accordance with of its Articles of Association, establish an Audit Committee composed of directors under the Board instead of a Supervisory Committee or supervisors to exercise the functions and powers of the Supervisory Committee as stipulated by this Law.

The Audit Committee shall consist of more than three members, a majority of whom shall not hold any position in the company other than a director and shall not have any relationship with the company that may impair their independent and objective judgement. Employee representatives among the members of the Board may serve as members of the Audit Committee. A resolution of the Audit Committee shall be passed by a majority of its members. In voting on a resolution of the Audit Committee, one person shall be entitled to only one vote.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Unless otherwise provided for by the Company Law, the methods of deliberation and voting procedures of the Audit Committee shall be prescribed by the Articles of Association.

Manager and Senior Management

Under the Company Law, a joint stock limited company shall have one or more managers, who shall be appointed or the removed by the Board. The managers shall report to the Board and exercise functions and powers according to the Articles of Association or the authorisation of the Board. A manager shall attend a Board meeting as a non-voting participant.

Under the Company Law, senior management refers to a company's managers, deputy managers, financial controller, secretary of the Board, and other personnel as stipulated in the Articles of Association.

Obligations of Directors and Senior Management

According to the Company Law, directors and senior management have a duty of loyalty to the company. They shall take measures to avoid conflicts between their own interests and those of the company and shall not abuse their powers to seek improper benefits. Directors and senior management have a duty of diligence to the company and shall, in performing their duties, exercise the reasonable care typically expected of management personnel in the best interests of the company.

Directors and senior management are prohibited from: (i) embezzling the company's property or misappropriating of the company's funds; (ii) depositing the company's funds into accounts under their own names or the name of other individuals; (iii) giving bribes or accepting any other illegal proceeds by taking advantage of their functions and powers; (iv) accepting and possessing commissions paid by a third party for transactions with the company; (v) divulging confidential information of the company without authorisation; (vi) engaging in other acts in violation of their duty of loyalty to the company.

If any director or senior management directly or indirectly concludes a contract or conducts a transaction with the company, they shall report the matters relating to the conclusion of the contract or transaction to the Board or the shareholders' meeting, subject to the approval of the Board or the shareholders' meeting according to the Articles of Association.

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

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Directors and senior management may not abuse their powers to seek any business opportunity that belongs to the company for themselves or any other person, except for any of the following circumstances: (i) where they have reported to the Board or the shareholders' meeting and have been approved by a resolution of the Board or the shareholders' meeting according to the Articles of Association; (ii) where the company cannot make use of the business opportunity as stipulated by laws, administrative regulations or the Articles of Association.

Where any director or senior management person fails to report to the Board or the shareholders' meeting and have been approved by a resolution of the Board or the shareholders' meeting according to the Articles of Association, they may not engage in any business that is similar to that of the company where they serve for themselves or for any other person.

Where any director or senior management person violates laws, administrative regulations, or the Articles of Association during their performance of duties, they shall be liable for compensation if any loss is caused to the company.

Finance and Accounting

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

A joint stock limited company shall make its financial and accounting reports available at the company for inspection by the shareholders 20 days before the convening of an annual shareholders' meeting. A joint stock limited company issuing its shares in public shall publish its financial and accounting reports.

When distributing each year's after-tax profits, the company shall set aside 10% of its profits into its statutory reserve fund. The company may no longer withdraw statutory reserve fund if it has accumulated to more than 50% of the registered capital. If the statutory reserve fund of the company is insufficient to make up for the losses of the previous years, the current year's profits shall be used to make up for the losses before the statutory reserve is accrued in accordance with the preceding paragraph.

After the company has made an allocation to the statutory reserve fund from the after-tax profits, it may also set aside discretionary reserve from its after-tax profits upon a resolution of the shareholders' meeting.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

The premium over the nominal value of the shares of a joint stock limited company from the issue of shares, the amount of share proceeds from the issuance of no-par shares that have not been credited to the registered capital and other incomes required by the financial department of the State Council to be treated as the capital reserve fund shall be accounted for as the capital reserve fund of the company.

The reserve fund of the company shall be used to make up losses, expand production operations or increase capital of the company. Where the reserve fund of a company is used for making up losses, the discretionary reserve and statutory reserve shall be firstly used. If losses still cannot be made up, the capital reserve can be used according to the relevant provisions. Where the statutory reserve fund is converted to increase registered capital, the balance of the statutory reserve fund shall not be less than 25% of the company's registered capital before such conversion.

A company shall not maintain any separate accounting books other than the statutory accounting books. No company funds may be deposited under any account opened in any individual's name.

Appointment and Dismissal of Accounting Firms

Pursuant to the Company Law, the engagement or dismissal of an accounting firm responsible for a company's auditing shall be determined by the shareholders' meeting, the Board or the Supervisory Committee in accordance with the Articles of Association. When a company's shareholders' meeting, Board or Supervisory Committee votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its own opinions. A company shall provide true and complete accounting documents, accounting books, financial accounting reports and other accounting information to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them.

The Guidelines for the Articles of Association provides that a company guarantees to provide true and complete accounting vouchers, accounting books, financial accounting reports and other accounting materials to the accounting firm engaged by it, and shall not refuse, conceal or misrepresent them. The audit fee of the accounting firm shall be decided by the shareholders' meeting.

Distribution of Profits

Pursuant to the Company Law, a joint stock limited company shall distribute profits in proportion to the shares held by its shareholders, except where the Articles of Association of the joint stock limited company provides otherwise for profits distribution not in proportion to shareholdings. Profits shall not be distributed in respect of the shares held by a company itself.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Under the Company Law, where a company distributes profits to shareholders in violation of the provisions of the Company Law, the shareholders shall refund improperly distributed profits to the company. If such a distribution causes losses to the company, the shareholders and the liable directors, supervisors and senior management shall be liable for compensation.

Dissolution and Liquidation

Under the Company Law, if a company is dissolved for the following reasons: (i) the term of business stipulated in the Articles of Association has expired or other events of dissolution specified in the Articles of Association have occurred; (ii) the shareholders' meeting resolves to dissolve the company; (iii) dissolution is necessary due to a merger or demerger of the company; (iv) the business license is revoked, or the company is ordered to close down or is revoked in accordance with the law; (v) the company encounters serious difficulties in its operation and management and its continuance will cause a significant loss in the interest of shareholders, which cannot be resolved through other means, shareholders who hold more than 10% of the total shareholders' voting rights of the company may present a petition to the People's Court for dissolution of the company.

Where a company has any of the dissolution causes as prescribed above, it shall publicize such causes through the National Enterprise Credit Information Publicity System within ten days.

Where a company is dissolved pursuant to items (i), (ii) above and has not yet distributed its assets to shareholders, it may continue to exist by amending its Articles of Association or adopting a resolution at a shareholders' meeting, and such amendment to the Articles of Association or resolution of the shareholders' meeting shall be passed by more than two-thirds of the voting rights held by the shareholders present at the meeting.

Where a company is dissolved pursuant to items (i), (ii), (iv) or (v) above, it shall be liquidated. Directors, who are the liquidation obligors of the company, shall form a liquidation group to carry out liquidation within 15 days from occurrence of the cause of dissolution. The liquidation group shall be composed of the directors, unless it is otherwise provided for in the Articles of Association or it is otherwise elected by the shareholders' meeting. The liquidation obligors shall be liable for compensation if they fail to fulfil their obligations of liquidation in a timely manner, and thus any loss is caused to the company or the creditors.

Where the liquidation group fails to be formed within the time limit or fails to carry out the liquidation after its formation, interested parties may request the People's Court to designate relevant persons to form a liquidation group to for liquidation. The People's Court shall accept such request and organise the liquidation group to carry out the liquidation in a timely manner.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

The liquidation group exercises the following functions and powers during the liquidation period: (i) to liquidate the company's property and respectively prepare a balance sheet and an inventory of assets; (ii) to notify creditors by notice or public announcement; (iii) to deal with the outstanding business of the company involved in the liquidation; (iv) to pay all outstanding taxes and taxes arising in the course of liquidation; (v) to liquidate claims and debts; (vi) to distribute the remaining property of the company after paying off debts; (vii) to participate in civil litigations on behalf of the company.

The liquidation group shall notify the company's creditors within 10 days as of its formation and shall make a public announcement in the newspaper or on the National Enterprise Credit Information Publicity System within 60 days. The creditors shall file their proofs of claim with the liquidation group within 30 days as of the receipt of the notice or within 45 days as of the issuance of the public announcement in the case of failing to receive such notice.

The remaining property of the company after the payment of liquidation expenses, employees' wages, social insurance expenses and statutory compensation, outstanding taxes and the company's debts, shall be distributed to shareholders in proportion to their shareholdings. During the liquidation period, the company shall continue to exist but shall not carry out any business activities unrelated to the liquidation. The company's assets shall not be distributed to the shareholders before liquidation in accordance with the preceding paragraph.

If the liquidation group, after thoroughly examining the company's assets and preparing a balance sheet and an inventory of assets, discovers that the company's assets are insufficient to pay its debts in full, it shall file an application to the People's Court for bankruptcy liquidation. After the People's Court accepts the application for bankruptcy, the liquidation group shall hand over the liquidation matters to the bankruptcy administrator designated by the People's Court.

Upon completion of the liquidation, the liquidation group shall prepare a liquidation report. Such report shall be submitted to the shareholders' meeting or the People's Court for confirmation and submitted to the company registration authority to apply for registration cancellation of the company.

The members of the liquidation group perform their duties of liquidation and are obliged to loyalty and diligence. Any member of the liquidation group who neglects to fulfil their liquidation duties and thus causes any loss to the company shall be liable for compensation; and any member of the liquidation group who cause any loss to any creditor due to their intentional or gross negligence shall be liable for compensation.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

Overseas Listing

According to the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, where an issuer makes an overseas initial public offering or listing, it shall file with the CSRC within 3 working days after submitting the application documents for overseas issuance and listing. If an issuer issues securities in the same overseas market after overseas issuance and listing, it shall file with the CSRC within 3 working days upon completion of the issuance. If an issuer issues and lists in other overseas markets after overseas issuance and listing, it shall be filed in accordance with the provisions of the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises. Moreover, if the filing materials are complete and meet the requirements, the CSRC shall complete the filing within 20 working days from the date of receiving the filing materials and publicize the filing information through the website. If the filing materials are incomplete or do not meet the requirements, the CSRC shall inform the issuer of the materials to be supplemented within 5 working days after receiving the filing materials. The issuer shall supplement the materials within 30 working days.

Loss of Share Certificates

Under the Company Law, if a share certificate is stolen, lost or destroyed, the shareholder may apply to the People’s Court for a declaration of the invalidity of such share certificate in accordance with the public notice procedures as prescribed in the Civil Procedure Law. After the People’s Court declares such share certificate invalid, the shareholder may apply to the company for a replacement share certificate.

Suspension and Termination of Listing

The Company Law has deleted provisions governing suspension and termination of listing. The Securities Law of the PRC 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. The Company shall comply with the provisions on the suspension and termination of listing set forth in the Rules Governing the Listing of Stocks on Growth Enterprise Market of Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》) in respect of its A-shares.

According to the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises, 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.

APPENDIX IV

SUMMARY OF PRINCIPAL LAWS AND REGULATORY PROVISIONS

SECURITIES LAW AND REGULATIONS

The primary legal basis for the issuance, trading and other market activities of securities within the territory of the PRC is the Securities Law of the PRC (《中華人民共和國證券法》) (hereinafter referred to as the “Securities Law”), which was revised by the NPCSC on December 28, 2019 and came into effect on March 1, 2020. The Securities Law sets forth comprehensive provisions on the issuance, listing and trading of securities, information disclosure, the acquisition of listed companies, investor protection, securities service institutions, stock exchanges, securities regulatory authorities and other relevant matters.

The State Council and its subordinate securities regulatory authority, the China Securities Regulatory Commission (the “CSRC”), have, pursuant to the authorisation under the Securities Law, formulated and implemented a series of supporting administrative regulations, departmental rules and normative documents to specifically regulate the conduct of all participants in the securities market.

In respect of the overseas issuance of securities and listing by domestic enterprises, the primary regulatory provisions are the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and its supporting guidelines, which were issued by the CSRC on February 17, 2023 and came into force on March 31, 2023. These Measures have established a regulatory regime centred on the filing-based system, replacing the prior approval or verification requirements set forth in certain existing provisions.

The Company listed on the Hong Kong Stock Exchange shall, in addition to complying with the relevant rules of Hong Kong, adhere to the requirements of the aforesaid Securities Law, the Trial Measures for the Administration of Overseas Securities Offering and Listing by Domestic Enterprises and other domestic laws and regulations in respect of information disclosure, filing procedures, corporate governance and other relevant aspects.